

**Submission
No 40**

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

Organisation: Orana Regional Organisation of Councils

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Orana Regional Organisation of Councils

PO Box 1357

DUBBO NSW 2830

P: 02 6882 9986 E: oroc@oroc.com.au

www.oroc.com.au

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**The Director
Standing Committee on State Development
NSW Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000
statedevelopment@parliament.nsw.gov.au**

Dear Committee Chairman

The Orana Regional Organisation of Councils (OROC) wishes to thank the NSW Legislative Council's Standing Committee on State Development for the opportunity to submit a response to the inquiry into economic and social development in central western NSW.

The Orana Regional Organisation of Councils (OROC) comprises the Shires of Bogan, Bourke, Brewarrina, Cobar, Coonamble, Gilgandra, Narromine, Walgett, Warren, Warrumbungle and Dubbo City Council.

These councils are located in the Central West, Northwest and Far West sectors of NSW. The OROC region covers approximately 20% of the geographical area of NSW and comprises a diverse landscape that covers approximately 190,000 square kilometres. ABS Population statistics indicate that there are 122,000 people residing in the Orana region.

There are many "Orana" boundaries that are not consistent with the OROC geographic boundary; this provides confusion in defining the Orana region. In this instance OROC does not take in Wellington Shire Council or Midwestern Regional Council.

The OROC region has a significantly higher indigenous population of 20 % (average) as compared to the NSW state average of 2%.

The vast distance of the region makes travel difficult across the region, especially since the cessation of regional airline services to western ports. For instance, to travel by road from Lightning Ridge, Bourke, Brewarrina or Cobar to Dubbo is 355kms, 369kms, 374kms and 296kms respectively with travel time equating between 3 ½ hours to 4 ½ hours.

The region is economically and socially reliant on its strong agricultural and mining foundations and is subject to economic variations driven by climatic conditions.

OROC comprises of Bourke, Bogan, Brewarrina, Cobar, Coonamble, Dubbo City, Gilgandra, Narromine, Warrumbungle, Warren and Walgett Shire Councils.

Geography presents a challenge with the diverse issues affecting the region – larger communities are expanding, experiencing growth and development (Dubbo) yet the majority of OROC's communities have declined in population and withdrawn under the social and financial strain after 9 years of drought and subsequent sustainability challenges and uncertainties. As seasonal conditions have been more favourable the past 12 months, these declines have started to reverse.

The region relies on Dubbo as its natural community of interest, as it provides the regional service hub for western NSW. Services offered in Dubbo include: health, education, sporting, financial and professional and aged care.

The following information supplied is from a regional perspective and includes a snapshot of the factors that OROC considers to have been restrictive to economic and social development in central western NSW.

On behalf of OROC I warmly welcome you to visit this region to further consider and discuss firsthand with OROC Board Members the economic and social development issues in this region.

Yours sincerely

Clr Doug Batten
Chair Orana Regional Organisation of Councils
Mayor Gilgandra Shire Council

enc

a) THE PROVISION OF HEALTH, EDUCATION AND CULTURAL FACILITIES.

Health

Sufficient health infrastructure and health services are recognised by OROC as a vital element to sound social and economic development policy.

The OROC region, as indicated above is home to one of the most geographically dispersed populations in NSW, is also one of the most socio-economically disadvantaged areas. Low income, high unemployment, lack of transport, ageing population and other factors all impact upon health care choice and health service access ability.

Sufficient health infrastructure and health services are recognised by OROC as a vital element in economic and social development, and overtime this region's residents have watched, despairingly, the systematic decommissioning of their local hospitals and health services across western NSW, with greater health risk to individuals increasingly forced to bear the additional cost-shifting burden of distance travel.

Travel and distance has become the principal limiting factor in accessing a reliable and comprehensive health service for western NSW and in particular those that live within the Orana region. There is no consistent daily public transport system in place to service this massive geographical area.

Generally, western NSW residents travel longer distances and encounter considerably more out-of-pocket expenses to access medical treatment and surgical procedures than other NSW residents.

The provision of crucial and adequate health services to Dubbo and the Orana region is essential for communities of western NSW; including outreach of key services such as basic surgery, child birth and kidney dialysis. This is particularly critical for the highly-populated Indigenous communities of western NSW.

Over time, basic hospital and health services provided have been grossly inadequate for this region. An alarming inequity in health funding and services has typically cost-shifted to the community and, in particular for this region, responsibility has devolved upon local government to supply health infrastructure in order to attract general practitioners, dentists, pharmacists and allied health professionals.

However health services east of Dubbo have received large investments in newly constructed hospitals which have caused much concern to the region's communities.

Local government in the OROC region contributes in excess of **\$1.65 million** per annum to operate medical facilities and has invested over **\$28 million** in health infrastructure and aged care facilities. This health investment is considered to be exceptional and, OROC believes, that this does not occur in either other regions or metropolitan areas of NSW.

Many OROC rural communities are serviced only by locums. Local government has suffered the cost-shift of the previous State Government to attract general practitioners, and has exhausted the "easy entry, gracious exit" strategy to attract long-term general practitioners and allied health workers to rural communities via substantial investment in health.

OROC's ageing population places additional burdens upon its communities. Local government is providing aged housing and services that increases its long-term viability and sustainability risk. For example: Gilgandra Shire Council's investment in Cooee Lodge Retirement Village.

In recent years, media investigations and other sources reveal that Dubbo Base Hospital does not receive the focus, attention and resources it deserves. Indeed, it is patently clear that government has failed to properly consider either the number of admissions Dubbo Base Hospital receives in a year or the large area of western NSW it services, when allocating health funding.

It has been identified that an increase to health services to Dubbo will facilitate outreach services to the region's communities and will ultimately decrease the overuse of emergency medical transportation/retrieval services (air and road) and some of the inequitable travel and distance issues currently faced by patients and their families.

The major redevelopment and refurbishment that is being undertaken at Dubbo Base Hospital together with an active recruitment this will lead to the improvement and expansion of health services to Dubbo and the region. OROC's is concerned that the State and Federal Government need to collaboratively work together to approve a clear funding strategy to ensure the completion of Dubbo Base Hospital's redevelopment is undertaken within a 5-year timeframe.

A clear funding strategy for the Dubbo Base Hospital is essential and will support and strengthen regional health services that have diminished over time, by providing a functional, modern and compliant health facility. It will also enable the attraction and retention of a vital medical workforce and will also facilitate essential outreach services to the Orana region.

Furthermore improvements to health will assist to ensure the long term sustainability of the Orana region.

Education

It is well recognised that education is a major resource for rural and regional areas.

The delivery of training and education post secondary school especially in rural industry is limited in the Orana region.

As the region relies on elements of the agricultural sector for employment and even more so part time employment; the delivery of training in this area is limited to a Rural Skills Centre in Dubbo.

With no public transport and large geographical distances to travel, there are limited opportunities for an individual in Coonamble, Walgett, Goolooga or Brewarrina to participate in a shed hand or shearing training course that is being offered by the Rural Skills Centre in Dubbo.

This is even more restricting to many remote and isolated located individuals don't have access to gain a driver's licence, let alone have access to a private vehicle.

And there is an increasing and recognised trend that tertiary students who leave the region to undertake study, will not return to their community to live and work once studies are completed.

Cultural facilities

Community infrastructure which includes a range of sporting, recreational, cultural and social infrastructure is vital in order to attract and retain population and skilled people in the region. Many small communities have outdated and tired infrastructure that was constructed post WWII on the back of a wool boom; this infrastructure has a high maintenance cost to the communities and local government, to enable it to be compliant for modern day usage.

It is well regarded by governments that investment in community infrastructure stimulates growth and economic activity, supports jobs and provides long term benefits to communities.

Overtime the NSW State Government has slowly retracted from offering investment in critical infrastructure and allowed the shortfall to be funded by local government and the community. The Federal Government has offered some contributions to community infrastructure during this period under various programs.

b) THE REASONS FOR POPULATION DECLINE OR GROWTH IN DIFFERENT AREAS

Table 1 Population Change in the OROC region 2001- 2006

LGA	Area (square kms)	2001 total no of persons	2006 total no of persons	Change in total population	2006 Indigenous Population	Indigenous population compared to total population (2006)
Bourke	41678.5	3756	3095	-661	875	28%
Bogan	14608.6	3077	2882	-195	337	11.60%
Brewarrina	19189.1	2067	1943	-124	1156	59.50%
Cobar	45608.9	5003	4918	-85	517	10.50%
Walgett	22336.2	7959	6946	-1013	1956	28%
Coonamble	9926.2	4629	4208	-421	1068	25%
Gilgandra	4836	4643	4523	-120	566	12.50%
Warren	10760.3	3197	2750	-447	333	12%
Narromine	5263.6	6783	6507	-276	1031	15.80%
Dubbo	3427.8	37263	37843	580	3909	10%
Warrumbungle *	12379.7	10111	9810	-301	745	7.50%
Total	190,015	88,488	85,425	-3063	12,493	(Average) 20%

* Please Note: For Warrumbungle LGA the data has been re-issued with improved geographic concordance.

Some 2001 boundaries may not accurately align with 2006 boundaries, due to Council amalgamation.

The OROC region has experienced a large population drift over the past 11 years, even more evident during years of severe and prolonged drought. A high loss in the skilled labour area can be verified with the large number of Regional Skilled Migration submissions the Orana region has certified over the past 5 years.

Drought and water reform has changed the focus of the agricultural workforce from full time employment to contract and part time employment.

As indicated by the population table above it is clearly evident that the human capital base of many Orana rural and remote communities has eroded.

Further depletion is a real threat to the sustainability of these communities, both socially and in an economic sense. Losing skilled workers during a downturn is a tangible threat to post-drought business and farm sector recovery. This is even more evident as water reform and water buy back continue to grip and threaten the region's important agricultural industry.

When examining unemployment rates in the region the data indicates when jobs have been lost, it appears the unemployed have left the region. Had the unemployed remained in the Orana region; the unemployment rates would have doubled and reached 12% instead of 6%.

Over many years governments have facilitated a drift of population and services in the Orana region with the systemic approach to the removal of essential services such as RTA, Rail, Telstra, Australia Post and in many instances financial institutions.

However there continues to be a high over representation in the Orana region in the public service sector such as government, health and education; and there is an under representation in the private sector.

In 2001 at Bourke there were 26 qualified agronomists employed in the irrigation and service sector. By 2003 this had halved to 13 and by 2009 this has reduced to 2 agronomists. This loss of vital expertise poses a serious challenge for the agricultural and horticultural industries to be able to successfully return to some form of production. The same scenario can be show for Veterinary Surgeons, Stock and Station Agents and Agricultural Pilots across the region.

The large portion of remaining professional population in our small rural communities is mainly transient (eg school teachers, nurses and police officers). Many of these public servants are 'drive in drive out' workers that do not live in the rural communities they service.

The region has also lost a large section of its skilled and trade workforce to the mining industry.

The Orana region has a lower participation rate than the State average and also a higher unemployment rate. This suggests that there is a possible degree of under-employment and there is a capacity for more employees to be found in the Orana region, by attracting more people to enter the labour force.

There is a need for a close examination of the current skills composition and to further target those identified skills as being lost (or in shortage) in each local government area and is essential for this region to be viable and sustainable into the future.

c) THE ADEQUACY OF TRANSPORT AND ROAD INFRASTRUCTURE

Road and Rail

Transport Infrastructure is a major concern for economic and business activity in this region and it has been allowed to gradually decline over the years.

There has been a continuous lack of strategic and long term planning for the upgrade, maintenance and investment in transport infrastructure, particularly in Western NSW.

The conditions of most rail branch lines in the OROC region are seriously restricted both by speeds and loads. Export trains are limited to 2200 tonnes or to 40 wagon trains and domestic trains run to only 85% capacity due to the line safety. Trains generally travel at 10km/hour on these hazardous lines and most at night during peak summer periods, to avoid further safety issues created by extreme day time temperatures.

These inadequacies in rail transport put an increased pressure on the use of road freight. It is anticipated that road freight will double within the next 25 years, adding extra pressure to major inland highways and routes that are poorly invested by Federal and State governments.

In order to assist these inadequacies the construction of an inland multi stack, fast North/South inland rail corridor traversing the Orana region can potentially open up cost effective handling and access for domestic markets as well as multi port access efficiencies. Overseas modelling does show that well positioned, high loading grain handling facilities offer more flexible and timely efficiencies than the small low speed filling facilities that currently exist in this region.

The development of the Bells Line of Road is also of great importance to Western NSW communities. An upgrade of this route to a motorway standard will not only increase opportunities for western communities; it will improve agricultural and economic productivity, flexibility, and efficiencies, it will offer this region an equitable access into Metropolitan Sydney and Ports.

This region considers that there is significant potential for growth in Western NSW will be considerable with an improved route over the Blue Mountains; it is seen as a catalyst for investment.

Improved transport infrastructure not only increases the attractiveness of the region, it makes this region more viable and an ideal location for further production and distribution facilities.

Air

In 2009 the termination of the en-route rebate for commercial airlines resulted in the retraction of commercial passenger services to many western NSW ports. This has placed added pressure on the transportation of many 'fly in fly out' visiting medical specialists, surgeons, legal, education and other professional services. The efficiencies

lost to the essential services delivered to these remote communities are a real concern.

It is essential for governments to realise that access to a commercial airline service is an attractant for professional staff in rural and remote areas such as Bourke, Lightning Ridge, Coonamble and Walgett.

Furthermore, individuals that seek medical treatment from far western areas of the region are limited by time and access to air transport, in order to seek medical specialist services that are only available in metropolitan areas.

d) WAYS TO ENCOURAGE DEVELOPMENT OF LOCAL ENTERPRISES AND THE POTENTIAL OF THE REGION OVERALL

Although there are many and varied marketing campaigns that encourage Metropolitan residents to consider a change of lifestyle to relocate to inland areas of NSW, there does not appear to be one campaign that has been significantly successful in attracting new business or residents.

A collective approach to deliver sound social and economic development outcomes for communities and regions should be considered by State Government prior to a collective relocation marketing campaign is implemented.

Many communities and in particular communities of the Orana region, have encountered a retraction of services and essential infrastructure; investment needs to be implemented in order for a benchmark standard of living/services is achieved prior to attracting new residents and business and industry.

Although there have been improvements to telecommunications across the entire region, communication is still not equitable when compared to the rest of regional NSW, this restricts industry and business growth to the Orana region.

e) THE COMPARATIVE LEVEL OF GOVERNMENT BUSINESS ACTIVITY LOCATED WITHIN THE REGION

The public service sector continues to have a considerable presence throughout the Orana region; it is considered that this large workforce offers economic flow on benefits to the communities of the OROC region. Local government is the largest employer in most Shires in the Orana region

However the public sector workforce is limited by incentives, especially to those servicing western communities, the majority of this workforce is 'drive in drive out'.

It is common for local government across the state to offer incentive packages to attract and retain professional staff. However in the Orana region this is not limited to a core council workforce, these incentives are also offered to the professional health workforce within a Shire; which preserves the social responsibility of service and care to the community.

Agriculture dominates the economic output across the Orana region and traditionally this sector was well serviced by NSW Department of Primary Industry research and extension services. Over the past 10 - 15 years there has been a massive decline in

frontline agricultural research and extension staff.

Agricultural research and development programs have also deteriorating throughout the region, and this is further proven with the active sale of Research facilities throughout NSW. The Trangie Agricultural Research Centre is strategically located to be a leading agricultural research institute and address the challenges and innovation needs that are current and likely over the next 20 years for agriculture in this region and across the State.

f) METHODOLOGIES FOR LOCAL GOVERNMENT TO COLLECTIVELY COOPERATE TO ACHIEVE INCREASED INFRASTRUCTURE FUNDING AND ECONOMIC GROWTH.

Strong collaborative local government alliances across the Orana region have proven to be a successful formula in improving growth and activity.

This is well demonstrated by the commitment of 11 local government areas committing to support alliances and groups throughout the region and across boundaries. (In no particular order) Some of these successful models include (In no particular order): Orana Regional Organisation of Councils (OROC), Lower Macquarie Water Utilities Alliance, Bathurst Orange Dubbo (BOD) Alliance; Library Networks; County Councils; Weeds Advisory Committees; Tourism organisations; Netwaste; Central West Salinity and Water Quality Alliance; EvoCities; Arts organisations; Strategic land use alliance to name a few.

Although these alliances and groups work collaboratively there is consideration across the region to respect the operational autonomy of each local government area.

g) ANY OTHER FACTOR RESTRICTING ECONOMIC AND SOCIAL DEVELOPMENT IN CENTRAL WESTERN NSW.

Other factors that have and will continue to restrict economic and social development in Central Western NSW include the cost shifting activities and burdens that have fallen on local government; this is most evident in many of the communities of OROC.

Some of these cost shifting activities include: a range of health infrastructure and health services, emergency services, animal control, water licensing, load based licensing, environment, land management, on site sewer management and Rural Fire Service to name a few.

The continued impost of cost shifting activities is driving many rural councils into areas of non-traditional core business activities such as education, community safety, law enforcement and a range of child and youth services.

It is now considered that the community expects local government to be involved in quality of life and the issues that impact on lifestyles, an example of this non-traditional activity is shown by Brewarrina Shire Council, which took over the ownership of the Pharmacy building and offers the tenant a very reasonable rate below normal commercial rental value in order to attract and retain a Pharmacist in the community. Brewarrina Shire Council also owns the only hairdressing salon in the Shire, this in turn retains hairdressing services for the community from a visiting hairdresser once a month.

Other factors that restrict economic and social development in this region include the unknown certainty of the Murray Darling Basin Plan, Coal Seam Gas Development, Climate Change and associated taxation reforms.

As this submission is finalised it worthy of mention that three major, multi-million dollar farm industry research programs have had funding slashed by Federal Government. The Beef Genetics, Forestry and Cotton Catchment Communities Co-operative Research Centres have all had their bids for funding rejected.

These major industry research programs are fundamental to the agricultural and subsequent economic activity that occurs in a large portion of rural and regional NSW. Without this activity there is little provision for the long term sustainability and viability of the OROC region.