Submission
No 41

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

Organisation: Western Research Institute

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NSW Government –

Standing Committee on State Development

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

1 INTRODUCTION

The NSW Government Standing Committee on State Development (the Committee) inquire into and report on the factors restricting economic and social development in central western New South Wales. The Committee has established an inquiry into economic and social development in central NSW.

The Western Research Institute (WRI) is a regional development research organisation located on the campus of Charles Sturt University in Bathurst, NSW. WRI has operated for over 12 years and provides economic analysis and surveys with a particular focus on regional areas. This submission provides a summary of key WRI projects that relate to the central region of NSW. These projects cover a wide range of industries and the information presented in these reports may provide background information for the inquiry.

2. PROJECTS

Westpac / Charles Sturt University Agribusiness Index

The Westpac / Charles Sturt University Agribusiness Index is a quarterly survey of 1,375 businesses in the agribusiness sector. The survey includes agricultural producers as well as suppliers to agriculture (upstream) and related transport, manufacturing, wholesale and retail businesses (downstream). The aim of the survey is to provide a timely snapshot of agribusiness across Australia. Reports are produced for 50 statistical divisions including the Central West and North Western regions of NSW (the region covered by this inquiry). The June Quarter 2011 report is attached at the end of the document. The national and other state reports are located at www.westpac.com.au/business-banking/agribusiness/reports/

Bells Line Expressway

WRI has completed several projects for the Bells Line Expressway Group. Most recently, WRI produced six information sheets outlining the importance of the proposed Bells Line Expressway to regional New South Wales. A summary of the six sheets are outlined below. Full copies of the report can be accessed at www.bleg.com.au

Sheet 1: Linking Sydney and its regions

Australia has a highly urbanised population with the majority of people living in large cities. A great challenge for regional areas is to maintain adequate access to these cities via suitable transport corridors. The Bells Line Expressway will provide a vital connection between Sydney and the important western region of NSW.

Sheet 2: Bells Line of Road: Upgrade Vs New Construction.

The RTA should apply its standard policy of one road for access and one for mobility to the west. Upgrading the existing Bells Line would provide two access roads over the Blue Mountains and provide little, if any, relief for the already over stretched and hugely expensive Great Western Highway. A new, preferably class 6R, road over Bells Line would improve safety on the most dangerous transport corridor in NSW and provide the same standard of mobility to the west that is currently enjoyed to the north, south west and south of Sydney.

Sheet 3: What are the Benefits of Preserving a Corridor?

Ensuring flexibility for the future; flexibility is the key to managing change. Formally preserving the Bells Line corridor to prevent inappropriate development along its length would preserve the value of this option.

Sheet 4: Access to an Inland Transport Corridor

The Bells Line Expressway transport corridor will provide a vital link from Sydney and its ports to the inland transport hub at Parkes, providing access to the inland transport corridors running between Melbourne and Brisbane and west to Perth.

Sheet 5: Securing Sydney's Food Supply

The Bells Line Expressway will ease pressure on important agricultural lands in the Sydney Basin and provide an efficient access route to agricultural precincts close to Sydney. The Bells Line Expressway will protect valuable food production land on the urban fringe.

Sheet 6: Western NSW – Punching above its weight

The Western region of NSW makes a significant contribution to the State economy. Securing the Bells Line Expressway transport corridor will ensure that this contribution can be enhanced while strengthening links with Sydney.

Lachlan Valley Water

Lachlan Valley Water commissioned WRI to conduct a study on the value of irrigated agriculture in the Lachlan Valley. The study was undertaken using the following:

- Secondary data from the Australian Bureau of Statistics (ABS) on value of irrigated production in the Lachlan Valley, type of commodities irrigated, area under irrigation and volume of water applied;
- Primary data gathered from a sample of key irrigators in the Lachlan Valley regarding area under irrigation, type of commodities irrigated, area under irrigation, volume of water applied, employment, wages and salaries, as well as data on the total water allocation and type of irrigation used. This information was collected for 2007-08 in order to provide a comparison with the ABS data, as well as for 2009-10; and
- An input-output table was constructed for the Lachlan Valley incorporating the primary and secondary data to permit an assessment of the value of irrigated agriculture to the economy of the region, measured in terms of full-time equivalent (FTE) employment, household income, gross regional product and output.

When flow-on effects are taken into account, the irrigated agriculture sector accounts for:

- 2,072 FTE jobs, including 1,294 jobs in the irrigated agriculture sector, 375 jobs in the non-irrigated agriculture sector, 54 jobs in the personal and other services sector and 41 jobs in the transport, postal and storage sector. Including flow-on effects, the irrigated agriculture sector underpins approximately 5.4 per cent of the FTE employment in the Lachlan Valley in 2009-10;
- Almost $50 million in household income with 62 per cent of that being in the agriculture (including irrigated agriculture) sector, 6 per cent in wholesale trade and 4 per cent in the transport, postal and storage sector;
- Approximately $143 million in gross regional product, representing approximately 2.8 per cent of the gross regional product of the Lachlan Valley in 2009-10; and
- $493.8 million in output in the Lachlan Valley.

A full copy of the report can be obtained by contacting Lachlan Valley Water.

Economic Impact of Charles Sturt University

Charles Sturt University (CSU) has campuses located throughout regional NSW with three campuses in central NSW, Bathurst, Orange and Dubbo. CSU commissioned WRI to undertake an economic impact assessment of the University's operations and the associated expenditure by non-local students. Specifically, the study was to assess the economic impact of each of six CSU campuses on its respective Local Government Area (LGA) and the relevant statistical division. Overall, CSU contributes 1.18% of gross regional product, 1.85% of household income and 1.52% of FTE employment in the CSU Regional Footprint when flow-on effects are taken into account. The main industry sectors impacted by CSU in terms of FTE employment are retail trade, accommodation & food services and administrative services.

Reports are available for each campus and can be obtained by contacting Charles Sturt University.

Creative Arts Industry

The creative industries have long played an integral part in economies both on a national and regional level. Yet the true impact is often difficult to quantify due to the fragmented nature of the sector when compared to other industries. The Department of State and Regional Development (DSRD) and Central West Regional Development Board (CWRDB) provided Arts OutWest (AOW) with funding to commission the Western Research Institute (WRI) to determine the impact, performance and profile of the creative industries in the Central West. Specifically, this report provides answers to the key research questions outlined below, and parallels a state-wide report currently being undertaken by the NSW Governments' Innovation Unit. Survey respondents were predominantly involved in the visual arts, design and architecture industry, followed by community and events, music and performing arts and heritage and culture.

What do the Creative Industries Look like in the Central West?

Approximately two-thirds of respondents derived part or all of their income from their involvement in the creative industries. Creative industry income was derived from a variety of sources:

- 50% of organisations and 41% of individuals derived some or all of their income from tourism; and
- $1.2 million was received through public and private grants and sponsorship.

Most goods and services were sold directly to consumers, with word of mouth being the most popular form of promotion.

The creative industries proved to be of a highly collaborative nature, with 84% of respondents working jointly with individuals, government, education and training providers, private businesses and community groups within the past 12 months.

What is the Economic Value of the Creative Industries in the Central West?

The creative industries contributed 0.77% to the economy of the Central West in terms of gross regional product in 2006-07. This included:

- $196 million in output;
- $62 million in gross regional product;
- $42 million in household income; and
- 891 full-time equivalent jobs.

A contribution of 0.77% to gross regional product is significant, as evidenced by comparing this result with the most prominent tourism attraction in the Central West, Mt Panorama. Events held on Mt Panorama generated 0.56% of the Central West's gross regional product in the year 2000. Volunteers also provided significant impetus to arts endeavours in the region with a conservative estimate of 234 full-time positions being filled by volunteers in cultural organisations and 200 full-time positions provided by individuals.

How well are the Creative Industries Performing?

The study found that cultural services in the Central West outperformed the state in terms of employment growth between 2001 and 2006. On balance, the greatest increases in growth occurred in the film and video services and services to the arts. This was predominantly a result of economic factors and advantages specific to the Central West region driving growth ahead of state averages.

How can the Performance of the Creative Industries be Improved?

Availability of industry and government funding was considered by respondents to be the most critical barrier to their future development in the creative industries in the Central West. Improving their grant application skills was a high priority for both individuals and organisations, indicating an opportunity to provide information about managing business finances and sourcing and accessing financial assistance. Surprisingly, digital technology was not considered critical for participation in the creative industries, although this is likely to be influenced by the relatively small proportion of respondents representing digital media in the survey sample.

A full copy of the report is available at http://www.artsoutwest.org.au/projects/creative_industries_survey.php

Economic Impact of Museums and Galleries in Central NSW

Museums and Galleries NSW (M&G NSW) commissioned the WRI to determine the economic benefits of cultural facilities and activities in the Central region of New South Wales (NSW). The study was conducted in partnership with Bathurst, Dubbo and Orange Councils. The study constitutes a pilot for further economic, social and cultural impact assessments of cultural facilities in other regions of NSW.

Cultural facilities have long played an integral part in economies, both on a national and regional level. Yet the true impact is often difficult to quantify due to the fragmented nature of the sector when compared to other industries. M&G NSW, the leading support agency for galleries and museums in NSW, is interested in understanding the immediate and long term economic value of cultural facilities and activities to their surrounding communities. This includes the direct spending, indirect spending, and the flow on effects from the provision of cultural services and activities.

The focus of this study is cultural facilities in the Bathurst, Dubbo and Orange Council areas that are funded by the respective Councils. Twelve Council owned cultural facilities, including local history museums, specialist museums, regional art galleries and performing arts facilities were selected to provide an indicative insight into the economic impact of the cultural facilities in Central NSW. The economic impact includes the operation of the facilities themselves and the impact of any induced tourism expenditure generated by visitors from outside the local government area (LGA) either visiting for the purpose of seeing the facility or extending their stay for that purpose.

Both the economic impact of the cultural facility's ongoing operations and the impact of visitors to these facilities were estimated. Combined, the selected cultural facilities in Bathurst, Dubbo and Orange create $36.2 million in output, $14.7 million in value added (gross regional product), $8.9 million in household income and 180 full time equivalent (FTE) jobs.

A full copy of the report is available at http://mgnsw.org.au/resources/research1/

NSW Government Fact sheets

WRI prepared a series of fact sheets for the Country NSW Job Summits. A copy of the Fact Sheets for Central West, Orana and Far West regions can be found at the end of this document.

Economic Impact of TAFE Western

TAFE Western commissioned WRI to prepare an estimate of the economic contribution of TAFE Western to each of the statistical divisions in which it is located i.e. Central West, Far West and North Western, as well as its overall footprint i.e. those statistical divisions in aggregate.

TAFE Western is a Registered Training Organisation managing 24 colleges across the Central West, Far West and North Western regions of New South Wales. In 2010 TAFE Western was approved to deliver 472 Nationally Recognised Qualifications and 69 State accredited courses. Of these 401 qualifications were at Certificate III or higher and 103 were at Diploma or Advanced Diploma level. TAFE Western delivers educational programs in five discipline areas, namely:

- Access and General Education;
- Business, Arts and Information Technology;
- Community Services, Tourism, Health and Recreation;
- Manufacturing and Engineering, Construction and Transport; and
- Primary Industries and Natural Resources.

In 2009-10 approximately 39,600 students were enrolled at TAFE Western, with more than 30 per cent of enrolments being for Certificate III and above. The Institute also employs almost 900 full-time equivalent staff.

The operations of TAFE Western has a direct impact on the regional economy through expenditure on goods and services purchased locally, expenditure on capital items in the relevant statistical division, wages and salaries paid to staff and purchases made by students. TAFE Western contributes between 1.0 and 1.3 per cent of the FTE employment in the statistical divisions in which it has a presence and between 1.1 and 1.4 per cent of household income. The contribution to gross regional product is between 0.7 and 0.9 per cent. It should be noted that, as only expenditure by non-local students is included in the assessment, the overall impact on the regional footprint is slightly lower than the total of the three statistical divisions in aggregate.

A copy of the full report can be obtained by contacting TAFE Western.

Economic Impact of Harness Racing

Bathurst Harness Racing Club commissioned the Western Research Institute (WRI) to provide an estimate of the value of harness racing to Bathurst Local Government Area (LGA) and to the Western Districts Harness Racing Clubs (Western Districts) region, defined as the Central West statistical division and Dubbo LGA.

Harness racing events in the Central West region are held in Bathurst, Blayney, Cowra, Dubbo, Eugowra, Forbes, Orange, Parkes and Peak Hill. However, only Bathurst, Dubbo and Parkes stage TAB race meetings. Bathurst Harness Racing Club is the largest of the three regional racing centres in the Western Districts region, hosting fifty-two race meetings each year. Dubbo Harness Racing Club held 18 race meetings in 2009-10 while Parkes Harness Racing Club hosted 16 meetings. Since the closure of Harold Park, Bathurst hosts the equal second highest number of race meetings in New South Wales after Newcastle. Thirteen of the meetings at Bathurst are classified as Tier 1, which has the highest level of prize money available (minimum stake money of $5,500), whilst 21 meetings are Tier 2 (minimum stake money of $4,500) and 17 are Tier 3 (minimum stake money of $3,000). By contrast, Dubbo and Parkes each have only one Tier 1 meeting allocated in 2010-11.

A copy of the report can be obtained by contacting Bathurst Harness Racing.

Regional Workforce

Charles Sturt University commissioned WRI to examine the impact of Charles Sturt University graduates on the regional workforce. Charles Sturt University graduates are now the mainstay of the professional labour market in western NSW. Between 2008 and 2010 WRI conducted three labour market studies, surveying professionals in the teaching, social welfare and accounting workforce in western NSW to find out where they obtained their primary and other qualifications. The studies found that 43 per cent of teachers in western NSW schools obtained their undergraduate qualifications from Charles Sturt University, and 39 per cent of teachers held Charles Sturt University postgraduate qualifications. Thirty six per cent of social work and social welfare professionals working in western NSW obtained their base qualification from Charles Sturt University, while 74 per cent of accounting graduates also obtained their qualification from Charles Sturt University.

A copy of the reports can be obtained by contacting Charles Sturt University.

Economic Impact of Mount Panorama

Bathurst Regional Council commissioned WRI to prepare an economic impact analysis of the four major motor sports events held at Mount Panorama in 2008-09, namely:

- 2008 Supercheap Auto Bathurst1000 – 9 - 12 October 2008;
- Drive Bathurst and Sprint Bathurst '08 – 10 -14 December 2008;
- WPS Bathurst 12 Hour – 20 -22 February 2009; and
- Shannons Celebration of Motor Sport (Festival of Sporting Cars) – 10 - 12 April 2009.

The four events contribute $29.3 million in value-added to the Bathurst economy when flow-on effects are taken into account, representing 1.9% of the total Gross Regional Product. They create approximately 355 full time equivalent jobs and generate in excess of $15 million in household income.

The significance of the four events on the local economy cannot be underestimated. Overall, tourism in Bathurst (including visitors travelling for motor sports events at Mount Panorama) is estimated to contribute approximately $370 million in turnover to the City and to generate approximately 10% of the Gross Regional Product in Bathurst. The four motor sports events analysed are estimated to generate approximately 19% of the total contribution from tourism to the Bathurst economy.

When the economic impact of the four events on the wider New South Wales economy is examined, additional expenditure made in the State but outside Bathurst is included. On the other hand, expenditure by spectators at the events who reside in New South Wales has been excluded from the assessment of the impact on the State economy. This has been conservatively treated as expenditure switching whereby money spent associated with the events would otherwise have been spent on another good or service within the State. Overall, excluding expenditure by spectators who reside in New South Wales, the four events contribute approximately $33 million to the Gross State Product and generate 330 full time equivalent jobs.

The impact of the events in promoting Bathurst as a visitor destination also cannot be underestimated. The wide media coverage afforded to the Supercheap Auto Bathurst 1000 and the WPS Bathurst 12 Hour is augmented by word-of-mouth advertising by participants and spectators at all the events.

A copy of the reports can be obtained by contacting Bathurst Regional Council.

Central West Industry and Employment Analysis

In 2003 the Western Research Institute (WRI) prepared a report on industry and employment conditions in the Central West Regional Development Board (CWRDB) area . CWRDB commissioned WRI to provide an update to that report using shift-share analysis of Census data between 2001 and 2006, to examine changes in industry and employment in the study area.

The shift-share analysis was augmented by more current information obtained through:

- discussions with representatives of the twelve Councils in the region serviced by the CWRDB and with representatives of the NSW Department of State and Regional Development ;
- analysis of Count of Business data obtained from the Australian Bureau of Statistics (ABS); and
- analysis of more recent regional labour force data by industry published by the ABS.

Subsequent to the above analysis, WRI and the CWRDB selected five industries of interest to examine in greater detail. The industries were selected on the basis of recent growth in employment and / or significance in terms of contribution to employment. The industry sectors selected for further examination were:

- agriculture;
- wood product manufacturing;
- construction;
- local government; and
- non-residential care services.

A copy of the report can be obtained by contacting Regional Development Australia - Central West.

Agribusiness Index

New South Wales.

June Quarter 2011

New South Wales.

The EPI for the June Quarter 2011 was 0.11.

Best June quarter result on record despite a slight decrease from the March quarter result

Best performed state overall

8 of 11 divisions reported positive performance – Murray the best performed

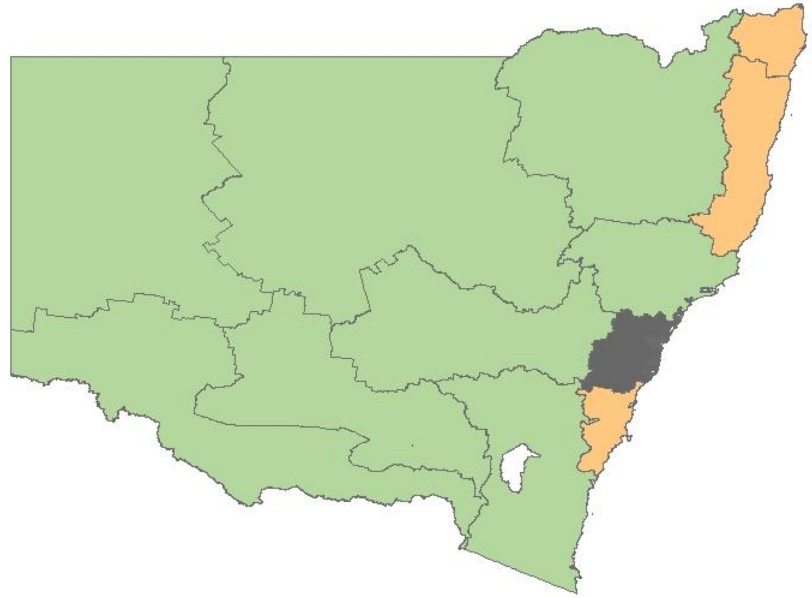
3 divisions reported negative performance – Richmond-Tweed the worst performed

EPI expected to fall however remain positive in coming September quarter

Business confidence 74% - lower than for the March quarter (78%) however higher than the same quarter last year (72%)

"people are confident – there is plenty of feed and water"

Producer, Far West



Local Factors

Strong commodity prices assisting producers

Generally positive climatic conditions with the exception of northern NSW

Mice plague and flooding in some areas still causing concern

Increasing concern about local business trading conditions

New South Wales.

The positive EPI was driven by positive business performance and increased levels of capital expenditure and employment.

Positive *business performance* overall with 5 statistical divisions reporting good performance

- Influenced by climatic and seasonal conditions
- A decreased, however positive, performance is expected in coming quarter largely due to climatic conditions

Capital expenditure levels increased

- Stable levels of investment expected in the September quarter

Employment levels increased overall with only 4 statistical divisions reporting declines

- 66% of agribusinesses that had employed during the quarter, indicated that finding suitable staff was difficult
- Employment levels are expected to increase again in the next quarter

Upstream - positive EPI with positive business performance, capital expenditure and employment levels.

Producers – positive economic performance with positive business performance, capital expenditure and employment levels.

Downstream - positive EPI with positive levels in all three indicators.

Operating costs rose with the highest rate of increase recorded since the September quarter of 2008. The rise was attributed to increasing fuel / freight costs.

	Business Performance	Capital Expenditure	Employment	EPI
Central West	0.41	0.23	-0.04	0.20
Far West	0.63	-0.07	0.13	0.23
Hunter	0.01	0.12	0.04	0.06
Illawarra	-0.24	-0.17	-0.20	-0.20
Mid-North Coast	-0.05	-0.01	-0.04	-0.04
Murray	0.49	0.20	0.16	0.28
Murrumbidgee	0.41	0.19	0.20	0.27
North Western	0.19	0.28	0.06	0.18
Northern	0.11	0.05	0.14	0.10
Richmond-Tweed	-0.52	-0.09	-0.05	-0.22
South Eastern	0.45	0.11	0.03	0.20
Upstream	0.32	0.13	0.13	0.19
Producers	0.15	0.11	0.03	0.10
Downstream	0.04	0.07	0.10	0.07
NSW	***0.17***	***0.11***	***0.05***	***0.11***

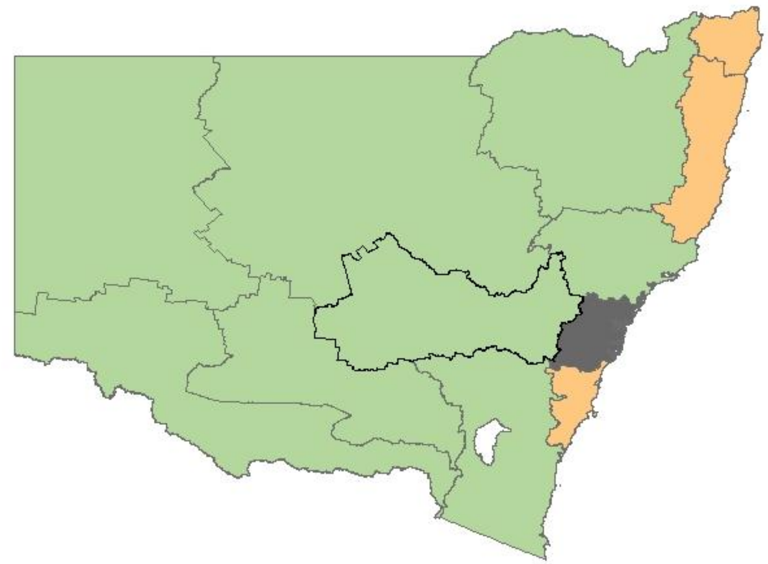
Central West.

The EPI for the June Quarter 2011 was 0.20.

An increase from the March quarter and higher than the NSW EPI of 0.11

Remained 5th best performed in NSW

The EPI is expected to fall in the coming September quarter however remain positive



Good *business performance* influenced by strong commodity prices. Performance is expected to sharply decline in the coming quarter to a satisfactory position.

Capital expenditure levels increased, with a slight increase expected in the coming quarter.

Employment levels fell, although increases are expected in the next quarter.

Operating costs rose significantly in the June quarter as a result of higher fuel/freight prices.

Local Factors

Consistent rainfall has allowed crops to be planted

Higher commodity prices are positive

Businesses indicating that spending is down

"Good –no problems, prices are reasonable and weather is good"

	Jun-09	Jun-10	Mar-11	Jun-11	Sep-11 (exp)
New South Wales EPI	*0.00*	*0.05*	*0.12*	*0.11*	*0.04*
Central West					
EPI	0.14	0.12	0.13	0.20	0.02
Business Performance	0.10	0.40	0.44	0.41	0.00
Capital Expenditure	0.27	0.07	-0.17	0.23	0.03
Employment	0.04	-0.12	0.13	-0.04	0.04
Operating Costs	0.58	0.48	0.77	0.77	

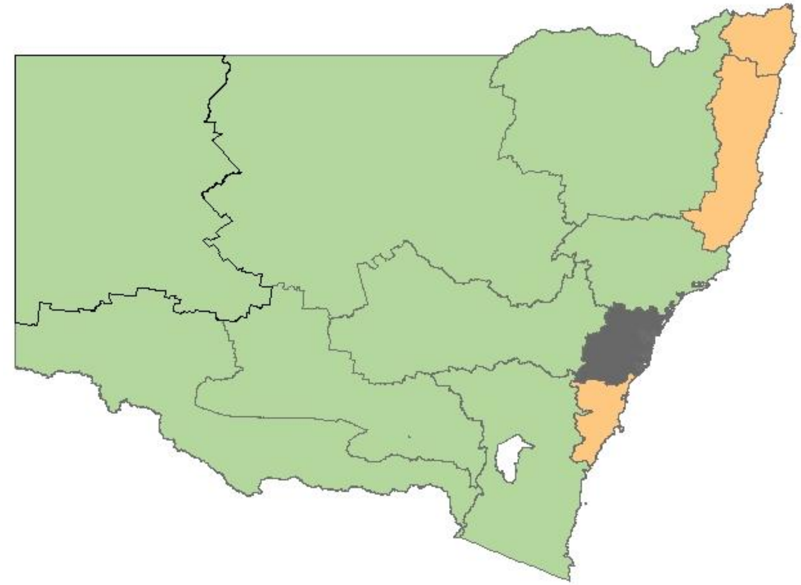
Far West.

The EPI for the June Quarter 2011 was 0.23.

Positive, improved result with the highest EPI on record

Remained 3rd best performed in NSW

Improvement expected for the seventh consecutive quarter



Good *business performance* influenced by climatic and seasonal conditions. Further strong improvements expected in the coming quarter.

Capital expenditure levels declined in the June quarter however are expected to increase in the coming quarter.

Employment levels increased, with further increases expected in the next quarter.

Operating costs continue to rise, at a significantly higher rate than in the same quarter last year. Increases were attributed to fuel / freight costs.

Local Factors

Rain and good climatic conditions assisting producers despite some flood damage

Higher commodity prices having a positive impact

"confidence is good – prices are up"

	Jun-09	Jun-10	Mar-11	Jun-11	Sep-11 (exp)
New South Wales EPI	*0.00*	*0.05*	*0.12*	*0.11*	*0.04*
Far West					
EPI	0.04	0.14	0.20	0.23	0.29
Business Performance	-0.04	0.25	0.46	0.63	0.72
Capital Expenditure	0.31	0.20	0.00	-0.07	0.06
Employment	-0.16	-0.01	0.15	0.13	0.09
Operating Costs	0.30	0.17	0.59	0.61	

North Western.

The EPI for the June Quarter 2011 was 0.18.

Best result since the inception of the survey

Remained 6th best performer in NSW

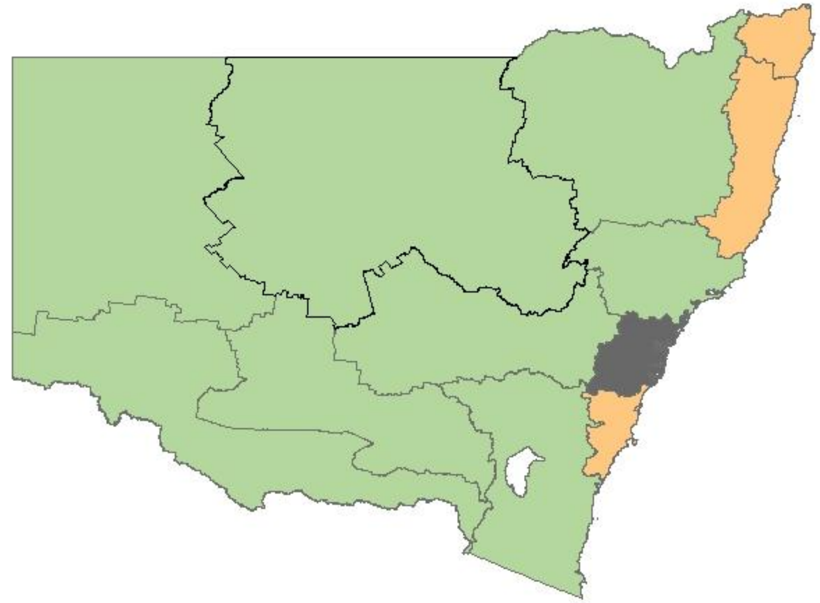
Decreased performance, although remaining positive, expected in the coming quarter

Positive *business performance* due to improved seasonal conditions. A decreased, although remaining positive, performance is expected in the coming September quarter.

Capital expenditure increased sharply with a marginal decline in investment expected in the next quarter.

Employment levels rose this quarter with further increases expected in the coming quarter.

Operating costs rose significantly with the rate of increase the highest since the December quarter 2008, largely as a result of higher fuel / freight costs.



Local Factors

Good seasonal conditions are improving confidence however flood damage is still a concern in some areas

Mining sector having a positive impact

"we have feed for the first time in 20 years"

	Jun-09	Jun-10	Mar-11	Jun-11	Sep-11 (exp)
New South Wales EPI	*0.00*	*0.05*	*0.12*	*0.11*	*0.04*
North Western					
EPI	-0.05	0.00	0.07	0.18	0.03
Business Performance	-0.20	0.00	0.05	0.19	0.06
Capital Expenditure	0.08	-0.02	0.02	0.28	-0.01
Employment	-0.04	0.03	0.14	0.06	0.04
Operating Costs	0.38	0.32	0.45	0.58	

Methodology.

This report discusses the Westpac / Charles Sturt University (CSU) Agribusiness Index for New South Wales for *the June Quarter of 2011.*

The Index is based on a survey of 1,375 businesses in the agribusiness sector. Similar reports are available for each state.

The survey includes agricultural producers as well as suppliers to agriculture (upstream) and related transport, manufacturing, wholesale and retail businesses (downstream). The aim of the survey is to provide a timely snapshot of agribusiness across Australia.

The ***Economic Performance Indicator (EPI)*** is the average of results for business performance, employment and investment (capital expenditure).

Each indicator is measured by a weighted average on a scale of -1 to 1, where 0 signifies satisfactory performance. Results less than -0.33 are considered poor, between -0.33 and 0 negative, between 0 and 0.33 positive and greater than 0.33 good.

Country NSW Jobs Summit

FACT SHEET
CENTRAL WEST REGION

The Central West of NSW incorporates the Local Government Areas of Bathurst, Bland, Blayney, Cabonne, Cowra, Forbes, Weddin, Lachlan, Lithgow, Oberon, Orange and Parkes.

Employment growth in Central West NSW

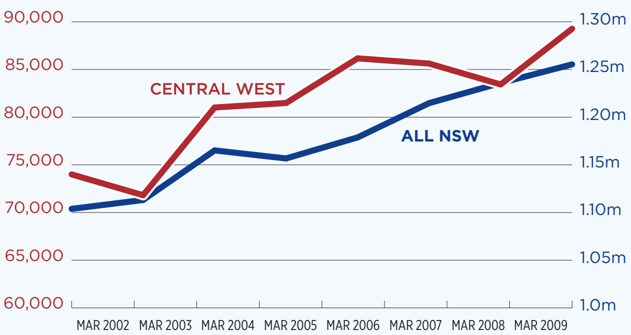
Between the March quarter of 2002 and the March quarter of 2009 employment in the Central West increased by 15,278 jobs to a total of 89,277 employed persons. This was an increase of 21%, more than the employment growth rate that occurred across regional NSW during the same period (14%), and represents an average annual growth rate of 3% per annum.

Employment in the Central West decreased by 3% in 2008 in the wake of the global financial crisis, but recovered strongly with 7% growth to the March quarter of 2009.

Figure 1

Total Employment Growth

Source: ABS Labour Force Survey (Catalogue No. 6291.0.55.001)



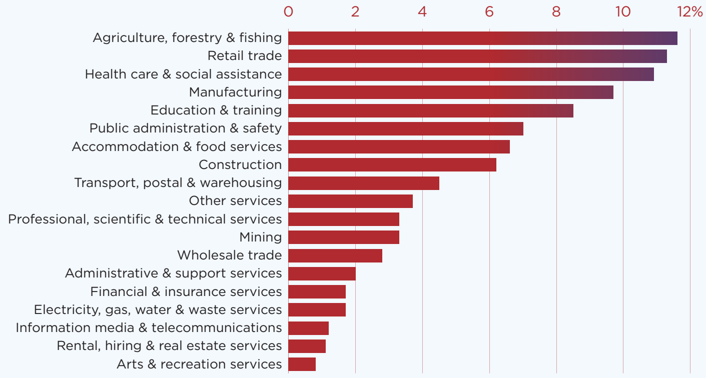
Employment by Industry

Employment in the Central West is primarily in Agriculture, Forestry and Fishing, Retail and Health Care and Social Assistance. Retail Trade increased by 1,416 jobs between 1996 and 2006. Health Care and Social Assistance in the region contributed 1,366 jobs to the local economy in the same period while Public Administration and Safety increased local employment by 932 positions. The Agriculture, Forestry and Fishing sector remained the largest employer in the region despite a decline of 959 positions between 1996 and 2006. Manufacturing declined at a similar rate (969 jobs), while wholesale trade declined by 736 positions.

Figure 2

Central West NSW Employment by Industry

Source: ABS (2007), Census of Housing and Population (Catalogue No. 2068.0



Major Employers

The Central West economy is very diversified both within and across sectors.

—The mining industry includes coal mining in the east and gold and other metals in Lachlan Fold Belt further west.

—An engineering cluster headed by Geoff Hort Engineering supports the mining industry.

—Manufacturing in the Central West includes a major food industry cluster incorporating Mars Simplot and Devro. Other major manufacturing employersinclude Rail Infrastructure Corporation, Electrolux and the timber industry in Oberon.

—Delta Electricity in Wallerawang supplies 25% of the State's power, and major regional power distributer Country Energy is based in Bathurst.

—A strong education sector includes a university that makes significant contributions to the professional skill set of the workforce in regional NSW, and TAFE Western and other RTOs which underpin the skill base of trade industries in the region. Also present are a large number of schools, particularly boarding schools, servicing the needs of families further west.

—Tourism related employment in hospitality and accommodation benefits from events on Mount Panorama which are amongst the most significant events in inland Australia, and also benefits from other initiatives including food and wine in Orange and the Elvis Festival in Parkes.

The diversity of employment in the Central West and its close proximity to Sydney means it invariably has a lower unemployment rate than the State average. Skill shortages, rather than unemployment, are a major issue for the region.

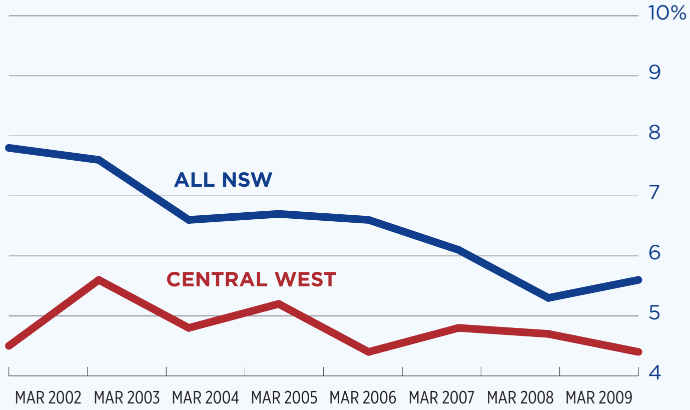
Unemployment in Central West NSW is consistently below the regional NSW average.

In the March quarter of 2009, 4.4% of the workforce in the Central West was unemployed. This was lower than the average of 5.6% recorded across regional NSW. The graph shows that Central West unemployment was consistently below the average of regional NSW between the March quarter of 2002 and the March quarter of 2009. During this period unemployment peaked at 5.6% in the March quarter of 2003. The March quarter 2009 rate of 4.4% is the lowest recorded since the March quarter of 2006, which also recorded unemployment at 4.4%.

Figure 3

Unemployment Rate (12 month rolling average)

Source: ABS Labour Force Survey (Catalogue No. 6291.0.55.001)



Current and future projects in Central West NSW include:

- Orange Base Hospital and Orange Private Hospital.
- Wind farms at Forest Reefs and Paling Yards.
- Delta Electricity upgrade and coal handling plant near Lithgow
- The Flannery Centre
- The Federal Government Social Housing and Education Revolution Stimulus package
- Large aged care developments particularly in Parkes and Cowra
- Charles Sturt University developments including a dental clinic, a dental science complex, a medical/clinical science complex, Regional Inter Professional Clinical Simulation Centre and 200 bed student accommodation.

The data for this factsheet has been collated by the Western Research Institute using the following sources:

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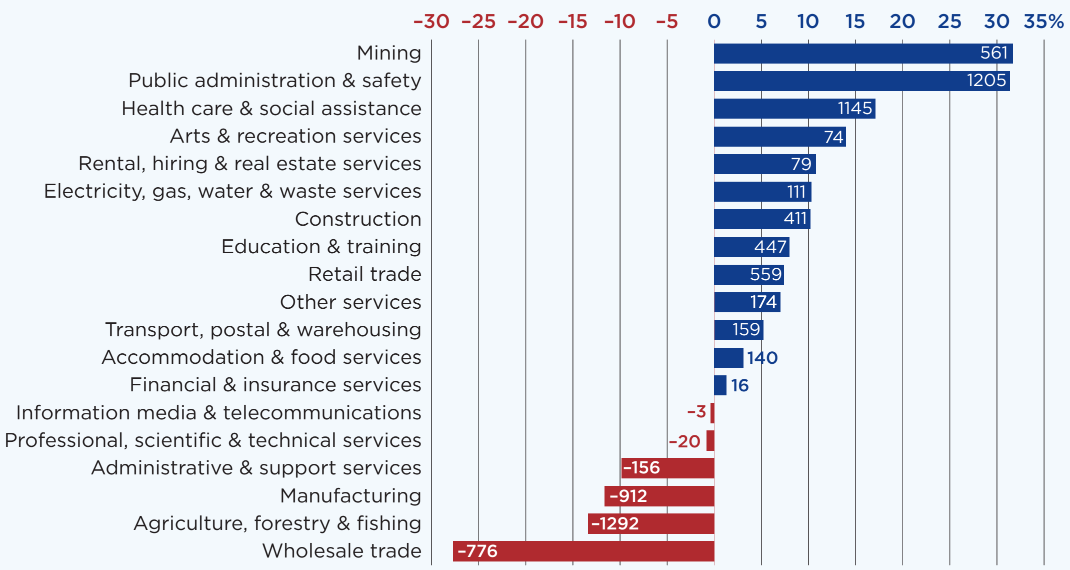
- *Department of Education, Employment and Workplace Relations, Small Area Labour Markets: March Quarters 2002–2009.*
- *The Western Research Institutes information and contacts.*

Figure 4

Industry Employment Growth in Central West NSW, 2001—2006

Source: ABS (2007), Census of Housing & Population (Catalogue No. 2068.0)



Country NSW Jobs Summit

FACT SHEET
ORANA REGION

The Orana Region incorporates the Local Government Areas of Mid Western, Bogan, Bourke, Brewarrina, Cobar, Coonamble, Dubbo, Gilgandra, Walgett, Warren,Warrumbungle, Wellington and Narromine.

Employment growth in Orana

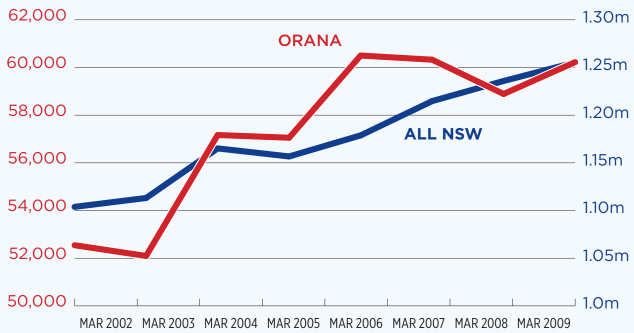
Between the March quarter of 2002 and the March quarter of 2009 employment in Orana increased by 7,679 jobs to a total of 60,224 employed persons. This was an increase of 15%, comparable the total employment growth rate that occurred across regional NSW during the same period (14%), and represents an average annual growth rate of 2% per annum.

In the wake of the global financial crisis employment in the Orana declined by 2% in the March quarter of 2008. This was countered by 2% growth recorded in the March quarter of 2009.

Figure 1

Total Employment Growth

Source: ABS Labour Force Survey (Catalogue No. 6291.0.55.001)



Employment by Industry

Employment in the Orana Region is primarily in Agriculture, Forestry and Fishing, Retail Trade and Health Care and Social Assistance. While overall employment in the region remained relatively stable in the decade spanning 1996 to 2006, there were significant changes in individual sectors. The Health Care and Social Assistance sector grew by 1,015 jobs between 1996 and 2006. Public administration and Safety contributed 714 jobs and Education and Training grew by 601 jobs. On the other hand, employment in the Agriculture, Forestry and Fishing sector had the effect of decreasing overall employment by 1,176 jobs, while Wholesale Trade declined by 501 jobs.

Major Employers

Employment in the Orana Region is underpinned by agriculture and mining. There are three main mines in Cobar which collectively employ approximately 600 people. In the Mudgee–Ulan area coal mining employs between 400 and 600 people and in Nyngan the copper mine employs approximately 60 people.

Agriculture is dominated by irrigated farming including cotton as well as grains and livestock. However this sector has suffered in recent years as a result of reduced water allocation. On the employment front the increased sophistication of farming machinery and farming methods along with the drought has made it more difficult for local workers to secure agricultural jobs. Consequently unemployment rates are very high in some communities. The social consequences of high unemployment motivated the Barwon Darling Alliance to seek funding to establish an Enterprise Zone in the northern part of the Orana Region which would include wage tax credits and other incentives to employers to employ locals.

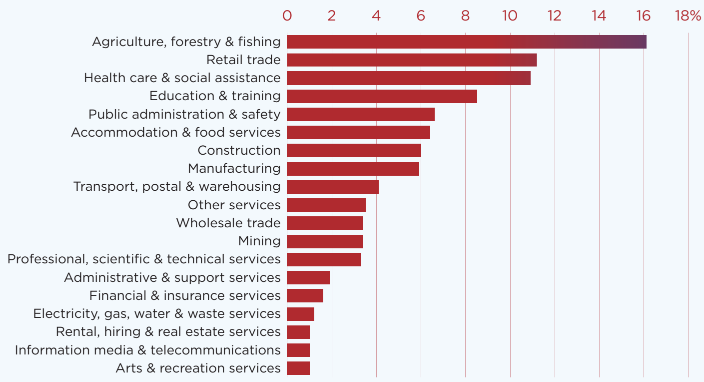
The largest manufacturing employer is Fletchers meat processing employing around 600 people, and other food manufacturers include Early Rise Bakery and VIP foods. Other major employers include Walkom Bros, Tankworld, Agriplow, Statewide Sheds, Axxis Technology, Airlink and Australia Cement.

Dubbo is the major service centre for the region for retail, business and financial services, health care, education, and also has the major tourist attraction of Western Plains Zoo.

Figure 2

Orana NSW Employment by Industry

Source: ABS (2007), Census of Housing and Population (Catalogue No. 2068.0)



Unemployment in the Orana Region is comparable to the regional NSW average.

In the March quarter of 2009, 5.4% of the workforce in Orana were unemployed. This was comparable with the average of 5.6% recorded across regional NSW. Unemployment in the Orana in the March quarter of 2009 was slightly lower than the 5.7% unemployment recorded in the March quarter of 2002. During this period unemployment peaked at 6.2% in the March quarter of 2005, and was lowest in the March quarter of 2003 (4.8%). However this overall rate masks the very high unemployment rates occurring in the northern parts of the region such as Brewarrina where unemployment was 18.5% in the March quarter of 2009. Unemployment rates are even higher for the Aboriginal population which makes up approximately 25% of these northern communities.

Potential projects in Orana include:

—STOTA International who are proposing a printed electronics/lighting manufacturing facility employing up to 300 people;
—Alkane Resources are considering several mining projects that could employ over 100 people and;
—A 600 megawatt peaking power station at Wellington.

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Figure 3

Unemployment Rate (12 month rolling average)

Source: ABS Labour Force Survey (Catalogue No. 6291.0.55.001)

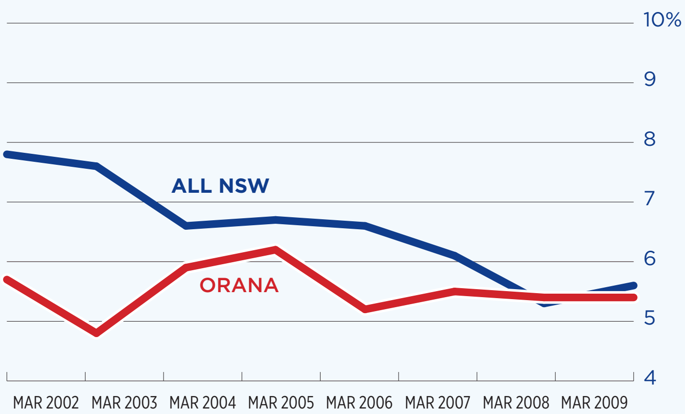
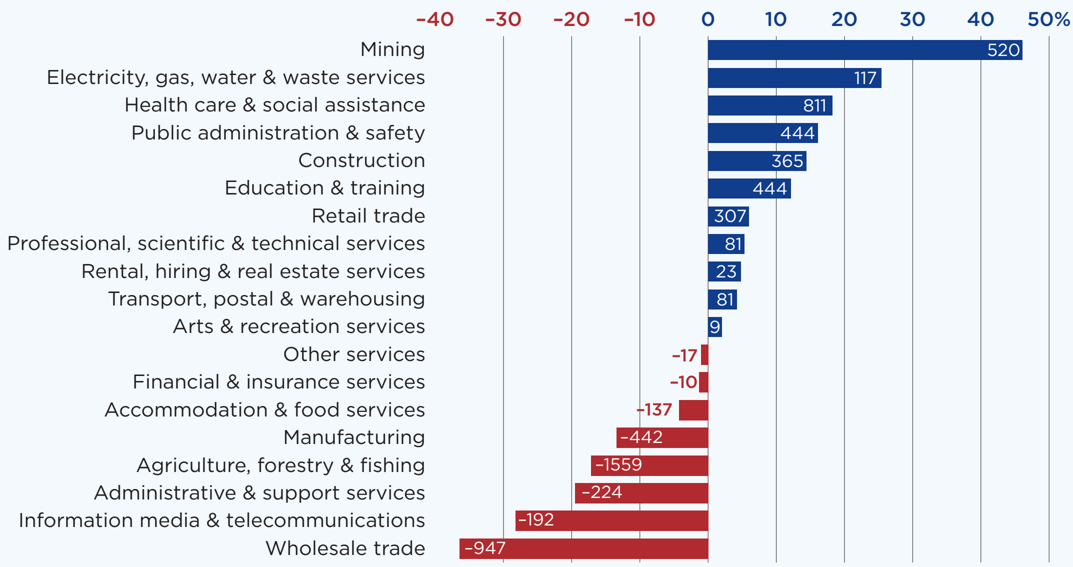


Figure 4

Industry Employment Growth in the Orana Region NSW, 2001—2006

Source: ABS (2007), Census of Housing & Population (Catalogue No. 2068.0)



Country NSW Jobs Summit

FACT SHEET
FAR WEST REGION

Far West of NSW includes the Local Government Areas of Broken Hill, Central Darling and Unincorporated NSW.

Employment growth in Far West NSW

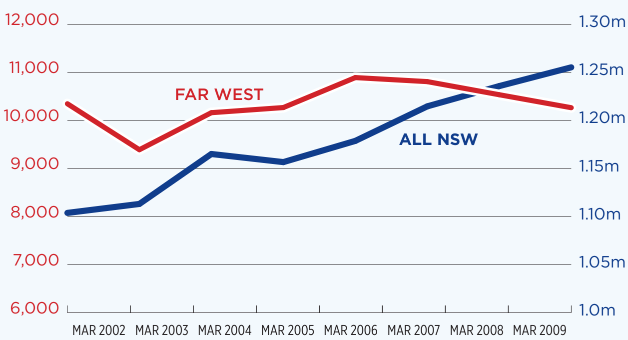
Between the March quarter of 2002 and the March quarter of 2009 employment in the North West increased by 7,679 jobs to a total of 60,224 employed persons. This was an increase of 15%, comparable the total employment growth rate that occurred across regional NSW during the same period (14%), and represents an average annual growth rate of 2% per annum.

In the wake of the global financial crisis employment in the North West declined by2% in the March quarter of 2008. This was countered by 2% growth recorded in the March quarter of 2009.

Figure 1

Total Employment Growth

Source: ABS Labour Force Survey (Catalogue No. 6291.0.55.001)



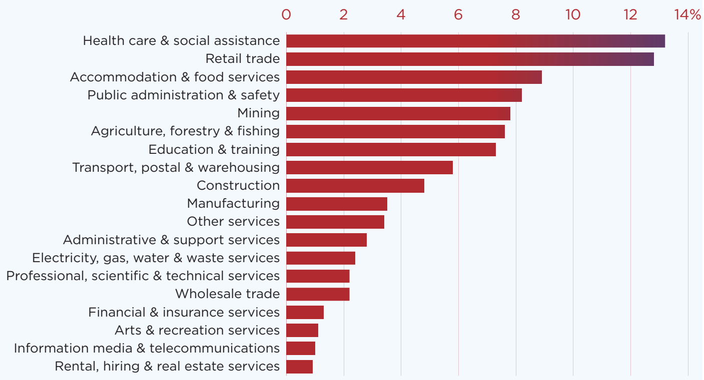
Employment by Industry

Health Care and Social Assistance accounted for 13.2% of all employment in the Far West in 2006. The next largest sectors were Retail Trade (12.8%) and Accommodation and Food Services (8.9%). Despite an overall decline in employment in the Far West between 1996 and 2006, Retail Trade increased by 60 jobs and Accommodation and Food Services increased by 57 jobs. However other sectors experienced significant declines, including Public Administration and Safety which decreased by 1,398 jobs. Agriculture, Forestry and Fishing declined by 231 positions and the Construction sector by 174 positions.

Figure 2

Far West NSW Employment by Industry

Source: ABS (2007), Census of Housing and Population (Catalogue No. 2068.0



Major Employers

Major employers in Far West NSW include:

—Perilya Limited
—Country Energy/Country Water
—Consolidated Plant and Quarries
—Bemax Resources
—Various Government Departments.

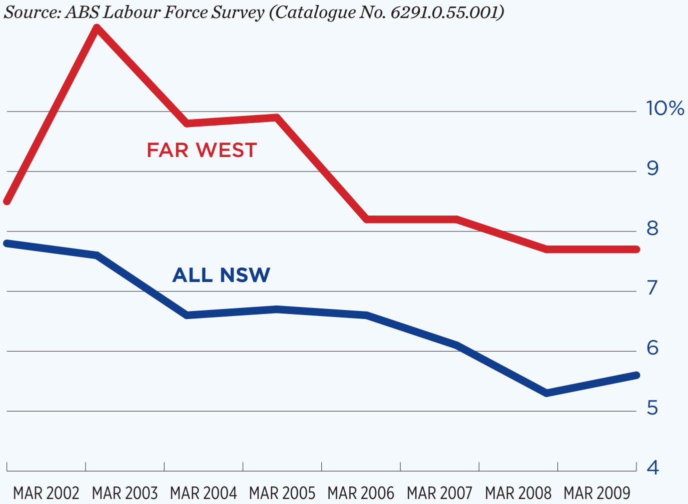
Unemployment in Far West NSW.

In the March quarter of 2009, 7.7% of the workforce in the Far West was unemployed. This was higher than the average of 5.6% recorded across regional NSW. Unemployment in the Far West in the March quarter of 2009 was lower than the 8.5% unemployment recorded in the March quarter of 2002. During this period unemployment peaked at 11.4% in the March quarter of 2003 when drought and a lull in mining were having a significant effect on the region. The unemployment rate of 7.7% recorded in the March quarters of both 2008 and 2009 is the lowest unemployment rate to be recorded between 2002 and 2009.

Figure 3

Unemployment Rate (12 month rolling average)

Source: ABS Labour Force Survey (Catalogue No. 6291.0.55.001)



Potential projects in Far West NSW include:

Mining underpins the Broken Hill economy and is leading the recovery from the effects of the global financial crisis with a range of new initiatives including:

—Reopening of the Perilya Ltd's North Mine
—Resumption of the Rasp Mine by CBH
—Bemax opening the Snapper mineral deposit
—Expansion of the BHP Olympic Dam mine

Non–mining developments in the area include:

—Silverton Wind Farm
—New shopping centre in Broken Hill to be built by Leasecorp
—Country Water's $29 million water treatment plant.

Another important initiative is a project to build a new medical centre which would increase the number of general practitioners in the practice from five to eight and attract six allied health professionals.

The Central Darling Shire and the Unincorporated areas have less than 2000 people and the prolonged drought has been hard on the pastoral economy. However Wilcannia will benefit from a new Remote Service Delivery program and Unincorporated NSW is pursuing tourism.

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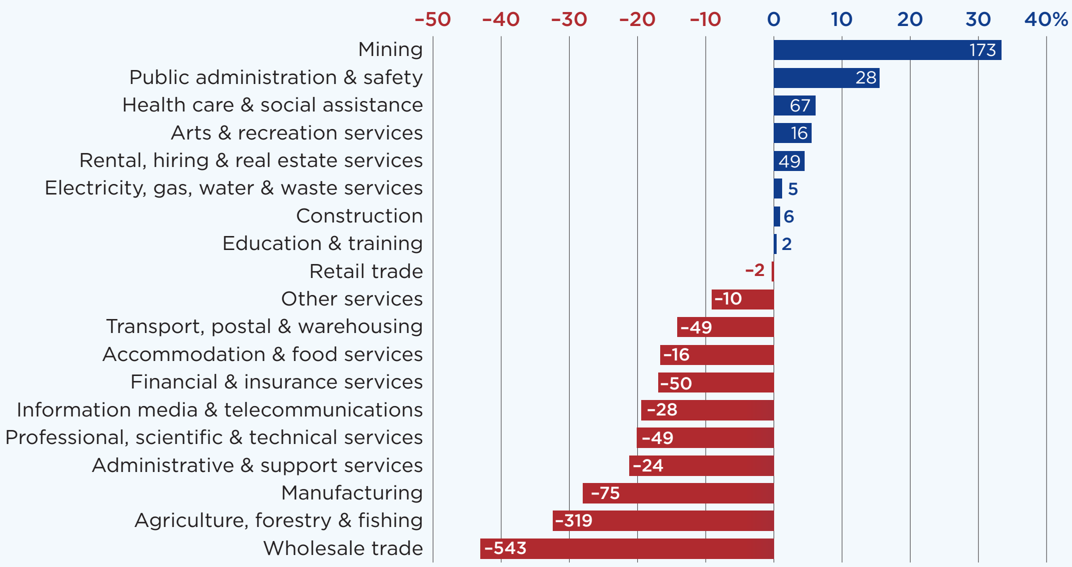
Figure 4

Industry Employment Growth in Far West NSW, 2001—2006

Source: ABS (2007), Census of Housing & Population (Catalogue No. 2068.0)



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