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

Organisation:	Central West & Orana Region NSW Business Chamber
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Regional Development

### Foreword

On 10 March 2010, the Premier and Leader of the Opposition, together with the Chief Executive Officer of NSW Business Chamber, officially launched the 10 Big Ideas to Grow NSW.

NSW Business Chamber is proud of the success of the 10 Big Ideas to Grow NSW campaign to date; in particular the support the 10 Big Ideas have received from the NSW Government and Opposition.

The 10 Big Ideas to Grow the Central West highlights the pride the Central West community has for their region and their willingness to work towards a sustainable future.

Covering such a large percentage of NSW geographically, businesses in the Central West region face unique challenges when working together and with Government. The aim of the 10 Big Ideas to Grow Central West is to bring together the voices of the business community and provide a clear message to both the Government and the Opposition; the region needs local solutions to local problems.

This paper proposes 10 Big Ideas to improve business conditions and amenity for Central West businesses and their community. These ideas are the business community's solutions to position the region for the coming decade by ensuring appropriate infrastructure is provided, that young people have access to appropriate education and training and that businesses are given the necessary support to ensure they are able to grow. Whilst these are the ideas of the business community, they aim to benefit the broader Central West.

Get involved! Follow the campaign at www.10bigideas. com.au, Follow us on Twitter,

Become a fan on Facebook.

Worthwhile change is possible through the combined efforts of the Central West business community who together, can assist to make NSW the best place to do business.

Yours sincerely

#### Stephen Cartwright Chief Executive Officer

NSW Business Chamber

#### Ellie Brown

President Central West NSW Business Chamber

### 1. Provide Enhanced Regional Education and Training Services

#### Recommendations:

- Audit education and training services to align training with skills shortages
- > Foster relationships between business and
- educational institutions to address skills gaps
- > Support the use of technology to deliver training

A diverse and growing employment base is critical for Central West NSW to thrive. Educational opportunities contribute positively to employment and community outcomes. Deepening the skill set of workers across all occupations and responding to labour market needs and future training requirements is crucial for ensuring long-term productivity growth, Identified areas of skills shortage include civil engineering, boilermakers, automotive spray painters and panel beaters, electricians, truck drivers and medical professionals.

TAFE continues to be the primary provider of vocational training and resources and funding should be allocated accordingly. Funding to TAFE should be increased to provide more diverse pre-apprenticeship training opportunities. Easing the transition between schools and TAFE should also be addressed. School students should be informed of education and training opportunities and potential career paths within the region.

The Higher School Certificate should be strengthened by providing greater opportunities and flexibility for high school students wishing to undertake vocational training. In 10 Big Ideas to Grow NSW, the NSW Business Chamber calls for a flexible vocational stream within the HSC, for students who wish to complete vocational. training, including a traineeship or apprenticeship. It is important that these students are encouraged to pursue the vocational opportunities available in the Central West.

#### **Education and Training Audit**

An audit of education and training in the Central West region should be undertaken, to identify skill shortages and ensure education and training available in the region is aligned to these gaps. Business must be consulted during this process, in order to ensure skills gaps are accurately assessed. Ensuring workers acquire desirable skills to make them highly employable will assist to retain them in the region. The Central West region should build skills within its existing workforce, rather than seek to import skilled labour.

# 2. Improve Transport and Infrastructure

## **Recommendations:**

- > Upgrade Bells Line of Road and the Great Western Highway
- > Support investment in the Parkes National Logistics Hub
- > Invest and plan for water security

The Central West does not have road access of an appropriate standard. Presently road access from Sydney to the region is by either the Great Western Highway or the Bells Line of Road, both of which are in need of an upgrade. Access by air is also critical for the region and it is important that airport infrastructure is adequately funded.

#### **Bells Line of Road**

In November 2009, the Commonwealth and NSW governments jointly announced the commencement of a Long Term Strategic Corridor Plan for the Bells Line of Road. The Long Term Strategic Corridor Plan will guide the development and reservation of a road corridor for a future upgraded Bells Line of Road. RTA projections indicate a major upgrade is not required until at least 2033.

The Bells Line of Road has a high accident ratio for vehicle usage per km travelled, as well as stretches of up to 26km without a safe overtaking opportunity in either direction and is only suitable for tourist and local travel. Poor roads are impeding growth in the Central West region and a commitment to upgrade this crucial infrastructure in the near future is required. Adequate infrastructure to enable transport between towns is also required.

#### **Parkes National Logistics Hub**

Parkes Shire Council, with approval from the State Government, has rezoned agricultural and industrial land on the western edge of the town for the development of the Parkes National Logistics Hub. The site has been specifically designed for the 24 hour, 7 days per week operation of a multi-modal transport facility. Strategically situated at the cross roads of the Newell Highway, connecting Brisbane and Melbourne, and the transcontinental railway linking the eastern seaboard to Perth, Parkes is at the logistics centre of Australia. This unique characteristic has made Parkes one of the most strategically significant locations in the future of transport and logistics in Australia.

Major investment opportunities are available to businesses looking to take advantage of what Parkes has to offer. There is significant potential for logistics, manufacturing and distribution companies to relocate to the Hub, to centralise their national warehousing and distribution operations. The site should be developed immediately.

#### Water Security and the Murray Darling Basin Plan

Mining, manufacturing and agriculture are three key industries in the Central West region and are all heavily reliant on water for their ongoing viability. Sustainable long term growth in these industries requires management of the regions water supply and planning for future periods of drought. Such a plan for the future must give consideration to socio-economic considerations as well as environmental factors.

The proposed plan for sustainable use of surface and groundwater in the Murray Darling Basin has the potential to have significant and detrimental impacts on the Lachlan Valley. It is likely that the impact of irrigation cuts will reduce agricultural production and employment in the region.

Current Commonwealth legislation and the activities of the Murray Darling Basin Authority have focused on the environmental impact of water flows. It is imperative that equal consideration be given to the economic and social impacts of reduced water supply. Alternatives to water buy-backs such as recovering lost water in the system, and temporarily leasing water allocations should also be considered.

# 3. Create a Regional Centre for Health

## Recommendations:

- > Invest in aged care facilities
- > Encourage regional students to study medicine and nursing
- > Develop a regional plan for health and encourage private investment

Communities of the Central West region deserve access to quality health care services. Like other rural communities, the Central West requires access to a comprehensive range of services. There is also an expectation that communities will be consulted in decisions concerning their hospitals and health services.

Currently the Greater West Area Health Service covers 55% of the state and has 46 inpatient facilities ranging in size from small facilities with a small number of acute beds to the larger facilities at Orange Base Hospital and Dubbo Base Hospital. The recent announcement of increased bed numbers at Orange Base and Dubbo Base hospitals, as a result of health and hospital reforms between the State and Federal Governments, is welcomed. However, there is a need for greater planning, focusing on the region as a whole and ensuring there is a wide range of services available whilst minimising duplication. Ensuring the region has an adequate health workforce, both now and in the future, is a major challenge. A range of strategies and incentives may be required in order to meet this challenge. In order to attract skilled health professionals to the region, incentives such as relocation assistance should be provided. The region must be an attractive place to live and work for the families of skilled medical professionals. In addition, students from the region should be encouraged to pursue a career in medicine or nursing. Health professionals with a regional background are more likely to return to work in the country.

The Greater West Area Health Service predicts a 74% increase in the number of people aged over 65 years between 2006 and 2026 and a decline 18% in the 0-44 age groups across the region. Population ageing will increase demand for health services overall and especially for chronic, complex and aged care services. Given the anticipated changes to the regional population, steps must be taken to ensure there is a skilled workforce to support increased demand. Private investment in the health and aged care sector should be encouraged to meet this and other areas of demand.

# 4. Foster Small Business Growth

## **Recommendations:**

- > Support and improve efficiency in the small business sector
- > Support the regeneration of the retail sector through upgrades to local infrastructure

The Central West region is currently home to a diverse range of industries, many of which are well placed to grow over coming years. For too long, the Central West has been neglected as a priority area requiring redevelopment and improvement in amenity, infrastructure planning and implementation.

Within the Central West region, it is the smaller towns and villages that require revitalisation and attention. Whilst the success of larger towns such as Orange and Bathurst has flow on effects for the region as a whole, towns such as Cowra and Canowindra should not be neglected.

A successful economy is at the heart of a thriving regional community. Business must be allowed to operate unencumbered by unnecessary regulation and red tape. A robust business community will benefit the community through job creation and the provision of greater opportunities for those currently living in the region. Businesses in the region need the tools and training to be competitive. Greater communication, cooperation and networking between business in the region would be beneficial, to allow knowledge and experience to be shared.

More broadly, it is important that Local Government supports local business and the local community to grow the Central West. There is a strong business community in the Central West; however there are geographical challenges as well as multiple Local Governments to liaise with. Local Government must be a part of the business community network and should be encouraged to communicate regularly with business. A Local Round Table could be held regularly, to enable open communication between business and the local, state and federal levels of Government. There are also potentially great benefits through closer collaboration between the Local Chambers of Commence and CENTROC.

# 5. Upgrade Telecommunications Infrastructure

A growing proportion of Australians have access to the Internet at home. ABS data indicates that from 1998 to 2008-09, household access to the internet at home has more than quadrupled from 16% to 72%

The proportion of businesses with Internet access increased to 90% in 2008-09.

There is a policy interest in promoting internet use in the business and household sectors. The internet has become increasingly important in recent years as a way of accessing information, communicating and buying goods and services. Business use of the internet can improve business productivity and international market access. Household use of the internet has various skill development and service access implications.

It is becoming increasingly evident that a high speed, affordable and reliable communication network will greatly enhance services and revolutionise the future development of business. SMEs in the Central West understand the value of operating in the digital realm, however limited or unreliable access to the internet is hampering business growth in the region. As an area which is currently not well served by telecommunications infrastructure, the Central West is well placed to demonstrate early wins from NBN implementation. With a range of regional and rural areas, the Central West could demonstrate the multiple benefits available when regional business and communities adapt to new technologies.

The NBN presents Central West businesses with an opportunity to grasp a long-term advantage over their global competition and they are keenly awaiting the improved connectivity to enable them to transform and expand their organisations.

Reliable internet services also have the potential to influence how education is provided to students in the region. The Central West is keen to embrace the online learning, to enhance the opportunities for students whilst retaining them in the region.

# 6. Develop a Regional Tourism and Marketing Plan

# **Recommendations:**

- > Develop and market a list of attractions within the region
- > Facilitate greater cooperation and communication between tourism operators in the region

The Central West region is home to a number of well recognised tourist icons such as Mt Panorama at Bathurst, the Dish at Parkes, Western Plains Zoo in Dubbo, and the wineries at Orange and Mudgee. However, consumer awareness of attractions beyond these icons is poor. Rather than promote individual attractions, the region would benefit from a regional approach to tourism and marketing. The first step in this process could be the development of a list of the top 10 reasons to visit the Central West region, done in consultation with the local community and tourism operators, to create a sense of ownership.

In order to grow the tourism market, it is necessary to highlight the diversity found in the Region by focusing on smaller towns and villages. The popularity of the existing well recognised tourist attractions should be utilised in a hub and spoke communications strategy, where tourists are informed of both existing tourism icons as well as other unique experiences and attractions located close by. This approach is appropriate, given the majority of visitors to the region travel by car and are easily able to vary their travel plans to include additional attractions.

The tourism industry in Central West NSW would benefit from greater communication and cooperation. As well as enhancing the region's ability to market both the well known and less well known tourist attractions, tourism operators must work together to package together experiences in the region. For example, nature based tourism and cultural tourism (including regional wine and food experiences) are two distinctive strengths of Central West NSW. There is potential to packaging these experiences to the visitor market to ensure they fulfil expectations.

Operators would benefit from learning how to bundle and package their products with other operators in order to meet consumer needs and maximise their exposure. While the financial support given to Central NSW Tourism by the NSW Government to date is welcomed, Central NSW Tourism must be funded to employ someone to facilitate communication & collaboration within the region.

# 7. Establish a Business Innovation Group

## Recommendations:

- > Establish a Central West Business Innovation Group to provide mentoring and support to businesses
- > Encourage relocation of business by being a centre of innovation and change

The Central West is a diverse region, with an industry base ranging from apples and vineyards through to whitegoods manufacturing, mining, tourism, and agricultural support and research facilities. Intermediate clerical, sales and service workers, managers and administrators account for a significant proportion of the population.

The Central West seeks to be known as a region that supports business innovation and has had success in expanding into green skills. The new Green Skills Trade Education Centre at Orange demonstrates both a commitment to reduce the environmental footprint of TAFE Western as well as to provide specific training in

- green skills and environmentally sustainable practices. Students will be able to undertake training in water efficiencies, renewable energies and low energy building design, giving them a skill set that will make them an asset for business in the region.
- Businesses in the Central West are keen to showcase their innovation credentials. Initiatives such as Centroc's Shiny Halo Blog which allows businesses to promote their positive environmental actions and learn from the actions of others are welcomed. However, it must be acknowledged that some businesses in the region require further assistance.
- The Central West business community is not looking for a hand out. The establishment of a Central West Business Innovation group would allow the business community to support innovative new business practices. This may involve mentoring arrangements and networking events.

# 8. Streamline Local Government Regulations and Reduce Red Tape

# Recommendations:

- > Use a bottom up approach to reinforce a local and regional approach to Local Government
- > Streamline planning approvals and reduce red tape

In 10 Big Ideas to Grow NSW, the NSW Business Chambers notes the current local government structure does not reflect modern Sydney. Furthermore there is little evidence that Councils are equipped to manage anticipated population growth. Local Government reform is also relevant to the Central West region.

Central West NSW is well represented by Centroc, comprising 16 Local Government Areas and one County Council in Central NSW. However, compliance costs and red tape are continually raised as areas of concern by businesses. There is further scope to reduce red tape for business in the planning approvals process.

The creation of a development assessment system that is coordinated between Local Government in the region and between the levels of government is important to building community and business confidence. Further, there needs to be greater transparency of the demarcation of decision making between jurisdictions and between the different levels of government. Indecision, together with the lengthy time taken by some local governments to make planning decisions and approve development applications stifles and discourages investment. Community and business consultation is critical to timely and successful development, and local governments may need further assistance to establish appropriate protocols to achieve these outcomes. Without the coordination and cooperation of local governmental jurisdictions, decisions critical to enhancing regional characteristics, activities, and natural resources are also compromised.

Coordination in planning decisions is particularly an issue for businesses and developers operating across local government boundaries, where there is inconsistent decision making and/or regulatory standards within those local government areas. Local Governments within the region should work cooperatively to ensure consistency between LEPs, to the maximum extent possible and engage in open dialogue with business to explain areas of divergence.

# 9. Create the Conditions for Regional Sustainability

## **Recommendations:**

- > Support emerging industries in the region
- > Initiate strategies to encourage people to relocate to the region

For the Central West to thrive, the local community and businesses must work cooperatively with state and local government. Rather than competing against each other, towns within the region would benefit from working together to promote the attributes of the region. In order for business to grow, an appropriately skilled workforce must be available. Attracting skilled workers is a challenge for businesses in the region and, as identified in Idea 1, there is a need to enhance the education and training available.

Businesses and Local Government must work together to attract migrants to the region. Initiatives such as the Evocities Campaign have successfully highlighted the lifestyle attractions of a number of cities including Orange and Bathurst . The campaign highlights the cities as centres of energy, vision and opportunity, and offers information about lifestyle, careers, housing and facilities to potential new residents. By working cooperatively, the seven cities that are part of the Evocities Campaign were able to secure Commonwealth funding and support from the NSW Government. The Central West community is enthusiastic and willing to promote the many benefits of living in the region. The business community is keen to address skills shortages within the region. An attraction strategy should be developed for the Central West, to attract capital city residents by highlighting the benefits of living in the region. Such a strategy must be devised through cooperation between the community, business and Local Government, with support from the NSW Government.

The Central West represents a significant opportunity for a Sydney based business to relocate either part or whole of the operation to the country. Competitive real estate pricing and comprehensive community facilities are already attracting innovative business development. Further investment in infrastructure can only assist to grow this trend. An example of innovative relocation is Race Dental, which is establishing a high-technology plant in Woodstock, based on the availability of fibre optic communications and inexpensive industrial land.

# 10. Encourage Growth through Planned Regional Development

# **Recommendations:**

- > Foster a strong regional identity
- > Develop a regional plan for Central West NSW to address population growth and sustainable economic development
- > Attract medium to large business to the region

The Central West contributes significantly to the performance of the NSW economy. In 2008, the population of the Central West was just over 180,000. Anticipated population growth provides opportunities for existing and new businesses but requires comprehensive planning to ensure both the natural and built infrastructure is available to sustain it.

The work being undertaken by Centroc, the NSW Department of Industry and Investment and Regional Development Australia – Central West, to develop a Regional Economic Profile to attract investment and market the region is welcomed. A Regional Economic Profile would provide regional economic data and information on industry, business, infrastructure and lifestyle by Local Government Area and for the region as a whole.

Whilst the initiative has the potential to improve economic development in the region, the voice of business must not be ignored.

A comprehensive Regional Master Plan should be developed, to bring together information about the Central West from a wide variety of sources, including that sourced from local government and local businesses. The plan would provide a practical framework for promoting economic development in the region by highlighting assets of the region and areas of opportunity for new investment. The Plan should also address key concerns such as population growth, infrastructure and water management.

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