

**INQUIRY INTO ECONOMIC AND SOCIAL DEVELOPMENT
IN CENTRAL WESTERN NEW SOUTH WALES**

Organisation: NSW Government

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Premier & Cabinet

The Hon Rick Colless MLC
Chairman
Standing Committee on State Development
Parliament House
Macquarie Street
Sydney NSW 2000

12 SEP 2011

Dear Mr Colless

I refer to your letter dated 12 July 2011 regarding an inquiry into social and economic development in central western NSW being conducted by the NSW Legislative Council's Standing Committee on State Development.

Please find attached a NSW Government submission.

The submission covers the challenges facing the region and highlights NSW Government programs and policies that support social and economic development in central western NSW.

Should you require further information, please contact Mr Tim Hurst, Executive Director, Infrastructure, Environment and Economic Development Policy, Department of Premier and Cabinet on [redacted]

Yours sincerely

Director General

Inquiry into economic and social development in central western New South Wales

NSW Government submission

1. BACKGROUND

On 8 July 2011 the Legislative Council's Standing Committee on State Development announced an inquiry into economic and social development in central western NSW.

The Committee will inquire into and report on the factors restricting economic and social development in the region, and in particular:

- a) the provision of health, education and cultural facilities;
- b) the reasons for population decline and growth in different areas,
- c) the adequacy of transport and road infrastructure;
- d) ways to encourage development of local enterprises and the potential of the region overall;
- e) the comparative level of government business activity located within the region;
- f) methodologies for local government to collectively cooperate to achieve increased infrastructure funding and economic growth; and
- g) other factors restricting economic and social development in central western NSW.

2. REGIONAL PROFILE

Central western NSW can be defined in a number of ways. The Committee considers that central western NSW encompasses the areas surrounding Lithgow, Nyngan, Cobar, Broken Hill, Ivanhoe, West Wyalong and Young. This covers a number of local government areas, including the entire Central West region, and parts of the Orana and Far West regions as defined by the Australian Bureau of Statistics (ABS). A boundary map is provided at Appendix 1.

Government agencies divide NSW into administrative zones for the purpose of service delivery. In some cases these zones overlap with the Committee's definition of central western NSW but are not always identical. Effort has been made to ensure that the statistics and commentary contained in this submission are properly referenced and should only be read as relating to the specific region concerned and not necessarily the entire central western NSW region as defined by the Committee.

Demography

In general, central western NSW has experienced slower population growth than the State as a whole.

The population of NSW grew by 10 per cent in the nine years to 2010. While over the same period the population of central western NSW grew by only 1.5 per cent. There are now estimated to be 327,000 people living in the region¹. As a consequence of the slower growth rate, the share of the total NSW population living in central western NSW has fallen from 4.9 per cent to 4.5 per cent.

In recent years there has also been a movement of people away from rural areas towards major regional centres such as Bathurst and Dubbo. For instance, in the nine years to 2010, ABS data indicates that Bathurst's population increased by 12 per cent, outlying areas around Bathurst grew by 5 per cent, whilst areas further west recorded a decline of 2.5 per cent.

In 2010 the Department of Planning and Infrastructure released population projections from 2006 to 2036 for all local government areas in NSW. The projections indicate that the population of NSW is expected to grow by 2,250,000 people, or 33 per cent, between 2006 and 2036. Six of the local government areas in central western NSW are expected to continue to grow over this period they include:

- Bathurst – 19 per cent
- Blayney – 6 per cent
- Cabonne – 3 per cent
- Dubbo – 15 per cent
- Oberon – 4 per cent
- Orange – 13 per cent
- Young – 16 per cent

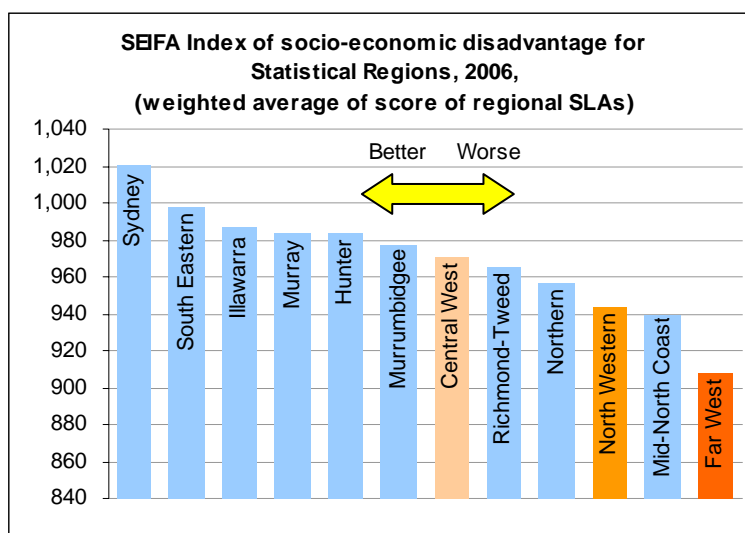
The population in other local government areas in central west NSW is forecast to remain stable or to decline.

¹ ABS, Estimated Residential Population 2001/2-2010/11

Socio-economic index

The welfare of communities is often measured using the ABS's Socio-Economic Indexes for Areas (SEIFA), which measures various aspects of the socio-economic conditions of people living in an area. Variables related to disadvantage include low income, low educational attainment, unemployment and dwellings without motor vehicles.

There is a strong correlation between remoteness and socio-economic disadvantage, with 75 per cent of residents from remote and very remote areas of NSW falling into the highly disadvantaged quartile. According to SEIFA, the Far West is the most socio-economically disadvantaged region in NSW, and the North West, the third most disadvantaged region.



Source: ABS 2033.0.55.001 Socio-Economic Indexes for Areas (SEIFA) 2006

The degree of socio-economic disadvantage also correlates with the demography of the region. For example:

- A much higher percentage of people in the region identify as being Aboriginal when compared to NSW as a whole. The Aboriginal population in the Central West region accounts for almost 5 per cent of the overall population (and up to 15 per cent in some areas). In the Orana region it accounts for 13.7 per cent (and up to 63 per cent in some areas), and in the Far West region for 9.4 per cent. This compares to 2.2 per cent for NSW as a whole.²
- There are pockets of high and long-term unemployment in the region. Parts of the Central West region have unemployment rates of over 8 per cent, parts of the Orana region have rates of over 12.7 per cent and parts of the Far West region have rates of over 10 per cent.³
- The region's population is ageing, which is exacerbated by working aged people moving to major centres or to the cities. The ABS Population Series released on 4 August 2011 shows a reduction in the 15-40 age group, as well as an older population profile than NSW as a whole.⁴

² Forell, S., Cain, M., and Gray, A., Recruitment and retention of lawyers in regional, rural and remote NSW, *Law and Justice Foundation of NSW*, September 2010, pg.94, 95 and 99, www.lawfoundation.net.au/publications and ABS National Regional Profiles 2006

³ *Ibid*

⁴ ABS 3235.0 - Population by Age and Sex, Regions of Australia, 2010
<http://www.abs.gov.au/ausstats/abs@.nsf/mf/3235.0?OpenDocument>

Aboriginal communities in NSW experience higher levels of disadvantage, reflected in lower participation rates and higher unemployment rates. These characteristics are more pronounced in regional areas. For example, for non-Aboriginal persons in western NSW⁵, the employment to total population ratio is over 40 per cent whilst for Aboriginal people, the employed population ratio is between 20 and 25 per cent. For NSW as a whole, the Aboriginal employment ratio is slightly higher at above 25 per cent.

The rate of Aboriginal unemployment is also much higher than in the non-Aboriginal population. For western NSW, the Aboriginal unemployment rate was 22.1 per cent according to the 2006 Census, in contrast to an unemployment rate 5.7 per cent for the non-Aboriginal population.

Research suggests a correlation between social disadvantage and other issues, including health issues. Aboriginal Australians experience lower levels of access to health services than the general population, are more likely to be hospitalised for most diseases and conditions, and, on average, have a lower life expectancy⁶. This poses particular and multi-faceted challenges in the delivery of effective services targeting social disadvantage.

Government

Central western NSW includes 21 local government areas and a portion of the unincorporated division of NSW, which is not part of any local government area and is instead managed by the Crown Lands Division of the Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS).

The Western Division covers nearly half of NSW (see Appendix 1) and includes a section of unincorporated NSW and the local government areas of Broken Hill, Central Darling, Cobar and Bogan. It stretches from the Murray River at Balranald in the south, to the Barwon River at Mungindi in the north, and west to the South Australian Border. DTIRIS is closely involved with communities in the region as almost all of the Western Division is Crown Land perpetually leased under the *Western Lands Act 1901*.

Thirteen of the 21 councils in central western NSW belong to the Central NSW Regional Organisation of Councils (ROC), while four other councils are members of the Orana ROC. ROCs provide a forum for the exchange of ideas between member councils and are an interface between governments. They act as a facilitator of joint activities between councils that allow benefits to be realised through economies of scale.

The councils throughout central western NSW vary greatly in size and service delivery capacity with large western councils such as Cobar, Bogan and Central Darling facing challenges concerning access to adequate transport, health and ICT services. Further east, more heavily populated councils such as Bathurst, Orange and Lithgow also struggle to find financially viable ways to deliver an increasing number of social services to the community.

⁵ ABS 2006 Census. **Note** - Western NSW refers to the Far West, Orana and Central West regions.

⁶ Australian Institute of Health and Welfare Indigenous Health, <http://www.aihw.gov.au/indigenous-health/>, accessed 4 August 2011.

The NSW Government is also a major provider of infrastructure and services in central western NSW, and has offices across regional centres, employing people in a range of industries.

The economy

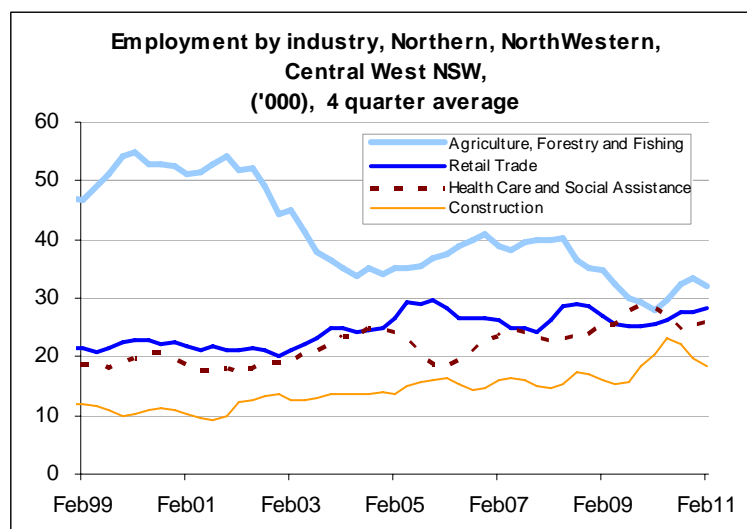
The region has a much higher concentration of employment in primary industries such as agriculture and mining, compared to NSW as a whole. These industries are the foundation of many regional economies and have shaped the development of communities.

Historically, agriculture has been the most important sector in western NSW, both in terms of income and employment. Currently, agriculture accounts for 13 per cent of employment in central western NSW.

The importance of agriculture is indicated by over 40 per cent of businesses in the Orana region being involved in agriculture or agribusiness, and employing over 16 per cent of the workforce (equivalent to 12,000 people). The Orana region produces over \$1.7 billion worth of agricultural produce each year. Eighty-five per cent of the land in the Orana region is utilised by agriculture, with Australia's largest sheep abattoir operating in Dubbo and exporting sheep meat and wool products.

Despite this, employment in the agricultural sector has declined over the past decade due to drought and other factors. These other factors include a 50 per cent decline in Merino sheep numbers and an increase in the scale and sophistication of farming and cropping equipment, which has reduced the number of relatively low-skilled agricultural jobs.

In the Far West region, agriculture employs 10 per cent of the workforce, contributes 11 per cent of the region's Gross Regional Product (GRP) and 20 per cent of its exports. Agricultural employment has had a recent lift due to a rebound associated with heavier rainfall in last two years.



Source: ABS 6291.0.55.001 – Labour Force, Australia, Table 16: Labour Force Status by Regions and Sex.

The mining industry has also played a significant role across the economies of central western NSW, with some regions of NSW relying more heavily on mining for employment than others. The mining industry is particularly important in the Far West (Broken Hill), Central West and North West (Cobar), as well as the Hunter and Illawarra regions.

Since 2005 mineral exploration licences have increased by 28 per cent from 724 to 937 and petroleum exploration licences have increased by 40 per cent from 45 to 63. Total employment in the NSW mining industry (excluding minerals processing) decreased from 20,109 in 1996-97 to around 14,000 in 2001-02 due to improved mining technology and industrial restructuring in the coal sector. However, in the last 5 years mining employment has grown by 10.5 per cent per annum and now employs nearly 24,000 people.

In addition, minerals processing employment is currently about 26,000, with approximately 19,500 jobs in the iron and steel sector and 6,500 in the non-ferrous metals sector (dominated by aluminium production and semi-fabrication).

Mining also remunerates its employees more generously than most other sectors. This has positive flow-on effects in mining communities through higher disposable incomes and consumption.

In the sparsely populated Far West region, where most of the population resides in Broken Hill, it is estimated that over 36 per cent of employed people depend on mining.

Mining is a large contributor to the economic output of the Orana region, accounting for 15 per cent of GRP⁷. In the Far West region, the mining sector accounts for 20 per cent of GRP, 10 per cent of its employment and 70 per cent of its exports⁸.

Manufacturing is also a significant sector in central western NSW, accounting for around 7 per cent of total employment. Manufacturing is strongest in the Central West region and weakest in the Far West. The predominant businesses are food processing, heavy engineering (Lithgow and Bathurst), whitegoods (Orange), machinery manufacturing and general engineering workshops.

The sector adds value to regional agricultural and mining output and supports those industries with engineering and maintenance services. In addition, firms supporting agriculture and mining are increasingly developing export markets for specialised and high-end equipment and services. These manufacturing firms anchor skilled occupations in the region and have an income multiplier effect in the communities in which they operate.

While mining and agriculture has traditionally been the cornerstone of the central western NSW economy, other industries with substantial employment include retail trade, health care, education and construction. For example, the proportion of people employed in education and training is higher in the Central West region than in NSW as a whole.

⁷ Regional Development Australia – Orana NSW Regional Plan 2010-2020

⁸ Regional Development Australia – Far West NSW Regional Plan 2010-2020

Industry share of total employment - NSW and Western NSW, 2010

Statistical division and 1-digit industry	NSW	Combined Western NSW + Northern	Northern, North-Western, Central West	Far West*
Agriculture, Forestry and Fishing	3.0%	14.3%	13.6%	34.7%
Mining	1.0%	3.3%	3.2%	5.8%
Manufacturing	8.6%	6.8%	7.0%	0.0%
Accommodation and Food Services	6.8%	5.8%	5.9%	5.2%
Administrative and Support Services	3.5%	3.4%	3.3%	6.4%
Arts and Recreation Services	1.6%	0.9%	0.9%	0.9%
Construction	8.3%	7.8%	8.0%	2.4%
Education and Training	7.4%	9.1%	9.0%	10.0%
Electricity, Gas, Water and Waste Services	1.4%	1.7%	1.6%	2.4%
Financial and Insurance Services	4.6%	1.5%	1.5%	0.0%
Health Care and Social Assistance	11.5%	10.5%	10.5%	10.0%
Information Media and Telecommunications	2.3%	1.2%	1.2%	0.0%
Other Services	4.3%	3.7%	3.8%	1.8%
Professional, Scientific and Technical Services	8.6%	3.4%	3.5%	0.0%
Public Administration and Safety	5.6%	6.2%	6.3%	2.1%
Rental, Hiring and Real Estate Services	1.7%	1.7%	1.8%	0.0%
Retail Trade	10.4%	11.3%	11.3%	11.2%
Transport, Postal and Warehousing	5.5%	3.7%	3.7%	2.4%
Wholesale Trade	3.9%	3.8%	3.8%	4.6%
Grand Total	100%	100%	100%	100%

Source: ABS

Note: The ABS does not supply data that is current at 1-digit industry level that allows disaggregation of the North-Western, Central West and Northern region.

Note 2: The Far West region has very low workforce and therefore high statistical volatility. Data may be unreliable.

Note 3: No data is available in 1-digit industry level that allows tourism employment to be identified separately.

3. CHALLENGES AND NSW GOVERNMENT SUPPORT FOR THE REGION

The NSW Government understands that it has an important role to play in helping central western NSW realise its full potential.

In acknowledging the importance of the central western NSW region to the State and the country, the NSW Government has appointed both a Minister for Regional Infrastructure and Services, and Minister for Western NSW in order to give the region a greater voice in policy decision-making.

Growing the economy

The NSW Government recognises the potential of central western NSW and is committed to initiatives that support the sustainable growth of industries and provide long-term employment opportunities for regional communities.

Opportunities exist for the NSW Government to work with the Commonwealth and other partners, including industry, local councils and communities to lever productivity gains into longer term economic growth.

For example, Industry Actions Plans are currently under development that will present a significant opportunity to develop strategies to foster regional productivity. The Plans are being developed under the auspices of the NSW Innovation Council by industry-led taskforces.

The Industry Action Plans will look at what both industry and government can do to enhance long-term growth prospects for businesses. Industry Action Plans will:

- identify drivers for, and barriers to, growth and innovation, especially those caused by government practices;
- detail a program for government and industry to encourage sector growth and innovation, covering areas including skills, regulations, research and development, infrastructure and policy reform; and
- contain specific key performance indicators including clear timetables and benchmarks to monitor progress.

One of the Industry Action Plans currently in development relates to tourism, which is one of the industries facilitating the diversification of regional economies.

However, the regional tourism product is variable in quality, meaning that product development is a key priority for growing the industry in the region. The NSW Government has recently established Destination NSW, bringing together the former Tourism NSW and Events NSW to combine skills, expertise and resources to sell NSW to the world. Destination NSW will be supported by an additional \$40 million over the next four years. Of this, \$5 million is being allocated specifically to support the development of the regional tourism product.

The Government has also established the Visitor Economy Taskforce to develop strategies and actions that will drive visitor growth with the aim of doubling visitor overnight expenditure by 2020. The Visitor Economy Taskforce will be undertaking wide-ranging

consultations with industry and all levels of government. Its work will focus strongly on the regions, including central western NSW.

Other government programs are focused on making the region more attractive to people wishing to move from the major cities and to attract greater business investment. Some of these programs are listed below.

- The Jobs Action Plan, which is currently being implemented to support 100,000 new jobs in NSW. The Jobs Action Plan sets a target of 40,000 new jobs in regional NSW and provides payroll tax discounts to employers who create new positions.
- A Regional Relocation Grant of \$7,000, which is being offered to encourage individuals and families to move from Sydney to regional NSW. This scheme will operate for four years from July 2011 and is expected, along with the Jobs Action Plan, to drive economic growth and investment in regional areas.
- The *Evocities* initiative, which seeks to raise awareness of participating regional centres as great places to live and work. Significant money has been made available by the NSW and Commonwealth Governments to support this local initiative. Private sector sponsors have also provided support for the initiative.
- The NSW Government provides business support and investment attraction through its regional offices at Broken Hill, Orange and Dubbo. These offices work actively with local businesses and other stakeholders toward economic development objectives. This involves delivering a suite of business support programs designed to build business capacity and competitiveness, as well as working with partners such as local governments and business representative bodies to attract new investment in the region.

The NSW Government is also working closely with the Commonwealth Government to attract and target skilled migrants from overseas. The Regional Sponsored Migration Scheme is having some success, with 131 skilled migrants moving to central western NSW in 2010 under the scheme.

Land use planning to support economic and social development

The NSW Government is cognisant of the need to ensure that sufficient land is available to sustain ongoing economic development in central western NSW, and actively works to ensure supply.

Land use planning makes an important contribution to the sustainable economic and social development of regions. The NSW Government ensures an adequate supply of zoned land is available for development, provides a framework for efficient government and private sector decision-making about investment, infrastructure and service provision, as well as managing potential land use conflict between different users.

Regional growth infrastructure plans are being prepared for regional areas of the state. These plans will support the Government's long-term (20-25 year) land use strategies for the regions using population, housing and economic projections to better plan and deliver infrastructure and improve accountability and certainty around infrastructure provision.

This long-term regional infrastructure planning will inform Infrastructure NSW's 20-year State Infrastructure Strategy and will provide the Government with the lead time necessary to plan for delivery of infrastructure in a coordinated manner.

The NSW Government is currently in the process of developing Strategic Regional Land Use Plans that will identify and protect strategic agricultural land around the state. The first plans will be prepared for the Upper Hunter and New England areas which are currently experiencing land use conflicts associated with the growth of the coal and coal seam gas industries. In 2012, the NSW Government will commence work to prepare a Strategic Regional Land Use Plan for the Central West region, and in 2013 work will commence on a Strategic Regional Land Use Plan for the Far West.

As with the Upper Hunter and New England areas, central western NSW already has some significant mining operations and there is potential for this industry to expand. Mining can provide local economic opportunities and increase demand for labour, which can help to reverse trends of declining population, albeit for a limited period.

However, the expansion of the mining sector needs to be balanced with particular focus on diversifying the local economy, maintaining residential amenity and maximising the strengths of central western NSW.

Without appropriate planning, it can also lead to a 'boomtown' syndrome that leaves local and regional economies vulnerable. This is mainly due to the significant differences in wages and lifestyles that the growth of mining can have. The effect of a large mining operation can potentially cause a regional economy to split in two: one flowing successfully from the mining operation, the other struggling in traditional or existing service industries. This can polarise communities and cause division as well as inhibiting local economies from maintaining a degree of cohesion. It can also provide a challenge by making non-mining jobs less desirable because of significant wage differences. This places pressure on obtaining and maintaining a supply of skilled labour, which may already be in short supply in the region.

Recent experience in Queensland has shown that centres that provide residential amenity, employment, education and recreational opportunities for mine workers *and* their families can benefit from the mining boom. This is because a range of local opportunities attract longer term residents. There is a perception that this is already occurring in Orange, where gold mining has expanded in recent years. Ensuring a diversity of housing options that can cater for different needs over time, including appropriate affordable rental accommodation for key workers (in construction, health, policing and community services) who may be 'priced out' of the market by short-term demands from mine workers, is an important priority.

Transport and infrastructure

The provision of adequate physical and social infrastructure is essential to the economic and social development of central western NSW. Transport services and infrastructure that allow communities to stay connected, allow people to access job opportunities and social services and facilitate the movement of goods to market are particularly vital to the region.

The functions undertaken by the NSW Government include the ownership and maintenance of road and rail infrastructure, the provision of rail passenger services,

contracting with the private sector for regular bus and school services, regulation of the taxi and aviation industries, administration of transport schemes and concessions and facilitation of freight services.

- Roads – The road network in the central western region is dominated by two national routes, the Great Western Highway/Mitchell Highway, which is the main route over the Blue Mountains connecting Sydney to Central NSW and the Newell Highway. State roads provide the primary road network across NSW, providing inter-regional, intra-regional and interstate connections and linking major centres across NSW. The Mid-Western, Mitchell, Castlereagh, and Olympic Highways are examples of State roads. These routes are managed and primarily funded by the NSW Government. The network of local access and circulation roads is controlled and predominantly funded by local councils.
- Rail – Much of the rail network is also owned and operated by the NSW Government. CountryLink operates a network of rail and coach services through central western NSW and in many cases provides the only form of public transport to some locations. While a range of general freight, mineral and grain services are carried by private freight on the Country Rail Network. The Country Rail Network receives funding allocations from the NSW Government (approximately \$150 million per annum) to ensure the reliable operation of the network into the future.
- Bus services – The NSW Government contracts with private companies for the provision of bus services in the region. Regular passenger and school bus services are funded in Broken Hill, Forbes, Cowra, Parkes, Bathurst, Orange, Lithgow, Mudgee and Dubbo.
- Community transport – The NSW Government funds a wide range of transport services to eligible people to meet social, recreation, shopping and health requirements. The Community Transport element of the Home and Community Care program for frail elderly or disabled people and their carers is one example.

The establishment of Infrastructure NSW presents an opportunity for a more considered and strategic approach to infrastructure provision. The NSW Government has also introduced legislation to establish *Restart NSW*, a capital fund to build essential infrastructure, including public transport, road improvements, water utilities, freight and hospital upgrades. Thirty per cent of this fund will be spent on projects in regional areas.

The creation of Transport for NSW as an integrated transport authority will improve transport service planning and delivery across NSW. The establishment of a Freight and Regional Development Division within Transport for NSW will provide a one-stop shop for industry and other government agencies and provide resourcing to support better freight and transport outcomes. The Freight and Regional Development Division will be the central point of coordination for the NSW Government's role in freight transport, distribution and servicing in NSW, with a particular focus on improving outcomes in regional NSW.

The Committee's attention is also drawn to the Commonwealth Government funded study in 2008 by consultants Sinclair Knight Merz, which considered the longer-term transport needs of the Central West region. The report can be downloaded from the Commonwealth Department of Infrastructure and Transport's website at: www.nationbuildingprogram.gov.au/.

The NSW Government also recognises the key role of local councils in local decision-making and as a partner is the delivery of services and infrastructure to communities across NSW.

A council-by-council infrastructure audit has commenced to help identify and address the local infrastructure backlog. The NSW Government will work with councils, and other bodies such as Infrastructure NSW and the Commonwealth Government to address long-term issues of under-investment in the region.

Part of the solution to address the backlog is to allow local councils greater access to debt funding. To this end, the NSW Government will be providing an interest rate subsidy on commercial borrowing for eligible infrastructure backlog projects. Reducing the cost of borrowing for councils will help with the funding of projects most in demand within their communities.

Governance in the region

As stated, councils play a very important role in infrastructure and service delivery in NSW and should not be underestimated as drivers of economic and social development in regional areas of the state.

However, councils in central western NSW face a range of challenges that limit their ability to provide necessary infrastructure and services. For example, the income that some councils can generate is limited due to the size of the rate base, resulting in a reliance on state and Commonwealth grants to deliver basic services.

The NSW Government is aware of these challenges and is looking at ways that service delivery can be improved in the region.

The NSW Government has commenced a major new initiative, called Destination 2036, which is designed to help shape the future of local government in NSW over the next 25 years. This initiative is focused on achieving reform to the structure, financing, governance arrangements and capacity of the NSW system of local government. A particular focus of this work will be how services to rural and remote areas might be better provided in a more sustainable and effective way.

The Integrated Planning and Reporting Framework was introduced in 2009 and is progressively being adopted by all councils in NSW. The Framework supports councils to improve their long-term community strategic planning, financial planning, asset management planning and reporting to their community. The Framework aims to improve accountability, transparency and service delivery to local communities.

The Regional Coordination Program (RCP), managed by the Department of Premier and Cabinet gives Government and communities a response network for the strategic management of projects and issues. The Program has nine regions including Western NSW. It assists agencies deliver on regional aspects of Government priorities.

Regional Development Australia (RDA) is a joint initiative between the Commonwealth and NSW Government with a network of 14 committees across NSW tasked with providing input to government about regional issues that impact on economic development,

particularly jobs, environmental solutions and social inclusion strategies. RDA Committees are in place for the Orana, Far West and Central West regions.

Education

The residents of central western NSW deserve access to high quality education. Despite this, there is growing evidence of an education divide between city-based students and those from regional or remote NSW. The gaps in attainment reflect underlying challenges such as access to services and infrastructure, job prospects in the region, and capacity to attract and retain quality teachers.

The NSW Government is a major provider of education facilities and services in central western NSW. Education facilities in the region include:

- Universities – Charles Stuart University has a campus in Bathurst and is currently establishing a campus in Dubbo. Funding was announced in July 2011 for a University of Western Sydney campus at Lithgow. Other universities offer distance education programs in central western NSW through a mix of online and face-to-face delivery;
- Vocational Education and Training – TAFE NSW Western Institute has 24 campuses and more than 60 associated centres. In addition, there are several hundred registered training organisations that deliver a mix of on-site and distance training;
- Schools – The Department of Education and Training has its own regional structures. It operates 320 schools in its Western region. Distance Education Schools, such as the Dubbo School of Distance Education, are available to deliver individualised education programs to students from preschool to Year 12 who cannot attend school, or where students study a subject not available at their local school; and
- Early childhood – The NSW Government funds around 70 early childhood education and care projects across the Western region, largely through grants to private sector providers. Long day care centres, mobile pre-schools and a service to broker support for children with additional needs are among the services provided.

Access to quality education and care services is a significant challenge in parts of central western NSW. For example, many communities have very limited access to early childhood education for children under preschool age. Early childhood services in these areas face ongoing viability issues due to low or unpredictable utilisation levels and the low socio-economic status of some families, combined with few transport options, precludes access to facilities in larger centres.

In recent years there has been an increased investment in early childhood education provision across the region but there remain some areas that lack affordable, quality early education places. Non-price barriers to access remain a problem, especially in Aboriginal communities where early childhood education providers can find it difficult to successfully engage with local communities and families.

Attracting and retaining quality teachers is critical to lifting educational outcomes for students in central western NSW but remains one of the major challenges facing the region.

The NSW Government offers a significant range of incentives to address these challenges. These include:

- subsidised housing, incentive transfers, additional vacation and leave periods and retention benefits, locality allowances, as well as additional professional development days;
- promotion of rural teaching as a career through Teach NSW; and
- teacher education scholarships – since 2010 some 300 teacher education scholarships have been offered each year in the western region, of which up to 80 are awarded to Aboriginal or Torres Strait Islander students to train as teachers in primary or any secondary teaching area. Another 220 scholarships are awarded to students in the secondary key learning areas.

Access to technology is also a major challenge in some areas and is a particular concern for high school students. The lack of internet services or high cost of broadband in the homes of many isolated/rural students and students in low socio-economic families leads to students being unable to access learning resources outside school hours. Furthermore, the lack of access to adequate synchronous broadband internet services at some small schools leads to teachers being unable to engage in the use of interactive, collaborative technologies such as video conferencing.

Despite this, technology plays an important role in assisting students in NSW to bridge the distance gap and offers some real hope for the future of regional and remote learning.

Technology is also helping the NSW Government to offer a rich and diverse curriculum in regional areas where once courses could not be offered due to the small take up or lack of trained teachers. Technology, including distance learning methods, is helping to ensure a full range of courses can be offered.

TAFE NSW and other training providers are an essential part of the rural infrastructure, working to address the skills shortage. TAFE serves more than 500,000 students across NSW and is especially critical to regional populations. Many students would not have viable access to quality training without the capacity of TAFE to serve these communities.

The Western Institute of TAFE NSW works closely with industry and communities across the region. It has established joint ventures and alliances to support economic and social development and delivers training to support local initiatives, retain youth in the area and develop the region's workforce.

State Training Services Western NSW has a strong focus on industry engagement and supports industries and employers through a range of skills and workforce development programs to improve both economic and social development. These programs include:

- the Strategic Skills Program which has provided vocational training funding for over 1,600 participants in different vocations through the contractual engagement of over 41 Regional Training Providers during 2010-2011;
- the Retrenched Workers Assistance Program which is a whole of government initiative to provide retraining for workers who have lost their jobs due to

business/industry closures or restructures. Of the several hundred workers retrenched in the Western region, State Training Services has provided training to over 150 people and worked with other agencies to ensure the remainder have access to suitable support services; and

- a number of strategies and programs have also been developed to maximise Aboriginal participation across Western NSW.

Health

Good health is an important building block for social and economic development. Poorer health is experienced in NSW in different social, economic, cultural and ethnic groups and in rural and remote areas. Many factors contribute to this differential, including (but not limited to) geographical isolation, socio-economic disadvantage, shortage of health care providers, greater exposure to injury risks and poorer health among Aboriginal people who comprise a significant proportion of the population in rural and remote areas.

As is the case with provision of quality education services, the recruitment and retention of health professionals in rural and remote areas is an issue of national importance. In NSW, like other parts of Australia, the supply of doctors and other health professionals decreases with increasing remoteness. Comparatively low populations and the temporal, financial and other costs affecting the mobility of highly trained professionals mean services in rural and remote areas often cannot operate cost efficiently when compared to metropolitan services.

For example, a small remote facility will require two staff members on any shift but the number of patients to be seen or cared for will vary considerably, and often fall well below the capacity of two staff. In larger centres, the volume of activity allows staff to be fully occupied, and for incremental increases or reductions to staffing to be made in response to changes in demand.

The objective of current NSW Health rural and regional recruitment initiatives is to ensure:

- a sustainable supply of skilled health professionals;
- that inroads are made into the maldistribution of the health professional workforce to accommodate the right mix and best use of skills within the workforce;
- the rural health workforce is appropriately skilled, equipped and supported; and
- increased Aboriginal proportion of the health workforce.

An important part of meeting this recruitment objective is to examine and determine roles for rural facilities so they meet community needs and are sustainable in terms of workforce supply.

After-hours duties can be onerous, particularly for rural General Practitioners (GPs) who also carry out procedural work, such as GP Anaesthetists or GP Obstetricians. For example, the volume of clinical activity in a rural area may not require there to be more than two or three GP Obstetricians. However, having to be on call every second or third night is often unsustainable.

It is well known that GPs have a central role in the provision of medical services in small rural communities. In these locations, GPs provide community-based primary care, and in most cases provide services at local hospitals through GP visiting medicinal officer appointments.

While GP training is a Commonwealth responsibility, recognition of the pivotal role of GPs in rural communities means that a number of NSW government programs are targeted to support the GP workforce and offer incentives for rural doctors. These include the GP Procedural Training Program and provision of funding to the NSW Rural Doctors Network.

While there has been significant health infrastructure investment in central western NSW, the small and dispersed population means that it is not always possible to support high level diagnostic, acute and sub-acute health services.

The NSW Rural Health Plan has achieved a significant enhancement of the range and level of complexity of appropriate clinical services and is changing delivery of care. This is achieved through targeted investment in training, education, research, access to technology and clinical trials, multidisciplinary teams etc to support an expanded service range.

Telehealth can play a significant role in responding to service challenges but is dependent upon access to connected facilities with high speed broadband, works which are planned but are a considerable way from implementation, and information on National Broadband Network (NBN) second release sites is not yet readily available. However, there are network infrastructure projects being implemented at a NSW Health/Health Support Services level to augment the delivery of these services in the interim.

Social Housing

Housing availability is a key factor linked to economic and social development of the area. Generally there is limited private rental accommodation, which places pressure on the demand for social housing and temporary accommodation. In Cobar, for example, the mines have a significant impact on the economic and social development of the town. When the mines are operating, the price of homes increases dramatically, there is little private sector accommodation, which increases pressure on social housing.

Temporary accommodation in the central west, in particular, is becoming increasingly difficult to secure for people in need.

Housing NSW's new supply program is aimed at realigning social housing to: better meet tenant needs in terms of dwellings, location and bedroom category; replace low amenity housing; reduce public housing concentration; and increase the supply of housing that meets the needs of older and disabled tenants.

Other initiatives are also being implemented to address the housing needs of people in the region. These include:

- increased funding for the management and delivery of Ageing, Disability and Home Care direct services, which for central western NSW increased from \$6,354,960 in 2005-06 to \$13,398,890 in 2010-11;

- the Employment and Training Related Accommodation Program, which creates opportunities for Aboriginal people from remote areas by providing accommodation in regional centres whilst they undertake full-time study or employment;
- the Remote Indigenous Housing National Partnership (RIHNP), which was signed between the Commonwealth and NSW Governments on 18 December 2008, providing NSW with additional funding of \$397 million over 10 years to address overcrowding, homelessness, poor housing conditions and the housing shortage in remote NSW Aboriginal communities; and
- the Western Regional Homelessness Action Plan run by Housing and Community Services in partnership with non-government organisations.

Cultural facilities

Many factors contribute to the economic and social development of a region, including access to arts and cultural facilities and the protection of heritage and public space.

Arts and cultural activity support vibrant regional communities, acting as an attractor for a mobile workforce, investment and tourism. The arts have a strong presence in regional NSW.

Well planned regional centres that provide for public art and cultural facilities are part of vital and liveable cities and towns. Art centres, libraries, galleries and museums are important places for community connection and interaction. Cultural facilities and creative enterprises have been shown to have the potential to revitalise neighbourhoods and local economies.

Many small to medium sized arts organisations are based in regional NSW, adding texture and diversity to communities. The small to medium sector includes museums, galleries, conservatoriums, professional music ensembles, dance and theatre companies, project based ensembles and cooperatives and presenting and producing venues. These organisations are vital for the sustainability of the arts sector, playing a role in developing artistic practice and knowledge, providing employment for many artists, dancers, actors, musicians, writers, directors, administrators, choreographers, dramaturges, curators, composers, independent producers and technicians.

The NSW Government through the Arts Funding Program provides funding for artists and arts and cultural organisations in NSW, and works in partnership with arts organisations, local government, peak bodies and other organisations to fulfil its priorities in arts development. These peak and service organisations play a critical role in promoting arts development in regional NSW, including by providing advice and advocacy.

There is a strong direct and indirect investment by the State in regional arts and culture. The NSW Government invested \$8.8 million in 2010, or 17 per cent of the Arts Funding Program, on 170 projects and programs in regional NSW.

This investment includes funding of peak bodies such as Regional Arts NSW, the Regional Arts Boards and their Regional Arts Development Officers and regional writers' centres. In addition to this, the State invests in Museums and Galleries NSW to provide support to museums and galleries in regional NSW.

The State's cultural institutions provide regional communities with access to collections, resources and expertise. In 2010-11, cultural institutions toured exhibitions to Lithgow, Broken Hill, Bathurst, Cowra, Dubbo and Orange.

The NSW Government through the State Library of NSW provides grants and subsidies to local governments to support public library services. Over \$630,000 was provided to councils in central western NSW. This included a competitive grants program, the Library Development Grants (including Country Libraries Fund) which triggers local government spend on infrastructure such as new library buildings and innovative services.

Aboriginal cultural heritage and the historic rural building stock and landscapes from the Australian bush are iconic parts of our Australian identity. Protecting and celebrating them helps to ensure the rich fabric of our regional communities is retained.

NSW Heritage Grants aim to improve the physical condition of heritage items, assist communities to care for their heritage and support local government in its role as manager of the majority of heritage items in NSW. The NSW Government has already committed \$1.7 million in grant funding to central western NSW in 2011-13.

4. CONCLUDING REMARKS

The NSW Government recognises the potential of regional NSW and is committed to working with communities and stakeholders in central western NSW to ensure the best social and economic outcomes are achieved.

The NSW Government acknowledges the challenges being experienced across the region. Some of these include the provision of essential services to a small and dispersed population, the retention and recruitment of a skilled labour and the need to diversify rural economies.

The NSW Government is already doing a lot to support these regions but we need to find ways to do more and to do things better. Working with local communities, other levels of government and with business will help us to achieve this goal.

