

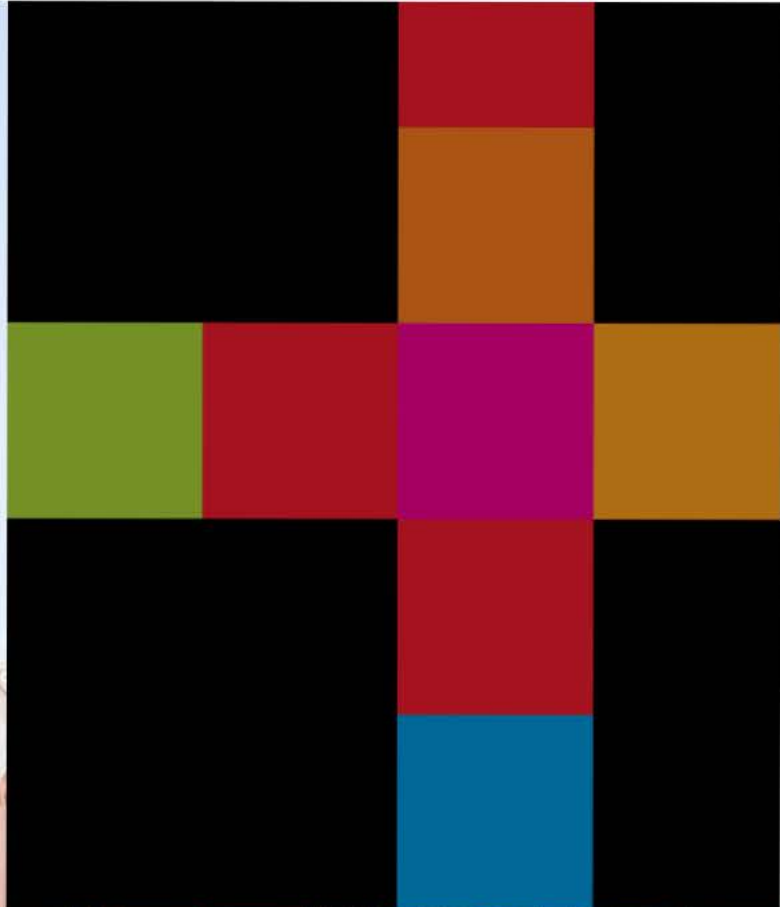
**INQUIRY INTO REGIONAL DEVELOPMENT AND A
GLOBAL SYDNEY**

Name: Parkes Shire Council

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PARKES

It all adds up.



Submission

Regional Development and a global
Sydney

1. Executive Summary

Parkes Shire Council thanks the NSW Government for the opportunity to write a submission regarding the Regional Development and a global Sydney.

We are living in an increasingly globalised and connected world, which is presenting new opportunities and challenges for regional communities such as the Parkes Shire.

Because of the strong demands for our agricultural, mining and manufactured products and connections to national road and rail corridors, there is great potential for the likes of Parkes Shire to play a more important role in Australia's economic performance and growth over the next 20 years.

Cities and regions are increasingly shifting towards innovation, digitisation and global connectivity in all aspects of human and business life. New approaches to planning are required to create an environment that supports community and economic growth.

The Parkes Shire Council is developing a Parkes + Smart Plan which is proposed an overarching 12 strategic plan for the Parkes Shire, with an important focus on maximising the strategic competitiveness and opportunities at Parkes, in order to achieve the vision for the whole shire. These goals require coordination between all tiers of government as well as strong private and public sector investment. Council strongly believes the smart plan approach is right for Parkes, given our potential to become a major transport and logistics node linking all major capital cities including Sydney.

Council believes with freight volumes set to double by 2030 and triple by 2050, we believe that Parkes will form an integral part of the intermodal freight solution connecting regional NSW locally, nationally and into international markets, if strategic planning of infrastructure occurs.

Parkes acts as a national transport node, as it is strategically located at the intersection of the Newell Highway and the railway linking Melbourne, Brisbane, Sydney, Perth as well as Adelaide and Darwin!

This submission will focus on how regional economies like Parkes can take advantage of the growing strong Global cities such as Sydney and regional communities can leverage and complement this strength.



Parkes Shire Vision by 2030 "to be a progressive smart regional centre, embracing a national logistics hub, with vibrant communities, diverse opportunities, learning and healthy lifestyles".

2. Ensuring the regions benefit from the expansion of international trade, infrastructure, employment, tourism, innovation and research in the greater Sydney region

With freight volumes set to double by 2030 and triple by 2050. Council believes that regions will play an increasingly important role in ensuring that Sydney and other major capital cities function effectively. According to the Australasian Railway Association (ARA) traffic congestion is costing Australians \$15 billion per year and this cost is rising.

Ensuring transport linkages into major cities such as Sydney is paramount for trade, employment and tourism. Parkes Shire Council has always been a very strong advocate of working with State government to ensure that these linkages are in place - whether it be by road (Bell line express), rail or by air.



National Logistics Hub

Council has also been proactive in planning for our future to ensure that diversity in our economy and linkages to market is paramount. In 2006 Parkes Shire Council, with approval from the State Government, has rezoned 516 hectares for the development of the Parkes National Logistics Hub with an additional reserve of over 100 hectares.

The site has been designed for 24 hour, seven days per week operation of a multi-modal transport facility. Currently 16 million people or over 80% of the Australian population can be reached in less than 12 hours by road from Parkes. The National Logistics hub boast three main investors Linfox, SCT Logistics and Pacific National.

Additionally Recently SCT announced that they would be partnering with DP World to work together to service regional trains providing exporters and importers with Regional Rail Freight services providing direct access to the dock at DP World Australia's Sydney terminal via Botany Intermodal it is also believed that this partnership will further connect the region to global markets.

Major investment opportunities are available for businesses looking to capitalise on Parkes' strategic potential for logistics, manufacturing and distribution facilities - we recently put out a cheeky pitch to Amazon highlighting the benefits of why it all adds up to set up in regional areas
<https://logisticsmagazine.com.au/parkes-nsw-makes-cheeky-amazon-bid/> .

However, to realise the full potential of the Parkes National Logistics Hub linkages in to NSW Ports and the Port of Newcastle need to be addressed, especially into Port Botany this will help regionals leverage from Sydney niche as a global city connecting to global markets.

Inland Rail

The Melbourne to Brisbane Inland Rail will be the critical backbone of transport and logistics driving our nation's global competitiveness into the future

In one of the biggest investments ever seen in regional Australia, the Government will fund the Melbourne to Brisbane Inland Rail project with \$8.4 billion in equity to be provided to the Australian Rail Track Corporation. Construction on this 1,700 kilometre project will begin in 2017-18.

The Melbourne to Brisbane Inland Rail line will transform freight movement in Australia and create outstanding investment opportunities in Parkes which has been announced as a major node on the rail line.

The Inland Rail will connect our region to a global market via the major ports of Australia, placing the Central West region into an economically advantageous position once the project comes into fruition.

In addition to employment and investment opportunities, the establishment of a National Logistics Hub in Parkes will offer cheaper, faster and more efficient modal choices, and offer a centralised storage and distribution point for a range of commodities including agricultural products.

A report by Regional Development Central West has found that the economic impact of the Inland Rail project to NSW's Central West region is estimated at \$216M over 60 years and that the region is well positioned to benefit from economic and supply chain development.

The study found that around 490 new jobs could be created in the region during the construction phase. Post-construction, we estimate around 150 new jobs in sectors such as agriculture, manufacturing and mining could be created in Parkes, Forbes and Lachlan LGAs alone.



Rail freight access through Sydney is constrained due to train path availability, which was highlighted in the NSW Freight and Ports Strategy. Providing efficient freight access through regional areas may help alleviate the problem, this mean better access to the Ports.

The Inland Rail will connect our region to a global market via the major ports of Australia, placing the Central West region into an economically advantageous position once the project comes into fruition. We compete in global markets and as such transport efficiency is critical to our competitiveness. Improving rail access is critical to Sydney is critical to this competitiveness.

Agriculture

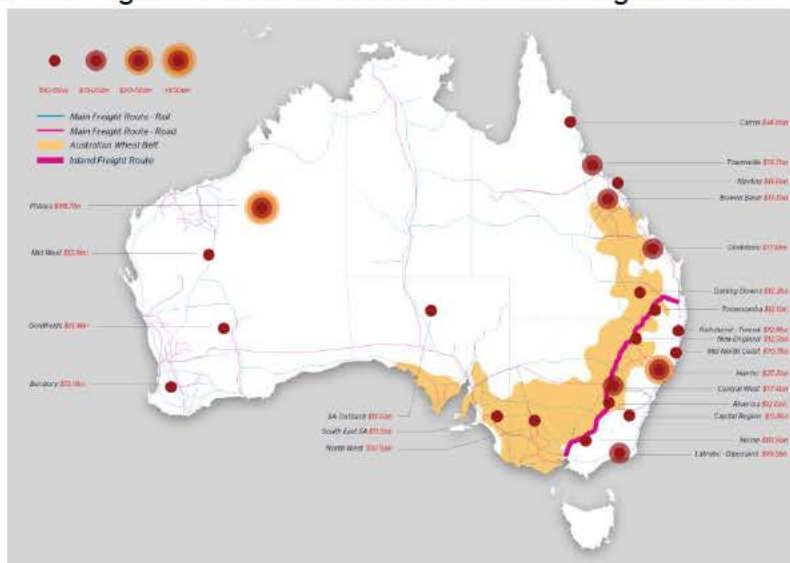


"Everyone needs a farmer at least three times a day"

This is very true within the Agricultural sector. The world's population is increasing and the Australian Agricultural market is sitting in the driver's seat. Governments need to invest in innovative companies who are looking for solutions to feed the world's population but also implementing flexibility in the market to respond to demand. But also an intermodal transport system that will get the product to market as, efficiently and as cheaply as possible.

The global population continues to grow, which is driving demand for food. The Department of Agriculture, Fisheries and Forestry projects the real value of world agrifood demand in 2050 to be 77% higher than in 2007. Most of the projected rise occurs in Asia, where agrifood demand is expected to double over the projection period. The projected increase in the real value of global agrifood demand is greatest for vegetables and fruit, meats, dairy products, cereals and fish. The real value of Australia's agrifood exports in 2050 is projected to be 140% higher than in 2007, equating to an annual average increase of 2.1%.

The below map is adapted from Infrastructure Australia's 15 year Infrastructure plan, it shows the projected gross regional product for major regional centres in 2031. In the Central West there will be \$17.4 billion worth of product being produced. Council agrees with IA's comment "...in most regions, government investment is needed, either in part or full, to deliver economic infrastructure. While infrastructure investment can promote growth, it should be based on well-informed decisions about demand, scale, timing and funding of projects".



The map also highlights the Eastern Wheat belt, Agriculture produces work on very small margins and anything that Government can do in terms of to increase these margins by helping increase efficiencies in the supply chain

Regional areas like Parkes will play a critical role in feeding the world The Parkes Shire is a major producer of lamb and cereals. The largest agricultural commodity produced in the Shire is cereal crops, which accounts for 61% of Parkes Shire's total agricultural output in value terms.



Australia has the capacity to ensure not only its own food security but with the expected economic growth in Asia there is a potential growth market for Australia's agricultural produce and exports.

The agricultural sector in Parkes is primarily comprised of sheep grazing and the production of grain crops such as wheat and barley and contributes over 7% of Parkes' GRP and employs over 700 people.

During 2009-10 there was approximately 590,000 tonnes of wheat produced in the Central West region, 190,000 tonnes of barley, 30,000 tonnes of canola and 11,400 tonnes of lupins. In 2010/11, the total value of agricultural output in Parkes Shire was \$173m, which increased from \$94m in 2005/06. The largest commodity produced was Cereal crops, which accounted for 61.2% of Parkes Shire's total agricultural output in value terms. (source: id solutions)

Recent developments in sustainable farming techniques have positioned Parkes and other regional centres at the forefront of innovation in the sector.

Parkes Shire has opportunities for the agricultural sector to value add, including smaller boutique processing and packaging operations to service specific markets such as bottling and stock feed, processing facilities, centralised storage and distribution point for fertiliser, chemicals and fuel among other commodities and products.

Regional communities such as Parkes need to ensure that they place themselves in a position to take advantage of these emerging markets and ensure as much as possible that the profits are kept locally. This means that more development needs to be done to ensure that value adding to agriculture products happens as close as possible to the "farm gate" also we need to focus on an efficient transport system that links regions to capital cities such as Sydney.

Parkes Regional Airport

The airport services 4 Local Government Areas (Lachlan LGA consist 20% of passengers, travelling up to 150km to access the airport) & is critical to the region's social & economic development.

Council with the support of the State and Federal Government has undertaken a \$5 million redevelopment of The Parkes Regional Airport which included a new terminal (replacing 1976 designs to meet passenger demands which have grown from 8,000 to 35,000pa with future projections of 40,000pa over the next 5 years), infrastructure and technology improvements, accessible design, new security regime readiness & areas annexed for commercial activities.

The project will generate significant regional economic impacts which will directly benefit and contribute to sustainable local and regional economic growth and lead to new private sector investment in the region

Ensuring access to Sydney via air is vital for communities such as Parkes, it allows business to flow between the regions and Sydney, it encourages tourism & the visiting of friends and relatives and it provides social equity allowing people to access medical services in Sydney.

Council also believes that going forward that the airport will continue to play a critical role in the movement of freight.

Aviation handles little freight in terms of volume (currently less than 1% by weight) however this represents 26% of exports and 32% of imports by value, and is consequently a consummate component of Australia's freight logistics network.

Over two thirds of international air cargo is expected to be flown on US-Europe-Asia routes, and not through the Southern Hemisphere. Australia needs to reposition itself to form its own 'hub and spoke' in the global air freight logistics sector to take advantage of economic expansion of the Asia-Pacific region.





Source: Airbus, Global Market Forecast 2013, showing reliance on US-Europe-Asia routes

Sydney airport is currently congested and as freight and passenger volumes increase congestion will be exacerbated, predominately at the expense of efficient freight logistics. Sydney airports currently suffer capacity problems and are expected to reach capacity with as little as an additional 50,000 tonnes of airfreight per year. It alone will not support the level of export growth possible from NSW.

Parkes Shire Council was proactive in exploring the potential of developing the Parkes Airport into an international airfreight facility in the mid-1990s, with the airport at Parkes being approved for an international freight facility in accordance with Development Consent No. 1105/98. Following completion of earthworks and pilings for a fire station and airport operations in accordance with Construction Certificate No. 214/03, the international air freight facility at Parkes has been commenced and the consent is valid.

The Australian Government has recently announced that Badgerys Creek will be the site for a Western Sydney Airport, with airport operations projected to commence mid-2020s.

The new Wellcamp Airport at Toowoomba QLD provides a more tangible example of the potential for inland international airport operations. Completed in 2014, the Wellcamp Airport and Business Park at Toowoomba is the first green field public airport built in Australia in 50 years and the nation's first privately funded public airport by Wagner Pty Ltd, a family owned construction based company.

An airfreight facility could be reconsidered for Parkes, with connections to the Parkes National Logistics Hub and other similar facilities along the emerging airfreight corridor linking Melbourne, Canberra, Toowoomba and the Asia-Pacific region and the Great Sydney Metropolitan area.

3. Identify sectors of the economy that can provide the greatest opportunities for regional development, including forecasts for jobs and growth

The Parkes Shire has a population of over 15,000 people, spread over a large area of 5,919 square kilometres. Approximately two-thirds of the population is concentrated at Parkes, with the balance residing in the smaller towns and rural areas.

The Parkes Shire has a diverse economy. The Shire generated Gross Regional Product (GRP) of more than \$1.billion in 2010-11, representing annual GRP growth of 2.3%. The mining industry is a key driver of the Parkes Shire's local economy, accounting for one third and almost 6% of the Shire's total GRP and

employment respectively. During the last five years, industries recording the highest growth included wholesale trade, health and social assistance, construction and transport, postal and warehousing

Sectors that Council believes there will be growth in include:

Mining

Mining represents one of the major cornerstones of the Parkes economy. Northparkes Mines which is a joint venture between China Molybdenum Co., Ltd (CMOC) (80%) and the Sumitomo Groups (20%) is located 27 kilometres north-west of Parkes. Northparkes Mines is a world leader in innovative block caving techniques and has used this to access the considerable copper and gold reserves.

According to the NSW Mineral Council, mining direct spending in the Central West is \$858 million, in Parkes it is approximately \$80 million. Northparkes currently employs almost 300 staff on site, as well as additional contract staff. The mine has a life which extends beyond 2034.

There are also approximately 15 exploration projects located within 100km of Parkes including the Syerston Mine project which is a nickel, cobalt & scandium mine located at Fifield approximately 80km west of Parkes. It is a billion dollar project and is one of the highest grade and largest nickel and cobalt deposit outside of Africa and one of the largest and highest grade scandium deposits in the world, this is important as the demand for nickel and cobalt increases as the market for batteries grows. It is estimated that nearly a 1,000 people will work on the site during construction and approximately 300 on going.

Some mining companies are experiencing challenges in regarding's to energy, Council has heard examples of companies planning for 25% increases in energy costs but being hit with increases of over 53% costing the company millions of dollars. These dramatic increases have a flow on effect on regional communities but also on nation as our products become less competitive.

Many mining supply companies are also looking to relocate to Parkes as it is a hub for distribution for mining supplies throughout the Central West, NSW and Nationally. Council currently has suitably zoned industrial land available, having efficient Intermodal will ensure parts can be moved quickly and efficiently through put the country.

Transport and Logistics

Parkes boasts well developed transport infrastructure including, 7.3% of the FTE employment in Parkes is in Transport, Postal and Warehousing in 2013/14 this has increased from 6.8% in 2008/09: Transport, Postal and Warehousing adds about \$60 million value to the local economy or 7.7% of GRP.

As stated before a report by Regional Development Central West has found that the economic impact of the Inland Rail project to NSW's Central West region is estimated at \$216M over 60 years and that the region is well positioned to benefit from economic and supply chain development.

The study found that around 490 new jobs could be created in the region during the construction phase. Post-construction, we estimate around 150 new jobs in sectors such as agriculture, manufacturing and mining could be created in Parkes, Forbes and Lachlan LGAs alone.

Council believes that these employment numbers will be further enhanced with the development of both SCT and Pacific Nationals Intermodal sites.

Pacific National purchased 327 hectares of land within the Parkes National Logistics Hub from Terminals Australia in June 2008. The site has concept approval from the NSW Government for an intermodal freight terminal with an anticipated throughput of 530,000 Twenty Foot Equivalent Units. The freehold land has concept approval for the development of an intermodal freight terminal with container storage and warehousing. The site has sufficient land to accommodate an extensive rail terminal and co-location of container storage centre as well as national logistics and distribution facilities.

Agriculture and Agricultural Value add

Value-adding is the enhancement of products or services offered by a business, prior to the product or service being made available to customers. This value can be added in a number of ways:

- Through marketing and service provision.
- By transforming the product into something better / more valuable from the customer's perspective.

Over 35% of businesses in the shire are associated with agriculture, including varying scales of farm businesses, machinery and equipment services, agriculture engineering, pest and weed management services, fertiliser and chemical suppliers.

While the agribusiness workforce decreased by over 27% from 2006 (ABS Place of Work Figures 2007 - 2012), the productivity from agriculture continues to grow, confirming that local farms are some of the most efficient businesses in the shire.

With the global population projected to grow into the future, it is widely predicted that world agrifood demand will significantly boost Australian agribusiness sector by 2030. Most of the projected demand occurs in Asia, which places Australia at the centre of the supply and demand chain.

Due to its strategic position to consumer markets and export centres, the agribusinesses in and around Parkes have opportunities to value add their products and use the centralised storage and distribution facilities being developed at Parkes to market and distribute goods to national and world markets. Potential value adding products include packaged meat, eggs and cereal products, fertiliser, lime and cement products, chemicals and fuel.

Technological Advances and Entrepreneurism

The National Broadband Network (NBN) is now rolling out across the Parkes Shire, bringing wider and faster connectivity than ever before. Digitising is not only critical for our enjoyment of the world wide web, it is also essential for data collection, review and continual improvement. We believe that technology has the ability to overcome the tyranny of distance but if not rolled out in an equitable way has the ability to increase the inequality between regional and metropolitan areas.

Technological advances in transportation and communications are steadily reducing the cost of moving goods, capital, technology and people around the globe. The growth of air-travel, computers and telecommunications has dramatically increased the efficiency of world trade. This '*death of distance*', to use the modern metaphor from Cairncross (1997), has been one of the most important forces shaping global economic development in recent years.

Industries and businesses in the Parkes Shire have new opportunities to tap into world markets by communicating their products and services via new information technology. It is possible to build new businesses in Parkes that sells everything online and to anyone in the world.

Other Areas that we predict growth

- **Event Tourism** - Council aims to continue to grow our event market our Destination Management Plan recommends we develop 3 additional large scale events over the next 10 years. The Elvis Festival currently attracts 25,000 people, injects \$13 mill into the local and regional economy.
- **Health Care and Aged Service** - Parkes Shire like many regional areas has an aging population. Council believes there is potential to develop wellness services that cater for all people at all stages of life. We believe that these services should leverage the new State of the Art \$72.5 million Hospital to develop a health precinct.



- **Public Sector** - Parkes Shire has a large public sector with one in three people being employed by the public sector and \$100 million GRP generated by the sector. Council has always been a strong advocate of decentralisation and has written several submissions on the topic
- **Alternative Energy** - Parkes currently has two active DA's for solar farms (one 50 mega wat and the other 70 mega wats). Many local contractors are currently working on the new Neon Solar farm we believe that this sort of installation may become a niche for local businesses.

4. How can collaboration between levels of government, non-government and private sector assist the regions to benefit from Sydney's global position and any other related matter

Governments at all levels as well as the private sector need to work together to collaborate and innovate to ensure that we are meeting the emerging challenges and trends of the modern world.

However, it is difficult to see strategic alignment between the three tiers of Government. The Integrated Planning and Reporting process was established by the State for Local Government is generally ignored by the State. There also seems to be little alignment between State and Federal initiatives. City deals may be a mechanism to help align the tiers of Government.

Infrastructure developments are needed to open up opportunities presented from Sydney being a global city to regional NSW. Transport links in particular will play a vital role in ensuring a healthy functioning transport network, which will move product from paddock to plate, through international ports and ensure that the right mode is use for the right load.

Parkes has potential to become an important "global" regional centre, but only if the shire is positioned to win full advantage of new and emerging trends in global markets as wells as transport and freight handling, agriculture, mining, manufacturing, retail and government services.

