

**Submission
No 37**

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

Organisation: Central NSW Councils (CENTROC)

Date received: 2/09/2011

Response to the criteria

a) The provision of health, education and cultural facilities

Schools, healthcare and cultural facilities are important social infrastructure that provide quality of life and assist economic development. The Central NSW region has a growing number of education providers, public and private hospitals, medical specialist services, mental health facilities, nursing homes, aged care facilities, sporting and cultural facilities.

The Bathurst Region has a strong educational cluster while Orange has evolved into a medical hub.

Health has been identified as a priority by the Centroc Board and consequently the Centroc Health Workforce Group has been very active for the past decade.

Of note from Centroc members is that they wish to ensure that services of all types reach out well beyond the larger regional centres.

Health

Members of Central NSW Councils note that while health care provision is not traditionally the role of local government, increasingly Councils are providing both health and aged care infrastructure and services. Of note is the recent effort collectively across the region in the Beyond the Range program to attract and retain health workforce. Centroc is currently seeking State support for this program.

Health is a priority for the Centroc Board where for the past 5 years it has been involved in the broad areas of activity:

1. Attraction and retention of health workforce including
 - a. developing a health workforce matrix with key industry stakeholders such as Western Area Health Network (WAHN), GPLogic, Central West Division of GPs, Rural Doctors Network, Aboriginal Health Service, Charles Sturt University and the Department of Education and Training.
 - b. The development of the Beyond the Range Project
 - c. support for flexible models for allied health workforce
 - d. support for more tailored training models for Enrolled Nursing
 - e. support for “growing our health workforce” for example through the Beyond the Range project, support for Charles Sturt University and Dentistry and more recently to bring a Medical School to the region.
2. Support for improved health services in the region including
 - a. cancer care services
 - b. patient transport
 - c. smaller boundaries for the WAHN and Medicare Local
 - d. a 24 hour helicopter retrieval service
3. Improved health infrastructure for the region including
 - a. upgraded and new hospitals in Orange, Bathurst, Parkes, Forbes and Cowra
 - b. “Health one” facilities and local government supported primary health care facilities in Forbes and Molong

There are 11 public hospitals located within the region, many of which have strong ties with educational institutions and several of which offer curriculum tailored to meet local demand for healthcare services:

- Orange Base Hospital;
- Bathurst Base Hospital;
- Boorowa Hospital;
- Crookwell Hospital;
- Forbes District Hospital;
- Lithgow Hospital;
- Blayney District Hospital;
- Cowra District Hospital;
- Oberon Hospital;
- Parkes District Hospital
- Young District Hospital.

A selection of hospitals have existing university-hospital relationships including Lithgow Hospital and Notre Dame, Bathurst Hospital with Charles Sturt University and University of Western Sydney, Orange Hospital with Charles Sturt University and Sydney University School of Rural Medicine. Universities are competing for training places in the region and are also working closely with General Practice to facilitate this.

Centroc has a policy of “growing our own” health workforce.

There is a significant health sector centred in Orange and Bathurst, both of which have had major new base hospitals recently completed. The Bathurst Base Hospital was completed in 2010, while redevelopment of Orange Base Hospital, the largest of the four base hospitals within the Western NSW Local Health Network, completed in 2011.

Health care and social assistance is among the key industry employer within the Central NSW region with the employment shares for the healthcare sector relatively higher than the regional NSW and NSW averages, indicating the relative strength of this sector in the region.

Industry	Central NSW	Regional NSW	NSW
Health care and social assistance	13.0%	12.7%	11.8%

Over the five year period 2001-2005, the health sector has recorded significant employment growth of 23.7%.

Factors restricting development of health services

Of note is that infrastructure and service delivery in the health sector is critical to the resilience and sustainability of Centroc communities. The Centroc Health Workforce Group report that when the doctor leaves town or the chemist, the flow on deleterious economic effects are substantial.

While health services are growing in some areas, for example Orange, smaller communities report ongoing concerns regarding recruitment for example Grenfell. The region has worked collaboratively on this issue, learning from leaders like Young and Orange.

There has been abundant research done into the factors affecting attraction and retention of health workforce, particularly GPs. Centroc's efforts in this regard are available on request. It is clear that vibrant "medical friendly" communities who have worked at this issue over years are much better off regarding health workforce.

Centroc has taken this issue on and has developed

1. Events and kit material for communities to build capacity in growing health workforce and
2. A health workforce matrix identifying what has been done and the opportunities for growing health workforce in the region
3. Marketing advice and a web based portal for attracting and retaining health workforce – the Beyond the Range Project

Centroc members are currently seeking State support to progress this initiative.

Provision of facilities

- Aged care facilities in more remote rural towns to keep people in their towns near loved ones for example in Oberon
- MPS at Peak Hill
- Funding for additional beds for smaller local hospitals.
- Training facilities to support "growing our own"
- Transport infrastructure including patient transport
- 24 hour retrieval service- helicopter
- National Broadband Network (NBN) for delivery of remote health care services to rural communities
- Accommodation for staff and relatives of patients especially in Orange
- Lack of community/health infrastructure funding availability for local government
- Funding guidelines for Council delivery of health infrastructure is excessive given we are another tier of government with rules around accountability and transparency
- Lack of Infrastructure funding available for non-profit community groups in the health sector-for example the challenge of funding Cancer Care West
- Limited pool of private sector sponsorship/partner dollars available in regional communities for infrastructure projects requiring partnerships.
- Lack of funding program for feasibility and planning – all seek "shovel ready"
- Funding for facility upgrade at Forbes Hospitals and redevelopment of Parkes Hospital
- Funding for upgrade of Cowra Hospital
- Funding of aged care facility in Oberon
- More public transport between Orange and Bathurst and further afield to support increased movement between the hospitals

Service delivery

- Flexible workforce options to facilitate attraction and retention
- Flexible training options to facilitate “growing our own”
- Local training options for medical workforce for example the Charles Sturt University Medical School
- Support for Co-ordinated “across the health sector” health workforce marketing strategies
- Medicare Local and WAHN – both are geographically too big where Central NSW has a sufficient area, population and complexity to warrant its own boundaries
- Lack of community capacity/resources to develop funding applications
- Lack of 24 hour emergency doctor in Blayney

Opportunities for improving health services

- Health and aged infrastructure identified above
- Charles Sturt Medical School
- 24 hour helicopter retrieval service
- Encourages additional partnerships with the education sector to facilitate medical research internships and other training programs
- Building resilience in small communities through a strategic approach to aged care facilities, hospital, and specialist medical services
- Reduce costs of locums by reviewing relationships with Visiting Medical Officers
- A review of health workforce resource management by WAHN offers flexible work arrangements to facilitate recruitment
- A co-ordinated health service delivery program recognises the value of smaller hospitals
- A co-ordinated university placement program with direct support to “growing our own”
- State/Local government partnership in supporting the Beyond the Range project in attracting Health Workforce

Education

Central NSW has relative strength in preschool and school education services as well as a post school education.

There are a number of educational institutions located within the region, offering training opportunities that contribute to a highly skilled workforce. These include institutions such as the Charles Sturt University campuses in Bathurst and Orange and TAFE Western campuses located in Bathurst, Cowra, Forbes, Lithgow, Orange and Parkes and the Central West Community College throughout the Central West region. Other organisations include Skillset (formerly Central West Group Apprentices), which has offices in Bathurst, Orange, Parkes, Cowra and Lithgow and a range of Registered Training Organisations.

The Education and training sector is a key employer within the Central West region with the employment share relatively higher than the regional NSW and NSW averages indicating the relative strength of these sectors in the region.

Industry	Central NSW	Regional NSW	NSW
Education and training	9.5%	8.7%	7.8%

Source: ABS Census (2007), ABS Cat 6202.0 (2010b), DEEWR (2010), AECgroup

Over the five year period 2001-2006 the education sector has recorded significant employment growth of 15.8%.

Factors restricting development of education services

- Lack of access to funding for example the Charles Sturt University Medical School
- Lack of recognition of “growing our own” in education funding
- Need for funding for agricultural sector including agricultural stations, for example Central Western Farming Systems and universities
- Need for recognition of scientific research undertaken in partnership in the region eg Central Western Farming Systems
- Adequate broadband to enable remote training opportunities
- Availability of wider range of relevant courses in more rural centres
- Insufficient diversity of pre-apprenticeship training opportunities – easing transition between schools and TAFE
- Inflexible vocational stream through HSC- encouraging students to pursue vocational opportunities available in Central NSW
- Inflexible vocational streams that recognise that especially “return to workforce” personnel may not be able to travel to major centres for education and training

Opportunities for improving education services

- Funding of particularly health, health research and agricultural research education in the region
- Funding and recognition of entities like Central Western Farming Systems
- Flexible learning pathways that recognise the challenges of distance to education
- Windfarm and renewable energy industry training

Recreational and Cultural Sector

According to the draft AEC report into Regional Economic Development (2011), the arts and recreation services sector were amongst the fastest growing sectors in the Central NSW region, recording average annual growth of around 10%, considerably above the overall industry averages in the region. It should be noted that in regard to the arts and recreation services sector that it grew from a low base.

The region continues to value passive and active recreational and cultural activity. Sporting facilities continue to be a significant component of Local Government activity.

Arts and cultural programming add value to communities both in terms of resilience and as an attractor for tourism and relocation purposes.

It should be noted that issues restricting development are not solely related to infrastructure but also on-going funding to support operations and specific programs.

Employment in this sector is as follows.

Industry	Central NSW	Regional NSW	NSW
Arts and recreation services	1.1%	1.1%	1.5%

Source: ABS Census (2007), ABS Cat 6202.0 (2010b), DEEWR (2010), AECgroup

Factors restricting development of the cultural sector

- Access to funding for cultural infrastructure – particularly by non-profit community groups.
- Access to funding for cultural infrastructure outside key regional centres of Orange and Bathurst
- On-going operational funding
- Increasing expectation that the private sector will support cultural activities (very limited pool in regional areas)
- NBN – cannot address the developing needs of the creative industries sector without high speed broadband
- fragmented cultural and arts funding and support

Opportunities for growing the cultural sector

- “Main street” type programming that values heritage and culture the CBDs of all communities
- Growing resilience in communities through small towns programming
- Working with community champions
- Focus on tourism and small business support in cultural programming

b) the reasons for population decline or grow in different areas

Centroc is a growing region with 25 mines slated for development over the next 25 years. It has a strong and diverse economy. Its proximity to Sydney and the likelihood of improved transport links will assure stronger growth into the future.

There has been much debate in the region regarding population forecasting. Centroc has commissioned its own population data and this is available from the Centroc website. The Draft Regional Economic Development Strategy is near completion and shows higher population growth than that projected by Centroc .

Within the region there are varying degrees of population growth with some communities located near mines growing strongly. The larger centres are also experiencing strong growth where some of the smaller communities are either static, experiencing much smaller levels of growth or experiencing small levels of decline.

NSW Department of Planning

The NSW Department of Planning prepared population projections for NSW in 2008 using ABS population estimates from 2006 as a base. Population projections indicate population growth within the Centroc region will significantly slow down over the next 20 years. The population of the region is projected to remain relatively stable and average 0.1% between 2006 and 2031, considerably lower than both the regional NSW (0.7%) and NSW (1.0%) averages.

At the LGA level, the resident population for most of the LGAs within the Centroc region is projected to either remain relatively constant or decline between 2006 and 2031. The regional centres of Bathurst and Orange are the exception and are projected to record average annual growth of 0.4 to 0.6%. These projections indicate that the major towns will continue to attract residents from the surrounding rural areas and from outside the area over the next 20 years.

Western Research Institute

Centroc commissioned the Western Research Institute (WRI) to prepare population projections for the 17 member LGAs in 2008. These show higher growth rates than those of the NSW Department of Planning where average growth of .91% for the next 10 years and then .54% for the next 20 years is anticipated. The WRI projections are based on trends in mortality rates by age and gender, fertility rates by age and historical trends in in-migration and out-migration. Information supplied by the member councils regarding future major developments was also used to generate estimates of employment and the associated population impacts were developed under three scenarios:

- **Scenario A:** 100% of new mining, health-related and high technology jobs are assumed to be filled by people migrating into the LGA. 50% of other new jobs are assumed to be filled by people migrating into the LGA with the balance being filled by the existing workforce.
- **Scenario B:** 50% of new mining, health-related and high technology jobs are assumed to be filled by people migrating into the LGA. 25% of other new jobs are assumed to be filled by people migrating into the LGA with the balance being filled by the existing workforce.

- **Scenario C:** 10% of new mining, health-related and high technology jobs are assumed to be filled by people migrating into the LGA. 5% of other new jobs are assumed to be filled by people migrating into the LGA with the balance being filled by the existing workforce.

AECgroup

A comparison of population estimates published by the ABS and population projections prepared by the NSW Department of Planning indicates that the NSW Department of Planning could possibly have underestimated population growth in NSW. The NSW Department of Planning projected the Central West region's population would increase at an average rate of 380 persons per year between 2006 and 2011 or 0.2% per annum. Data from the ABS indicates that actual population growth between 2006 and 2009 was over 1,500 per year, equating to growth of 0.9% per annum.

AECgroup has reviewed the recent population trends and the NSW Department of Planning's population projections and prepared our own population projections for the region. ID Consulting has updated population projections for the Bathurst LGA based on proposed new residential development opportunities within the LGA, and historical trends in fertility, mortality and migration rates. These population projections have been accepted by the Council. Given that similar population projections are not available for the remaining member LGAs, AECgroup has developed its own population projections for the other LGAs. It is projected that population of the Central West regions is likely to increase by approximately triple the growth projected by the NSW Department of Planning.

The regional centres of Bathurst and Orange are projected to record average annual growth of 0.4 to 0.6%. These projections indicate that the major towns will continue to attract residents from the surrounding rural areas and from outside the area over the next 20 years

Reasons for decline

- The relatively lower growth in the region reflects the social trend that has seen a shift of people migrating to live in cities and coastal regions in comparison to inland areas
- Greater labour efficiency in the rural sector and the prolonged drought
- Communities reaching "critical" drops in service levels for example in health and banking lead to out-migration
- Concerns regarding water security
- Ageing population seeking certainty of medical care
- Outflow of young adults (25-44 years) to Sydney and other major centres in search of more diverse education, employment and social opportunities

Reasons for growth

- Initiatives like Evocities
- Land values and rents are lower than the Sydney region and many other parts of the country
- Diverse and resilient economy will support future growth
- Central location readily accessible to Sydney and Canberra
- Wide range of training opportunities to support industry development
- Wide range of quality schools

- Strong road and rail connections – including two intermodal facilities. Airports in Orange, Bathurst and Parkes facilitating connections to Sydney and beyond
- Business friendly investment environment. All three levels of Government work together to support economic development
- Great lifestyle
- Lower cost of living
- Employment opportunities supported by growth in mining, health, education sectors

The regional centres of Bathurst and Orange have a relatively younger population with an average age below 37 years. This is due to the higher proportion of residents between the ages of 15-34 years and is attributable to a higher number of regional educational institutions in these areas including the Charles Sturt University campuses in Bathurst and Orange, and Western NSW Institute of TAFE campuses. Rural areas such as Weddin and Upper Lachlan have a relatively higher proportion of its population over the age of 55 years, with each recording an average age of 42.4 years, presenting unique challenges to these communities.

According to the NSW Department of Planning projections, the proportion of older residents within Centroc is likely to increase by approximately 10% over the next 20 years. This is consistent with national trends of an ageing population, brought about by a number of social trends, including lower fertility rates and improved life expectancy. The ageing population will increase demand for age care, residential facilities, nursing homes and extensive health and community services within the region.

As at June 2010, Bathurst recorded the highest cost of housing with median dwelling prices of nearly \$300,000, followed by Orange and Cabonne. The higher dwelling prices are associated with a growing housing demand in the major towns as a result of higher population growth. On the other hand, it is considerably cheaper to buy residential dwellings within the more rural LGAs which record lower demand for housing. Employment opportunities also have a significant impact on housing prices with the establishment of major businesses in a small area having a significant boost on prices and the closure of major employers resulting in a decline. As an example, the closure of the abattoir in Young, a major local employer, had an impact on the demand for housing in the area.

Factors restricting population growth

- meeting the demand for public and private housing (owner-occupiers and rentals)
- water supply security across business, farming, mining and urban sectors – this cannot be underestimated and the work Centroc has undertaken around water security in the region needs to be progressed
- NBN
- youth opportunities for education, skills development, employment and social development
- skill shortages and retention of skilled people
- lack of public transport services
- declining health services in smaller centres
- energy supply stability and high cost
- high demand for aged care services
- climate change
- recovery from drought

- shortage of rental housing supply of appropriate standards
- poor transport links for example the road link between Sydney and Central NSW

c) the adequacy of transport and road infrastructure

The 2010 National Local Roads Congress sets the scene for the role Local Government plays in delivering efficient transport across the nation¹.

Local Government is responsible for more than 80% of the nation's road network on which more than 25% of the transport task is undertaken and the efficient operation of the local road system is vital to the national economy.

While Federal funds make an important contribution, nationally local roads are predominantly funded by Councils from their own revenue sources. Social cohesion and inclusion is dependent on access to social, medical and educational facilities in both urban and regional Australia and is critically dependent on an efficient and effective transport system

The ALGA study into local road funding during 2010 found that expenditure on local roads has been less than the life cycle cost for the past 5 years and that the shortfall in funding to simply maintain rather than improve Australia's local roads in the period from 2010 to 2025 is estimated to be around \$1.2 billion annually.

Centroc has been advocating for improvements in transport infrastructure across the region for a number of years. The commissioning of the Central West Transport Study (CWTS) by SMEC (2006)² set the strategic framework for improvements across the region with the objective:

“To provide a comprehensive and coordinated review of the rail, road and air transport systems in the study area and to determine relevant options for transport strategies in the next 20 years based on analysing a range of transport issues relating primarily to freight and heavy traffic, and their integration with existing and future land use.”

More recently through the lobbying efforts of Centroc, the Australian Government commissioned the Central West NSW Transport Needs Study (CWTNS) by SKM (2009)³ to evaluate the appropriateness of existing land transport networks in meeting the short and long-term needs of the Central West.

There are a number of strategic documents that provide advice in this area. Some, like the Central West NSW Transport Needs Study and the SAMROM report on the Blayney-Demondrille and Greenthorpe-Koorawatha lines in the region are complete. Others, like the Bells Line Long Term Strategic Corridor Plan and the Centroc Priority Regional Infrastructure Plan are near completion. Centroc has developed a number of submissions on road and transport infrastructure and these are available from the Centroc website or by request.

A summary of the Centroc position regarding road and transport infrastructure is as follows.

¹ National Local Road & Transport Congress (2010) – <http://www.alga.asn.au/policy/transport/congress/2010/04.communicue.php>

² SMEC (June 1996) – Central West Transport Study

³ SKM (May 2009) – Central West Transport Needs Study

The Need for a Safe Swift Road Link to Sydney

The foremost concern for the Centroc region is the need for a safe, swift transport link to Sydney, especially for freight.

The Great Western Highway, traversing the ribbon of communities along the challenging topography of the Blue Mountains can only ever be a local road for its townships and villages.

The Bells Line of Road needs upgrading to ensure both a safe swift freight link as well as to provide access for the communities of Central NSW to access Sydney for health, family and other purposes. It should also be noted that the Central West NSW Transport Needs Study identified tourism as the third largest industry in Central NSW. The typical tourist travels by car. The experience returning to Sydney along the choked Great Western Highway must be a disincentive.

In the first instance the corridor, especially the Sydney side from Kurrajong to the M7 needs securing.

The region is also keen to progress access for High Performance Vehicles over the Blue Mountains where this is currently limited.

Rail

There are several improvements to rail that are priority for Centroc members:

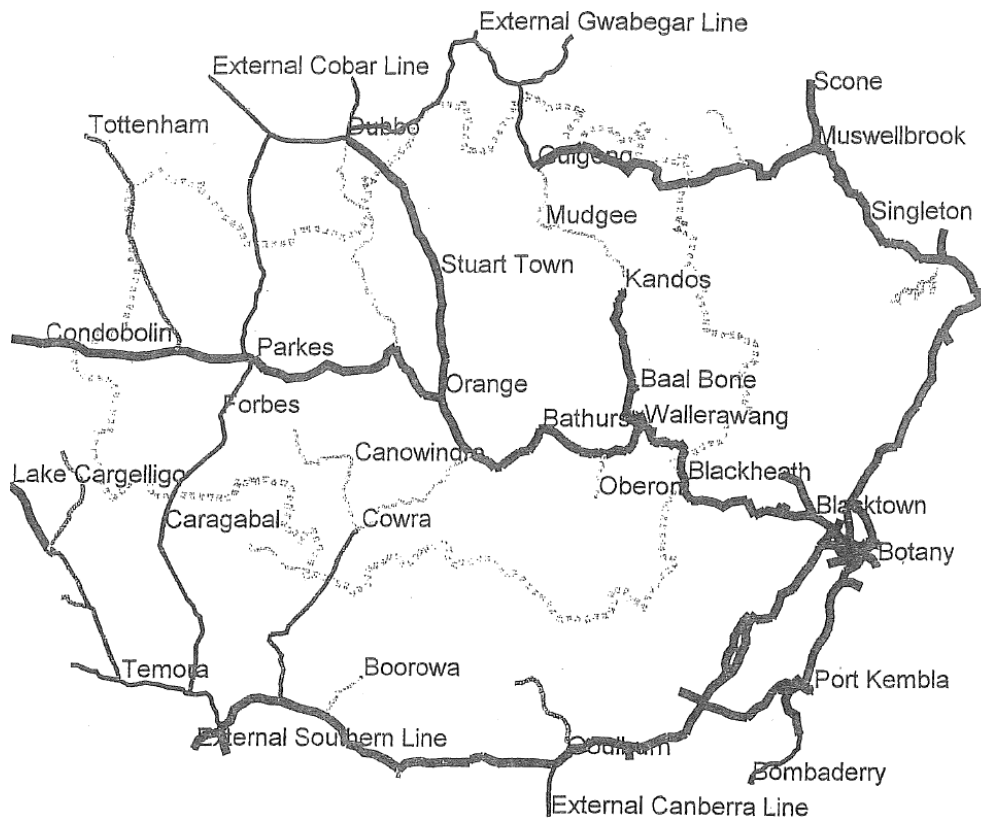
1. The Blayney/Demondrille and associated rail lines need to return to service to ensure that bulk and non-bulk freight can get to port and that roads in the region are not damaged more than needs be by the trucking industry
2. The inland corridor for the Melbourne to Brisbane line needs to be progressed
3. The findings of the Central West NSW Transport Needs Study for both freight and passenger rail need to be progressed
4. Intermodal hubs at Parkes, Blayney and Bathurst need to be supported
5. The Maldon-Dombarton Line needs to be completed

The rail network has three predominate lines running through the region:

- Sydney – Broken Hill, running from Lithgow to Condoblin;
- Sydney – Melbourne, from Harden to Cootamundra; and
- Blayney – Demondrille line

A number of cross linkages complete the network in the region including those from Temora to Dubbo and spur lines including:

- Bogan Gate to Tottenham off the Sydney-Broken Hill line operating mainly for grain haulage;
- Cootamundra to West Wyalong and Lake Cargelligo operating mainly for grain haulage;
- A number of smaller lines from West Wyalong that operate to smaller grain terminals outside but servicing the southern part of Lachlan Shire.



Whilst passenger transport on the rail network is the responsibility of State Government, Centroc is focussed on improving the accessibility to public transport on the network. Currently passenger services are available on the XPT from Dubbo to Sydney via Bathurst and Lithgow. Bus services operated by CountryLink supplement this service to other towns in the region including Parkes and Cowra.

Many of our communities rely on bus linkages and more could be done to link back into the electric rail network. The extension of electric rail into Bathurst and Orange is seen as a good first step where bus services provide linkages from communities around them such as Cowra, Parkes and Forbes. Community members compare services in this region to equivalent services in Victoria where Horsham – an inland community similar distance from Melbourne as Orange is from Sydney – has up to four (4) passenger services a day.

It is of critical importance to our region that rail lines be utilised wherever possible to move large freight volumes via the network. This has environmental, safety and road asset management benefits.

Over the next 5 years Centroc will focus its efforts on achieving the following targets for the rail network:

- Eliminate the closure of any further rail lines to facilitate their use in the transport of grain and mining product;
- Re-opening of the Blayney-Demondrille Line
- Securing the inland corridor for the Melbourne to Brisbane very fast train
- Extension of the electric passenger service to Bathurst
- Ensuring daily return trips for rail services in the region where possible

While not in the region, the Board supports the completion of the Maldon Dombarton Rail link as it provides a linkage into Port Kembla from the south.

The Blayney - Cowra - Demondrille Rail Lines (including Koorawatha – Greenethorpe) are part of the Country Regional Network (CRN) which is owned by Rail Infrastructure Corporation. The lines are a composite of a number of different sections which are non-operational, having been progressively suspended since 2007 due to safety concerns.

With the drought of record for the past decade having broken and irrigation entitlements coming back on line, significant grain harvests are anticipated in coming years.

A feasibility Study was undertaken by SAMROM in 2009 which showed an upfront investment of \$10.5m is required to return this line to operation. Over a fifteen year period this will deliver an Internal Rate of Return of 22.5% and a Benefit Cost Ratio of 1.28. It is noted that the Department of Transport is currently overseeing the preparation of a report for the re-opening of the lines, including cost benefit analysis and consideration of policy options.

Roads

Local, State and Federal government have varying levels of responsibility for roads in Central NSW. The draft Centroc Priority Regional Infrastructure Plan identifies roads as the first priority for the region, including improvements to safety, replacement of timber bridges and addressing the gap in funding between what is currently experienced and that which is required to maintain the roads assets of the region.

Centroc members welcome the opportunity of working with the State and have identified the priority works that require undertaking across the region.

With over 20,000 km of road network to manage, the priority for available road funding needs to be given to preserving the existing asset over creating new assets (e.g. seal extensions on minor roads).

If roads are not reconstructed at the appropriate time of their life cycle, a significant liability in asset replacement will accumulate resulting in the eventual failure of the road network over time. Weather patterns and issues such as spiralling plant and material prices significantly affect the length of road that Council can afford to replace on an ongoing basis.

Therefore much attention needs to be given to monitoring the condition of road pavements so that the available funding is appropriately targeted and spent on a prioritised basis. For example, delays in reseals on the network can lead to large increases in the available money being spent pot hole patching to keep roads trafficable.

Asset condition indicators are usually visually assessed and need to be comprehensively measured across the whole road network by a prescribed methodology. Adopting a structured approach enables the allocation of resources to repair and rehabilitate roads prior to failure, which can significantly increase costs. Ideally full inspections should be carried out at least once every year on local assets. Visual assessment considers indicators such as:

- seal cracking (area, extent and type);
- surface rutting;
- seal edge break;
- potholes;
- wear or disintegration of the bitumen seal;
- remaining gravel depth on unsealed roads;
- shape of the road profile;
- adequacy of drainage infrastructure; and
- safety of road verges, guard structures or run out space.

Surface roughness on sealed roads is a condition indicator, which can be measured electronically using roughimeters. In special circumstances structural indicators such as pavement deflection is measured where pavement strength is an important factor.

Applying a consistent and repeatable measurement of the above condition indicators provides a reliable basis for comparison of the condition of roads in the network at a given time as well as determining if there is a trend in the rate of degradation over time between measurements.

A summary of the Centroc network is tabulated below that indicates the current length of sealed and unsealed network on local and regional roads across the region. Typical current target reseal, rehabilitation, and gravel resheeting regimes for each Council are tabulated.

Centroc Road Network and Current Renewal Cycles

Council	Sealed (km)	Unsealed (km)	Reseal ¹ (yrs)	Rehabilitation (yrs)	Resheeting (yrs)
Bathurst	885	488	13.7/15	80	15
Blayney	355	374	15/20	60	20
Boorowa	324	432	15	40/60	10
Cabonne	740	1350	18	50	20
Cowra	556	708	10/12	50/60	10
Forbes	780	881	15	60	10
Harden	501	626	12	30/40	10
Lachlan²	1033	3086	61	60	45
Lithgow	422	436	10/20	60/30	10/10
Oberon	437	525	18/20	60	20
Orange	402	51	26.5/27.1	75	15
Parkes	734	1415	15/17.6	45/52.7	10/17.9
Upper Lachlan	698	1,298	20	100	40
Weddin	531	518	10/15	50/75	6
Wellington	493	922	15	60	10/14.9
Young	470	697	10/15	50	10
TOTAL	9361	13807			
AVERAGE	585	863	18.7	52.5	16

Notes:

1. Reseal, rehabilitation and resheeting is the duration between renewals in years if two numbers provided the first is for regional roads and second for local roads.
2. Average across all roads, higher class roads resealed at 20 years and resheeted at 10 years.
3. A detailed breakdown of the road networks in each Council area is included in Appendix B

While most Councils have detailed road asset management plans, over the next 18 months every Council will be further developing these plans in line with the requirements of the Intergrated Planning and Reporting Framework requirements defined by the Department of Local Government. As more detailed asset management plans are developed that deliver the levels of service required by each local community the funding gaps identified in this section will require adjustment to reflect that input.

A preliminary analysis has been undertaken in this study to determine the level of funding required for the big-ticket items for asset renewal on the sealed network and maintenance of gravel levels on unsealed roads.

At a meeting with engineers from the Centroc Councils on the 19 January 2011, it was agreed that the target for reseals should be 10-15 years, rehabilitations at 50-70 years and gravel resheeting at 10-20 years dependant on road classification, pavement materials, traffic volumes, and weather patterns.

The cost to undertake work within each program varies between Councils based on availability of material and distance from Council depots to the road being renewed. Average costs for reseals per kilometre are approximately \$26,500, rehabilitations \$186,500, and gravel resheeting \$24,000.

Thus the findings of that analysis indicate that, across the region, the gap in funding for asset renewal over the three main programs is over \$40 million. It is important to note that this figure does not include the cost to Councils for a number of other associated maintenance activities on the roads managed in the region.

As an example, undertaking maintenance grading of every unsealed road in the network just once would cost over \$25 million assuming an average maintenance grade costs \$2,000 per kilometre using a grader, water cart and roller. It is also important to note that some roads require grading 2-4 times each year depending on traffic volumes, classification, material and weather conditions.

Other maintenance activities requiring funding from Council budgets include:

1. Shoulder maintenance;
2. Signs & line marking;
3. Pot hole and heavy patching;
4. Roadside furniture;
5. Kerb & gutter repairs;
6. Culvert maintenance and renewal;
7. Concrete causeways; and
8. Guardrails

While Centroc recognises the provision of Federal Government funding under Roads to Recovery and Financial Assistant Grants, the reality is that when combined with other funds available to Councils, this analysis shows that in excess of an additional \$40 million is required to perform essential asset management activities. Council acknowledges the benefit that Roads to Recovery provides as without that allocation, the gap increase further.

Centroc analysis shows that the gap in funding on regional roads to perform the renewals required in the region is over \$9 million annually, noting that this excludes backlog works for attaining route standards on these roads. Councils currently receive over \$7m in Block grant funding and under the Repair program from the State Government. Hence an urgent injection of the funds identified in the analysis is required to ensure that regional roads do not continue to deteriorate further.

If Councils were to attempt to increase rate revenue to fund the gap in funding for ROADS alone, rates would need to rise in the order of 25-30% averaged across all Councils. Obviously this is not affordable for our local communities and hence there needs to be a significant increase in funding from other funding sources, i.e. Block grant and Repair funding for regional roads, and Roads to Recovery for local roads.

Councils are further constrained by State Government rate pegging which has reduced available funding in real terms over the last 10 years with increases limited to 2.6 - 3.0% while construction indices suggest costs have been increasing 2 – 8 %.

The freight task – currently being delivered by road

With the ongoing dismantling of rail line region, the freight task has been devolving to road.

The road network in the region is dominated by two National routes, the Great Western Highway / Mitchell Highway to Dubbo from Sydney, and the Newell linking Melbourne and Brisbane. The State network contributes to the major network with the Mid-Western, Mitchell, Olympic and Castlereagh Highways with Local Government managing the balance of these important arterial linkages on the regional road network.

Both the National and State networks are approved for 19m B-Double operations excluding the Great Western Highway east of Lithgow. The regional network is approved for B-Double use excluding a few roads.

The general traffic growth across all vehicle classes has grown on average 1.8% over the past 10 years (SKM 2009). It should be noted that the major arterial networks have increased more than this, as traffic on some lesser roads has remained stagnant or declined.

The recent introduction of Higher Mass Limit (HML) trucks has led to Councils across the region needing to develop processes to assess their impact on the local networks they manage. It is clear that Local Government in the region would benefit from a coordinated methodology to approved route extensions.

Currently each Council has a disparate approach to assessing B-Double routes and those for high performance vehicles with some Councils having blanket approvals in place and others assessing routes on a case by case basis. This has led to gaps in heavy vehicle networks as freight moves from one region to another. Hence, there is a need to work towards a standard approach across the region.

A number of Centroc Councils are members of a weight of loads group that works towards keeping overloaded vehicles off the network as this leads to accelerated deterioration on road pavements.

Unfortunately the numbers of Councils supporting this initiative has dwindled due to the changes in legislation for chain of responsibility and the unpopularity of the “scalies.” State commitment to this program would be welcomed.

While roads are road train and/or B Double accessible, the standard of the road often needs improvement to reduce risk. This includes the sealing of some roads and the widening of others.

The RTA publishes routes for Higher Mass Limit vehicles on their web site (www.rta.nsw.gov.au), however it is important to note that routes are updated on a regular basis and contact should be made with the RTA using their route confirmation service to ensure the status of the route under consideration. Up to date maps are available on the RTA web site that highlight both HML and B-Double / Road Train routes.

Since 1996, significant monies have been invested in road network improvements to assist in the freight task including:

- Orange Northern Distributor
- Upgrades on River Lett Hill
- Railway Overbridge At Molong
- Sealing Of Renshaw – McGirr Way
- Widening of MR 231
- Sealing of MR 501, MR 7513, and MR 57
- Completion of sealing of MR 248W Crookwell to Boorowa Rd
- Sealing of parts of MR248E Crookwell to Taralga Rd
- Sealing of parts of MR 54 N Crookwell to Bathurst Rd
- Completion of sealing MR 52 between Crookwell and Gunning
- Completion of sealing of MR52 between Gunning and Gundaroo.
- Widening and Strengthening the key roads in Weddin – MR 236, MR 237, MR 239, MR 398, Caragabal-Quandialla road, Tyagong Creek Road
- Completion of sealing on MR 256 between Oberon and Taralga

Intermodal terminals are privately owned and operated at Parkes, Blayney and Bathurst with expansion of these planned at Parkes and Bathurst. The region also contains a significant number of grain terminals and regional saleyards that also highlight the important role transport of grain and livestock plays in the region.

Professional Engineering Services (2001)⁴ drafted a report to assist the Macquarie Region Logging Road Committee to:

“Investigate the impact of the logging industry on road infrastructure in the regional wood basket, and determine a strategic works program with possible funding opportunities, highlighting preferred logging routes given the age class of existing timber for the timeframe up until 2035.”

⁴ Professional Engineering Services (2001) – Logging Road Infrastructure Study For the Macquarie Region of New South Wales

This report confirms that the cost of transportation of product is affected by the quality of the roads used for access. Lower haulage costs improve the economy of the logging industry and the communities they operate within.

This report was supplemented in 2004 by PES⁵ that set road design and construction standards for each road hierarchy and identified works that were needed to support the industry with cost estimates.

A number of recommendations in that report have been implemented since its adoption including:

- Sunny Corner, Sunny Corner East, West Mitchell Rd, and Sibleys Road at an estimated cost of \$4.5 million
- Dog Rocks Road east of Black Springs at a cost of \$3 million
- Shooters Hill Rd from Riverview Rd to Mt Werong Rd at a cost of \$4.3 million

It is predicted that the increase in freight on the national road network will double over the next 10 years and Centroc is keen to partner with the Commonwealth and State Governments to develop rail, road and air infrastructure that will ensure productivity for the freight industry within the region and those transporting goods through the region.

Damien Hense at the 2010 National Local Roads Congress provided an overview of the Australian Road Research Board's (ARRB) work on the relationship between Heavy Vehicle access and the Local Government role in that⁶. Those findings included the fact that over the period 1999 – 2007 the increase in freight being transported by 6-axle articulated vehicles and road trains had remained at consistent levels, with a 200% increase in B-Double tonne kilometres travelled for the same period.

The study found that Local Government is **critical** to the success of the introduction of performance-based standards (PBS) for heavy vehicle transport. The major implication for Centroc is the influence on road safety with increasing movements of heavy vehicles in the region; the need to widen and maintain both State and Local road networks; and addressing 'last-mile' issues to ensure that wherever possible access will be made available to the farm gate, intermodal terminals and warehouses.

Of particular concern is the need for High Performance Vehicles in the bigger classes to cross the mountains.

To facilitate the efficient movement of freight in the region, Centroc will work towards developing partnerships with the industry and the RTA and adopting a consistent methodology for the assessment of routes for b-doubles, HML and other heavy vehicles.

⁵ Professional Engineering Services (2004) – Analysis of Logging Road Services for Application of P&R Act Levy.

⁶ Hense, Damien (2010) – Heavy Vehicles & Local Government Access The Balancing Act:

http://www.alga.asn.au/policy/transport/congress/2010/ppt/Damian_Hense.pdf

<http://www.arrb.com.au/admin/file/content9/c14/ARR%20377%20HVFT%20Round%20table%20report%20April%202010%20K%20Ogden%20%20FINAL.pdf>

Public transport

The Central West Transport Needs Study and the review into Country Link in the region have identified a number of improvements to public transport. In the first instance these should be implemented.

The overall message from the communities of Central NSW is the desire to be able to access Sydney and return in a day by public transport where possible. It seems remarkable that Orange for example has such a poor train service from Sydney in comparison to communities of a similar distance from Melbourne that have four train services a day.

The Report from Penny Sharpe MLC October 2010 on Country LinkUp made 62 recommendations regarding improvements to existing services across the State of NSW regarding passenger services. The Terms of Reference for this report were

- Service frequency
- Service connectivity
- On-board facilities and
- Ticketing systems

Centroc members provided advice to this process at Bathurst, Orange, Dubbo and Young. They have also provided advice to the Central West NSW Transport Needs Study.

At every consultation community members raise the issue of needing to access Sydney and Canberra for health and other services where return trips on a daily basis are preferred.

Many of our communities rely on bus linkages and more could be done to link back into the electric rail network. The extension of electric rail into Bathurst and Orange is seen as good first steps where bus services provide linkages from communities around them such as Cowra, Parkes and Forbes.

Service requirements identified in the CountryLinkUp report are:

- A two day per week service that links Temora – Young _ Boorowa - Yass and Canberra
- A day return service Bathurst to Sydney
- A service leaving Parkes via Orange to connect to Lithgow on Sundays

Another opportunity for public transport in the region that should be considered is the ability for broader community use of the School Bus network enabling smaller communities to access larger centres for services such banking, post office, health and further education.

It is important to note that the use of local and regional roads by bus increases the pressure on local government to upgrade its network by widening seal widths and improving geometric deficiencies.

Air and airports

Airports within the Centroc area are located at Bathurst, Orange, Cowra, Parkes, Forbes, Condobolin, and Young. Of these, Regular Passenger Transport services are limited to only Bathurst, Orange, and Parkes, with RPT services discontinued to Cowra, Forbes, Condobolin and Young. All of the airports have general aviation use and are striving to incorporate other activities wherever possible. At present all are finding it difficult to invest the substantial funds required for maintenance and upgrade to meet Civil Aviation Safety Authority requirements.

It is important to the communities of Central NSW that fly-in fly-out services including health services are enabled through access to adequate air transport infrastructure.

Central NSW provides a good opportunity for developments in the air industry given

- Its proximity to the Sydney Basin and Canberra
- Its fit with flight paths around Australia
- Its stable weather conditions
- Its number of communities with aviation friendly terrain
- The congestion in Sydney

Some communities are receiving approaches by industry to expand existing infrastructure, for example Orange and Cowra.

The National Aviation Policy White Paper released in December 2009 unfortunately didn't address the need for expanded funding programmes, such as the Regional and Local Community Infrastructure Programme, to assist airports. The Policy often references the difficulties faced by regional airports in maintaining and providing infrastructure to provide for the valuable air services and facilities for their communities. Existing support programmes are excellent for assisting the remote airports. However the suggested allocation of existing funds from the untied Financial Assistance Grants is not possible in most cases given that the funding is fully committed to other essential services within Council.

The continuation of the Regional and Local Community Infrastructure Programme would be a welcome decision, but to adequately provide for airport infrastructure as well, a substantial increase in ongoing available funding would be required.

As an example, the major issue for Parkes Regional Airport is funding for major infrastructure works. Needing \$6 million to upgrade the main runway the only way ahead was to seek grant funding. The Airport is seen as commercially viable for the purposes of eligibility for the current funding programmes, and hence that source was unavailable to Council. It is also stated in the White Paper that it is up to the Council to balance the need for the service and the future infrastructure costs. As a consequence Parkes Council had to borrow over \$2 million to enable strengthening of the runway to gain more pavement life, without the increased pavement capacity required.

The lack of available funding for major works is exacerbated with airlines requiring substantial concessions on landing charges to provide the service.

It is considered that the Government needs to explore ways to assist with financing major works at marginal regional airports through funding programmes, such as an expanded Regional and Local Community Infrastructure Programme.

Opportunities to improve transport infrastructure for the region

- Provision of a road corridor across the Blue Mountains linking the region to Sydney consistent with work on the Bells Line Expressway
- Develop appropriate legislation that provides blanket coverage for High Performance vehicles (HPV) across the state at appropriate locations with the highest priority being crossing the Blue Mountains
- Development of a heavy vehicle network that supports local industry
- Investigation of appropriate bypasses around towns and villages that improve quality of life for residents and visitors
- Build the capacity of local engineering staff in the assessment of routes for HPV utilising the guidelines published by the RTA
- Implementation of an appropriate fee to cover the costs associated with assessing routes for HPV
- Structure road safety improvements that meet the demands of the ever-increasing freight task
- Consider and resource the importance of the Canberra-Cowra then north and west road linkages
- Build on Lithgow as a public transport hub for the region.
- The Federal Government has committed a further \$3.5m on transport studies for the region and it is hoped that the State will work with Local and Federal Government to progress priority strategic work such as the next stages in the Bells Line of Road
- Upgrade regional roads to enable access for high performance vehicles (B-Doubles, HML etc.)
- Development of additional overtaking lanes on the major highways throughout the region
- Undertake widening on regional roads
- Installation of appropriate signage to reinforce the need for regular breaks
- Development of MOU with police to obtain early information on accidents
- Maximise access to Federal and State Black Spot funding
- Continuation of the RTA supported road safety program in each LGA
- Complete the Maldon-Dombarton Line
- Return the Blayney-Demondrille Line to use and reinstate freight rail in the region with a focus on mining and wheat
- Investigate appropriate bypasses around communities in Central NSW
- Undertake a regional airport strategic plan with a view to growing business associated with airports in the region
- Fund both improvements to airports and ensure maintenance funding of existing airports is adequate
- Progress the Inland Corridor for the rail link between Melbourne and Brisbane and the intermodal hubs at Parkes and Blayney
- Look for new solutions to the roads funding issue where the asset backlog can be addressed

d) ways to encourage development of local enterprises and the potential of the region overall

Central NSW sustains a strong and dynamic regional economy that has shown resilience through the prolonged drought. The region's points of difference demonstrate the capacity of the local economy and can provide opportunities for significant growth, when combined with other existing competitive advantages.

Arguably, improving infrastructure and investment in the region will build on this strength and become a driver for further economic growth.

During the period 2008/2009, the Centroc region had an estimated Gross Regional Product of \$7.9 billion. The key sectors driving the region's GRP include mining, agriculture, health care and social assistance and manufacturing.

The Central West Transport Needs Study (2009) identified tourism as the third largest industry in Central NSW. The tourism sector for Central NSW relies on an adequate road network as the vast majority of visitors to the region travel by car. This sector has grown by 1.3% according to ABS data where the sector in NSW remained flat. Major events and attractions in the region include

- Mount Panorama
- the Elvis Festival
- cellar doors
- Jenolan and Wellington Caves
- national parks
- historical trails

All require quality, safe roads. This is particularly the case for those visiting from the urban centre of Sydney and to a lesser extent Canberra who may not be familiar with country driving.

Of note regarding tourism is funding. Currently local tourism operations are typically either totally or primarily funded by Councils. These operations deliver visitor information services including running visitor information centres and promoting their destination usually through a magazine format. The State has been involved through funding marketing campaigns and supporting regional tourism organisations.

Centroc members have been very disturbed and disappointed in the recent Inland amalgamation which on current advice will cannibalise local tourism operations such as the very successful Taste Orange. Given the significant sums of State monies involved, there is an opportunity for the State to really look at how tourism in the region can be supported. Centroc members would be very supportive of a sensible and workable approach to attracting tourist to the region that got results. The membership also has ideas in this regard around regional tourism operations of manageable sizes driving collaborative marketing.

Further, there are opportunities for the State to recognise tourism assets in Central NSW. Of particular concern is the Jenolan Caves which is in desperate need of a strategic approach that recognises the Caves as a national treasure.

Over the past five years, the unemployment rate in the region has remained below the regional NSW and State averages. This along with the region's performance on growth and GRP are remarkable given the impacts of drought over the past decade.

According to the latest labour market estimates provided by the Department of Education, Employment and Workplace Relations (DEEWR), the Centroc region has a total labour force of 110,251 persons (June Quarter

2010). The Centroc region had an unemployment rate of 5.3%. This was lower than the regional NSW (5.8%) and State averages (5.7%).

A strategic asset assessment of the Centroc region confirms that there are a number of locational, geographical and existing industry characteristics that would further support growth opportunities.

Besides the health, education and transport infrastructure above, the region also has strength in power Infrastructure these key assets include:

The major power generation facilities located within the region, including the Mt Piper Power Station and Wallerawang Power Station in Lithgow, providing ready access to electricity for businesses that have heavy dependence on electricity. The region is also home to a burgeoning renewable energy sector where the investment in large scale wind is leading the way with large scale solar energy following a close second.

The significant supply of industrial land. Of note is the Parkes National Logistics Hub comprising over 500ha of industrially zoned land in close proximity to major transport infrastructure.

The established industrial base, with large industrial sectors including manufacturing, logistics and transportation, around regional centres in Orange, Bathurst and Parkes. The region has a highly skilled workforce and presence of well-developed supply companies and maintenance services. These well-established supply chains are a significant asset for further industrial development.

The agricultural sector which has traditionally underpinned the regional economy. The sector is centred around the production of wheat, sheep and cattle and also includes horticulture, viticulture and other meat production.

A strong mining sector including coal mining centred around Lithgow and several copper and gold mines further west. There are ten existing mines in the region:

- Airly Mine, coal (Lithgow);
- Angus Place Mine, coal (Lithgow);
- Ball Bone Mine, coal (Lithgow);
- Cadia Valley Mine, copper and gold (Blayney);
- Cullen Valley Mine, coal (Lithgow);
- Invincible Mine, coal (Lithgow);
- Northparkes Mine, copper and gold (Parkes);
- Broula Mine, Iron Ore (Cowra);
- Pine Dale Mine, coal (Lithgow); and
- Springvale Mine, coal (Lithgow).

According to the NSW Natural Resources Website, there is also a significant amount of mining planned into the future including a very large gold and copper mine at Kings Plains in Blayney.

Communications Infrastructure: The major regional centres in the region have good telecommunications infrastructure. Parkes in particular has an extensive fibre optic network with two twin fibre optic cables passing through Parkes joining Brisbane and Melbourne and a third fibre optic cable connecting Parkes with Sydney. This provides Parkes with a high level of redundancy and communications security.

A National Broadband Network Point of Intersection is located in Dubbo. Given the location of the regional adjacent to Sydney it is anticipated that Central NSW will be earlier rather than later in the NBN rollout.

Major Projects: The development of major projects across the agriculture, mining, energy and tourism sector create opportunities for support businesses to invest in the region and fit into the supply chain of these larger operations. A list of current major projects for the region includes:

Project Name	Value (\$M)	Location	Project Status
Bathurst Base Hospital	\$103	Bathurst	Completed 2010
Cadia East Mining Project	\$1,910	Cabonne & Blayney	Approved in 2010
Manildra Solar Farm	\$150	Cabonne	Under Assessment
Delta Mallee Project	\$250	Lachlan	Information pending
Emirates Wolgan Valley Resort	\$125	Lithgow	Completed 2009
Invincible Open-Cut Mine Expansion	\$2.25	Lithgow	Approved in 2010
Orange Hospital	\$250	Orange	Due to be Completed April 2011
Newcrest Mining Remote Management Centre	\$30	Orange	Due to be completed in 2011
Macquarie River Pipeline (Macquarie River)	\$47	Orange	Approved funding in mid 2010
CSU Medical Centre	\$90	Orange	Planning Stages
Bloomfield Mental Health Facility	\$194	Orange	Information pending
North Parkes Mine Pre-feasibility Study	\$90	Parkes	Expected to be completed in 2013
Young-Wellington Gas Pipeline	\$200	Young, Cowra, Cabonne, Wellington	Approved 2010
Expansion of forestry business	\$10	Oberon	Approved 2011
Flyers Creek Windfarm	\$80 -100	Blayney	Under assessment
Paling Yards Windfarm	\$100-180	Oberon	Under assessment
Ungula Windfarm	\$750	Wellington	Under assessment
Black Springs Wind Farm	\$19	Oberon	Approved
Rye Park Wind Farm	\$168 – 231	Boorowa	Under assessment
Bango Wind Farm	\$460	Boorowa	Under assessment
Rugby Wind Farm	\$290	Boorowa	Under assessment
Collector Wind Farm	\$200	Upper Lachlan	Under assessment
Taralga Wind Farm	\$140	Upper Lachlan	Approved
Crookwell II Wind Farm	\$92	Upper Lachlan	Commenced construction
Gunning Wind Farm	\$46.5	Upper Lachlan	Commenced construction
Gullen Range Wind Farm	\$170	Upper Lachlan	Commenced construction
Crookwell III Wind Farm	\$45 – 116	Upper Lachlan	Under assessment
Bodangora Wind Farm	\$60-110	Upper Lachlan	Under assessment
Kelso Intermodal Terminal	\$100	Bathurst	Approved
Mars Development	\$100	Bathurst	Planning
Stephens Group	\$21	Bathurst	Under construction
Australian Centre for Science Technology and Emerging Industries	\$30	Bathurst	Proposal
New Hospital	\$42	Parkes	Planning
Manildra to Parkes Power Line Upgrade	\$30	Parkes	Underway

Broken Hill to Parkes Rail Upgrade	\$21	Parkes	Underway
Parkes Garden Estate	\$110	Parkes	Approved
Lake Cargelligo to Merri-Abba Water Pipeline	\$19	Lachlan	Tendering

The proposed inland railway between Melbourne and Brisbane would facilitate major investment in the region. The project, likely to result in construction investment of over \$5 billion, would change the nature of the transport of freight along the eastern seaboard of Australia. The region would become significantly more attractive as a base for transport, logistics, wholesale and manufacturing operations, with key hubs on the line such as Parkes attracting significant investment. There is significant uncertainty relating to the future development of the project and it could be many years until its development.

As the NBN rolls out this will add to the economic strength of the region.

Initiatives and policy that would support growth in the Centroc region

- Review of tax structure under a business enterprise zone model to encourage growth outside metropolitan areas
- Decentralisation
- Investment in agricultural education and research in the region
- Reduce red tape
- Resource compliance agencies including local government
- Ensure water security of the region – progress the Centroc Regional Water Security Project
- Review support to tourism in the region both in terms of tourism assets and marketing thereof
- Roll out the NBN – ensuring that fibre has outreach as far as possible into rural areas to foster the development of business across the region
- Ensure health services particularly in smaller communities – solutions include the use of technology, flexible workforce options, support for growing our own health workforce and supporting the Beyond the Range project
- Progress flexible work based training options
- Work with our strengths – mining, health, agriculture
- Better transport links
- Supporting and building on initiatives like Evocities and Beyond the Range
- Working with Local Government to maximise the benefit from wind, solar and other renewable energies for the communities of Central NSW

e) the comparative level of government business activity located within the region

The Central NSW region has a public administration and safety sector, contributing over 9% of the regions' GRP, with member councils being key employers within the regions. Other major public sector employers within the regions include the NSW Department of Industry & Investment, NSW Road and Traffic Authority, NSW Land and Property Management Authority and Corrective Services NSW.

The key industry employers in Central NSW include the health care & social assistance, retail trade, education & training, manufacturing and agriculture sectors. The employment shares for the health care, education and public administration sectors are relatively higher than the regional NSW and NSW averages, indicating the relative strength of these sectors in the Central NSW region. The relatively higher share of employment within the public administration and safety sector is largely attributable to Bathurst and Orange LGAs, with several state government agencies having offices in the towns. While mining contributes the largest value to the economy in terms of GRP, employment in the sector accounts for less than 4% of total employment, indicating the significant value add of the mining industry.

Communities in Central NSW having varying strengths with examples as follows:

- Health hub- Orange
- Education cluster- Bathurst
- Transport logistics- Parkes

State Government offices include:

- RTA Western Region Head office – Parkes
- Department of Trade, Investment and Regional Infrastructure Services – Orange
- Land and Property Information - Bathurst

f) **methodologies for local government to collectively co-operate to achieve increased infrastructure funding and economic growth**

Centroc's role is to foster the prosperity and sustainable growth of Central New South Wales. This is achieved by advocating on agreed positions and priorities for the region and by facilitating cooperation and the sharing of knowledge, expertise and resources.

In terms of structure, Centroc is a section 355 Committee of Forbes Shire Council under the Local Government Act 1993. Like Southern Councils and other Regional Organisations of the same structure, this does put a lot of responsibility on the "parent Council," in this case, Forbes Shire Council.

The Centroc model is built on the key principles of

- A strategic approach
- Measureable key performance indicators
- Delivering measurable good value to members on sharing services, reducing costs and other efficiencies of collaboration
- Voluntary participation in programming
- Member Councils retaining control over their own assets
- Member Councils driving the agenda

The organisation has a can do and co-operative culture.

The Constitution, Management Plan, Annual Reports and other material regarding the way Centroc does business are available on request.

Centroc works collaboratively with our local Council members, as well as stakeholders from government, industry and the community, to create an environment where present and future generations can thrive.

Under the Local Government Act 1993 Councils have become more responsive to the needs of their communities. The development of integrated planning for members ensures this process will continue in a more formalised way. Centroc communities consistently call on Councils to advocate for improvements to infrastructure, often outside that which Councils traditionally provide, for example State owned roads, rail, telecommunications and health infrastructure.

Infrastructure is core business for Centroc members. Local government both builds and maintains infrastructure and seeks improved infrastructure for the region that is the responsibility of other levels of government and other entities. Further, its business local government cannot part with. Our members can't sell or even give away our roads. Other assets such as parks are often very hard to sell as there is so much community opposition.

Centroc members are regional Councils who typically have a greater suite of infrastructure to manage per capita. For example Centroc members manage airports, water supply and treatment, sewerage and waste management infrastructure. In response to community needs, many members are also engaged in the provision and management of health infrastructure, particularly doctors' surgeries and aged health care facilities.

Centroc takes a strategic, collaborative and award winning approach to improvements in infrastructure for the region, see for example the Centroc Water Security Study. Funding of \$300m is also being sought regionally to secure urban water supplies for the region to 2059.

According to the Independent Inquiry into the Financial Sustainability of NSW Local Government (Percy Allan Report 2005), Local Government total income is less than 5% of total tax and other revenue accrued by all levels of government.

At the same time Councils experience cost shifting, for example the recent significant increases in Rural Fire Service funding. Concurrently rate rises are typically low, for example the rate rise for 2011/2012 has been recently determined by IPART at 2.8%. This is well below the increases in the cost of provision for infrastructure and committed services.

Councils are very efficient at service delivery in Central NSW. Arguably, the provision of infrastructure managed by local government, especially local government working collaboratively is very cost effective. A salient example is the delivery of water and sewer services by Centroc members. Here the Centroc Water Utilities Alliance is developing collaborative programming in procurement, training mentoring and best practice which will save Councils collectively over a million dollars on the strategic work alone.

This is on the back of growing capacity of our member Councils delivering their contribution to NSW' outstanding results on water management including those advised in the National Performance Report 2008/2009 for Urban Water Utilities:

- Successful demand management and water conservation strategies leading to a 47% drop in water use in the State over the past 18 years
- Full cost recovery being achieved by 96% of NSW Water Utilities
- The State-wide median revenue from water usage charges has increased from 25% to 73% over the past 11 years
- Typical residential bills only increasing by 5% in the 11 year period 97/98-08/09

Centroc is currently working on developing a regional infrastructure priority plan. As it is being self-funded and resourced by members, this is taking some time. Also under development is a Regional Economic Development Strategy, a partnership effort between DTIRIS, Central West RDA and Centroc. Both these plans will identify areas where local government working collaboratively will add value to the region both economically and in terms of infrastructure development.

One clear advantage in investment in local government regional approaches is in identifying and supporting key infrastructure and other programming that will have value for most or all Centroc members. Further, Local Government is

- highly regulated, accountable and transparent
- in a constant state of evolution of doing more with less
- close to the community and so under a high level of scrutiny

Central NSW Councils have a highly co-operative Board who understand and value regional approaches to both infrastructure and economic development.

Opportunities

- Review legislation to support regional collaboration between Councils for example in procurement

- Resource Councils working collaboratively
- State led standardisation of asset and other information to facilitate shared Council activities
- Funding both strategic work and the infrastructure programming identified in strategic work for Councils operating collaboratively
- Using Centroc as a model for local government shared services elsewhere in NSW for example the Centroc Water Utilities Alliance
- Develop a regional plan for Central NSW where local Councils take a steering or leadership role
- Fund all State mandates – that is - remove cost shifting
- Building on and investing in the collaborative advice provided by the Regional Economic Development Strategy and other plans developed in Central NSW

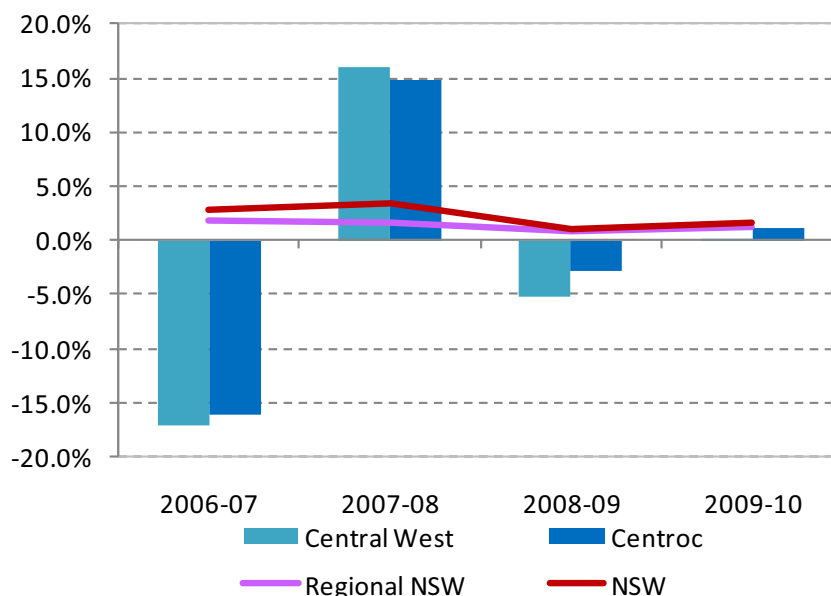
g) any other factor restricting economic and social development in central western New South Wales.

The current situation – impacts of drought and changing demographics in our communities

Over the past five years, the Central NSW region’s economic output has experienced significant swings. This reflects the economic impact of over 7 years of drought across the region (especially in the Western areas) which has had a significant impact on the agriculture, horticulture and viticulture industries. These industries, directly impacted by drought, have had a knock-on impact up and down the supply chain for example agriculture machinery manufacturers and agricultural supply sectors have slowed during peak drought periods.

Historical GRP growth for the Centroc economy is considerably different from that of regional NSW and the State. As indicated below, their respective estimated GRP growth rates have fluctuated significantly over the past three years, ranging from a decline of over 15% in 2006-07 to growth of around 15% in the year after. The GRP growth variability experienced by the two regions is predominantly driven by fluctuations in the mining and agriculture sector output. During 2006-07, the mining and agriculture sector GRP contributions to the regional economies dropped by more than 20%. However, owing to strong international demand, the mining sector output increased in 2007-08 before feeling the impacts of the global economic slowdown in 2008-09. The Centroc region recorded marginal growth in 2009-10 of 1%, below the State average of 1.7%. This can be explained by the 7.2% decline in the value add of the agricultural sector across the state, which had a proportionally higher impact on economies with a higher reliance on agriculture.

Figure 1: GRP Growth Rate Comparison, 2005-06 to 2009-10



Note: GRP at chain volume measure
 Source: ABS Census (2007), ABS Cat 6202.0 (2010b), DEEWR (2010), AECgroup (2011)

The larger centres especially Bathurst and Orange play a significant role in the GRP for the region. The GRP contributions for Bathurst were primarily driven by key sectors including manufacturing, education, and public administration and safety, while Orange was largely driven by the mining and health sectors.

The GRP growth recorded (by LGAs in 2009-10) throughout the Central NSW region varied depending on the industry structure of the individual economies. The economies that recorded a decline in 2009-10 including Weddin (-1.1%) can be explained by the significant reliance on the agriculture sector that declined throughout the State. Lithgow and Orange recorded the highest GRP growth of 2.0% and 1.8% respectively, which reflects the major mining sectors in these LGAs and the strong growth recorded in the sector during the year.

As a general rule, the GRP of LGAs in Central NSW declined between 2005-06 to 2009-10 as a result of the negative impacts of the drought and the global financial crisis (GFC) that occurred during this period. LGAs that recorded growth during this period were generally the LGAs that saw increases in population and are not heavily reliant on agriculture, such as Bathurst and Lithgow. Although Orange is not heavily reliant on agriculture, its GRP recorded an annual decline of 4.5% since 2005-06. This is primarily attributable to the falling mining and manufacturing sector output. The growth in population and GRP in Young is also noteworthy.

Ageing populations tend to drift to larger regional centres from our smaller communities in search of secure medical care. This is why ensuring adequate medical care in our smaller communities is so critical to their resilience.

Some communities are experiencing growing aboriginal communities which is also changing their demographics and their need for services.

Communities in Central NSW are resilient up to a point. Member Councils are keen to get the message across that LGAs with small populations and larger areas are finding the challenges around infrastructure provision overwhelming. There needs to be some thought around "one size not fitting all" for local government in Central NSW where the exigencies of rate pegging and cost shifting have widened the rural-urban equity gap. Amalgamations are not the answer as to maximise resilience, communities need to have a sense of identity and this gets lost in the LGA consolidation process.

Conclusion

This document makes a plethora of recommendations and shows that Centroc Councils have a very good understanding of the needs of the region.

Centroc Councils are proactive, have a positive outlook and are keen to work collaboratively both with each other and with the State and Federal governments on ways of doing business better.

The first step Centroc members have identified is the development of a plan for the Centroc region.

Our members are keen to take a hands on and ideally leadership role in the development of this plan.

Once again, thankyou for the opportunity to make this submission and our members look forward to working with you into the future. In the first instance, your invitation to present to the Standing Committee on 12 September is welcomed.

Please contact the Centroc Executive Officer, Ms Jennifer Bennett on 0428 690 935 for further advice on this matter.

Yours sincerely

Cr Phyllis Miller
Chair
31 August 2011