

Answers to questions on notice – Department of Regional NSW

Transcript of evidence - Sustainability of energy supply and resources in NSW

QUESTION:

Thank you for your time, Mr Hanger and Mr Wright. You mentioned the Upper Hunter Futures Project. I might have missed it at the start. Is that currently being undertaken? And if it is, when is expected to finish?

ANSWER:

Deloitte Financial Advisory Pty Ltd was engaged by the Department of Regional NSW on 15 June 2020 to complete the Upper Hunter Futures Project. The project is intended to evaluate the current economic, planning and social landscape, provide a robust analysis of plausible scenarios for the future, and guide action towards achieving economic diversification and resilience.

Deloitte, following a period of research and stakeholder engagement including key industries and Local and State Government, and community, delivered the draft report to the Department of Regional NSW on 18 September 2020. The report is currently being reviewed by the Department of Regional NSW and is yet to be finalised.

QUESTION:

What has been the employment rate impact as a result of your projects? I am asking whether you fund a particular project and it employs a particular individual for a certain time. Has that then led to much longer term employment post the project actually being complete or funded? What has been the employment rate impact as a result of your projects? I am asking whether you fund a particular project and it employs a particular individual for a certain time. Has that then led to much longer term employment post the project actually being complete or funded?

ANSWER:

All projects funded under Resources for Regions Round One to Six were independently assessed by Infrastructure NSW as meeting the Restart NSW Fund requirements, including that they would improve economic growth and productivity in NSW as required under the Restart NSW Fund Act (2011).

All projects provided projected construction and ongoing employment figures as part of their application.

While it is generally accepted that investment in productive infrastructure results in increased employment outcomes, it is not possible to correlate an impact on employment rates directly with the investments made by the Resources for Regions Program given the multitude of other factors that can impact employment rates in a community.

In times of extreme volatility in the labour force data, as is currently being experienced due to COVID-19, data in 12-month moving average (12mma) terms will not accurately or quickly detect large changes in the underlying data.

Original data better align with state-level seasonally adjusted data but are unadjusted, and are therefore affected by systematic calendar related effects, short-term irregular influences, and long-term trend behaviour.

Even in these extremely challenging economic times, several NSW regions recorded improvements in original data employment related statistics, e.g.:

- Greater Illawarra employment increased by 15,300 (+7.5%) over the year to August 2020, rising to 220,700 people. The unemployment rate decreased to 6.1% (-1.6ppts) while the participation rate rose to 60.5% (+2.8ppts).
- Central West had the highest participation rate (65.8%) of all Regional NSW SA4s in August 2020 in original terms, followed by Illawarra (65.1%) and Riverina (64.8%). Far West and Orana witnessed the largest increase in respective participation rates (+5.6ppts) over the year to August 2020 in original terms, followed by Illawarra (+3.3ppts).