

REPORT ON PROCEEDINGS BEFORE

**LEGISLATIVE ASSEMBLY COMMITTEE ON
INVESTMENT, INDUSTRY AND REGIONAL
DEVELOPMENT**

**INQUIRY INTO SUPPORT FOR DROUGHT AFFECTED
COMMUNITIES IN NEW SOUTH WALES**

Virtual hearing via videoconference on Tuesday 5 May 2020

The Committee met at 9:15

PRESENT

Mr Justin Clancy (Chair)

Mr Clayton Barr

Ms Steph Cooke

Mr Philip Donato

Mr David Harris

Mr Geoff Provest

Mr Peter Sidgreaves (Deputy Chair)

The CHAIR: Good morning everyone. I declare open the first public hearing of the inquiry of the Committee on Investment, Industry and Regional Development into support for drought-affected communities in New South Wales. Before current events transpired the Committee had planned to travel to Armidale to hear from stakeholders and community representatives about the impact of drought on communities and I am sorry that we have not been able to do that face to face. Unfortunately, we are unable to travel at this stage. However, we are grateful that representatives from the Armidale region can join us this morning through remote means.

Today the Committee will hear evidence from representatives of the New England Joint Organisation and later from the University of New England. I thank everyone who is appearing before the Committee today. We will now begin with our first witnesses.

MICHAEL WILLIAM JOHN PEARCE, Mayor, Uralla Shire Council and Chairperson, New England Joint Organisation, sworn and examined

SCOTT PHILLIPS, Acting General Manager, Uralla Shire Council, affirmed and examined

DAVID JOHN ABER, Interim Executive Officer, New England Joint Organisation, sworn and examined

The CHAIR: Before I call for an opening statement I will just introduce visually the Committee members today: Mr David Harris, Mr Geoff Provest, Mr Peter Sidgreaves, Mr Phil Donato, Ms Steph Cooke and Mr Clayton Barr. I also ask that you put your computer on mute when you are not speaking. Mr Aber, would you like to make a short opening statement before we begin the questions?

Mr ABER: Probably a bit more background on me. I have been general manager at Moree since 2001 and also in the last four or five years I have been a bit of a journeyman around the State as an acting general manager, even popping up in Steph's area for a brief while. Probably in that time here and living and based in Moree there has probably been 20 years of drought interspersed by about three floods. It is kind of like a pattern that is regular around here. But what I have noticed is that over that period of time there has been a drift of population away from the area; it has been just gradually dropping out as the farmers and the agricultural industry here gets more efficient in how it does things and gets more mechanised.

So it has had a drift of population away, and probably the biggest impact has been more about the middle class of the community in the sense that they are the people that provide the basis for the football teams, for the sporting groups and things like that, and provide community support. So it has had quite a strong effect, and also, while the economy is strong, the middle economy has been fairly vulnerable and that means our local businesses, small businesses and stuff have been particularly hit by it. Probably that is about as much as I can say.

The CHAIR: Thank you. Likewise, Mr Pearce and Mr Phillips, would you like to make an opening statement?

Mr PEARCE: I could just briefly go through our submission. As you are aware, the New England Joint Organisation covers the local government areas of Armidale, Uralla, Narrabri, Moree, Tenterfield, Inverell and Glen Innes Severn councils. The population of the joint organisation [JO] is over 100,000 and a large number of this community has been affected by drought. In our submission we spoke about key points being population loss and loss of key trades, skills and businesses and also community services such as schools and medical services; business debt, finance and responses of financial companies to the impact of drought; direct and indirect impacts of drought on businesses and industries; transition and recovery from drought when drought conditions begin to improve; preparedness for future drought events, which is extremely important; the assessment of the current government programs; temporary relief from State taxes, charges and levies from drought-affected businesses; capacity and coordination of town water supplies and further recycling opportunities and other related matters.

Just briefly, last year this area was ravaged by bushfires, which impacted on Tenterfield, Glen Innes and Armidale. Then Uralla, for my little council, we had an impact with arsenic levels in our water and now we are faced with the COVID-19 issue. So it has gone from bad to worse, but a number of points are covered in our submission and you will also see that you have submissions from Tenterfield, Moree Plains and Narrabri.

Mr PHILLIPS: The majority of my career has been spent in metropolitan councils and the majority of the last 10 years I have been general manager in two Sydney councils. I have resided overseas for the majority of the last two years and have returned to Uralla to take up an acting position for the last two months. For those reasons I will defer my opening statement to Mayor Pearce and Mr Aber.

The CHAIR: Thank you. For the first question I want to return to Mr Aber because you talked about the drift of population that you have seen, and certainly automation of agriculture plays a large part of that. In your view, have you identified ways that government may be able to assist in terms of helping make that population more sustainable?

Mr ABER: It is a difficult one, in my view. I believe that business needs support to get through and to keep going, but also as things recover there are also new opportunities. I think we need funding to let people start up again and to bring forward new business opportunities that will come out of it. I think that things are constantly moving from it. People will move away; they do not come back. About 30 per cent of the population in these areas has probably drifted away and they do not come back. Each time the areas pick themselves up a new and different economy starts to emerge from it. So I think probably what we need to do is encourage probably more self-sufficiency with small business in these areas, but also to give encouragement to people to take up the challenge and to move on, because often it can look too hard and they are burnt out and they have gone somewhere where they can get regular work to keep their families going.

We are also water dependent. When irrigation is going well things are going really well in a lot of these areas. Other areas we need to make sure that we have a decent water supply to sustain the community. Often I think there has been a strong reliance on providing it for agriculture but we need to actually reserve a portion—not a great portion but a portion for community use as well.

Mr DAVID HARRIS: Good morning, gentlemen. Thanks for joining us today. I am the Aboriginal affairs shadow Minister so my question is going to relate specifically to that, because I know the others will ask other questions about other areas. Towns like Tingha, for example, have been hit by both the drought and serious bushfires. Is there any significant impact on the Aboriginal communities up in the New England and are you seeing a drift of population away or any other significant problems manifesting from the last couple of years?

Mr ABER: I am probably not a great expert in this area but I do know that there is a drift in and out of the area from around Sydney, Taree, places like that; it can be quite a moving feast. I think one of the important things is with the changes to farming methods over the last 20 years a lot of the part-time work that used to be available for the Aboriginal community, particularly around Christmas time, is not there anymore. I think that one of the great difficulties we are having in a lot of these communities is that we need to create employment that keeps families stable and with a regular income, and that has its problems in actually getting employment pathways put into place. I know at Moree there was a program put together that provided support and mentorship to get people started in employment and to get them stabilised into actually continuing on with employment and having a regular job and working.

Mr DAVID HARRIS: On that particular program, was that subsidised by the State or the Federal government, do you know?

Mr ABER: We started it with an unemployment program and we offered it for six weeks. Basically we said if you can get through the six weeks we basically offer that there might be potential for another job in that. What we used that program for was, one, to get people just established in turning up to work regularly, being on time and all that. So if they established a regular pattern then they were invited to apply for other jobs which were like six months, and that program added mentorship, and that was done with a lot of the ramp programs with concreting work and things like that, so we could manage to do that. Then after that, if they successfully completed that program basically what the council did was allow them to apply for regular jobs within the council. A significant number went through that whole program and ended up being there. Probably the biggest success was the main street gang in Moree; they are all Aboriginal employees and they take care of the whole main street and look after it. They take a lot of pride in it, and also it has assisted us in the sense that nothing has been touched in terms of vandalism and damage as well.

Mr DAVID HARRIS: Thank you.

Mr PETER SIDGREAVES: I want to ask a question of Mayor Michael Pearce. You mentioned in your starting comments about (inaudible) and their acceptance of the government programs available for drought relief. I just wanted to ask you what are the (inaudible) members of the communities? A quick follow-up to that would be do they have any recommendations of alternative programs or additional programs?

Mr PEARCE: Was that talk about business? You break up a slight bit when you are talking.

Mr PETER SIDGREAVES: I was talking about both business and the community.

The CHAIR: That was a little bit unclear. Mayor Pearce, if you would like to touch on the business community and, Mr Sidgreaves, if you would be prepared to text your next question and I can read it out, if needs be. But certainly I think the question was touching on the impact on business communities.

Mr PHILLIPS: Thank you, Mr Chair. I would draw to the inquiry's attention submission number eight, being from Tenterfield Shire Council and member of the New England Joint Organisation [JO]. It is not a particularly lengthy submission but it does provide a very clear analysis of the impact of the drought on local business and particularly the rural sector. There is a short submission by Ms Kristen Lovett, who has an accountancy firm in Tenterfield, referring to difficulties rural industries have with being able to access government grants; the measures that the grants require farmers and rural industry to apply when seeking grants—in particular those farmers who have had to sell up to reduce stock in the paddocks being counted as income and therefore being ineligible for grant assistance; the lack of availability of grant funding to restock when the drought is over and, as a consequence of that, the rural industries that support the agricultural base in the towns are also suffering. That clearly, of course, has a cumulative impact on wider business in towns. Whilst that is a specific difficulty in Tenterfield, I think it would be reasonable to say that there has been an impact which has been more widely experienced through the regions.

The CHAIR: Thank you. Mr Sidgreaves, I have yet to receive your text, so I might invite Mr Donato to ask his question.

Mr PHILIP DONATO: Thank you, Mr Chair, and thank you gentlemen for joining us. My question is directed to Mr Aber. You spoke earlier in your opening address about the Government funding up or doing more to fund start-ups again and you spoke about the population drift away from drought-affected communities, about 30 per cent—and I appreciate that is anecdotal. What do you think the Government can do better or do more of to assist businesses and to prevent the drifting away of population in those drought-affected areas?

Mr ABER: I think that the initial drift, it is pretty difficult to stop as people will go in search of work. If they have not got work in the local area they are going to go in search of it. I think part of the issue is that while we are dependent on agriculture in these areas, that makes us vulnerable to this sort of shift. Part of the issue that we have been thinking through and some of the issues that the JO has been discussing, particularly with recycling, is how can we actually start up other industries in the area that provides a much wider support to the community in that? Then my other comments were about, yes, I think a lot of work is being done trying to support farmers, and I know there are some difficulties with the applications, particularly with the family farmer. They are the ones that really struggle the most and they probably need advice and support and, to some degree, some of my friends that I know will not seek it without actually having to get to the end of the line before they want to do it. I did notice when I was working with Uralla that there is a significant impact that happens and some of them plan to ride through it, but sometimes they need that bit more of assistance to get them over the line and to keep going.

Mr PHILIP DONATO: Do you think that assistance has been forthcoming to date or does the Government need to do more in that space?

Mr ABER: I think there have been many attempts. I give the Government credit, there have been a lot of attempts. I think the problem has been how do we focus it and actually getting it onto the ground and achieving specific results in these areas? And each area can be quite different in terms of what their needs are. Regional development and regional organisations are probably a good point to start, but I think that we are tripping over ourselves sometimes trying to provide support, and people get very confused about where do they go, what do they need to do, and if it all looks too hard they give up, they will try something else.

Mr PHILIP DONATO: Nothing further, Mr Chair, thank you.

The CHAIR: I am just going to return to Mr Sidgreaves' question. His full question was to Mayor Pearce: How effective are the government drought relief packages to businesses and communities impacted by drought and can the mayor recommend alternative or additional relief packages? I appreciate the comments around, again, accessing grants, so just returning to that question, Mayor Pearce, would you like to respond further on that question?

Mr PHILLIPS: Mr Chair, it is Scott Phillips again. Just in concurring with the mayor, our research into the actual impacts upon local businesses, particularly in this area, is currently a work in process; we are in the process of surveying businesses, residents and the like. I would like to take that question on notice and provide further evidence in due course.

The CHAIR: Thank you. Ms Cooke, would you like to ask a question?

Ms STEPH COOKE: Good morning, gentlemen. It is good to see you again, Mr Aber, after a few months. My question I think will start with Mr Aber because it does again go back to some of your opening remarks. In your submission on pages one and two you suggest that jobs that cannot be filled could be matched to those seeking employment. Who do you think would be best placed to coordinate this suggestion?

Mr ABER: I think a lot of effort has been going through with employment agencies. I think that it probably needs a higher level than that. I think that somehow we need to, one, get that information because there are jobs that we struggle to fill in these areas and have struggled for some time. Part of that is being addressed by working on training pathways, working with TAFE, and I think that effort is starting to pick up really well and I am quite pleased with seeing some of the progress that is being made in that area. It is a bit of a marriage and it is hard to get the parties together. We have got to be able to arrange it in some way that actually helps the parties and actually do the planning that we need and do the courses. One of the great difficulties in these areas has been getting medical trainees and getting people to train out here, and there has been a lot of experience in that which could be drawn on.

Some of the skills pathways, things like that, trades, are continually needed and we need to build our trade skills base. I think that the other one is business, retail. A lot of it depends on the tourism, which is as flat as anything at the moment, but we need to build the confidence and build the skills to create a new wave of business and, post this whole COVID, bushfires, drought, everything that is impacted, particularly in regional areas, does

not point at the moment to a new recovery for some time. So we have got time. We have got time to think about this and time to work with the businesses and see where they want to go. The initiative that was done at Uralla—we have been doing a business survey looking to get their first-hand experience and their knowledge in terms of what is happening—I think we could do a lot more of that elsewhere.

Ms STEPH COOKE: Through you, Chair, could I please ask our other two people to make some comment on that as well, if they wanted to build or add to or suggest anything further than Mr Aber has?

Mr PEARCE: Just on Mr Aber's comments, we at Uralla are currently doing a business survey. So it is something as simplistic as that that I think we can do with the joint organisation as a whole because it is a large area. Although we have had a fair bit of rain, we are currently in what the country people call green drought—we have got a lot of grass there but it is still very dry. It might look good on the outside but on the inside it is not very good at all. As Mr Aber mentioned, once tourism comes back we can get the people to come back, the shops will reopen. It is a slowly step-by-step procedure. We need to get the people back, the shops all opened and we will flourish again. We will flourish but it will take some time. Any assistance that we can get from the Government we will gladly put our hands out.

Ms STEPH COOKE: Thank you, Mr Pearce. That is all from me, Chair, thank you.

The CHAIR: Mr Barr?

Mr ABER: Excuse me, Mr Chair, just one thing. It just struck me as one of the things that we need to give is hope, particularly through our businesses and stuff. I think one of the things that we tend to do with so much reporting about what the problems are, what we need to do is start thinking about them coming into these areas and start talking about how we can give these people hope for the future.

The CHAIR: I really appreciate that insight. Your thoughts around how you put that message out, I would be interested in you expanding on that a little bit further please.

Mr ABER: One of the things I have noticed in the last six months, particularly with the bushfires and stuff, is that the media hammer us in terms of the size of the emergency or the scale of the drought and we get all these images about how dry it is and people selling their stock. A lot of the business activity behind the scenes is actually managing that process, but I think that often when you continually see negative press, negative feelings and negative emotions about what is happening, we need some sort of positive counsel to move on with that. I know it is an old cliché, "I'm from the government, I am here to help you", but I am saying that we probably need to, particularly regional organisations, get out there and start saying, "We have got these tools to help you have hope in the future or to get moving to your future."

The CHAIR: Thank you, I really welcome those thoughts. Mr Barr?

Mr CLAYTON BARR: Mr Aber, just on that message of hope, and, sorry, I do not mean to rain on the parade, but this question of tourism is an important question for a lot of regions. I am from the Hunter Valley. I am here in Cessnock, in the wine country, so tourism is an important part of our economy, and it has completely dried up as well, as it should at the moment, but I guess as the restrictions are lifted we are all going to be in that field competing against each other for a limited, refined amount of tourism. Is tourism the hook that we should hang our hats on or is there something else?

Mr ABER: Yes, tourism is important—and we are in the business of sucking people out from once they have visited your area onto the New England North West—but I think basically we need to restructure a bit more about how we provide local employment opportunities, particularly around maybe some of the boutique manufacturing, boutique industries, things like that. Our economies need to restructure a bit to provide a different way of providing employment other than tourism. It is a bit like having a number of arrows in your quiver; we tend to rely on the ones that are working really well but not think about how we fill in the gap behind that in terms of what other things we can do.

I know that, while it has probably had a beating recently, things like the local brewers or the local cafes—particularly Young does a really good job with their cafes and things like that—it provides a destination point for people to come in, not just for tourism, but for recreation as well. Recreation opportunities, we have got to think about that a bit more, but also in terms of just things like boutique manufacturing, artisan, skills work, stuff like that. We need to think a bit more in those areas as well.

Mr CLAYTON BARR: This is probably a question for you, Mr Aber, but I would be happy for Mr Pearce or Mr Phillips to jump in as well. One of the major projects that is on the board at the moment is the inland rail, and I know that that is a long, slow burner, but you have just talked about manufacturing and products and I was immediately thinking about how do you get those products to market, how do you get them where they need to go, of course, which are the big major cities, I guess, a big market or internationally? Are there restrictions

or limitations on how you guys could position yourselves as some sort of little boutique manufacturing hub and specialise in a few things? Is there a gap between being able to do that and then actually getting the products to market that the Government could play a role in or assist?

Mr ABER: Probably some initial comments. I will let Michael actually come in later but I think there is scope to do that. People are doing it but it is very slow and I think they need some assistance to make it happen. I remember a survey—this is going back 10 or 12 years ago—was done in Moree council area talking about what industries were there. We discovered that there were three companies working in the shire who were providing export material into London, Paris, New York, places like that. It was all run from a family farm. So sometimes these things are out there and people are doing it. I think there are probably ways of actually taking that model and taking it a little bit further in terms of that. We are in a time now—I think that post-COVID we are probably going to be restructuring our economies quite a bit and I think we need to think about that a bit more, about how we can actually keep people in regional areas but providing maybe a world-based industry as well.

Mr CLAYTON BARR: Mr Pearce or Mr Phillips, do you have any comments on that?

Mr PHILLIPS: Thank you, Mr Barr. The comments that you have made about small business, regional business and tourism and access to that—look, clearly the impacts of COVID-19 have brought into wider focus the economic impacts that the drought has had on regional economies over the last couple of years. It certainly occurred to me as well that we will all be, as different regions, potentially competing with each other for boutique business or tourism and the like. However, perhaps there is also an opportunity as a consequence of the lack of international travel over the next probably 12—possibly 24—months for the pie to actually grow.

Australia, of course, is still a relatively wealthy country. There will still be opportunities for economic stimulus coming from COVID-19, and rather than each of the regions competing against each other for tourism dollars or boutique business for that industry, I think there is an opportunity for government to give thought to how each of the regions can gain better access to markets, how the regions can get access to ports, transport nodes and the like. I guess I am in Mr Aber's camp insofar as being optimistic about those opportunities with that government support. It is not a case that we are going to be competing with—well, we do not need to compete with each other to the extent that we possibly thought would be the case.

Mr PEARCE: Just a quick comment—where you mentioned the inland rail, there are transport hubs in plan at both Narrabri and Moree and I believe that Armidale has just set up a new industrial area. I think the intention of Armidale is to get from the market directly to the airport there. This is a future plan, so there are plans in place, but we are just taking baby steps at the moment. We have big plans with small pockets, so to speak, so we are getting there.

Mr ABER: Just a quick comment. There is a really nice model in terms of agricultural or primary produce centred around Canberra with the Canberra airport and developing export markets through there with basically paddock to plate, or product source to plate, and actually going through to export. I think that model has some opportunities for us to actually think about in other areas of what we are doing. The inland port stuff has been, probably, 10 years in the planning in terms of Moree and Narrabri and they have really got ahead of the game in trying to make sure they can make the most out of what the inland rail has to offer. They are some ideas that have just come to mind.

Mr CLAYTON BARR: I appreciate that. With your indulgence, Mr Chair—and I am very aware of the time—specifically this is a question for the team up at Uralla. You guys had the arsenic in the water and I think that the government response was very, very swift, and generally supportive. I do not seek to get into that banter but my question is: Did you see a sudden spike in people leaving the community at that time because of the water quality or did you not see a spike at all?

Mr PEARCE: Initially we did not see a spike in people leaving the area. I think it was an unfortunate set of circumstances where people belatedly accepted the fact and we were very much appreciative of the State Government for the bottled water and the funding and a group of volunteers that got in and helped distribute the bottled water. So initially, no, we do not really see a large impact of people leaving the place. It was also one of those nasty things that, touch wood, has gone but we now have in place filtration systems so that if it develops in the future we can alleviate the issue.

Mr CLAYTON BARR: Very good. Thank you, Mr Chair.

Mr GEOFF PROVEST: Gentlemen, my question relates to mental health and wellbeing that I think Mr Aber brought up—or Mr Pearce or Mr Phillips—about hope et cetera. Considering the issues that you face with drought, bushfires, the virus and so on, do you think there is sufficient awareness or sufficient programs, particularly in your outlying areas, to deal with the mental health and the wellbeing issue?

Mr PHILLIPS: I might start with that question, and could I refer the Committee to submission number 74 by Local Government NSW [LGNSW]. In that submission it details to quite a wide extent the actual mental health and wellbeing impacts on regional communities across New South Wales—beyond our region, of course. LGNSW sets out several recommendations for additional support from government which, I think, goes directly to your question, and I would very much encourage you to go to recommendation three of that submission. I think that would assist your Committee immensely.

Mr ABER: I just might add, Mr Provest, particularly with the bushfires and the drought and the stuff in smaller towns, I think that probably through local government or regional organisations we need to provide a more upfront and stronger focus on actually providing for community wellbeing and actually picking up on some of the issues in the town. Particularly with drought, because it seems to go on forever and it seems like it is never going to end at the time, but then when the rain comes it is sort of all over and we are expected to be able to feel really good and actually be able to respond to it. There is a tendency that we need to actually take stock and actually work on how we actually rebuild from there. One of the things that I know Uralla has been talking about was actually looking at how they can actually rebuild the community after the issues that they have suffered over there. One of the things that was driving that was actually looking at the business levels, that business survey as well.

Mr GEOFF PROVEST: Yes, that is probably where I was heading. If you are going to try to encourage employment and boutique industries or whatever to come to those areas, you have to create awareness in that market and that market is obviously the major cities. I would not like to move a business there if I did not feel there was hope, and with the support of local government as well, about the incentives. I guess that is where I am heading. It is more than just tourism and that. What is in it for me to start a business and employ 10 or 20 people in Uralla or Armidale, Moree or wherever, rather than keeping it back in Sydney?

Mr ABER: I think we underestimate the value of festivals, kind of like the promotional opportunities you can have with holding a festival in areas. I think things like that can actually encourage people to come out, people who have not had contact with the area to come out again and just get reacquainted. There are opportunities like that. It is very hard to get people back out of Sydney. The real estate market determines that if they go there they are going to stay there mostly. Getting people to move out is probably going to be for a new opportunity, a new industry or a new venture that actually adds value to whatever they are doing in Sydney.

Mr GEOFF PROVEST: It is a difficult one. Previous speakers have spoken about how successful Buy from the Bush was. It was such a simple process. It created awareness of the products out there. I believe that people in Guyra and that speak very highly of it. Do you see a role for Destination NSW sending coordinators out to assist with the rejuvenation of festivals and awareness programs?

Mr ABER: I think local, regional areas, struggle with those in actually doing it really well. There are some very successful ones but I think they struggle with the promotion back into areas that they are really trying to promote to. There is an opportunity for Destination NSW to actually get behind and provide some focused input into the metropolitan areas to actually promote it more.

The CHAIR: Gentlemen, that draws to a close the time we have available. I really appreciate your time. Thank you for appearing before the Committee today. We may send you some additional questions in writing. Your replies will form part of your evidence and will be made public. Would you be happy to provide a written reply to any further questions?

Mr PEARCE: Yes, not a problem.

Mr PHILLIPS: It is not a problem for me.

Mr ABER: Yes.

The CHAIR: Gentlemen, that does draw us to a conclusion. I really appreciate your insights and your time. Take care and all the best. I look forward to seeing you down the track. Thank you.

(The witnesses withdrew.)

BRYN GRIFFITHS, Associate Director, Communications and Events, University of New England, affirmed and examined

The CHAIR: Welcome, everyone. Mr Bryn Griffiths is with us. He is a witness on behalf of the University of New England. Mr Griffiths, thank you for your time. Before we proceed, do you have any questions about the hearing process?

Mr GRIFFITHS: No, that is fine. Thank you.

The CHAIR: Would you like to make a short opening statement before we begin the questions?

Mr GRIFFITHS: Thank you, Chair, if I may. It will probably go for about five to six minutes. Is that okay?

The CHAIR: Yes, thank you.

Mr GRIFFITHS: Good morning, everybody. My name is Bryn Griffiths. I am the Associate Director of Communications and Events at the University of New England, or UNE, and I also work directly with our Vice-Chancellor and CEO, Professor Brigid Heywood, in the capacity of industry and community engagement. As such, I also represent UNE on the Armidale Business Chamber committee and the Armidale Regional Council Regional Growth & Place Activation Peak Advisory Committee, which is quite a mouthful. As Australia's first regional university, UNE was established specifically to support regional communities. That mission continues over 65 years later, in which UNE has developed a world-class reputation for excellence in offline campus education delivery and in agricultural research. More so than any of Australia's 39 universities, UNE has skin in the game.

The university's main campus in Armidale is still under severe water restrictions due to unprecedented low rainfall, and you may be aware that the Armidale Regional Council mayor, Simon Murray, has quoted on numerous times that the lifting of level five water restrictions will not happen until the region's main water source, Malpas Dam, is over 60 per cent. It is currently sitting at 53.4 per cent. At the same time, the unprecedented dry in eastern Australia is badly damaging the livelihoods of farmers—we are all aware of that—and many regional businesses dependent on agricultural prosperity, with flow-on effects to UNE's regional student intake. We have, at capacity, about 4,500 on-campus students. There has been a significant downturn since 2017, some of which resulting from drought conditions. Drought's damage also to agricultural productivity will put long-term constraints on the ability of levy-funded agricultural research and development bodies to fund research because royalties are not coming in at a time when the need to find new answers to new challenges is increasingly acute.

UNE thus has an unusual degree of first-hand exposure to the effects of drought and, with that, a compelling need to develop solutions as an institution and on behalf of its regional stakeholders. Whilst the level five water restrictions are no longer considered front-page news, in 2019 UNE reduced its water usage by 80 per cent due to renewable energy measures implemented across our academic and residential campuses here in Armidale. One consequence is that 11 major sporting events have been cancelled over the last three months, which normally involve some 5,000 participants and spectators per week. In addition to the loss of learning opportunities there is significant loss of revenue to the university and the region. In early 2020 UNE is likely to face a \$2 million repair bill to its drought-damaged sporting facilities in initiating restoration plans.

The university has spent decades building expertise in supporting regional communities, our economies and our landscapes. Our research has had a substantial impact on agricultural productivity and supported improved management of our natural resources while the university's core business of education has added more than 15,000 university alumni to the human capital of the New England and North West regions in New South Wales. As a result, the university is well prepared to be an enabler and a partner in the delivery of any future drought resilience policies. We are a \$340 million business. We are the New England region's largest employer and we support a constellation of other businesses on the campus, including agricultural research businesses, with the New South Wales Department of Primary Industries [DPI] also situated on campus. We further support building and construction industries, caterers, child care and food retailers. Within the community we are also the major provider of sporting facilities, clubs and host of major sporting events, as mentioned, in addition to providing the only cinema in Armidale CBD. An example of our regular impact is that in just one week of conferences in 2019 we drew an estimated \$500,000 into the local economy.

UNE has developed a recognised flexible and adaptive distance education model supported by a network of study centres distributed across New South Wales. We have campuses in Tamworth, Taree and Sydney. We also have study centres in Gunnedah, Glen Innes, Tenterfield and we contribute to the Country Universities Centre [CUC] campuses in Moree, Narrabri and others across Australia. We have, annually, over 26,000 students—both

undergrad, postgrad and higher degree research as well. Our graduate employability profiles are amongst the very best in Australia, strongly due to our agricultural undergraduate university students, and we hold a number one rating in New South Wales for our overall experience, student support and teaching quality in *The Good Universities Guide*. Incidentally, we are also currently negotiating for a new campus opportunity in Tamworth, with hubs embedded in industry to further develop and scale the economic development for the whole region.

In 2019 we offered financial and practical study support to students whose ability to undertake their degree was being compromised by drought, and that support has since been extended to those now affected by bushfires. As we move towards the midst of the 2020 teaching year, early indications are that requests for financial support have doubled. This is outside of the pandemic implications, and the numbers are still coming in for our first 2020 trimester around that. As mentioned about bushfires, they only entered the national psyche very late in 2019, but they had been burning huge amounts of national park and State forest in the New England region since September. Fires were not merely of academic interest to UNE. Since September at least 80 UNE staff, who also serve as NSW Rural Fire Service volunteers, have taken leave of work to be on the fire fronts. Through our residential colleges, we supplied nearly 2,000 overnight stays to volunteer and professional firefighters from three different States and firefighting members of the NSW National Parks and Wildlife Service and Australian defence personnel. Our college kitchens supplied about 7,000 meals to those valued guests.

I could go on talking about our research contribution to agriculture. We have been involved heavily in many Cooperative Research Centres [CRCs], each having three terms each—beef, sheep and poultry—and we have a number of spin-off businesses as a result of these CRCs. Apart from DPI, which we mentioned, we also host the Agricultural Research Business Institute [ABRI], which itself hosts 21 of the beef breed societies in Australia, and the Angus society and the Hereford society are both based in town at Armidale as a result of ABRI existing at the university. We are the location for Meat and Livestock Australia. We also hold the Animal Genetics Breeding Unit. We also have the Smart Region Incubator, which has now 63 start-ups in the New England-North West, which are small business start-ups, many involved in both health and AgTech incubation small business programs.

Our research specifically to this inquiry around drought, in natural resource management and water, was a focus of UNE research long before the twenty-first century climate shifts brought this into critical focus. Currently the Commonwealth Environmental Water Office is providing \$6 million in funding to a team of UNE researchers so they can assess the effectiveness of the almost 3,000 gegalitres of environmental water annually released in the Murray-Darling river system. Meanwhile the university's freshwater ecologists are providing monitoring and management advice to local governments along the eastern seaboard, down the escarpment generally, around how to best manage the health of rivers under pressure from both population growth, declining stream flows and, more recently, ash and silt as a result of the fires in the national parks. UNE has many other significant contributions to the agricultural economy, as mentioned.

In conclusion, we play an active role as the major economic contributor to the region. We hold significant civic responsibility as community participants to the New England North West. We have over 4,000 on-campus students and over 2,800 staff living in and contributing to the local economy, and we produce important ongoing national agricultural and natural resource research. We also have existing operational teams to activate local and regional infrastructure stimulus, as evidenced by our conversations with Tamworth Regional Council and the Tamworth community for looking at a new campus in Tamworth. That is all I would like to say as an introduction. Thank you.

The CHAIR: Mr Griffiths, thank you. I appreciate those opening comments. I am interested in asking you to expand a little bit further. I appreciate the positive impact and the contribution that the university plays in regional centres. COVID, bushfires and drought force a level of examination, restructure, but potentially sometimes a rationalisation. I am particularly interested in the smaller campuses like Gunnedah that you mentioned. I am interested in you expanding on the positive impact that the university has in those smaller centres.

Mr GRIFFITHS: Yes, sure. We operate in a dual capacity with our student intake. As I have mentioned, we have 26,000 students. About 4,000 to 4,500 of those are on campus, meaning the remainder study online. There is also an indication that we are very much moving into that multimodal method of study where students are studying a hybrid—they are going home when they need to but they can also study units online. Even in the colleges here, what used to be called the junior common rooms, which were halls, have become study centres for many of the population studying online subjects and coming what is called "up top" for pracs.

In relation to these study centres in the New England North West and around the regions, they are there as a resource for students who otherwise struggle with wi-fi connectivity or as a resource to come in for tutorials. There are tutorials that are placed in groups. There is also for group sessions as well, so they can use the technology enabled in the locations for group learning as well as events. Group learning is the main thing. Up until mid-March, these were busy and active. Taree, for instance, we have over 5,000 through the door per year—not individuals

but 5,000 repeated entries through the door. The locations of these in the New England North West, for example, in Glen Innes, Gunnedah and Tenterfield are with the local libraries. So there are locations where the student cannot access the technology required.

Mr DAVID HARRIS: Thank you for joining us this morning in these strange conditions. We normally like to meet face-to-face but it all seems to be working so that is great. You have given a really useful outline of the significant economic and social value of the university to that whole region. When governments are considering drought relief and putting programs together, do you think the university sector and the impact of the university sector is properly considered? Do you think there is good interaction between all levels of government, and is there any way that could be improved?

Mr GRIFFITHS: Thank you, Mr Harris. That is a very important question. I will restrict answering as a criticism. I will let you know the challenge we have as the contributor to regional New South Wales. The Armidale region statistically is an anomaly. We have a very highly educated population as a result of the UNE campus being here, yet we still suffer from all the challenges that every other regional town in New South Wales suffers from. Whilst our gross domestic product [GDP] is reasonably successful in non-drought periods, with education being a major contributor, we do not have a big population. So if you compared us to other regional locations that have university campuses—Bathurst and Wagga—we are a lot smaller in population density.

The contribution of the university, both as the employer of the community but also as GDP for the community, is significantly higher; therefore this community is quite exposed to education as an industry. That is challenged by universities often not fitting the criteria for funding opportunities. This town struggles to activate funding or to access many funding opportunities because the one that has the most ability to activate stimulus, being the university, is knocked out of that criteria. So, yes, that is quite a challenge for this region. As I said at the start, statistically we do not fit in a box, so that makes it very hard.

Mr DAVID HARRIS: Yes, you mentioned that it was going to cost around \$2 million to get your sporting fields back up to a usable standard. That would impact back on the whole community, would it not, because I assume that those grounds are used across the community, not just exclusively for university use?

Mr GRIFFITHS: Absolutely, Mr Harris. Through the door of, let us call it UNE sport—which is a whole heap of facilities—we have about 280,000 people per year coming through that door. That is hosting major community events; UNE students are one small component of that. The irony of COVID, of course, is that nobody has touched a footy oval for the last three months, so they are actually looking better than we suspected they would. However, the water restrictions still mean that we are limited as to how much we can actually remediate these fields. But, yes, with council and the region, we are not the only contributor to sport. There are a couple of schools here that are also major contributors.

But we are embedded in all the clubs. We manage many of the sporting competitions for the whole region. Little kids' footy, junior footy, we are hosting that constantly, and that is thousands at a time that make a weekend in Armidale. We are all familiar with what an overnight stay is worth to a country town. The figures being quoted to me from Armidale Regional Council are that sporting tourism contributes about \$17 million annually to the Armidale economy. Well, since December, that triple whammy, that has been completely knocked out. There has not been a cent come in.

Mr DAVID HARRIS: Thank you very much for that answer.

Mr PETER SIDGREAVES: Mr Griffiths, my question is whether or not you are able to talk about any research that the university is doing on mental health and wellbeing in key populations, and then specifically looking at mental health in those businesses and communities that are impacted by drought?

Mr GRIFFITHS: It was not mentioned in my statement, but we manage a university-run psychology clinic, which is very much run out of the School of Psychology. It is a registered health clinic. They are constantly doing research on rural and regional resilience, and have a number of programs going on that, whilst academic research papers and journals are established from those, they are also run as a resilience clinic. They are noticing anecdotally—because, you know, research programs go for years, not months—changes and spikes in drought and bushfire mental health challenges. But equally, on a positive note, they are also talking about rural resilience and just how surprisingly resilient country towns manage to be under duress. So they are equally showing challenges but also the positivity that regions can still exist as well. On notice, I would be very happy to present further information to you if you want some specifics.

Mr PETER SIDGREAVES: That would be great. Thank you.

Mr GRIFFITHS: Thank you.

The CHAIR: We would welcome that evidence, Mr Griffiths.

Mr PHILIP DONATO: Good day, Mr Griffiths. It is Phil Donato. I am the member for Orange. Obviously, between Orange and Bathurst Charles Sturt University [CSU] has an important role that it plays in the local community, no doubt similar to UNE in that North West New England area. In your introduction you touched on the numbers of students and the decline since 2017. I think you said at present there are about 4,500 on-campus students and about 20,000-odd off campus, or maybe slightly more. Pre-drought, so if you go back to 2015-16, what were your on-campus numbers looking like then?

Mr GRIFFITHS: At capacity we tap out at a bit over 4,500. We have had challenges in that students are not withdrawing; they are moving their mode of study. You would be aware that there is quite a lag in reporting back to us. We can only report what the Federal Government is providing back to us. There is about a year and a half lag. We have evidence ourselves that they are moving their mode of study, or they are deferring their studies. A lot of the reasons—the words that are used that are tagged that we are capturing are drought and needing to work at home. So that is quite specifically an undergrad audience on campus, but we are also noticing reasons for deferral for online students. We do have a large online cohort out in the regions and in country areas. Generally speaking, a mature age student. Similarly, we are finding that the tagged words throughout are becoming more prevalent. We do not have specific numbers against that, but it is certainly increasing.

Mr PHILIP DONATO: What about your staff? You indicated earlier you have about 2,800 staff. Have you kept all your staff on during this time since the drought in 2017, or has there been a decline? What do you say about that?

Mr GRIFFITHS: Yes, we have, and the reason being is our civic responsibility in the region. Our staff are the community. There are not a hell of a lot of jobs out there in the Armidale region. There is not another industry comparable to this. The biggest industry that is comparable is agriculture and that has been in decline, obviously. If you take the COVID situation out of the picture, we have maintained staffing levels. Yes, that has been okay. But, equally, a lot of our staff are small landholders or partners of farmers themselves as well.

Mr PHILIP DONATO: Do you have any issue with recruitment?

Mr GRIFFITHS: Yes, we do, for specific functions, and every regional university would. You know, we are not a city sandstone. Exactly like international students are not excited about country towns, for staff with specific skills we fight hard to get them here.

Mr PHILIP DONATO: Yes. Is there anything that you can suggest that might encourage, promote or assist in getting appropriately qualified staff to your university?

Mr GRIFFITHS: We are putting a strong emphasis on internal education for our staff. That is one of the things our vice chancellor, Professor Heywood, who has only been here for 12 months, is emphasising at the moment, that upskilling of existing staff. That seems to be working okay for us. Being an Orange bloke, you would be very aware of Armidale. It seems to have bumbled along in some way for about 150 years.

Mr PHILIP DONATO: Yes, I was up there only a couple of weeks ago.

Mr GRIFFITHS: Right. Well, you missed the cold snap.

Mr PHILIP DONATO: Don't worry, we have it here in Orange.

Mr GRIFFITHS: I can imagine. But the town is a very good lifestyle town. People will have opinions on the Australian Pesticides and Veterinary Medicines Authority. I am not going to go into that, but that has been very successful, coming to Armidale. That increases I suppose the cultural capital of the town. Those who come here come here for lifestyle, education, the region, health, but then that kind of restricts others. It is often seen academically, as other regional universities are, as a pathway, and that sometimes challenges the consistency of tenure.

Mr PHILIP DONATO: Thanks, Mr Griffiths. I am conscious of time. I have no further questions, Mr Chair.

The CHAIR: Thank you. I will just draw a little bit on your comments there, Mr Griffiths. I just found it interesting you saying how students are in other modes of study, so they are studying at home and, as you mentioned, drought is impacting on that and their need to stay at home and work at home, but it would be an interesting area to explore. That would impact on, say, the centre's economy, like Armidale, but it would be interesting because the other side of that coin is it is keeping that student within their smaller community as well. There are still issues around isolation and things like that, but it still gets to keep them in that small community and that might actually have a little bit of a positive impact for that community. What are your thoughts there in that regard?

Mr GRIFFITHS: I think you are right, Mr Chair. I cannot deny that what is not good for one is then good for another. Some of the reasons for the undergrads—the school-leaving students—wanting to go home is also the inability for Armidale to activate part-time work. It is restricted by industry. Often there is a school of thought to say the double-edged sword of Armidale having the university is that it has restricted another industry shining, another industry growing. Agriculture has always been predominately that other industry, so in times of climate duress that suffers for everyone. We have had recent success with closed environment horticulture up at Guyra, with Costa Group investing a lot of money up there. That has been very good for casual staff.

Generally speaking, the casual opportunities in Armidale are really in hospitality. That is the main opportunity. Now, I believe that Armidale university has a whole heap of complexities going on. That is challenging for the whole region because the runnings of a university continue and there are a whole heap of macro factors involved in the growth of that. That, to me, is a challenge for the New England region because there is not another industry to be able to support that during times of challenge for the university. Personally, I believe that opportunities for certainly this New England North West area, or specifically the New England area, which has never, ever had challenges with water like it has in the last three years—it has not needed to.

You drive through Armidale and you are lucky to ever see a water tank, which is ridiculous, because we have never needed one. Those challenges are exacerbated by (a) the university's funding ability to inject stimulus; but (b) what is another industry that can help support the local region? That industry also would bring jobs, casualisation, but also permanent jobs, for student populations during semester times as well. That is a bit of an economic challenge that Armidale has always had. I left here 30 years ago when Armidale and Tamworth were the same size. I came back three years ago and Tamworth is now at least two times the size of Armidale because the industry has just got on with it.

Ms STEPH COOKE: Mr Griffiths, we have heard through this inquiry that we are experiencing population losses as people leave for work and now, I guess, for study. We have also heard about issues linking employers with sufficiently skilled or qualified employees. I am interested in your experience with the CUC model. I am the member for Cootamundra and we do not have a CUC, but I am very passionate about establishing one in Young. I am surrounded by major universities from Bathurst, Wagga, even Wollongong, Sydney and Canberra. So we have our school leavers just haemorrhaging every single year from our communities right across these smaller communities in rural and regional New South Wales.

The CUC model seems to offer a solution that allows our young people to stay longer in our local communities and hopefully get qualified, get skilled and be able to stay long term and just stop this bleeding from our small communities to our cities and larger centres. Could you please tell me more about your experience with the CUCs and whether you believe that it is a model—it might not be the only model; it might be just one tool in the toolkit—that will help us with our small communities where a lot of our young people either have a trade, or they do not have any further qualifications beyond year 12, or they leave and they never come back?

Mr GRIFFITHS: It is a big topic. It is a very big topic and it is broken down into a couple of challenges. For a university that would consider CUC being established in its own territory, it is fraught with challenges for that university because it is actually diluting that university's brand by allowing other entrants into the market. So that is the first challenge. We have experienced that with CUCs popping up in Narrabri and Moree, which are traditionally our patch. Hearing that there is interest in a CUC in Young is wonderful for us, but I cannot imagine that CSU and Wagga are going to like that too much. So that is the first challenge. The challenge also in the expectations of the region is, do not underestimate the need for young people to require face-to-face learning as the key method of education.

Whilst the world is heading to faster, quicker and cheaper—that is, online—we have learnt, especially in agricultural and related sciences, that the need for face-to-face for school leavers has to happen—it has to happen. They are slowly adapting. The cohort for CUCs seem to be mature age, those who are upskilling and career changes. So that is a general rule of thumb around that. We have very proficient online success; 83 per cent of our students are online. But do not think for one minute that we did not struggle moving that last 15 per cent online in the last two months. They were very much the ag and sciences subjects, the applied subjects, which we have done. They are not perfect, and we kind of roll our eyes at the big sandstone universities saying, "We've gone online in two weeks," because that is frightening to consider what that experience would be. The face-to-face challenge for school leavers, some can adapt, some can do it straightaway, but many cannot, and that is where I consider that the pathway relationship between vocational education and training, the VET sector, and universities is incredibly important for regional Australia. At the moment it is not one size fits all, so it is all very complicated.

Ms STEPH COOKE: Thank you very much.

Mr CLAYTON BARR: Mr Griffiths, I am Clayton Barr and I am from Cessnock. I am also the shadow tertiary education Minister at the moment and so I had a terrific chat with Brigid Heywood a few weeks back about the impacts up there. Just to get on the record for the future deliberation of the Committee, Brigid Heywood was explaining to me that there are some 2,000 animals on campus that are a part of the work that they do and the research, and that some of that research has been going on for many years. The university has to deliver on the research to have the contracts paid out and it seems that otherwise they face yet another financial challenge.

I think it is important to come back to a really, really important point that you have made today, which I have overlooked, and that is: you guys in many ways do not have access to drought relief. You do not fit the criteria. I think that is a really important concept for our regional universities, because Charles Sturt University and the University of New England are absolute success stories for regional New South Wales. I heard you say today that of all the billions of dollars we are spending on drought relief, you guys just do not fit that box. What would we need to change about the shape of the box for you?

Mr GRIFFITHS: Thank you. I am glad you picked up on that. It is a realisation that we can activate quickly. We have full infrastructure, operational—we are the biggest contractor in town. We are the biggest contractor north of Tamworth. We can activate stimulus very quickly; some would argue quicker than a lot of the regional councils. That stimulus will not just be for the university. Yes, it will be jobs if it is at the university, but the university's responsibility in the region can also be used to activate that stimulus. We have opportunities in the CBD of Armidale. You know, the CBD of Armidale has been getting quieter and quieter for the last 20 years. If we were supported to put some of our teaching schools or faculty administration into the CBD, that would stimulate the town.

We have not been able to do that yet because we cannot do it on our own. We are not saying we need activation for everything. It is just that we need supporting contribution to be able to stimulate that. With regards to the 2,000 animals, we are on the edge of 4,000 hectares of university-managed land here. That is all very technology enabling in our ag and tech sector. It also covers State forests in Mount Duval as well, so there is a lot of environmental research going on, and that was not affected by bushfires. We lost 20 years of camera research east of Ebor with bushfires, which was a challenge to us, at Cathedral Rock National Park. That all needs farmhands. It is no different to an active, working farm.

Yes, we have the chooks as a result of the Poultry Cooperative Research Centre. We have a lot of poultry research going on in the chook pens. Yes, we have the lab rats for all the other research we are doing, but we are doing primary produce work and agronomy work around water-efficient genetics, around seeds and activating agronomy challenges as well. So, yes, I could not agree more. Our biggest challenge is that we are there with the ability to stimulate with a quick return, but we are restricted by the contribution and support of funding. Thanks for bringing that up.

Mr CLAYTON BARR: Just finally, and this might be a bit tricky for you, but if you were the Premier for the day, Mr Griffiths, or if the Premier brought you into the office and said, "Bryn, tell me three things I can do for your region in the midst of where we are right now"—in particular drought, because drought has been the long, slow burner on the way in and it will be a long, slow burn on the way out—what three things are you going to tell the Premier to do in your neck of the woods?

Mr GRIFFITHS: On notice, one, store water in Armidale. Armidale has never had to think about storing water. In councils gone by there was some reason that you were not even allowed to have water tanks in your backyard in Armidale, which is beyond ridiculous. So it is water storage. Water storage then has the effect of stimulating sport in the region. Like any town, all the ovals are on the floodplain from uni at the west to the eastern end of Armidale. We rely on the creek or water capacity from Malpas Dam for that. We are not storing it along the way, so that would be number one.

Number two I think is to build the sentiment of the town, and therefore the confidence of the town, by beautifying the town, investing in ways in which the town is open for business. The key stimulation for the economy of this town is education and sporting tourism. That needs to open very quickly. Number three is, like many towns bidding for it at the moment, activate the intermodal transport opportunities for agriculture. That is bigger than the Premier. That is more of a Federal decision around lengthening and scale of airport, industrial opportunities at the airport and intermodal capacity for export out of the region.

The CHAIR: Thank you, Mr Griffiths. This actually brings to a close the time we have available. I would like to very much thank you. I really appreciate your time in appearing before the Committee today. We may send you some additional questions in writing. Your replies would form part of your evidence and would be made public. Would you be happy to provide a written reply to any further questions?

Mr GRIFFITHS: Yes, certainly, Mr Chair. Not a problem.

The CHAIR: Mr Griffiths, thank you very much for your time today.

Mr GRIFFITHS: Thank you very much. I will follow up, through Emma Wood probably, with some information for Mr Sidgreaves regarding evidence around mental health that we are involved with in the region.

The CHAIR: Thank you. That concludes our public hearing for today. I place on record my thanks to all witnesses who appeared today. I also thank Committee members and Committee staff, Hansard and the staff of the Department of Parliamentary Services for their assistance in the conduct of the hearing.

(The witness withdrew.)

The Committee adjourned at 10:46.