

**INQUIRY INTO THE CLOSURE OR DOWNSIZING OF
CORRECTIVE SERVICES NSW FACILITIES**

Organisation: NSW Trade and Investment

Date received: 20/03/2013

NSW Trade & Investment submission to the Select Committee on the Downsizing or Closure of Corrective Services NSW Facilities

Introduction:

As the State's economic development agency, NSW Trade & Investment:

- promotes trade and investment locally and internationally
- provides business support, technical knowledge and science and research capabilities to industries
- supports profitable food and fibre industries, and best practice natural resource management
- secures and regulates energy and mineral resources for NSW
- supports tourism, hospitality, racing and cultural sectors.

On 29 June 2012, Corrective Services NSW announced the closure of the Grafton Gaol with the loss of 80-100 local jobs.

Following this decision, NSW Trade & Investment has sought to support local business and create new and sustainable employment in the Northern Rivers, particularly in the Clarence Valley and Grafton.

The Northern Rivers region, especially the Clarence Valley, has experienced significant structural change in recent years. Job losses in correctional services based in Grafton followed the closure of the South Grafton Abattoir in 2011 and the Telstra Business Call Centre in 2010. Forestry reform is also impacting on employment in the area.

The region has an above average unemployment rate. According to the Commonwealth Department of Education, Employment and Workplace Relations' Small Area Labour Market analysis, as at September 2012 the unemployment rate for the Grafton Statistical Local Area was 5.9% and 6.1% for the Clarence Valley Local Government Area (LGA). This was significantly higher than the unemployment rate for regional NSW of 5.4% in the same period.

Government Response:

The Government's response to the job losses in Grafton has been twofold, with key support being provided by NSW Trade & Investment:

1. Grafton Public Sectors Jobs Relocation

On 12 July 2012, in response to concerns raised by the Grafton community over the employment impacts of the decision to close Grafton Gaol, the Premier announced an initiative to urgently identify public sector jobs that could be transferred to Grafton. The Rural and Regional Sub-committee of Cabinet was tasked with fulfilling this initiative. The Sub-committee identified four proposals relocating 75 public sector jobs to Grafton as the first stage of this initiative:

- 30 new Roads and Maritime Services roles to work on capital projects in the region
- 45 staff within the Crown Lands Division of NSW Trade & Investment to work on a project to accelerate disposal of 'paper' Crown roads.

NSW Trade & Investment has contributed to this initiative through the Crown Lands business case to accelerate the disposal of Crown public roads. Crown roads are part of the State's public road network, but the majority have not been formed or constructed and exist on paper only. NSW Trade & Investment manages 537,000 hectares of Crown roads.

Implementation of the Crown Lands relocation has commenced with stage one of recruitment. 23 of the 45 positions have been recruited, with 21 people starting work on the week commencing 5 February 2013. All senior roles within the Grafton Business Centre have been filled; the remaining roles are all entry level staff, likely to be recruited locally. The process for the next round of recruitment is currently being developed.

A further 30 positions were identified as provisional business cases that would form the second stage of job relocations:

- 25 staff within the Renting Services (formerly Rental Bond Board) section of the Department of Finance and Services
- 5 staff within the Office of Environment and Heritage (OEH) to deal with native vegetation issues in the north-east corner of NSW.

An initial assessment of the local labour market suggests that local supply can adequately fill the demand associated with the public sector functions and services proposed for relocation.

2. Northern Rivers Jobs plan

The NSW Government established the Northern Rivers Jobs Plan (NRJP), with \$1m sourced from the Regional Industries Investment Fund, in July 2012 to address structural adjustment in the region and support businesses which create new and sustainable jobs in the region. Under the Plan, administered by NSW Trade & Investment, eligible businesses will be given direct grant assistance, payroll tax rebates under the Jobs Action Plan, and contributions to enabling infrastructure that can support new employment.

To be eligible for assistance under the Plan, businesses must:

- be located in the Northern Rivers region
- demonstrate that they are viable
- have at least two years trading experience
- demonstrate that they are creating at least two new full-time equivalent jobs.

The first round of applications under the Plan closed on 24 August 2012. To date, the NSW Government has announced that 79 new full-time jobs will be supported through the NRJP.

Walsh Architectural Salvage Pty Ltd, a family business based in Grafton, and The Gods of Wheat Street Pty Ltd, a Lismore based film and TV production company, will receive funding under the Plan.

The NRJP also applies to businesses in the LGAs of Tweed Heads, Kyogle, Lismore, Byron, Ballina and Richmond Valley. NSW Trade & Investment is now assessing other local job expansion projects and further grants to support job creation in the Northern Rivers.

The NRJP complements broader Government efforts in the area through the Northern Rivers Regional Action Plan, which is managed by the Department of Premier & Cabinet, with support from NSW Trade & Investment.

NSW Trade & Investment
March 2013