

REPORT ON PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

**DEFENCE INDUSTRY IN NEW SOUTH WALES, REGIONAL
DEVELOPMENT AND A GLOBAL SYDNEY**

CORRECTED PROOF

At Tweed Heads on Monday, 28 August 2017

The Committee met at 10:00 am

PRESENT

The Hon. Greg Pearce (Chair)

The Hon. John Graham
The Hon. Paul Green
The Hon. Natasha Maclaren-Jones
The Hon. Mick Veitch

The CHAIR: Welcome to the Standing Committee on State Development public hearing which is inquiring into regional development and a global Sydney, and into the defence industry in New South Wales. Before I commence, I acknowledge the people of the Bundjalung nation, the traditional custodians of this land. I pay my respects to elders past and present and extend that respect to other Aboriginals present. Today is the fourth hearing day for both of the Committee's inquiries into regional development and a global Sydney. The Committee is examining ways that the State's regions can benefit from the expansion of international trade, information, employment, tourism, innovation and research in the Greater Sydney region.

We will also identify sectors in the economy that can provide the greatest opportunities for regional development and consider how collaboration between government, non-government and private sectors can assist the regions to benefit from Sydney's global position. For the defence industry in New South Wales inquiry, the Committee is considering how to incentivise and grow the State's defence industry. A key area of focus will be to look at ways to further encourage the defence industry, innovation, research and education and workforce development. For both inquiries, the Committee will be travelling across the State over the next six months to visit stakeholders and to conduct hearings. Today we will be hearing from local councils, Harwood Marine and other regional development organisations.

Before we commence, I have to make a few brief comments about the inquiry and procedures for today's hearing. Today's hearing is open to the public and a transcript will be placed on the Committee's website when it becomes available. In accordance with broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I remind media representatives that they must take responsibility for what is published about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses say outside of their evidence at the hearing. I urge witnesses to be careful about any comments made to the media or to others after completing evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcasting of proceedings are available from the secretariat. Media representatives not accredited to the parliamentary press gallery should approach the secretariat to sign a copy of the broadcasting guidelines.

There may be some questions that witnesses can only answer if they have more time or with certain documents to hand. In those circumstances, witnesses are advised that they can take a question on notice and provide the answer within 21 days. Witnesses are advised that any messages should be delivered to the Committee through Committee staff. Finally, I ask everyone to turn their mobile phones to silent for the duration of the hearing. I welcome our first witness, Mr Tony Green of Tweed Shire Council.

TROY GREEN, General Manager, Tweed Shire Council, sworn and examined

The CHAIR: Thank you for the council's submission. Would you like to make an opening statement?

Mr GREEN: Yes. Welcome to the Tweed. Thank you for allowing council to make this submission to the Committee. First, council would like to commend the State Government for identifying the significance that south-east Queensland plays on the Tweed and Northern Rivers, generally through the establishment of the Office of the NSW Cross Border Commissioner, as well as identifying the significance of cross-border infrastructure and planning in the North Coast Regional Plan. Only 80 per cent of work is within the Tweed local government area. This means that 4,660 workers, or 20 per cent, come from outside of the Tweed, mostly from Queensland. Alternatively, the number of Tweed residents who travel outside the Tweed for work is 8,774, or 27 per cent. From these figures, it is estimated that more than 7,300 workers cross the New South Wales-Queensland border in both directions for work every day.

The Gold Coast is a vibrant growing city with a population of more than 577,000 people, with the capacity to grow well into 2030, and the figures are estimated to be around 800,000 people. Combined with the greater Brisbane area, this represents a population of more than 3 million people within a two-hour drive of the Tweed. The impact that the Gold Coast region plays on the Tweed can be identified through planning to mitigate the impacts of the 2018 Commonwealth Games. Furthermore, Gold Coast airport is now one of the busiest international airports in the country. In our opinion, it already operates as the second international airport for New South Wales with part of the runway and new international terminal to be located in the Tweed, New South Wales.

The Tweed economy has a value of \$3.2 billion and employs 30,000 people. This places Tweed as a significant economic contributor to the economy of the Northern Rivers region. This importance is reflected by the New South Wales Department of Planning and Environment, identifying Tweed Heads as one of the regional cities in the North Coast Regional Plan. The Tweed Valley comprises some of the most unique and idyllic landscapes in the country, with beautiful rainforest areas to vast golden beaches. These landscapes, the drawcard for the Tweed, are quickly becoming one of the premier small-medium business addresses in the eastern seaboard. Promoting the Tweed as an attractive business location is one of the key focuses of the Tweed Shire Economic Development Strategy. Council trusts that this submission will assist the Committee in understanding the complex issues of regional development in a cross-border area.

The CHAIR: Can you outline where the extension of the airport is currently?

Mr GREEN: The expansion is underway; development has commenced. It was delayed for some time with some challenges to the instrument landing system, but that is now well underway. It will not be complete for the 2018 Commonwealth Games, but it will be complete shortly after. Unfortunately, it has been delayed for the Commonwealth Games. The entrance to the international terminal will be through New South Wales from the old Pacific Highway and the international terminal itself will sit in New South Wales, which we hope will one day resolve the cross-border issues that currently exist between New South Wales and Queensland taxidrivers. The Cross Border Commissioner has certainly been working hard to try to resolve that.

The CHAIR: What is the issue with the taxis?

Mr GREEN: At the moment, the Queensland taxidrivers do not like New South Wales taxidrivers picking up and collecting passengers from the airport. I guess it is a little bit silly when you have Uber and so forth competing at the moment, but there is certainly a stalemate with New South Wales taxidrivers not being allowed to collect passengers from the airport unless they are returning to New South Wales.

The Hon. MICK VEITCH: What is your views on Treasury's involvement when State Government funds are rolled out for projects, whether they be roadworks, bridges, maybe even airport expansions, if they are contributing. I am after Treasury's role and the way they apply the benefit cost ratio [BCR]. We are hearing from some councils that they are getting knocked out of that process because of the BCR.

Mr GREEN: One of the issues that we have experienced in the Tweed is in relation to roads being classified as major arterial roads. That is a formula that the Roads and Maritime Services [RMS] and Treasury apply where major arterial roads are only funded for regions that have a population greater than 100,000. To put it into context, if I was the general manager at Liverpool City Council, I would have major arterial roads like Cowpasture Road, or so forth, funded by the RMS, and I would have the major onramps on to the M7 or the M5 funded by the RMS, because the population is greater than 100,000.

It does not just encompass the population of, for example, Liverpool itself; it encompasses the broader geographic area. There is no recognition by the New South Wales Government or Treasury of the population just across the border. We can walk outside and you can see the population pressures that exist with Coolangatta. We share our main street in Tweed with Coolangatta. Coolangatta and Tweed are truly twin cities. Yet, Treasury fails to recognise any of the population that exists on that side of the border. Therefore, as a council, we are finding that we are having to fund our major arterial roads. That directly impacts our ability to compete and to attract business. It means that our Tweed road contribution plan is significantly higher because I have to fund major arterial road infrastructure.

I will provide an example. Kennedy Drive, which is an extension of the road you have driven on to get here, is a major arterial road that links into the M1 going north to Brisbane. That road was funded equally by the Commonwealth Government, the State Government and council. It was a cost to each government entity of around \$3.5 million. The reality of it is that if I was at Gosford and I was seen as part of the broader catchment of the Central Coast, I would not have had to fund any of it as a council entity. That means that with every development application that comes before council for business or housing, we collect money to forward fund those road infrastructure works. They are hugely expensive.

We have been putting to Treasury and to Roads and Maritime Services for many years that our major arterial roads—the Tweed Coast Road, Minjungbal Drive, Kennedy Drive—and our on ramps should be funded using the same formula that is applied throughout the rest of the State. We meet the 100,000 population if you were to take the circumference radius that is required and to include the population just to the north of our border. It is like the circumference stops at the border and that population does not exist.

The Hon. MICK VEITCH: Have you taken that matter up with the Cross Border Commissioner?

Mr GREEN: We have.

The Hon. MICK VEITCH: How is that progressing?

Mr GREEN: The Cross Border Commissioner recognises that ourselves and Queanbeyan are in that unique situation. Albury-Wodonga is probably not to the same extent that we are, but Queanbeyan is in a similar position given its border with the Australian Capital Territory. It probably does not have the same interlinks that we have. The Tweed has a unique problem. Our population is 91,000, but if you applied the circumference radius for Roads and Maritime Services, it would take out people in the western parts of the shire at Tyalgum and so forth. It could be many years before we were there.

Our road contribution is a big impediment. Often we are competing with businesses that set up and establish in south-east Queensland or northern New South Wales. As a council, we have done what we can to try to make our contributions as competitive as possible. We apply a 40 per cent employment generating discount to our Tweed road contribution plans. If a new business comes and it can show that it will generate employment, we will apply a discount. Inevitably that means that we have a 40 per cent shortfall in funding to fund those major arterial roads. We do still rely heavily on those grant opportunities. Where other shires might be applying grants for a community facility, we seem to keep applying for them for road infrastructure because we cannot meet that shortfall on our own.

The Hon. MICK VEITCH: I am the shadow Minister for Lands and I have been receiving correspondence about parcels of Crown land to do with the extension. I do not want your view as the general manager, but can you tell the Committee what is council's position at this time?

Mr GREEN: We had three extraordinary council meetings on it last week. Some of the councillors had concerns about the clearing and the extent of the licence with respect to that parcel end of the Crown land. That view was not shared by all councillors. We had a site visit with the airport last Wednesday and that went very well. Council ultimately decided not to pursue any further action. There are some concerns about the extent of clearing into some of that Crown land, but our understanding is that it is also for the instrument landing system. Some the councillors were concerned that that clearing was a backdoor way to get a runway extension. Gold Coast Airport has assured us that that is not the case and that is it is purely there for the instrument landing system.

The land directly adjoining the Gold Coast Airport is Crown land, and the land has been leased long-term to a pony club. The pony club probably also has an interest in being able to stay there. As the general manager, I am trying to be careful in what I say. However, it is a very hot political issue that has probably polarised the council and the community. The council sees the economic benefit of Gold Coast Airport and the integral part it plays in our economy and employment in the region.

Likewise, we are the second most biodiverse area outside Kakadu in the country. We are conscious that some of our wetlands and endangered species and so on are very important. They contribute to the economy. It is a point of difference between the Tweed and the Gold Coast. You can turn left out of the airport and go to the theme parks and see the built environment, or you can turn right and come down into the Tweed and see the natural environment with Mount Warning, Wollumbin, our beautiful beaches and so forth. The airport also adjoins the Cobaki Broadwater. Its pristine water and environment are highly valued not only by the councillors but also by the broader community.

The Hon. MICK VEITCH: You said there was a lease as opposed to a licence.

Mr GREEN: That is correct.

The Hon. PAUL GREEN: What other grant applications do you have with the State Government?

Mr GREEN: We were very excited on Friday to have Minister Upton here to announce the allocation of 100 hectares for core koala habitat. That land adjoins the Cudgen Nature Reserve. We had been advocating on that to the State Government since January. We have also been excited about the recent funding commitment from the State Government for the rail trail on the disused railway line from Murwillumbah through to Crabbes Creek. That is a commitment from the State Government of about \$6.51 million. Unfortunately, that money was not matched by the Commonwealth Government under the Building Better Regions Fund. But we have resubmitted that application under the Regional Jobs and Investment Program.

We think that is an exciting opportunity to bring new people into the region, in particular into Murwillumbah. We believe it will be the stimulus needed for those small communities that were on the old Pacific Highway, such as Burringbar, Mooball and Crabbes Creek and so on. They are two big items. The mayor and one of my directors are meeting now with the State member for Lismore, Thomas George. His electorate encompasses in the Tweed Shire Council and out to Murwillumbah. They are discussing grants under the Community Development Program. Later this afternoon, myself and Gold Coast councillors and representatives from the light rail link are meeting with Geoff Provest in an effort to pursue the option of extending the light rail into northern New South Wales. The light rail link to Queensland is not to be underestimated.

The Hon. PAUL GREEN: Can you tell the committee a little about that?

Mr GREEN: The thing that has really interested me about your inquiry is that there is no doubt that global Sydney is important to the economy of New South Wales and the regions, but also to Australia. Global Sydney also needs to be smart and thinking about its growth. It is bursting at the seams. I can remember spending three, four, five hours a day on the M4 when I lived in Sydney myself. People like me want to get out for a different lifestyle. Where you are able to have growth opportunities next to another global city such as Brisbane or the Gold Coast—New South Wales needs to think and plan ahead. The light rail is planned so far by the Queensland Government and the Gold Coast Council to come down to Burleigh Heads. Planning is underway to get it to Burleigh Heads and then to link to Helensvale heavy rail network and then ultimately that will come down to the Gold Coast airport and then into Coolangatta. It will be within 500 metres of where we are today.

The opportunity therefore exists to the New South Wales Government to take advantage of that infrastructure that has been built by the neighbouring state and link in and bring it into Tweed City and south Tweed. We see if that happens you are opening the door to people in northern New South Wales to quickly get by public transport to the major regional hub of Southport and Surfers Paradise or straight into Brisbane by light and then heavy rail. The heavy rail currently terminates at Varsity Lakes, which is a 15 to 20 minute drive from here. But, as the population continues to grow on the Gold Coast the M1 has become more like the M4 or the M7; more congested.

Public transport is integral to a growing city and Tweed City centre has the capacity for additional accommodation, housing and business growth. It has currently been rezoned to go to 15 storeys and we estimate a potential additional 7,000 people in the Tweed city CBD. If we had those additional 7,000 people with access to light rail you would have a New South Wales economy that is earning and delivering in Queensland but hopefully spending in New South Wales. You would have income spent in New South Wales and earned outside.

The difference between the Queensland economy and the New South Wales economy is that Queensland's economy is strong when there is a resources boom. As we know economies cycle and during the last resource boom Western Australia and Queensland were powering along and New South Wales was a little

bit behind. That has flipped but it does not mean that is the way it will be forever. New South Wales trying to think ahead and position itself to take advantage of the resource economy, should Queensland power along again, I think is wise.

The Hon. PAUL GREEN: Will that rail trail money be frozen until you can get the Federal Government to buy in? What happens with that money?

Mr GREEN: The Minister has advised us that they will hold that money while we seek other funding opportunities.

The Hon. PAUL GREEN: For how long?

Mr GREEN: He has not advised. The rail trail is different to the light rail. The State Government has announced funding to do a study to extend the light rail into New South Wales. My understanding is that commitment is less than \$1 million at the moment. Part of the reason we are meeting this afternoon is to get a better figure as to what would be required to get the design and everything underway to be able to make viable as to what would need to be spent. I guess I am conscious that with the lease of the poles and wires that significant investment in infrastructure will be made by the State Government into the regions and Tweed has been set up as its own economic region.

This is a generational opportunity. From my perspective if we really want to think not just about this generation but the next generation we need to make some of those bold decisions about infrastructure such as light rail, rather than some of the decisions that often benefit the current generation. One of the things that impresses me about Israel is that they have a Minister for future generations. Every decision that goes through the Knesset has to go through the Minister for future generations to ascertain what that will mean for not just this generation but the next generation. They are looking at whole of project life and running costs to make sure we are not building infrastructure where we cannot fund its renewal and maintenance and upkeep. For New South Wales to grow and be strong, with the war chest it currently has, it is probably something that needs to be given consideration. The decisions and expenditure that you make, how will that benefit the next generation? Those poles and wires are leased for 90 odd years on my understanding. So you want to make the most of it for the next 100 years.

The Hon. PAUL GREEN: Do you have unemployment statistics?

Mr GREEN: I will have to take that on notice. We are higher than the New South Wales average, particularly with youth.

The Hon. PAUL GREEN: That is what I was after—the statistics for youth unemployment.

Mr GREEN: It is particularly with youth. We are an area that attracts retirees and that is both positive and negative. On our rate base we have about 25 per cent on pensioner rebate subsidies. That impacts council and the State Government. That does not mean that all pensioners do not have the capacity to spend and input into the economy. Some of the wealthiest people in the region are the older generation that own the businesses and create the wealth.

The Hon. PAUL GREEN: Can you tell me the three top priorities in the Tweed economic strategy other than the grants you just spoke about?

Mr GREEN: We have identified the region as a creative hub. We are conscious of the creative industries that exist in the Northern Rivers and we are supported by the film industry to the north on the Gold Coast. Tweed Heads with the Margaret Olley Arts Centre and Tweed Regional Gallery in Murwillumbah attract about 122,000 visitors a year—just through that gallery. That is about the same number of people that climb Wollumbin, Mount Warning. One of the pillars of our economic development strategy is to continue to grow and foster creative industries within the region. We see them as complementary to the green or natural environment without exploiting other aspects of it. The other part of our economy is tourism—nature based tourism and food—agritourism. We have a lot of small farms but we see the capacity for those to grow. The Cudgen plateau is State significant agricultural land, generally smallholdings of 25 acres or more.

We are conscious that, as south-west Sydney around Bringelly and north-west Sydney continues to develop, the food bowl that has existed to supply the fruit and vegetables there has been eaten up for greenfield housing. So there is an opportunity with access to Gold Coast airport and an hour flight to Sydney to really pick up on that aspect of our economy and to grow that. We have got the Australian Bay Lobster farm, which is now exporting Australian Bay lobsters to South-East Asia. That is a business that has the capacity to grow to 200 employees. They have currently got a grant application in under the regional jobs and investment program, to

assist fund their connection for seawater. With the right support from other tiers of government I believe that that industry can grow.

We have had interest from a university-led consortium on an algae-type farm that would sit complimentary to it. It produces omega-3 oil. It is only produced at the moment in Texas through algae. I do not know how it would have fared over the weekend with the storms. But some of those more technical or intelligent farming-type measures have a lot of potential. Casino Meats in Casino is the largest private employer north of Newcastle. So that agritourism, that food tourism and food production and value-added certainly has potential.

Stone and Wood Breweries were attracted to the Tweed shire after we implemented a business investment policy and that business investment policy looked at ways that we could provide incentives to get businesses to the region through deferral of developer contributions. We have introduced higher water consumption charges, so they do not have to pay up-front headworks charges any more. It is my understanding that they have now surpassed Coopers as Australia's biggest private brewer. They are a hugely sustainable company, great corporate citizens, and very community minded. It is those types of businesses that have a lot of potential to continue to grow in the area. The Scandinavian Cone Company, the sauce company, there are a lot of value-added food products that provide a lot of opportunity.

So to that end, as a council we are in the process at the moment of developing a prospectus around trying to attract value-added food businesses. We have a rum and gin distillery, there are pork producers, beef producers, wineries and a cheese factory. We have been talking to Brookfarm about expanding into the Tweed. We just see those types of industries as really complementing the image we are trying to portray in Tweed as an environmentally friendly, healthy place to live and work. But you cannot just have a good place to live; you need jobs.

The Hon. NATASHA MACLAREN-JONES: Thank you. You mentioned earlier the population growth in Queensland and the impact it is having in particular on arterial roads. I am interested to find out a little more about some of the other pressures. You referred in your submission to the Commonwealth Games in 2018 and the impact that will have here. Just outline some of those challenges.

Mr GREEN: The Commonwealth Games, we hope, will have a positive impact. We have been very conscious that the Commonwealth Games are funded by the Queensland Government and the Gold Coast City Council. And they have made it very clear all along that it is their Games, funded by their ratepayers and taxpayers and we have respected that. But there is certainly going to be opportunity for spill-over visitors and accommodation and so forth into the Tweed. We have tried to communicate that through the New South Wales Business Chamber to our local businesses to really get prepared to promote and take advantage of it without overstepping our line across the border.

Gold Coast Council has been very proactive in working with council and, in particular, businesses across the border that generally work on a daily basis in south-east Queensland, in particular, our trucking companies. We are cognisant, and the Gold Coast City Council is cognisant, of some of the road closures or traffic delays that might exist during the Commonwealth Games. They have been very proactive in trying to communicate with those businesses in advance to think about times of delivery, whether they can alter the times of work, whether there are other opportunities to take alternative routes, and whether they need to have different distribution points during the Games. All in all, from our perspective it seems to be very well run and planned at this point in time. We are looking forward to having the Games hosted right on our doorstep. The Beach Volleyball is in Coolangatta. We are assisting Gold Coast City Council with some of their soup kitchens and so forth that they currently have in Coolangatta. They will be hosted in Tweed during the Games—from October through until after the Games because that land will be consumed for Commonwealth Games-type events.

The Hon. NATASHA MACLAREN-JONES: And are you working with Destination NSW in any way in leveraging tourism opportunities? How is that partnership generally going?

Mr GREEN: The partnership is good but there really has not been a drive from Destination NSW or the New South Wales Government at all to try to exploit the Games whatsoever. But having said that, the Queensland Government has also been pretty much saying that they have funded it and they want to make the most of it. We have respected that but I think just the nature of where we are, people will inevitably stay in the Tweed. At the same time there is a huge music festival on at the North Byron Parklands so that April period will be a very busy time. We will have the Bluesfest at North Byron Parklands and the Commonwealth Games at this end and Tweed is placed right in the middle so I guess we are in the perfect sweet zone to be able to take advantage of what is happening to our south and to our north.

The Hon. NATASHA MACLAREN-JONES: In general how does the tourism partnership with Destination NSW work? Are you finding that there are any challenges in leveraging opportunities here?

Mr GREEN: Destination NSW is very Sydney-focused. Their new regional offices are a great idea. The way that it was to be funded was not such a great idea. We put an expression of interest in to house it with Destination Tweed. Destination Tweed is an entity that is funded by Tweed Shire Council. But to have the Destination NSW offices in your area, the council itself had to fund the officer and provide a car and accommodation. It is not really Destination NSW if council is doing that. So we did not win the office; the office was won by Lismore. And with no disrespect to Lismore, in the Northern Rivers the premier destination is Byron Bay. They do not even have to advertise and people go there, and then probably Ballina and Tweed. So I do not know. It will be good to get tourism to Lismore but it certainly does not have the same things that people generally look for. That is a mindset that has to change from the New South Wales Government with acknowledging that regions have changed.

Seventy years ago Lismore was the eminent city in the Northern Rivers. Our population is two and a bit times the size of Lismore now but most State offices and State government agencies sit in Lismore. The offices of regional development and Premier and Cabinet sit in Lismore. The first act that the Coalition did when it won government was to close the regional development office in Tweed. To me that is madness. Why would you close your regional development office right on the border? So they closed the Tweed office and kept the Lismore one open. I would think logically, and if you asked most people in the street, that you would want your regional development office right where you could take advantage of it and exploit the huge economy just to our north. But the Government closed the Tweed office and kept the Lismore one open.

The court cases that are held at the District Court in Lismore, most of the cases involve people from the Tweed. That is probably not something to be proud of but people from the Tweed have to travel to Lismore because that is the whole regional centre. There is going to come a time when the Government is going to have to make some tough choices about the regional centres. It would be a little like saying that because Windsor was the first place that grew with the early settlement, you should still have all your services at Windsor, when in reality you have it at Sydney and Parramatta because that is where your population is. Well that is the sort of situation we are finding ourselves in here in the Northern Rivers.

The new North Coast plan by the Department of Planning recognises that but you will also be conscious of some of the controversy that happened when Lismore was taken out as a regional city and they have been added back in. To help grow Lismore, and Lismore is important to the region's economy, the freeway, the Pacific Highway, has inevitably meant that Ballina, Tweed and Byron will even grow further because to get to Lismore you have to go inland a little. The sad thing is that Lismore already has a lot of the infrastructure there. It has schools, it has a good hospital, it has an airport and it has a town centre but it does not have that easy access that it once had. So investment by the State Government to improve links—say, from Byron Bay to Lismore and from Ballina to Lismore—would naturally grow Lismore. But without that easy road network, like anywhere, the region will be held back.

The Hon. JOHN GRAHAM: I just want to turn first to your call for the light rail planning to be enhanced. Can you give us any more information about what the timing is on the planning from the Queensland or the Commonwealth side of things. How urgent is it, if we are to take advantage of opportunity you are pointing to, that we get these plans in place?

Mr GREEN: The planning at the moment is for them to take the light rail to Burleigh Heads. That will be the next component. Work is underway on that at the moment. The light rail in south-east Queensland has been hugely popular. Once it gets to Burleigh Heads they have then got to take it to the airport. I think that is probably 10 years or more away. I am not sure of the exact timing; that does change somewhat. I guess what I am conscious of is that while the planning is happening there is an opportunity for us to dovetail into that expertise and secure a corridor, get all the planning approvals in place and do the environmental impact studies so that we have a corridor mapped out, we have all the studies done and the approvals done, ready to be able to build.

At the last regional meeting we had at Gold Coast Airport I asked, "Does it have to just come south or can it start south and head north?" So there is an opportunity for the State Government, if the timing is right. From my perspective this would generate some growth in the Tweed and the visitor economy in the Tweed. There is an opportunity that, as they are constructing south, the New South Wales Government could start constructing north to the airport. That might mean doing some kind of funding arrangement with the Queensland State Government to get it from Coolangatta to the Gold Coast earlier but it is our understanding that that is one of the easiest links to achieve. The fear in just doing it north, upfront, is that the cost is not just the construction

cost. The indication that I have had from the entity doing the construction is that it would be about a \$50 million build to take it into Tweed Heads South.

The Hon. JOHN GRAHAM: From the airport?

Mr GREEN: Yes, from the airport. Then you have the cost to run and maintain it and so forth. For it to best work you would want it to keep heading north but I think it is time that the Government looked at working collaboratively with its Queensland counterparts to line it up and make sure all the synergies of there and to reserve money to do it.

The Hon. JOHN GRAHAM: So the two key priorities are really to assess this idea to make sure that it is taken seriously, and seriously discussed, given the opportunities.

Mr GREEN: Correct.

The Hon. JOHN GRAHAM: Also, corridor reservation is always an urgent task in these situations.

Mr GREEN: Yes. Gold Coast City Council have also identified Coolangatta as its second regional economic sector. That is important. That is a significant call, because if that is going to be its second economic growth area—if you have Sydney and Parramatta, you also have Southport and Coolangatta. That is what they are committed to as a regional hub. Understand why they have done it as a regional hub. If they are doing it as a regional economic hub so close to an international airport to South-East Asia—

The Hon. JOHN GRAHAM: I will come to the airport but I want to ask you about a separate issue. You may not have a view on this from a Tweed perspective but I was just interested to know whether you wanted to make a comment. There has been recent publicity about the amount of waste being trucked out of New South Wales and Sydney up into Queensland. It is now reaching a significant scale and may be increasing further. I just wonder if you have any views or any comment on the impact of trucks coming through this community as a result of that.

Mr GREEN: We certainly do. I will answer that in two parts if that is okay. The first part is that Tweed Shire Council currently disposes of its waste in Ipswich. So, from an economic perspective it probably saves us about \$3 million dollars a year to do that. From a waste cell perspective our current cell is still under construction. So, without it, we would have to truck it somewhere else. The capacities for some of the shires in the Northern Rivers to be able to generate their own landfills are hugely constrained by the fact that a lot of the areas of the Northern Rivers are on flood plains. In Ballina for example there is just not capacity for them to construct waste cells. So having an agreement to take our waste to south-east Queensland suits us from both an environmental perspective at the moment and from an economic perspective.

With respect to truck usage on the M1 and on the Pacific Highway we understand it will continue to grow, but it seems a little crazy when we have a rail corridor network that can go right up into Queensland—through Casino and so forth, around the back way—that rail is not used more. I think that as the population of the country grows, our reliance on and use of rail should grow. If our roads are clogged up with truck usage it is going to slow the whole economy down because it will mean it takes everyone longer to get everywhere.

The CHAIR: I might have to interrupt because we have already gone a bit over time and we have a couple of other witnesses waiting. Do you want to put anything else on notice?

The Hon. JOHN GRAHAM: I am okay.

The CHAIR: Thank you, Mr Green. I think you only took one question on notice relating to unemployment rates. We would appreciate it if you could let us have that information. Thank you for hosting us.

(The witness withdrew)

DES SCHRODER, Environment, Planning and Community, Clarence Valley Council, sworn and examined

ROSS ROBERTS, Managing Director, Harwood Marine, sworn and examined

The CHAIR: Welcome. Thank you for coming along today. We are basically looking at our defence inquiry for this part of the evidence but feel free to mention anything on regional development if you would like to. Would you like to make an opening statement?

Mr SCHRODER: I will start and then Mr Roberts can come in with specifics. To put it into context, I have been listening to the Tweed witness. We are a bit further south. Clarence Valley Council is 2½ hours south, with towns like Yamba, Maclean, Grafton and Iluka linked by the mighty Clarence River. That is important to the context that Mr Roberts will give in a minute with respect to defence industry issues.

The Clarence Valley has a population of around about 51,000 growing at around 0.5 per cent or 0.8 per cent per annum. We are currently undergoing a big infrastructure boom with the Pacific Highway upgrade. We have a new jail which will generate 600 jobs that is starting to be constructed. It is a once-in-a-lifetime boom. We have about \$4 billion worth of investment and 2,500 jobs. We are in a bit of a sweet spot at the moment but we have to look at where we are going to go in future. What we are going to talk about today is an important part of the future industry.

In the context of the boat building industry, while we also have a marine cluster that Ross has been part of, we have a well-established boat-building industry. There are two main players—Harwood Marine, which Mr Roberts represents, and Yamba Engineering. Both of them have done defence related boat-building in the past. Currently Yamba Engineering is doing some Border Force boats. I think that is a \$5 million contract. So we have got the capacity in the region to do that. As I said, the Port of Clarence could be used a lot more. It takes medium sized boats. It has a limitation of a six-metre bar, which cannot be changed because of Aboriginal native title issues. That does limit it a little bit. Council is trying to help the industry grow through that. We have been working on lots of projects. We can talk more about that later.

The other thing about it, and it was touched on in the issues raised by Mr Roberts, is the issue of the investment outside of "Sydney, Newcastle, Wollongong" New South Wales, as we sometimes call it up here. Basically, we need more investment in the regions and we do struggle sometimes to get that investment. I think the Government is enabling projects that have been announced recently with the power and wire money. It might be a big opportunity to do that. Basically we just look forward to any opportunities we can do. I will hand over to Mr Roberts to talk more about Harwood Marine.

Mr ROBERTS: Thank you for inviting me here today. As Mr Schroder said, we are in the region of the Clarence Valley, but the main reason there is a shipyard is there is a very big river. It is also an international port, and that makes it significant. When you look at the geography, we are only 1½ hours below the most easterly point at Byron Bay. For the South Pacific we are a very geographically well located place for Defence and for small shipping, and small shipping was our background. We came from small ship servicing all the way from Palau in the north out to Christmas Island in the east and down to Chatham Islands. We were running around in little ships out of the port of Yamba.

Most people do not realise that between 1989 and 1996 there is a New South Wales Government report which showed there were 19 ships trading out of that port, of which 70 per cent of those voyages were from companies related to us—again, small shipping companies. As we had small ships, we needed somewhere to repair them. This facility up the road which was built by the sugar cane industry for its vessels became idle and rundown, and we set about rebuilding it to service these little ships. Of course, as these little ships got bigger, we needed something for the people to do when the ships were not in port because we have an area where there are no ships except for the ones that we can attract there and a labour force that basically has to be trained, which is why we had very comprehensive training for young people. Two reasons for that: One is that it is hard industry—iron and steelwork is very physically hard, so you need young, energetic, strong people—but we also had a lot of young people, so we had a resource in our area. My son is probably an example. He is 28 now. He has already got long service leave; he is a veteran. Probably half our workforce is around 30 or under 30.

It is a good industry. We had a problem in 2014 where the foundations in the water, which were originally built in 1969-70, had a failure in one area. We had the decision then of "Do we walk away, or do we reinvest?". Luckily, \$4 billion was going to be spent across the road from us with the Harwood Bridge being built, a Grafton bridge, a Richmond River bridge, so we saw the need to also complement. What risk we took we believed would be picked up with such large infrastructure projects, because around where we live there are

100 islands in the delta of the Clarence River, and it is mud and mangroves. A heavy-lift, heavy-capable, heavy-engineering place like a shipyard next to a bridge that is 1.5 kilometres long made a lot of sense. That is what we are doing now, since we reopened after two years of being closed, rebuilding. We kept our employees. We did the work with our employees and we funded it privately from director's funds. We are back in business and things are going well.

The Hon. JOHN GRAHAM: I am interested in Yamba port. You outlined the fishing fleet side of things. What are the imports and exports going through there?

Mr SCHRODER: The port probably back in the 1990s had its peak from a boat issue. Ross used to operate and can talk a lot more about that. Recently we are probably right down on import-exports going out. There are not many boats operating. The fishing fleet is the biggest commercial fishing fleet in New South Wales at least—I do not know about Australia, but it is pretty big. It brings in around \$200 million or \$300 million worth. There is a prawn industry in the river and then a deep sea fleet that goes out further. That is quite significant. On top of that, of course, you have—besides the stuff we were talking about before—the issues of our tourism industry. The Clarence River estuary is one of the big drawcards. We have about 1.1 million tourists now and growing at about 15 per cent a year in number. Again, there is a whole boat issue around recreational boats. Also, we have worked hard to get cruises and others, sailing boats, to go up the river. They have to open the Harwood Bridge for the sailing boats to get up. There is a whole recreational boat-building issue there. If you call that export, tourism is an export, and it is thriving. But the issue of the boats going out, Ross can probably better answer that than I can.

Mr ROBERTS: The ships that went out went to Lord Howe and Norfolk regularly, and to New Zealand. I am probably best to speak about what cargos and what shipping we did. There was the Norfolk Island general cargo over to New Zealand. You would take koppers logs in the bottom half of the ship and you would put general cargo on the top, because at Norfolk Island there is no port, so you have to anchor up and drop in a little boat. It is a unique business, it is a dangerous business, and there is not a lot of competition because nobody wants to do it. That is the sort of business we are in.

We went to Norfolk Island. We then went down to New Zealand. We unloaded the koppers logs, which were from Grafton. We then packed with softwood. A lot of it was veneer, which is an interesting story in itself. We put it in the bottom. We then loaded New Zealand cargo for Norfolk and went back there. It is a two-level ship. In the top level, you unhatched, delivered your Norfolk cargo and picked up anything they wanted to send back, usually personal effects. When you got to Yamba, you unloaded the plywood—and I say it is an interesting story because Big River Plywood was a terrific business that suddenly found that its product was not commercially viable, so what it did was buy into the softwood from New Zealand, the ply, and mixed it with the hardwood, made a softwood-hardwood ply and became the biggest plywood formwork distributor in Australia. That is how they did it. That was an industry.

We ran to Lord Howe from 1984 to 2006, until the tenders became unviable. We have run in to New Zealand for many, many years, and then to all the other places on inducement. Explosives was the big one for us. I think we were the biggest explosives carrier into New Zealand at one point. Nobody thinks about them having much to blow up over there, but they do have mining and things, so we were carrying the explosives. Again, Yamba was a prime port because Goodwood Island is in the middle of nowhere. Everything was taken from Helidon. The explosives were put on deck. The last thing we did was to put them on deck and away we went.

The Hon. JOHN GRAHAM: It has had quite a varied background up until now.

Mr ROBERTS: Very varied: general cargo port for small ships.

The Hon. JOHN GRAHAM: Where do you see the future of the port over the next 20 years?

Mr SCHRODER: It has been one of those variable things. One of the limitations that we set is of a six-metre depth, so that does mean medium ships. One of the big issues here for the port is potentially the work that Ross is doing at Harwood Marine, and also the other boat-building organisation wants to get river access to, in servicing a lot of boats that run around the Australian coastline with smaller boats—tugs and barges which I know Ross was dealing with on the point of the mining boom. There is that servicing issue. That is building on that. Also, if you are talking about Defence, the opportunities for those industries to build some of that Defence product. That is probably the biggest issue for the port, the issue of whether we can get some more ships. Back before 2008 we had an inquiry. Brisbane port was chock-a-block; Newcastle was running chock-a-block with the mining industry et cetera. I think what has happened since 2008 with the mining boom coming off-seam there is extra port capacity now in lots of the bigger ports around Australia, so we are not quite getting the

demand, but there is probably a role for the port in the small to medium-sized boats and maybe servicing those boats more than maybe even exporting. I think that is probably where the future is. Plus, as I said, the recreational industry is growing like anything. There is lots of servicing of recreational boats—

The Hon. JOHN GRAHAM: Turning to the Defence part of that equation, in the Harwood submission you point out the significant shipbuilding that will unfold. Can you give some more detail on how realistic you think it is to slice off a portion of that? What assistance would you require to pitch into the very significant program that is now being outlined?

Mr ROBERTS: I suppose the first question to answer is to finish the last question—that is, the small ships are basically uneconomical out of small ports. That has been covered. As a commercial operator we have to turn to: How do we survive? That is always your first thought. So we built a facility that specialises in heavy lift, which is why the bridges are loading their heavy-lift cranes at our place; otherwise, they have to go back to Brisbane and Newcastle. We have got a heavy-lift capacity that we have built into the place. The slipway—which is actually like a big trolley that slides into the water, a boat goes on it, you pull it out of the water, it is a type of removal of vessels out of the water—is very efficient for the size boats that we do. We have rebuilt the shipyard to the original design; it has been recalculated. What we have got is a very high point load, which is why the tugs are interested, patrol boats. These are boats that well and truly have the draft to get into the river. I mean, six metres might be small for a big ship but it is huge for a ship up to metres to 80 metres. Most of defence's vessels are under 100 metres and they are not cargo carriers so there draft is up. Being military vessels they cannot be draft restricted, so defence fits. We are a DNV GL shipyard, which is an international class, IACS class. That is the highest class for building ships. The defence ships in Germany are built under IACS. We have the workforce and the facility, which we are continuing to develop, but we are working now and we have the location and the river.

What could the Government do to help? First, it has got to recognise that this is potentially the largest shipyard on the east coast of Australia. We have got about 200 or 190 acres of land. We have got about 1.5 kilometres of waterfront. We have got a heavy-lift slipway. We are putting in travel lifts that will pick up the patrol boats and the tug boats. The idea of a travel lift is that you pick the boat up, take it out of the water and wash it down, rather than wash it on a slipway and then try to catch everything. Environmentally it is wonderful. That is how we worked our shipyard this time. When we decided to rebuild it, environment and injury were the two things that we could see would be the problems. The commercial operations is business as normal but environment and injury are going to be the two issues that will stop you. This is how we focus what we are doing. I would like to see the New South Wales Government actively encourage us, because so far we read about \$24 million going up to Cairns to help them rebuild what we have built and we hear about another so many million. We have already built it; it is here in New South Wales. I have not had one Navy person visit the yard yet. We have had politicians but not one Navy person. That strikes me as unbelievable really. I read about there being no shipyards, they have got to be rebuilt for \$1.3 billion and we have to import ship labourers—we have got the workers here.

The Hon. JOHN GRAHAM: Have you got a view about why that is the case?

Mr ROBERTS: I have been to nearly everything that opens and shuts. I go down to every meeting. I fly everywhere. I go down to Canberra. I go here, I go there and they say, "Isn't this great?" I just think that it is up there somewhere. I will repeat what was said to me in Canberra by a guy when I got invited to a talkfest. He said, "If you want to get something across in Australia, make it successful in a foreign country first." That was about a technology that we are working on with the Japanese for ships and it is exactly the same story with that. I am working in other places in the world with this technology. Every time I put it up to the Australian whoever it is, I get a long list of stuff to fill out and paperwork. We are not that company. We have not got those people in our company. We are ship builders and shipyards.

The CHAIR: We might be able to give you a boost by making you a case study in our report.

The Hon. PAUL GREEN: In your submission you refer to doing some work with schools in relation to maritime issues. Can you tell the Committee about that and about your relationship with TAFE?

Mr SCHRODER: There is a thing called the Industry Education Forum run in the Clarence Valley with all the high schools. Out of that also comes some trade training stuff, which we are trying to orientate towards local industries. I think Ross can talk about the trainees he has had through there with the kids—so they are there and they become part of Ross's workforce in the future. That is what we have been working on. I think that is the basis of it, but Ross might want to comment on the kids he has had go through.

Mr ROBERTS: It is a pretty simple story. My daughter left home, left school with six months to go in the Higher School Certificate [HSC] and when she came back she wanted to finish her HSC. It is not that easy to get back into school to do those things so I went to Maclean High School. They were very helpful and they got her back in. She finished the HSC, went on to do law and became a lawyer. To say thank you, I went back to the school and said, "How can we help all the other kids who might have a little bit of a hitch?" We started the school-based apprenticeship training. For any of the kids who might fall through the cracks, were not getting the school thing and wanted to transition, we would take them one day a week at our shipyard. Then one day a week for six months that would be part of their training. When they finished school, if they decided to go down the trade track then TAFE worked closely with us and we got together and they would have a reduction in their apprenticeship. We have got to see them, they have got to see what the industry was and that was a good story. We then moved into training our people. We are a marine business so we have to catch ropes and we have to hop into boats. People are generally from farming families in our area so we put them through the coxswain's course. The State Government and TAFE came together and we put two, three lots of coxswains—I went through myself—so that everybody was trained to a level. We then moved on to all the other training. It has become a very good thing between us and the cluster, which the council actively pushes—the sugar mill, which is up the road—and it has worked very well for us.

The Hon. PAUL GREEN: Was the school-based apprenticeship operated strictly within school hours so that the kids could get there?

Mr SCHRODER: I can explain a little bit about what happened there. What we did with the high schools was through the industry clusters we talked about the school-based trainee, if you like, and the schools have allocated in those higher years one day a week where the kids can go and do school-based traineeships, not only in shipbuilding but also in other industries. It was very conscious that schools for those kids were free. They would also enrol in TAFE, which has now moved a lot further than when we first started, and do something that suited the trade. Basically that is how it worked—they were school-based trainees, one day a week then went and worked for Ross or somebody else and that is how it was set-up. It was a very conscious effort and TAFE came in behind it. TAFE even ran some courses over the Christmas holidays specifically for kids who wanted to get a two week—I know in the electrical trades area we did it over a three-week period with TAFE over Christmas so those kids could get up to speed. But that also gets acknowledged towards their HSC in that area. There is a lot more of that happening at the moment right across the industry.

The Hon. PAUL GREEN: One of the final points you make in your submission is that the North Coast College of Marine Studies aims to establish a school of excellence in all things marine to equip people with skills. How is that going? How can this Committee assist with that?

Mr SCHRODER: That is through the school itself. I have not checked on that lately to see how it is going. They have got the trade school set-up to do that. I should have checked on that before I came so I cannot really answer.

The Hon. PAUL GREEN: You can take the question on notice?

Mr SCHRODER: I will take that on notice.

The Hon. NATASHA MACLAREN-JONES: Mr Roberts, how many people are employed?

Mr ROBERTS: We have got about 53 at present, but that goes up and down. We could do with another 10 or 15 but the problem is, it is a hard industry. We make no apology that iron and steel work and ship building and ship repair in particular is hard work and it is dirty work at times. We get people who start and some only last an hour; they come and they go. We are mindful who we take on. Even the fittest, oldest guy they come apologetically and say, "This is too hard." We have basically a mix—I would say under 40 would be 70 per cent and 30 per cent above. So all your fitters and your people who require a lot of experience on the engineering side, your boilermakers, fabricators, plasters and painters, those sorts of people are usually the younger ones. We usually train them because that way we get what we want and they stay because their families are in the area. So all your fitters and people who require a lot of experience on the engineering side are there. The boilermakers, fabricators, blasters and painters are usually the younger ones and we usually train them because that way we get what we want and they stay because their family is in the area.

The Hon. NATASHA MACLAREN-JONES: You mention rezoning and the capability of expanding in your submission. What would be the projected job opportunities or the numbers?

Mr ROBERTS: Done privately, as we are doing it—we are a company that does it as we can afford it. Whilst that might not be how a lot of people do it, it has allowed us to survive through the global financial crisis

and everything else that comes along. We are permanently in recession. We just work with the mindset that when we can afford it, we buy it, we build it. Having said that, the opportunities for a facility like ours—when you look at what happened in Henderson when the Federal and State governments got behind it and said we need a marine precinct on the east coast to match the one on the west coast, the jobs were enormous. I think there were 27,600 jobs created at Henderson. We see what we are doing at our pace. It will create another 100, 200 jobs, because we have got a tug company interested in a long-term contract with us to do their tugs, and, of course, we are, I think, the only place that can do that, the big tugs, because of the point loading. They are so heavy in such a small confined area. Superyachts. I was at the Australian Marine Expert Group the other night. They said we are the last place people can stop and refuel before they go to New Zealand or the South Pacific, otherwise they leave directly from Cairns. Yes, you can come into Brisbane, but it is a five-hour pilotage. You can come into the Gold Coast, but that is draft restricted to a degree. So they are saying that for an opening that has got a big enough draft for anything like yachts and superyachts, there is not much past Cairns.

Mr SCHRODER: If I can also comment. The New South Wales Government at the moment has various names. There is \$1.3 billion floating around but they are enabling infrastructure, and we are doing a regional economic plan. Clarence stands alone in that plan. It is a fairly big area. We are working with an organisation called CoreView to do a new economic development plan. Out of that development plan will become economic enabling infrastructure, and we are working on that and we are all learning together. The issue is that some of that infrastructure—for instance, Ross badly needs a new road. There is a road along the river which is eroding. We have been working with the sugar industry to get that road done because they have to go through sugar cane. There is a fair chance under the enabling infrastructure that us and the New South Wales Government—the Department of Premier, et cetera—will be putting that road forward as one of those pieces of enabling infrastructure. That road then opens up that rezoned land that we have all been working on with Ross for quite a few years.

There is another issue. We had a big meeting the other day and a few State agencies said there is a dredging issue in the river. It is one of those that falls between the cracks. The Port Authority does not have the money to dredge the Clarence. It is not the Department of Industry—Lands. We are also working with State Government at the moment. That enabling infrastructure might be another one. There is probably about \$500,000 worth of dredging needed. So we are working together with all of the government agencies to find ways through. I think the new enabling infrastructure is probably going to be quite exciting for a lot of us. Definitely the area where Ross is—also you have the sugar mill down the road; it is a major processing centre. It is basically making sure that road infrastructure is right. The highway upgrades are also implementing a big section on the highway, which will be quite handy, so it all fits together.

The Hon. NATASHA MACLAREN-JONES: You actually answered the next question I was going to ask.

The Hon. MICK VEITCH: Can I go back to the dredging. How often is dredging required, who did it last time and how much do you think it is going to cost?

Mr SCHRODER: I will start by saying the river is a complex little beast. There is dredging and dredging. The Lands will dredge into the recreational areas where there is a big marina owned by the Suttons, Kay Cottee, who is a famous sailor in Australia. That family owned the marina in Yamba. The Lands dredge on a recreational basis. So far as the port goes, the Port Authority is basically the owner of the waterway up to Ross's. We found this out the other day when we clarified this, even though Lands obviously own the bed. There is also a native title claim there, which is very important. It is not a claim anymore, it has been determined by the Aboriginal community, so that comes into context too. The issue for the dredging as you go further up becomes a bit of a problem—who actually does it? The Port Authority for Newcastle has lots of money, they are a corporation. I think it has been leased out.

As part of that, they do the dredging. When it comes to Yamba, the issue is who is going to do the dredging? It is not really Lands. There was one funding that was 50 per cent council funding. We were a bit reluctant to find \$200,000 or \$300,000 basically as 50 per cent funding with Lands. The waterways funding or the better boating funding does not fit. We checked that the other day. We put our applications in for better boating. We said, "Can we put this one in?" They said, "No." The reality is that it is the port authorities, and the Port Authority does not have the money to do that dredging. We talked to better boating guys who are talking to the Minister about finding a grant. That actually fits that dredging. It is complex because Lands do some of it, and the port authorities are responsible for the rest.

The Hon. MICK VEITCH: Ballpark figure, how much money are you looking at?

Mr SCHRODER: We are talking about \$500,000 in dredging, and we probably need a couple hundred thousand in approvals. Then we probably have to negotiate with the Aboriginal community, too.

The Hon. MICK VEITCH: How often does it need to be dredged?

Mr ROBERTS: It is interesting. Since time began, everyone has wanted to dredge the river, and it has been too expensive. They have talked about removing rock and dredging the whole river. You do not need to. Just one small piece, which is only about 800 metres long, and it can be as wide as legally allowed. The fishing industry was at this meeting the other day. They are well aware like we are that this has come over time. It is a build-up. Once you take that out, the tugs that are coming up and down are going to blow it out. If you have regular tugs going backwards and forwards, which is what we are talking about. It was mentioned the other day at the meeting there would be 20 tugs in the next two years. These are tugs with 3,000 horsepower. If they have only half a metre or a metre keel clearance, that is going to keep that clear. I do not believe it is going to be a prohibitive thing. It will open our business to the regular tugs, but as we pointed out, the tugs that are coming to our place now have to come in on the big tides and are bringing stuff for the bridge, for the highway construction. They are bringing the big barges up. They come to our place first, they get modifications done, they get safety railings, walkways and everything put on, and then they go up to the bridge and the port limits going to the Harwood Bridge. The point is, if you do not get the right tug and you have a big barge, which they will have to get for lifting the 150 tonne beams—they are going to be 30 metres in the air—nobody can quite say what size tug. They are going to have to take the tug that is available. You are going to have the same problem; you are going to have this shallow spot. We call it the transition. Once that is taken out, I think you have solved the problem. I do not believe there will be regular dredging needed after that.

The Hon. MICK VEITCH: How big is the refuelling activity?

Mr ROBERTS: The marine has put in for 24-hour fuelling. Iluka and Yamba both have fuelling. When we refuel, we bring in tankers, so the tankers come in and refuel them because they are commercial vessels. We have not put in any refuelling facilities at our place yet. Again, it is very expensive; a big job with paperwork. We have not done that yet. Again, that is part of getting the confidence to be doing something besides what we are doing ourselves, which is where defence comes in.

Mr SCHRODER: On refuelling, the marina, obviously, is limited on the boat size going into the marina. It takes a fair sized pleasure boat, but it would not take the big boats Ross is talking about.

Mr ROBERTS: No.

Mr SCHRODER: The other one at Iluka has fuelling, too, but the marina has put in for a better boating program to get 24-hour a day fuelling. That is for pleasure boats, basically. There are heaps of those now moving up the river and we want more of them. They are from south-east Queensland, mainly from Southport, even before 2008. After 2008 they declined a bit, but they are starting to come back now. We have been promoting that fairly heavily as part of our tourism product.

The Hon. MICK VEITCH: Have you gentlemen had a chance to look at the New South Wales defence strategy?

Mr SCHRODER: I have not. Have you?

Mr ROBERTS: I do not know where to find it, to tell you the truth. I read what was on your website for this. That was about it. I have not had it put under my nose, so to speak.

The CHAIR: We will send a copy.

Mr SCHRODER: Good.

Mr ROBERTS: We have had interest, mind you. I got invited to Germany in 2015 by Lürssen, which is one of the prime tenderers on the offshore patrol vessels [OPV]. They are 80 metres long. We have built an 80 metre ship. We have actually built one. I do not think a lot of people would say that. We are a group in a cane field. Before the global financial crisis hit we could see that everything we quoted on we could not build in Australia. Our prices were double, we were losing business, and we were bleeding badly. We said to our clients in Australia—who we knew were getting boats built, particularly in Gladstone—"How about we build you a boat at a price comparable to the Chinese price, but we will build it in the Philippines and will offer you an Australian warranty?" They are getting them built in China, they have a problem, and then they have to rebuild them in Australia.

We set up in the Philippines and we built a few vessels. The biggest we built was a French passenger ship for Tahiti. That is the one I am talking about. We also built some large research vessels for the Philippines Government. We did it with our team from Harwood Marine. There were a lot of people working on those vessels. One contract for a bigger vessel had up to 400 people working on it. We have seen that happen. We have a far better facility at Harwood Marine than we had in the Philippines. We have been able to build it back to the way we know it needs to be. From the defence side, Lurssen came out and inspected our yard. They said, "We would like to have a memorandum of understanding that we could discuss things if they are successful as a prime." I think they are down to three now. No-one knows who will win.

Since that time I have been invited to China to be involved in a joint venture to build a little attack craft for Nigeria. They were building them there and we were asked to build them in the Philippines. We met them because we were buying so much Chinese gear for the ships we were building. I was invited to Xichong, which is where the China Aerospace Science and Industry Corporation [CASIC] is. It is the Chinese NASA. We did not go forward with that because we thought it was too big a step for a small company. We have recently had an inquiry for a French vessel and a United States Navy vessel to be slipped. These are defence vessels. It is starting to happen, but it would be so much better if we were confident that the New South Wales Government was behind us and supporting us. It is very hard when you have to do everything yourself.

The Hon. MICK VEITCH: The New South Wales Government has tasked someone to drive the defence strategy. Have you made approaches to meet that individual?

Mr ROBERTS: Is that Mr Scott?

The Hon. MICK VEITCH: Yes.

Mr ROBERTS: The other one is an ex-air commodore. I have given both of them my business card and I am ready to take the call.

The Hon. MICK VEITCH: At another level, have you been working with other government departments around advancing your ideas?

Mr ROBERTS: Yes. In 2014 I was invited to meet with Alex Zelinsky, who is the chief scientist for the Navy, to discuss the fuel saving we are working on. He was very encouraging. But, again, we ended up having to go to Singapore and to work with the Singapore Government with it. I have been to a recent defence meeting in Sydney, which was the put on by the New South Wales defence group, I think. Again, I did a presentation of the technology, but I am still waiting for the phone to ring. I have been to so many different things.

Mr SCHRODER: Bill Collingburn from Yamba Welding and Engineering has picked up the Border Force boats. I do not know how big they are.

Mr ROBERTS: They are only small; the biggest is 12 metres long. But they are still good vessels.

Mr SCHRODER: That is a \$5 million project, and he is looking for an expanded area because of the contracts he is getting. There is Lismore aluminium and Ross's steel.

Mr ROBERTS: We do both. The research vessels we built were all aluminium and they were 23 metres long. They are big vessels.

Mr SCHRODER: There are other players besides Ross.

The CHAIR: Are you coming to Pacific 2017?

Mr ROBERTS: Yes.

The CHAIR: I will see you there and I will make sure Peter Scott has a good chat with you.

Mr ROBERTS: That would be wonderful

The CHAIR: Thank you very much for your time.

(The witnesses withdrew)

CRAIG JENKINS, Business Development Manager, Department of Premier and Cabinet, Industry and Investments NSW, sworn and examined

The CHAIR: Would you like to make an opening statement?

Mr JENKINS: I would.

The CHAIR: Please tell the Committee what you do.

Mr JENKINS: I work for the New South Wales Government in improving opportunities for businesses in the State and attracting investment in New South Wales. I will make a brief statement on the terms of reference and how they relate to the Far North Coast. The Committee has probably heard this from other witnesses, but the Far North Coast looks not only towards Sydney but also, and more importantly, towards south-east Queensland. South-east Queensland is a real growth area. There is increasing trade with business and employment opportunities, and particularly for Tweed shire residents employed on the Gold Coast and further north. The improvements to the Pacific Highway have facilitated growth in tourism. It has allowed Queensland tourists to come further down to the Clarence area and to Yamba, and that is growing the tourism dollar. As I said, this is not only about the globalisation of Sydney, it is also about the globalisation and the importance of south-east Queensland, Brisbane, the Gold Coast Airport and the Far North Coast.

The CHAIR: Mr Roberts just told the Committee about his business, which sounds fantastic. What would you be doing to assist him, in particular in relation to the New South Wales Government's initiative and its defence strategy?

Mr JENKINS: I have known and worked with Mr Roberts for a long time. As I said, as an agency we facilitate the growth of businesses. In doing that, we try to provide services and advice in facilitating that growth. I know that Ross is planning to grow his facility. We have been working with Mr Roberts over a number of years to help facilitate and to provide support in growing that business in various ways.

The CHAIR: Can you tell the Committee a little about the enabling infrastructure that is being discussed at the moment and how that is likely to impact in northern New South Wales?

Mr JENKINS: The enabling infrastructure—

The CHAIR: The \$1.3 billion.

Mr JENKINS: The focus of that is to facilitate business growth and to improve infrastructure for businesses in regional New South Wales. I know the Committee is speaking with the agency's director of operations tomorrow. He would be better placed to provide a more succinct response to that question.

The CHAIR: The Committee has heard a lot about the light rail proposal this morning. Are you doing any work on that?

Mr JENKINS: No. I have heard about it, but I am not involved in the light rail discussions.

The CHAIR: We had some interesting suggestions from Tweed about forward thinking.

The Hon. MICK VEITCH: Visionary. Where are you situated, Mr Jenkins?

Mr JENKINS: I work out of Lismore and I cover the seven local government areas from the Clarence Valley to Tweed Heads.

The Hon. MICK VEITCH: Just north of Coffs Harbour up?

Mr JENKINS: Up to Tweed, yes.

The Hon. MICK VEITCH: How many businesses would you be working with in a given week? I want to get an idea of the workload and your business.

Mr JENKINS: Twenty or 30.

The Hon. MICK VEITCH: If there was a business that was looking at expanding or growing, how do they get in touch with you, or why would they get in touch with you?

Mr JENKINS: They would get in touch with me through two ways: the most common way is through local government. Generally businesses that are expanding or looking to establish in a region contact local government because at some point there are processes or development applications [DA] to go through and I

have great connections with all of the local government areas in my region. The other way is through the website, Regional NSW. My contact details are on there. It explains different ways that I can assist and the agency assists businesses to make those decisions.

The Hon. MICK VEITCH: On a number of inquiries on which I have sat over the past three or four years we have heard from businesses that want to grow in regional New South Wales but when they go to a council and lodge the DA they are lost in the myriad of government departments and find it difficult to navigate the process. Do you assist those businesses navigate through the public sector?

Mr JENKINS: Absolutely. I tend to facilitate those different government agencies. That is my role. I hopefully streamline the process and bring the agencies to the table to help them get an understanding of the project and for the proponent to get an understanding of the needs of the government agency.

The Hon. MICK VEITCH: If you were to skite about one project that you worked on that you got through that whole process that you are really proud of what would it be?

Mr JENKINS: I would say Stone and Wood in the Tweed. Stone and Wood first established their brewing facility in Byron Bay.

The Hon. MICK VEITCH: Are they craft brewers?

Mr JENKINS: They are craft brewers.

The Hon. MICK VEITCH: I am a fan of craft brewers, as everyone knows.

Mr JENKINS: They are one of the biggest craft brewers in Australia now. They were a small craft brewer out of Byron Bay and were unable to find suitable land in Byron to grow their product. They moved to Murwillumbah. We assisted them to find a site in Murwillumbah. There were particular issues around the cost of water. There are massive amounts of water used to manufacture beer. The upfront costs and headwork costs were prohibitive for that business. I assisted them with negotiating a deal with Tweed council to defer some of those costs and grow the way it should be. I heard recently that they are about to expand again on that site. They are going very well.

The Hon. MICK VEITCH: With regard to your role within the public service how much time do you spend working with TAFE around vocational training requirements? For advance planning what would be required by some of the businesses you are working with?

Mr JENKINS: I tend to work more with Training Services NSW because they are basically the providers of the funding for the training in the State. I find that working with them you are not restricting yourself to a single registered training organisation [RTO] that might have expertise in certain areas. In saying that, I have worked with TAFE very well in the past. I was involved with TAFE for a project in the sugar industry with training new interests to come into sugar milling and the healthcare industry. It was encouraging young people to get involved in health care. I have worked extensively with TAFE in the past.

The Hon. NATASHA MACLAREN-JONES: This morning we heard from Tweed Shire Council. One of the things that they covered was in relation to tourism. I am interested to know the work that you do in relation to the Regional Growth – Marketing and Promotion Fund and the help you give to get them grants or assistance?

Mr JENKINS: Tourism is one of the largest industries in this region. That encouraged me to work in that industry. I am currently the chair of a committee called Australia's Green Cauldron, which is a Tourism Australia national landscapes program. It is a cross-border committee. I use that committee to work with my Queensland counterparts to look at ways to promote cross-border collaboration. We have a product within Australia's Green Cauldron called "Rainforest Way". Rainforest Way is a touring route and there has been investment by both the Queensland and New South Wales governments over the last 12 months to improve the website and the touring route product. That touring route will be one of the main touring routes promoted at the Commonwealth Games next year.

The Hon. NATASHA MACLAREN-JONES: How do you work with councils so they have input into those proposals? Do you work with council specifically on that?

Mr JENKINS: Yes, councils and their tourism development officers. I work with them on their proposals and give them advice on their proposals for applications to programs, not only State Government programs but Commonwealth Government programs.

The Hon. NATASHA MACLAREN-JONES: In the government submission it talks about investing in start-ups in the regions. Is there much work being done in this region?

Mr JENKINS: Yes. In particular I helped facilitate some support to Southern Cross University in that aspect to help fund their enterprise lab, which is focused on start-ups and early entrepreneurs to advance their ideas and products.

The Hon. JOHN GRAHAM: I am interested in the bureaucratic arrangements. I do not know much about how your role is structured at the moment but I wondered whether you had any view about how it compared to some of the old roles in the Premier's Department—Premier's Department coordinators. You are very much focused on the business development part of it. Have you got any view about how those roles work at the moment or how that compares over time? Feel free to say no if you do not know.

Mr JENKINS: No.

The Hon. JOHN GRAHAM: I turn to the tourism question in particular. The Committee has heard evidence on issues concerning tourism, in particular international tourism, with a strong argument being put that we have to get people to Sydney and then get them out into the regions. Obviously it is quite a different dynamic up here, given the scale of the airport. I just wondered, particularly on that international tourism question, what your perspective is, given the businesses you are working with here?

Mr JENKINS: I have not got a tourism background so I take my advice from those people who are qualified in that area in the region. As I said, I work closely with the councils and the tourism development managers. The focus is on getting the information into those overseas destinations to encourage people to travel to this part of Australia. So getting the promotional material, the ideas about itineraries and all of that into the market overseas rather than concentrating on, say, Sydney or the Gold Coast. That is the advice that I get from those guys.

The Hon. JOHN GRAHAM: Do you think it is realistic to put in a pitch? Some of the Queensland destinations are putting in a pitch for people to arrive directly there. They are some of the key players in Australia, alongside Sydney. Do you see that as realistic for that area? Is that how businesses in this area think?

Mr JENKINS: Yes, I think that would be a great opportunity to promote the Gold Coast into Brisbane and to encourage those international visitors that come there, down south of the border.

The Hon. JOHN GRAHAM: What is the balance of international and domestic tourism at the moment, from your experience?

Mr JENKINS: I do not know the exact numbers, I am sorry, I will have to take the question on notice.

The Hon. JOHN GRAHAM: Understood. You have talked about some of the environmental tourism, some of the focus, particularly in this part of the world. Those are some of the things that have drawn people to this part of the world. How do you see that developing over the next five or 10 years?

Mr JENKINS: We are seeing growth in environmental tourism. Drive routes are just growing. As a group, Australia Green Cauldron tries to facilitate and help those businesses within the region develop better. We have provided support in mentoring to grow those businesses. One of our mentoring programs has been a NSW Tourism Award winner last year to help them grow their business in Byron Bay. They are going very well in Brunswick Heads; they are going very well at the moment. As an individual, I work closely with my stakeholders to try to facilitate growth in these businesses and to provide support in their professional development.

The Hon. JOHN GRAHAM: Lastly, we have heard about State Government support for the rail trail proposal. I am not sure whether you are dealing with this project but do you have any perspectives about what would help to get Federal Government support for that project?

Mr JENKINS: I do not, because I do not think we can do any more.

The Hon. JOHN GRAHAM: Any advice on the timelines that might be useful for the Committee or the members who are interested?

Mr JENKINS: The timelines for?

The Hon. JOHN GRAHAM: The view was put to us earlier today that the Tweed is going to revisit its Federal submissions. Any advice on what the timelines are for that?

Mr JENKINS: I understand that Tweed Shire Council has put in an application now for the regional jobs and investment program. I am led to believe that there will be a decision on those applications in around October from my Federal counterpart, yes.

The Hon. PAUL GREEN: Do you know what the unemployment rates are up here?

Mr JENKINS: I do not know the exact ones to date, but I can take that on notice and provide that information.

The Hon. PAUL GREEN: Is there anything that we have not asked that you think we should know about—what you do up here and opportunities that exist that maybe some of our recommendations could address?

Mr JENKINS: Not really; I cannot think of anything.

The CHAIR: Are you based in Lismore?

Mr JENKINS: Yes.

The CHAIR: So how do you handle the distances? How do you prioritise which towns and businesses get support?

Mr JENKINS: I do not do it that way. Generally if I come to the Tweed, for instance, I will make a number of appointments. It is 100 kilometres; it is an hour's drive. Generally if I am up here I will do more than one visitation, if it is a long meeting. I do not really prioritise the area I go to. I guess I prioritise it on the urgency of the need and on what I have got to do in a certain time frame.

The CHAIR: I guess what we are trying to establish is whether there are enough resources for business support in the region. You probably will not want to answer that.

Mr JENKINS: Yes, that is true.

The Hon. MICK VEITCH: You were answering some of Mr Graham's questions concerning the visitor economy. Just how big is the Indigenous part of the visitor economy in this part of the State? I ask this question because we heard down at Eden that the local Indigenous community is working on a walking trail that is quite significant so that they can leverage off the back of the cruise ships that will be stopping at Eden. They are working at their own business models around all of that. Up here Brisbane has the Commonwealth Games and things like that. Are you doing any work with Indigenous businesses or Indigenous communities around their accessing of the visitor economy?

Mr JENKINS: Not in particular Indigenous businesses or Indigenous communities. As I said, we are working with all businesses across the region. There is a real opportunity for Indigenous businesses to participate and grow in this area and we always encourage that. There is probably a need for some capacity building, as you probably heard down at Eden. It is an area that lends itself very well to Aboriginal business and to which Aboriginal businesses or Aboriginal people have been exposed and are familiar with.

The Hon. MICK VEITCH: Bundian Way is what I am talking about down at Eden. It is quite an exciting proposal.

The Hon. PAUL GREEN: We have had a conversation about the opportunities with the Commonwealth Games and it seems like Destination NSW has not really capitalised on that. Do you have a view on that?

Mr JENKINS: I do not have a comment on Destination NSW's participation in that. But as an agency, we ran procurement workshops for businesses in this part of the region, both identifying how businesses could procure or supply to the Commonwealth Games in the construction phase and in the phase next year when it actually happens—supplying services, food and the like. We provided that for businesses in this part of the State but I do not have a comment on Destination NSW.

The CHAIR: Our focus is very much on Sydney as a global city, and how the regions can leverage off that. The Tweed—particularly this part of the north—seems to be quite different to a lot of other regions. The influence is more from south-east Queensland. Can you comment on that, and how you see the relationship working. What is the relationship between the region and Sydney?

Mr JENKINS: I know that businesses in this part of New South Wales export out of Sydney. They would still use Sydney as a meeting place. I know businesses that do that. I would agree with the Tweed Shire

Council. As I said in my opening statement, they look further north to Brisbane and the Gold Coast . That is their catchment area, particularly because one of the largest industries in this part of the world is tourism.

The CHAIR: We know about the size of your job so we are going to give you an early mark to continue with it. Thank you for coming along.

Mr JENKINS: Thank you very much.

(The witness withdrew)

The Committee adjourned at 11.50 a.m.