

INQUIRY INTO REGIONAL PLANNING PROCESSES IN NSW

Organisation: Costa Group

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The Director
Standing Committee on State Development
Parliament House
Macquarie St
Sydney NSW 2000

Re: Submission to Inquiry into Regional Planning Processes in NSW

Please find enclosed a submission from Costa Group to the State Development Committee's inquiry into Regional planning processes in NSW

Having recently completed a significant capital investment in regional New South Wales, in which Costa experienced first-hand the operation of the New South Wales planning system as it applies to regional planning processes, Costa believes it has a valid contribution to make to the inquiry.

I would be more than happy to appear before any Committee hearings and/or provide any additional information in writing should the Committee deem this to be necessary.

Thank you

Yours faithfully

Michael Toby
Corporate Affairs Manager

Overview of Costa business

Costa is one of Australia's largest horticultural companies and a major grower, packer and distributor of fresh fruit and vegetables.

Costa has operations in more than 30 different regional communities located across every state of Australia.

The Costa business presently consists of seven fresh produce categories which include:

- Berries
- Mushrooms
- Tomatoes
- Bananas
- Citrus
- Grapes
- Avocados

Six of these categories are vertically integrated enterprises with activities spanning farming through to retail and wholesale sales. Avocados is a predominantly marketing enterprise.

Costa also operates a supply/marketing alliance network with hundreds of fresh produce growers across Australia. In the case of our banana and avocado categories, this also includes ripening services which are provided nationally.

Costa is also a leading provider of third party warehousing and distribution services for both fresh and packaged consumer products. Costa operates distribution centres located in Western Australia, Tasmania, Queensland, New South Wales and Victoria.

Costa activities in NSW

Costa currently produces tomatoes at Guyra, berries at Corindi and Tumbarumba, and operates a fresh produce distribution centre at Eastern Creek.

Costa provides employment for more than 2,000 workers in regional and rural areas across its operations in New South Wales, this includes during peak harvest periods.

Costa has 30 hectares of tomato glasshouses at Guyra in the New England region of northern New South Wales.

Employing up to 500 workers, Costa is the largest employer in the region, having invested more than \$100 million in the construction of the glasshouses and the associated infrastructure to specifically grow tomatoes.

With more than 400 hectares of berries planted at Corindi on the New South Wales north coast and Tumbarumba in southern New South Wales, Costa is the largest supplier of fresh berries in the Australian marketplace and one of the largest growers of blueberries and raspberries in the world.

Costa employs more than 1500 workers during the peak of the berry harvest season, which occurs between July and December each year.

Response to Terms of Reference

When a business such as Costa is contemplating a significant capital investment, timing is of the essence. Any agricultural based investment must be timed to take advantage of market conditions, customer commitments, optimal planting and seasonal factors – all of which take priority over the general business imperative to start earning a return on capital invested as soon as possible.

One of the best things governments can do to stimulate investment and regional development is to ensure planning approval processes are streamlined and efficient while obviously at the same time not circumventing such processes.

Although often costly and unduly complicated, regulatory processes are not the only roadblock to realising an investment. Rather the real obstacle is often the threat of delays in negotiating one's way through these processes in order to obtain approvals.

By way of example, an investment by Costa in the range of \$50 million in a New South Wales regional area will require a multitude of regulatory approvals, including approvals relating to planning, environment, cultural heritage, roads, water and assorted other infrastructure works.

It can be a daunting prospect to have to navigate your way through all of these approvals and not surprisingly, most businesses do not have such expertise in house and they often end up expending hundreds of thousands of dollars on expert advice and consultants.

In some circumstances, although not intentional on the part of the government, the full detail of all compliance requirements, timeframes and lead-times for formal approvals are not completely disclosed to organisations like Costa who are accustomed to operating to very detailed project plans on most other elements of a major project.

With the weight of planning approval processes and/or the preparation of information for decision making by the Joint Regional Planning Panel (JRPP) falling on local government, this is often where the first and major obstacle can arise. To be fair this is through no fault of the local council.

It is apparent that many regional and rural councils are not well resourced to deal with handling planning approvals for large scale investment projects.

It is also a fact that a small regional Council may only deal with a large scale project once every 10 or 15 years, and even then that's if they are fortunate enough to have such a project come to their area. It therefore means that they do not automatically have available to them the resources and know how to deal with such approvals.

The New South Wales government appears to not place any priority or importance on facilitating projects in the range of \$50 million to \$100 million. The JRPP does perform an important role, however it relies on regional and rural councils having the expertise to prepare planning approvals for its consideration.

This is where the New South Wales government and more specifically the planning department needs to step in a play a key role. To clarify, no one wants to trample over due process and the autonomy of a local council, however, the state government should be prepared to work with the council by providing the necessary expertise and resources, especially in the planning and

environment area, so that a development approval can be prepared and dealt with in a timely and efficient manner.

There should also be mechanisms where regulators are able to take account of individual circumstances and implement solutions to keep the regulatory processes moving, thus avoiding lengthy delays and periods of inactivity. Put simply approvals delays equate to additional cost and they can seriously jeopardize investment.

The potential investor is not the only one who loses out from this. Those who also lose out are the many regional small business operators and independent contractors who stand to gain from such significant investment.

The New South Wales government could explore the practice utilised by the Victorian government in its efforts to attract and facilitates investment that promotes regional development. In Victoria they have what is known as the 'Flying Squad', in which a group of experienced bureaucrats from the Department of Planning move around the state to work with and assist regional council's to process development applications. They are empowered and sufficiently resourced to attach to major capital projects from inception and effectively address many of the issues raised in this submission.

It's also fair to say that the Victorian Government places considerable value on facilitating investments in regional areas regardless of their value. The main criteria is job creation, and rightly so.

To Costa's knowledge and experience the New South Wales Department of Planning offers little to no assistance to local councils with coordinating and processing development approvals. Indeed such requests for assistance are rejected outright with little or no weight given to the fact that the investment in the \$50 to 100 million range will create several hundred regional jobs. This also leaves many smaller regional councils without the resources and know how to efficiently and properly process such development approvals.

The other key area where government can help to facilitate regional development is by offering what can be best described as a 'one stop investment shop'. Such a service is crucial to helping business navigate their way through the labyrinth of regulatory planning approvals.

A one stop shop should also ideally provide business with one point of contact in the bureaucracy. This person should be sufficiently senior and respected to have the authority to go and 'bang heads', so to speak, both within government departments and statutory agencies. Because this person will often have impeccable contacts throughout the bureaucracy they can identify the key person to speak to in an agency in order to facilitate problem solving and/or remove unnecessary log jams.

Having that central point of contact to provide both advice and practical assistance in dealing with the bureaucracy is invaluable to a business contemplating what is often a 'footloose' investment, meaning that it could just as easily be undertaken in another region or state.

Once again, to Costa's knowledge and experience, no such service is available through the New South Wales government.

END.