

**Submission  
No 28**

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

**Organisation:** Central Darling Shire Council

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# CENTRAL DARLING SHIRE COUNCIL

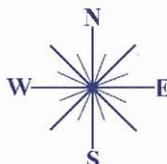
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ABN: 65 061 502 439

E-mail: [council@centraldarling.nsw.gov.au](mailto:council@centraldarling.nsw.gov.au)  
Website: [www.centraldarling.nsw.gov.au](http://www.centraldarling.nsw.gov.au)

PHONE (08) 8083 8900  
FAX (08) 8091 5994

PLEASE ADDRESS ALL  
CORRESPONDENCE TO:  
THE GENERAL MANAGER  
P. O. BOX 165  
WILCANNIA NSW 2836



COUNCIL CHAMBERS  
21 REID STREET  
WILCANNIA NSW 2836

**The Director  
Standing Committee on State Development  
Parliament House  
Macquarie St  
Sydney NSW 2000**

## **Inquiry into economic and social development in central western NSW**

### **Submission on behalf of Central Darling Shire Council**

Central Darling Shire Council (CDSC) is reputedly the largest Local Government area in New South Wales and probably the most sparsely populated. CDSC abuts the Unincorporated Area regarded as so sparsely populated that it does not warrant a Local Government entity.

CDSC covers approximately 53,000 sq Km, is home to less than 1900 residents and, has approximately 1600 rateable properties in Ivanhoe, Menindee, Sunset Strip, White Cliffs, Wilcannia and Tilpa and spread throughout the thousands of square kilometres in between.

The major centres of Wilcannia, Ivanhoe and Menindee are linked by unsealed roads which with rainfall of as little as 5mm can be closed to traffic. These townships are each between 160km and 200km apart.

We have been somewhat restricted in our submission due to time constraints but have made brief comments in each area of interest as they affect a large remote rural area with small and widely separated communities.

The recurring theme is that of distance. Whether distance from markets, distance to be travelled over unsealed roads, distance between telecommunication towers, distance from the completion year of the NBN Rollout. In every aspect of life and business this

is a major factor. It is not always a negative, it contributes to the unique lifestyle of the western remote regions. However that does come at a cost.

The minimisation of that cost is a target to improve the social and economic development opportunities and wellbeing of residents.

### **The reasons for population decline or growth in different areas**

Reasons for reduced population across remote regions have been documented many times and can be attributed to many things. Climate, through drought, uncertainty about ongoing access to water and lower prices (on average across the longer term) for commodities are all reported as leading to reduced income levels on rural properties and reduction in resident owners/workers.

In this particular region this has been reflected in decreasing “on farm” populations and increased use of contract labour from outside the region. The flow-on effect has seen a reduction in the population of townships and a similar reduction in services provided.

The commensurate increase in the cost of products and services provided through a smaller market encourages spending patterns that are focussed on larger Regional Centres that provide diversity and in some cases lower prices. This feeds the downward spiral.

### **The adequacy of transport and road infrastructure**

Within our region, the issue of transport availability, transport costs and accessibility of roads is a major impost and inhibitor to economic development.

With few regular, general, transport operations within the region, it is impossible to arrange overnight deliveries from any capital city to most of the Shire. It is also impossible to arrange overnight mail courier services to Capital cities.

#### **Transport costs**

An instance of cost can be seen with a recent purchase of a pallet of 20 x 30 kg bags of specialised building material.

- It was produced in France shipped to Adelaide and resale price was \$Aus35 per bag (ex GST)
- It was purchased and despatched on a Friday for delivery to Wilcannia.
- It arrived one week later and transport cost was \$10.75 per bag (ex GST) or **\$358 per tonne. (ex GST)**

For a small business hoping to develop an industry that may need to transport raw materials to the area and then ship finished products to Capital Cities, these costs are prohibitive.

In an area where the majority of economic output is from agriculture, cost of shipping stock is high due to distances to market. If a carrier has been able to load and be

prevented from using other roads in the region due to rain, at an estimated \$5-\$6 per kilometre, an extra 400 kilometres can double the transport cost.

In the case of those producers of high volumes of live goats located adjacent to the State owned and maintained Cobb Highway, the fact that it remains unsealed and closed during rain events adds a level of uncertainty to shipping programs that is unacceptable and costly.

The need to protect fruit from damage whilst being transported to market from Menindee, means transport must travel an extra 300km on a round trip from Mildura, as the shorter Menindee to Wentworth road via Pooncarie is unsealed.

These examples are indicative of the aspects of the transport of material that impacts on all current and possible future businesses.

The following roads are all unsealed for much of their length. All are major link roads throughout this region. All would increase access to, and transit through the region for Commercial and Tourism traffic.

- Cobb Hwy – Wilcannia - Ivanhoe
- Menindee- Pooncarie Rd
- Ivanhoe- Menindee Rd
- Wilcannia – Menindee Roads
- Wilcannia - Tilpa Roads
- Cobar - Tilpa Road
- Wilcannia – Wanaaring Road
- White Cliffs –Broken Hill road
- White Cliffs to Packsaddle Road.

### **Ways to encourage development of local enterprises and the potential of the region overall**

Several years ago the Barwon Darling Alliance of Councils funded research into the possibility of developing an Economic Zone to stimulate existing businesses and to promote the creation of new enterprises through a range of initiatives including Tax Benefits. This model although widely circulated failed to attract the interest of Governments at that time. The Alliance has since been dissolved.

If transport costs and availability are an impediment to the transport of physical product, the shortcomings in the field of Communications provide an impediment to the expansion and provision of “virtual” and Cyber Services.

In Wilcannia, mobile phone reception is patchy with very poor coverage inside buildings. This also precludes the use of 3g wireless internet from many areas.

Recently, submissions were made to the Federal Parliamentary Inquiry into the rollout of the National Broadband Network. At a hearing in Broken Hill, it became obvious that the proposal that would see it taking up to 10 years for the greatly improved services to reach much of this region, would lead to a further increase in

the gap in economic development between the region and the Capital Cities and larger Regional centres.

Slow internet speeds and poor phone coverage in much of the region, makes it difficult to maintain connections with customers and service providers where large volumes of data need to be transferred. This adds cost through inefficiencies where attempts are made to access expert assistance electronically. It can also prevent those experts from relocating to these areas if they risk losing existing clients in Capital Cities and larger Regional Centres.

### **The comparative level of government business activity located within the region**

Given the low population, there could appear to be an inordinate level of Government business activity within the area.

The demographics however reveal the reason. CDSC has a large relative percentage of Indigenous persons. The greater proportion within the Shire, live in Wilcannia. Wilcannia was nominated by the Federal Government as one of only two towns in NSW (the other Walgett) to be included in the Remote Service Delivery program.

This has given Wilcannia a “priority” access to Government funding. The unfortunate aspect of this has been an increase in the number of programs and organisations attempting to service a limited market. The attendant duplication and replication by in some cases competing organisations, has resulted in events and programs clashing with each other, consultation overload, and, programs being driven by external timelines.

This same level of activity does not appear across the entire region. Towns of Ivanhoe and White Cliffs have much more “traditional” levels of Government activity whilst Menindee has mid-range levels of activity.

Better coordination of Government services is a necessity to improved efficiencies in existing businesses or new enterprises. With constant changes in the make-up of Government Departments, changed reporting lines and responsibilities it can make it difficult for the non- frequent user of Government services to locate the appropriate department or person.

### **Methodologies for local government to collectively cooperate to achieve increased infrastructure funding and economic growth**

The Better Practice Review carried out at CDSC last year and the resultant report highlighted the difficulties of the existing operational and funding structure to maintain levels of compliance, and services, required of the contemporary Local Government entity within this region.

Council, in its response to the report, requested assistance in finding a solution that would lead to better long-term viability of the region. Traditional concepts of resource sharing often stumble on the distances between towns and the conditions of roads.

Equipment damage and time add to the costs associated with shared resources. Distances from centres of control exacerbate the difficulties of the management of works.

Subsequent to a number of discussions, the Minister for Western NSW, the Hon. Kevin Humphries MP, announced at the recent Destination 2036 conference, that CDSC had been chosen to work with the State Government in developing a new, pilot structure for Local Government within the rural remote areas.

This structure **may** include a voluntary return of rural areas to the Unincorporated area of the State and increased local government control of outcomes through Town and Village Committees. There is much work yet to be done on this model.

### **Any other factor restricting economic and social development in central western New South Wales**

#### *Central Tendering for Government Services*

Government Departments utilise central tendering processes which result in the selection of large organisations to provide services across the State, including regional and remote areas. Due to the tendering processes, it is exceedingly difficult for small, local enterprises to have access to this work other than as a sub-contractor to the successful tenderer.

In many instances this work is done by workmen from outside the region. This practice takes money out of the region.

#### *Tradesmen shortages*

The availability in remote areas of those tradesmen whose services are required by law, e.g. electricians and plumbers, is an ongoing problem. Again the nemesis of distance adds to the costs where a "callout" can equal the weekly wage of an employee.

Whilst recognising the need for safety and regulation, the high costs can have the reverse effect with risks being taken to avoid those costs.

The establishment of structured layers of competence based training and authority could result in additional qualified persons and enable lower level activities to be performed at a much reduced cost and risk.

#### *Costs of Training*

Limitations on course applicant numbers, increasing compliance requirements, and shortage of skilled persons all add enormous costs to training and staff development.

In any business large or small, days spent training cause disruption. When days of travel, transport costs and accommodation costs are included it can make effective and appropriate training prohibitive. This reduces skills development and in many cases stymies enterprise development.

Better access to, and a greater number of, distance learning solutions could be of great benefit to the remote regions.

We thank the Committee for the opportunity to make a submission on this important subject and would be happy to elaborate on these issues should the Committee so wish.

Paul Brown  
Mayor  
Central Darling Shire Council

26<sup>th</sup> August 2011