

**Submission  
No 17**

## **ESTABLISHMENT OF SPECIAL ECONOMIC ZONES**

**Organisation:** Narrandera Shire Council  
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The Chair, Committee on Economic Development,  
Parliament House,  
Macquarie Street,  
Sydney NSW 2000



Dear Chair Committee on Economic Development

**RE: Submissions to Inquiry into Special Economic Zones**

The Narrandera Shire covers an approximate area of 4000 square kilometres located in the Murrumbidgee Valley and is situated in the heart of the Riverina region on the junction of the Newell and Sturt Highways and lies half way between Wagga Wagga and Griffith. Narrandera has an aging and static population, which is a little over 6000 and confronts the typical socio economic issues faced by many rural centres around Australia. A proportion of the Shire which adjoins the Leeton Shire is comprised of irrigating farmland. The main industries in Narrandera Shire are agriculturally farmland based which have flow on impacts in supporting numerous other small businesses such as trucking, supply and service enterprises. Communities and businesses are therefore highly dependent on the agricultural sector – it is the key driver of most of our region's rural economies.

In addition, a large feedlot known as Riverina Beef (subsidiary of JB Swift Australia Pty Ltd) is positioned just within Leeton Shire (Yanco) on the border of the Narrandera Shire and would be the largest employer for both Shires. This industry is a large water user and is dependent on certainty in this regard for any future business investment and growth. Our region has just emerged from an eight year drought and now experiencing floods. In amongst this there has been the global financial crisis and now the current world economic uncertainty with the European and United States debt crisis. The results of this mean, that at present, there is little to no investment, development and job creation in our Shire, as well as adjoining Shires, all of this uncertainty is being exacerbated by the uncertainties of the Murray Darling Basin Plan proposal.

A further concern is that the long term security and sustainability of Australian food production is seen as absolutely critical to our State and national interests – both in terms of our economy and in protecting against the potential for future world instability. The Murrumbidgee Valley is presently one of the most efficient and productive food growing regions in Australia and food security should be a critical part of this.

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Council wishes to convey that the impact of global economic uncertainty and government policy is creating a great deal of angst and further exacerbating worsening local economic development and a crisis in confidence within the local community. There is already a spiralling downward trend in property values, closures in main street shops and virtually no development, investment or job growth.

It has been stated that the Australian economy is presently a two speed economy with the mining industry experiencing a boom and the rest with little or no growth. The latter situation is no more evident to what is being experienced within the Narrandera Shire and neighbouring Councils. Council has experienced staff leaving to work in the mines and this would not be unique to our Shire where skilled labour has left the township.

The following is a dot point summary of issues concerning our Shire:

- It is difficult to attract professional and technically skilled people to regional areas, as many areas are seen as being in decline or have an uncertain future.
- There is a correlating change in the social structure of towns. As industries decline there is a move of professional and skilled workers and businesses to regional or metropolitan centres. This is causing an increase in the proportion of remaining people in towns reliant on welfare.
- Young people will relocate from most regional areas to seek more stable jobs elsewhere, there is a reduction in apprenticeships and traineeships. Orderly family farm succession is undermined or uncertain about transition to the next generation.
- School and TAFE enrolments drop as students go elsewhere for opportunity. This results in less subject choices available for remaining students and even school closures. Sports clubs and community networks also suffer from lower attendance.
- Threatened communities are seeing higher levels of mental health problems and stress related conditions.
- Property values in towns are already significantly reduced.
- Reduction in participants in an area reduces the viability of secondary and tertiary service industries. For example, equipment suppliers.
- Longer, stable financial adjustment periods are required to recoup post-drought investment and farm efficiency investment.

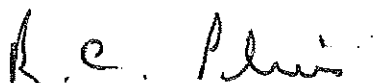
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- Loss of industry jobs have impacts on service industries and on the businesses and families that depend on those jobs and the income spent.
  - Typically indigenous people will remain in 'country'. Indigenous people want economic, social and cultural opportunities. Narrandera Shire has an indigenous population of close to 10% and unemployment is higher within this group.
  - Training and education support will also be needed to support the Aboriginal community in a changed economic and industry environment. Higher and tertiary education qualifications are vastly underrepresented with the Aboriginal population.

Council sees the need for government assistance in the cost of infrastructure in development of its industrial estate. Perhaps the government could set this assistance to rural shires with populations less than 10,000.

Additional funding to employ Community Business Development Officers would provide significant benefit to smaller regional Councils and would be of particular benefit to Narrandera Shire Council. The present method of joint funding of Road Safety Offices is an example of how State and Local Governments cooperate in such matters.

Council thanks the Committee on Economic Development and appreciates the opportunity to provide this submission.

Yours sincerely



**Ray Pluis**  
**General Manager**