

**Submission
No 38**

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

Organisation: Blayney Shire Council

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Blayney Shire Council



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The Director
Standing Committee on State Development
Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

To the Standing Committee on State Development

RE: **Inquiry into Economic and Social Development in Central Western New South Wales.**

Council thanks you for the opportunity to provide advice regarding the factors restricting economic and social development in central western New South Wales and provides the following submission to the inquiry.

Yours Faithfully

Grant Baker
Director of Engineering
For the General Manager

**Blayney Shire Council
Submission to the
Inquiry into economic and social development in central western New South Wales.**

Blayney Shire is located in Central West of NSW and covers an area of 3,821.9km². Located only 3 hours from Sydney, the Main town centre of Blayney is positioned mid way between Bathurst and Cowra, at the junction of the Mid Western Highway, and the state/regional road between Orange and Goulburn and at the junction of the Main Western Railway line and the Blayney – Demondrille Railway that links the Main Western and Southern Rail corridors.

Blayney Shire is one of the smaller Local Government Areas in the region, with a population of approximately 6,600.

The Shire is a rich and diverse agricultural area with one of the largest gold/copper mines (Newcrest Cadia operations) located on the north western edge of the shire).

Other industries within the Blayney Shire include, the Linfox Intermodal Terminal within the Blayney industrial estate located in proximity of the railway station, the Sealink food distribution and packaging facility to two (2) sites, in the industrial estate and alongside the Main Western railway, and Australian Native Landscapes located at the old Browns Creek gold mine site.

a. *The provision of health, education and cultural facilities*

Health

Blayney Shire Council notes that while health care provision is not traditionally the role of local government, it like other Councils in the Region, are either directly or indirectly providing both health and aged care infrastructure and services. Council as a member of Central NSW of Councils (CENTROC) supports Centroc's position on health, in the attraction and retention of the health workforce and seeking support for improved health services and infrastructure for the region.

In the immediate term, Council notes the ongoing need for 24 hour emergency doctor support to ensure the viability and provision of emergency services at the Blayney District Hospital.

Blayney Shire Council has also identified a number of opportunities that exist for all levels of Government to work together to ensure the provision of adequate health services and infrastructure. These include: -

- Provision of appropriate health and aged infrastructure;
- Charles Sturt Medical School – Orange;
- 24 hour helicopter retrieval service;
- Encourage 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 university placement program with direct support to “growing our own”; and
- State/Local government partnership in supporting the Beyond the Range project in attracting Health Workforce.

An ageing and growing population

Residents of NSW are living longer and healthier lives than ever before. “Over the past 20 years, the chances of dying before we reach the age of 70 have dropped by 25%” (GWAHD: 2010). An implication of this demographic shift will be changing service requirements - particularly in the areas of health, aged care and housing.

The work being prepared for the Blayney Shire Community Plan identifies that the community remains concerned about the ageing population and how current aged care facilities and services will respond and change with the needs of the ageing population.

In terms of health care services and provision, the Greater Western Health Service Plan Towards 2010 (2007) identifies that the ageing population is increasing the need for services and in particular for those services that assist people with complex or chronic conditions.

It is important that key government and non-government professional bodies work towards finding a long term solution and management processes that enable the facilities and services that will be required by an ageing population.

b. The reasons for population decline or growth in different areas

Blayney Shire is home to over 6,000 (ABS 2006) residents and has been growing at a rate of 0.25% over the past five years.

While the Blayney Shire's economic output is largely driven by the agricultural sector, the key industry employers include the mining, manufacturing, education and health care sectors - jointly accounting for more than 30% of the Local Government Areas (LGA) total employment.

- In 2006, the average age for Bathurst was 39 years, two years higher than the average for Australia.
- Blayney has a relatively high level of home ownership or purchasing a home of 74.1% (ABS 2006), reflecting the relative affordability of the area.
- The sheep, cattle (beef) and grain farming sectors have historically been the backbone of the local economy. This sector is supported by the agriculture services sector, export infrastructure and an established supply chain.
- Blayney has access to a transport network which requires improvements to further support the demands of population growth, industry activity, accessibility and intermodal connectivity to the region and States.
- The area has well developed utility infrastructure, including electricity, natural gas, and waste services, with the capacity to support ongoing population and industry growth.
- Central Tablelands Water has reviewed existing water supply potential and demands, and believes there is sufficient water supply to meet the projected growth in the Shire. However it notes there are increasing demands from mining operations (existing and proposed) and the demands of the City of Orange and surrounding un-serviced villages would significantly impact upon the secure yield of Lake Rowlands.

Restrictions

Despite this growth there are several factors restricting a higher growth rate and include:

- Meeting the demand for public and private housing (owner-occupiers and rentals)
- The challenge of water security across various competing sectors including business, farming, mining and urban –Council commends to the Committee the work Centroc has undertaken around water security in the region.
- National Broadband Network
- 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
- 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

c. The adequacy of transport and road infrastructure

Blayney Shire is located in Central West of NSW and covers an area of 1,618km². Located only 3 hours from Sydney, the Main town centre of Blayney is positioned mid way between Bathurst and Cowra, at the junction of the Mid Western Highway, and the state/regional road between Orange and Goulburn and at the junction of the Main Western Railway line and the Blayney – Demondrille Railway that links the Main Western and Southern Rail corridors.

Blayney Shire Council supports Centroc's position for transport and road infrastructure including the need for a safe swift Road Link to Sydney through the Bells Line of Road, improvements to rail infrastructure, accessible public transport, the provision of adequate air infrastructure and road infrastructure and maintenance upgrades.

Council notes and commends the State Government on the changes to road and rail authorities under the single umbrella of "Transport for NSW", and believes that in time this should ensure better coordination of all modes of transport when considering new projects.

Blayney – Demondrille Railway

Blayney Shire Council in association with the Councils of Cowra, Weddin, Harden and Young has been pressing State Government for some time now to reopen the Blayney – Demondrille rail that provides a strategic link between the Main Western and Southern lines in regional NSW.

The group of Councils recognise the important economic and strategic value of the line to the region and the rail network as a whole, and in 2009 invested their own funds into the undertaking of two (2) reports into its viability, and the work required to bring the line back to operational status.

The initial report by SAMROM was a preliminary feasibility study and followed the recommendations of the NSW Grain Freight Review (2009) that examined the branch line network across NSW.

The Phase 2 SAMROM report consisted of a detailed engineering review and development of costs to reopen the line. Following this, the State Government agreed to fund the undertaking of a separate cost benefit analysis with an examination of policy and regulatory frameworks required to reopen the line. This report is currently being completed by the consultant.

The reopening of the line, would provide redundancy in the network, allow freight to be taken off road and returned to rail, thus providing various benefits, including:-

- Reduced carbon emissions
- Reduced road damage (state and local)
- Improved road safety outcomes

Blayney's strategic position at the intersection of the Main Western and Blayney – Demondrille lines, would allow improved business opportunities for larger operations within Blayney, including the:-

- Sealink food distribution and packaging facility, that is presently constructing a 1.5km rail siding, and could transport produce direct from Melbourne via the line rather than via Sydney or road.
- Newcrest dewatering facility presently located at the Blayney Intermodal Terminal, and soon to be relocated to a new, larger facility at the Sealink site.
- Nestle Purina pet food factory that also owns a private siding that has previously operated three trains per week.

Benefits of opening the line and shifting freight traffic to the line, will also be realised into the future by residents across the Blue Mountains and further west with improved opportunity for passenger services access through to Sydney.

Bells Line of Expressway

Blayney Shire Council is a supporter of the Bells Line Expressway. Council considers this a visionary project and notes that it is underpinned by extensive research.

Sydney as a global city continues to struggle with urban sprawl and the provision of a safe and efficient route to the Central West, will provide for the Central West what the F3 did for the Central Coast/Newcastle Region, and ultimately reduce the impact of increased traffic on communities along the Great Western Highway over the Blue Mountains, and lower carbon emissions, providing improved health outcomes for Blue Mountain residents.

Over thirty (30) investigative documents have been identified relating to The Bells Line Expressway, since 2000. These documents support and reinforce the need for the Bells Line of Expressway to be completed as a matter of urgency due to a number of key factors including the following: -

- The Western Research Institute concluded that "In five years from completion of the expressway, total economic growth induced by the expressway in the region is expected to be \$268 million (4.5%) in GRP, \$122 million (3.7%) in household income and 3,062 (3.9%) full time equivalent jobs"¹.
- The Great Western Highway and Bells Line of Road are "High Risk" roads. While Centroc supports any improvements to the Sydney - Dubbo transport corridor that reduce the risk to road users, investment strategies recognise the priority of the Bells Line of Expressway. NRMA crash statistics suggest that the Bells Line of Road and the Great Western Highway are the two most dangerous roads in NSW.
- The Federal Government, in its Auslink Sydney - Dubbo Draft Corridor Strategy predicts a decline in the share of rail freight as it migrates to road. Neither the Great Western Highway nor the Bells Line of Road can accommodate efficient freight vehicles such as B-Doubles and the rail system is accurately described as 19th century. Increasing the truck proportion on already high risk roads will increase the risk to motorists. Ecological sustainability requires efficiency, which can not be achieved on the current routes.

Blayney Shire Council argues that the topography of the Blue Mountains is unique and ensures that the Great Western Highway will only ever be restricted to being a local road, with limited scope to provide a suitable high volume route. Therefore there will always be congestion issues that impact industry particularly the tourism industry, the third largest industry in Central NSW - and growing, and agriculture.

The Bells Line of Expressway supports the priorities of the State Plan, including but not limited to: -

- Increased business investment
- Private business investment growth
- Tourist bed nights
- Maintain and invest in infrastructure
- Increased business investment in rural and regional NSW

Blayney Shire Council and the members of Centroc and Bells Line of Expressway Committee's encourage State and Federal representatives to commit to the next steps in securing the corridor, that is

- The establishment of route options
- Selection of preferred route
- Reservation of preserved route option on LEPs and
- Environmental assessment and concept design
- Provide advice on time frames where the establishment of route options should occur immediately after the completion of the Long Term Strategic Corridor Plan
- Have commentary in LEPs along the route addressing the need for a future corridor

Funding for Road Infrastructure

Blayney Shire Council's road assets are currently in a reasonable condition and are estimated to be in the mid-stage of their economic life, with an average condition rating of 2.3 out of 5 (with 1 being good). But as is the case in much of New South Wales, the infrastructure is aging and deteriorating.

The road asset is also increasing whilst Council's resources to address the network are decreasing. Costs are also increasing with materials costs rapidly escalating in line with current quality assurance requirements and increasing legislation such as the Occupational Health and Safety Act adding greatly to road authority's costs. The ability to fund roads through revenue is extremely limited, and it is difficult to reconcile that a recurrent need such as road maintenance and reconstruction can be funded for an extended period from non-recurrent sources.

Council needs to decide on the priorities that it has with its current assets and services on a continual basis. If increased funding on the road asset is not made available, Council and its community must then accept that the condition and therefore levels of service will decline. In time this will result in accelerated rates of deterioration and increased cost of maintenance to an even lower standard.

Blayney Shire Council needs additional funding to allocate appropriate budgets for road pavements and seals to arrest deterioration. Asset modelling by Council indicates a continual deterioration in the Average Condition Index to the value of \$14.8M (2010 dollars) over the twenty year forecast period.

While Council 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 external funding assistance is required to perform essential asset management activities. Council acknowledges the benefit that Roads to Recovery provides as without that allocation, the gap increases further.

Centroc notes, "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."

In addition 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 %.

Public Transport

The Centroc commissioned "Central West Transport Needs Study" (2009) 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.

Blayney Shire residents and the business community seek to be able to access Sydney and return in a day by public transport where possible. Council is amazed by the similarity with Victorian regional areas such as Horsham that have four train services a day to Melbourne. Reference is made to the report from Penny Sharpe MLC, October 2010 on Country LinkUp that 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

Many Blayney residents rely on bus linkages and more could be done to both link back into the electric rail network, and provide suitable public transport links between the Blayney Shire communities. The extension of electric rail into Bathurst and Orange via Blayney, is considered a suitable first step, with a bus linkage from Cowra and beyond, connecting at Blayney.

The Blayney Community Strategic Plan workshops undertaken to date have identified the need to provide public transport linkages between the various communities within the shire and provide access to services that may be in Blayney or the regional centres of Bathurst and Orange.

d. Ways to encourage development of local enterprise and the potential of region overall

National Broadband Network

Blayney Shire Council considers broadband infrastructure as a priority for the area. Economic and social prosperity in regional areas such as Blayney is increasingly tied to, and determined by, Information and Communications Technology (ICT) developments. More and more essential services and businesses are finding their way onto the Internet, and Council particularly notes the use of remote medical services, delivered via the internet into the Blayney District Hospital. The economy is increasingly becoming a digital economy.

For the Blayney Shire to be a part of the increasing digital economy the LGA must have world class ICT infrastructure, that upgrades existing infrastructure and supports the provision of Broadband services to council's remote and smaller rural populations. This is essential to the Blayney Shire.

e. The comparative level of government business activity located within the region

Blayney Shire Council recognises its proximity to larger Regional Centres such as Bathurst and Orange, and the opportunities this provides as an alternate place of residence to employees of these centres.

It supports and welcomes the decentralisation of Government Departments to the Central West, and notes that Bathurst is home to the Land and Property Management Authority, Department of Fair Trading and Office of Public Affairs and Orange to the Department of Trade and Investment, Regional and Infrastructure Services (DTIRIS).

Bathurst and Orange offer a viable solution to decentralisation of Government Services from the Sydney basin. The Blayney Shire offers the following key benefits:-

- Proximity to Sydney
- Commercial space and land availability
- Lower cost of commercial rents
- Higher labour availability
- Decreased traffic congestion
- Increased quality of Life
- Housing affordability
- Skilled workforce

f. Methodologies for local government to collectively co-operate to achieve increased infrastructure funding for economic growth

Blayney Shire Council plays an important and ever expanding role in delivering a broad range of important services at the local level. However, it is also under growing financial pressure that hinders its ability to provide for the increasingly complex needs of 21st century communities. Council as such works collaboratively to maximise opportunities by working with key member organisations such as Centroc, the Wellington Blayney Cabonne Alliance (WBC) and other regional Councils in collaborative projects.

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. There are a number of key projects which Centroc is advocating on behalf of the Region and which Blayney Shire Council is proud to support. These include but are not limited to: -

- 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;
- Regional infrastructure priority plan. This project is self-funded and resourced by members;
- Regional Economic Development Strategy, a partnership effort between DTRITIS, 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;
- Centroc Regional Training Division service acts as a training broker for member and associate member councils and supports the engagement and development of the training industry in the central NSW region;
- Supply Management offers three significant benefits to the region including aggregated purchasing offers cost savings, a regional forum for new products and services to be analysed and information sharing among members to develop best practices;
- OHS Risk Management Team facilitates the continual improvement of OHS Management for member Councils;
- Central West Human Resources Managers Group are a network of HR professionals that share resources and focus on addressing common issues such as industrial relations, training and skill shortages and strive to deliver the best HR practices and services for their employees; and
- Film Central provides a fast and efficient service to filmmakers planning productions in the region, and provides a framework that maximises the economic and other community benefits that occur from film productions.

Centroc has identified a number of opportunities in which Governments can support Councils working collaboratively: -

- 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 Council take a steering or leadership role;
- Fund all State mandates – that is remove cost shifting; and
- Building on and investing in the collaborative advice provided by the Regional Economic Development Strategy and other plans developed in Central NSW

Council Alliances

Blayney Shire Council recognises the importance and benefits of working with other Local Government Areas as a way of sharing knowledge, resources and skills. Various alliances that Council is engaged in include:-

- Central Organisation of Councils (CENTROC).
- Wellington Blayney Cabonne Alliance (WBC).
- Central Tablelands Wellington Blayney Cabonne Alliance (CWBC) for the development of Integrated Water Cycle Management plans.
- Weddin, Blayney, Cowra, Harden and Young Alliance, for the reopening of the Blayney – Demondrille Railway line.

g. Any other factor restricting economic and social development in central NSW

Carbon constrained future

It is noted that Climate Change will create both challenges and opportunities for Blayney industries in the coming years. In summary, it is predicted that by 2050, rainfall for the Blayney Shire will decrease overall.

Overall temperatures are projected to increase by between 1 to 3 Celsius. This will affect patterns of land use as well as production and profitability in the agriculture and related sectors. It will also heighten the demand that the balance between social, economic and environmental factors be addressed. Opportunities exist to therefore innovate through all industry sectors. AEC (2010) notes that there will be interest and investment in the creation of commercially proven technologies that utilise lower emission generation.

Additionally, the modifications required for the business community to implement policy changes with regards to climate change, particularly from the perspective of regulation, compliance and corporate strategies may see a heightened demand for specialised professional services and techniques.

Financial Sustainability

State government setting and/or capping of fees and charges applies to some services which councils are not legislatively required to provide. But where these services are provided (for example, because of community pressure), the impacts on councils are no different from the provision of mandated services at fees that do not cover costs. 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.

Blayney Shire Council urges the Government recognise the increasing demands on Local Government and to support finding ways to fund the current and growing infrastructure gap.

Planning

Within the Blayney Shire there are a number of different types and sizes of urban settlements, including the central township of Blayney and various villages and localities. The Council encompasses a total land area of over 1,524.7 km². Rural land is used primarily for agriculture, particularly sheep and cattle grazing, with some timber production, orcharding, crop farming and market gardening. Located on the north western edge of the Shire is the Cadia Gold/Copper mine, with the recently approved Cadia East project being solely located within the Shire. Other mining resources exist to the east of Lyndhurst (Discovery Ridge), to the north east of Blayney centred on Kings Plains (McPhillamys), Forest Reefs and Junction Reefs.

Blayney continues to be challenged by the need to strategically manage the planning requirements that can preserve and protect it's agricultural land whilst managing the demands placed on it by the mining industry.

Like many other Councils there are several restrictions and issues in relation to planning which hinder Councils strategic planning process. These include the lack of a regional strategy, the removal of planning powers from local government (eg Infrastructure SEPP, Part 3a, and Codes SEPP) and the lack of flexibility of the Standard Instrument. Council has been encouraged by early work toward the development of a new planning instrument, and looks forward to continuing its involvement in this work.

Food Security

The Central West region, and particularly the Blayney Shire Council area have strong potential to develop the social and economic capital required to transform itself into a food secure region. Establishing this region as Australia's first food secure regional hub connected with its network of transport routes would have lasting economic and social benefits, including the promotion of tourism and recreation destination profiles.

Food security is a complex and far reaching issue, particularly in the face of increasing uncertainty regarding international commodity markets, global economic instability, variable climatic conditions, decreasing water availability, and increasing population pressures. Achieving secure food sources directly concerns:

- agricultural production;
- natural resources;
- transport infrastructure;
- diet and nutrition;
- education and awareness; and ultimately
- health outcomes for communities

The Blayney Shire is rich with natural resources that support significant agricultural production, although approximately 95% of this is directed to and consumed through markets outside the Central West (primarily Sydney).

Despite the high volume of locally grown product, a significant quantity of Blayney Shire's food is imported from Sydney (or other domestic and international markets). Reducing transport and associated costs by developing local markets would benefit both the producers, by reducing their cost structure, as well consumers who would receive fresher, healthier food.

Less waste through spoilage, the reduced costs of refrigeration/storage and less 'food miles' are also benefits for adapting to, and mitigating against climate variability, improving health outcomes, and increasing economic efficiency of our food supply chain.

Council considers the NSW Government inquiry as a positive step to developing a Regional Plan for Central NSW, and commends the Government for seeking ways to delivering a better future for our community.