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by

John Wilkinson

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Regional NSW – Economic Survey and Development Initiatives

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John Wilkinson

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SUMMARY

This Briefing Paper presents a comparative economic survey of the regions of NSW. Presented are key economic indicators for each region, as well as government initiatives to encourage regional development. Similar initiatives in other selected jurisdictions are also noted and assessed.

Unemployment rates vary between the regions of NSW, as they do between the regions collectively and Sydney. The average unemployment rate between January and August 2009 for Sydney was 6.3%. In that same period a number of regions had lower unemployment rates: the Murrumbidgee-Murray regions (in this regard, combined by the Australian Bureau of Statistics) had an unemployment rate of 5%; the Hunter region registered 5.7%; and the Northern/North West/Central West and Far West regions (again, combined by the ABS for this purpose) recorded 6.2%. Conversely the Illawarra and South East regions registered a joint unemployment rate of 6.6% and Richmond-Tweed and Mid-North Coast regions recorded a combined rate of 7% (pages 3-4).

Employment in the regions does not necessarily correspond to higher or lower rates of unemployment. While the Richmond-Tweed/Mid-North Coast had the highest unemployment rate (between January-August 2009) of any of the regions (or ABS grouped regions), there were over 22,000 more people employed in the two regions in 2006 than in 2001. The Murrumbidgee-Murray combined regions recorded the lowest January-August 2009 unemployment rate, and yet only around 4,000 more people were employed in 2006 than in 2001 (pp.5-7, 20-24).

Regional NSW, collectively, does have a higher unemployment rate than the other regional areas of the Australian states. South Australia has the lowest regional unemployment rate, while Western Australia has the second lowest (p.4)

In the USA, which has a substantial regional segment, unemployment rates in American regions appear even more pronounced. Compared to the national average unemployment rate (across the regions) of 9.8%, in February 2009, some regional areas of American states had unemployment rates of between 13% and 15% (p.25)

Assistance programs for regions in New South Wales have evolved considerably in the second half of the preceding century. In the 1970s, as well as providing assistance for individual firms in the regions, state (and federal) funds were applied to developing two regional centres (Albury-Wodonga and Bathurst-Orange) into growth centres. A regional industrial base was also planned in the Hunter. The failure of these strategies to achieve the aims for which they were established, led either to: the rationalisation of regional development policy (to an essentially firm-based assistance policy); or to the straightforward transfer of government departments to the regions; or to strategies essentially aimed at sustaining the lives of people already living in the regions - such as maintaining schools and hospitals (pp.25-32, 49-50).

Regional development programs in the other states of Australia, in their current form, were largely introduced in the 1990s. The state which appears to have the greatest degree of funding for regional development is Western Australia, where the chief executive officers of the WA development commissions are members of the public service with the status of a head of department (p.37)

A notable contribution to regional development comes from foreign direct investment (FDI). Several regions in NSW have attracted a significant number of overseas companies (pp.40-46)

Another contribution to regional development is the strategy of clustering. In its present day form it contributes to regional development by fostering the growth of companies that can exploit an association with an adjacent university. This has been particularly employed in the Hunter region: to expand a cluster of advanced technology firms that can take advantage of links with the centres of excellence at Newcastle University. There is also an expectation that a cluster of firms may be developed that can capitalise on the opportunities in the Rudd government's Defence Capability Plan (pp.52-53).

1. INTRODUCTION: THE REGIONS OF NSW

This Briefing Paper presents a comparative economic survey of the regions of NSW. Presented are key economic indicators for each region, as well as government initiatives to encourage regional development. Similar initiatives in other selected jurisdictions are also noted and assessed.

(a) Declaration of Regions by the NSW Government

Between 1947 and 1948, following the deliberations of the Committee on Regional Boundaries, the McGirr government announced the division of NSW into 20 regions (including Sydney). Around 25 years later, the Askin government reduced the number of regions to 9.[1] Currently, there are 12 regions in NSW, as follows:

Richmond Tweed
Mid-North Coast
Northern (formerly New England)
North West
Central West
Far West
Hunter
Sydney
Illawarra
South East
Murrumbidgee
Murray

For the purposes of the collection and publication of statistical data, the Australian Bureau of Statistics generally follows the definitions of regions as proclaimed by the NSW government. On an overall basis, New South Wales is divided by the ABS (as in the case of other states) into Statistical Divisions (SDs), Statistical Sub-Divisions (SSDs) and Statistical Local Areas (SLAs) as follows:

ABS Hierarchy of Statistical Classifications: NSW[2]

Classification	Number
Statistical Division	12
Statistical Sub-Divisions	50
Statistical Local Areas (Equivalent to Local Government Areas)	199

1 Charles Harris and Kay Dixon, *Regional Planning in New South Wales and Victoria with special reference to the Albury-Wodonga Growth Region* (Centre for Research on Federal Financial Relations, Australian National University, Canberra, 1978), p.15; *Statement on Regional Development: Making Regional Development Happen* (Department of Business and Regional Development, Sydney, 1994).

2 Australian Bureau of Statistics, *Statistical Geography*, Vol.I, *Australian Standard Geographical Classification* (Australian Bureau of Statistics, Canberra, 2001), pp.120-121.

As regards the ABS approach to regions, the bureau has stated the following in its *Australian Geography* publication:

> In New South Wales, SDs correspond to proclaimed government regions with the exception that the North Coast region consists of the SDs of Richmond-Tweed and Mid-North Coast.[3]

MAP OF THE REGIONS OF NSW

[3] Ibid., p.15.

2. METROPOLITAN AND REGIONAL UNEMPLOYMENT

(a) New South Wales Unemployment Rate Compared to other States in Australia

The NSW unemployment rate in August 2009 was 6.1%, below that of Victoria but higher than the rest of the mainland states. The statistics are as follows:

NSW/Victoria/Queensland/South Australia/Western Unemployment Rates: August 2009[4]

Victoria	6.2%
New South Wales	6.1%
Queensland	5.9%
South Australia	5.8%
Western Australia	5.4%

(b) Unemployment in Sydney Compared to the Regions of NSW

Unemployment rates vary between NSW and Australia as a whole, and amongst the regions of the state. Over the period January-August 2009 the national unemployment rate was 5.7%, and the NSW unemployment rate was 6.3% (both adjusted for seasonal variations).[5]

The (combined) Northern/North-West/Central West/Far West regions, the Hunter region and the (combined) Murrumbidgee and Murray regions had unemployment rates below both the state and national averages:

---

4 Australian Bureau of Statistics, *Labour Force: Australia*, ABS Catalogue 6202.

5 See Australian Bureau of Statistics, *Labour Force Historical Time Series*, electronic catalogue 6204.0.55.001; *Labour Force, Australia, Detailed,* electronic catalogue 6291.0.55.001.

Unemployment Rates: Sydney and Regional NSW (2004 – January/August 2009)[6]

	Sydney	Richmond-Tweed/Mid-North Coast	Northern/North-West/Central West/Far West	Hunter	Illawarra/ South East	Murrum-bidgee/ Murray
2004	4.4%	8%	6.1%	6.7%	7.4%	4.2%
2005	4.5%	9%	5.5%	6%	7.7%	5.9%
2006	4.3%	7.5%	5.3%	6.1%	8.7%	5.1%
2007	4.4%	7%	5.2%	5%	6.2%	4.3%
2008	5.3%	7%	5%	4.8%	5.1%	4.3%
2009 (Jan-Aug)	6.3%	7%	6.2%	5.7%	6.6%	5%

(c) Regional NSW compared with Regional Areas of Victoria, Queensland, South Australia and Western Australia

The average unemployment rate for regional NSW (the "balance" of NSW), for the period January-August 2009, was 6.2%. The other states for which the ABS prepares "balance of" statistics are Victoria, Queensland, South Australia and Western Australia. The regional figures for these states, as well as NSW, are as follows:

NSW/Victoria/Queensland/South Australia and Western Australia Regional Unemployment Rates: 2004 – January/August 2009[7]

	2004	**2005**	**2006**	**2007**	**2008**	**January-August 2009**
NSW	6.4%	6.6%	6.3%	5.4%	5.3%	6.2%
Victoria	6.5%	6.5%	5.9%	5.1%	4.7%	5.6%
Queensland	5.9%	4.9%	4.8%	3.7%	4.1%	5.7%
WA	5%	4.5%	3.4%	3.5%	3.4%	5%
SA	5%	3.5%	4%	4.1%	4.6%	4.2%

It shows that of the reported States, NSW had the highest regional unemployment, two percentage points higher than the lowest State, South Australia.

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6 Ibid.

7 Australian Bureau of Statistics, *Labour Force: Historical Timeseries, Australia*, Catalogue No. 6204.0.55.001 (electronic).

3. NSW REGIONS IN DETAIL

Richmond-Tweed[8]

On an overall level, 11,567 more people were employed in the region in 2006 than were employed 5 years before. The Richmond-Tweed and the Mid-North Coast (its neighbour to the south) have unique qualities in that both regions have exceptionally high numbers of residents over the age of 55: 27% in the case of the Richmond-Tweed and 30% in the case of the Mid-North Coast.

As indicated in the appendix to this paper, a significant number of the region's largest employers are retirement villages. The largest increase in persons employed in the region during 2001-06 occurred in the "health care and community services" category, to which retirement villages belong. On the other hand, jobs continued to disappear as the process of adjustment continues in the dairy industry.[9] These trends can be seen in the accompanying table for persons employed (2001-2006):

---

8 The Richmond-Tweed region extends from Tweed Heads (in the north) to Casino (in the south), and westwards to Kyogle. See Australian Bureau of Statistics, *Regional Statistics: New South Wales* (Australian Bureau of Statistics, Canberra, 2004), p.35.

9 In 2000 the Howard government, and the various state governments, jointly agreed to eliminate price controls for the sale of milk (then maintained by the various milk marketing authorities). The Howard government then introduced the Dairy Structural Adjustment Program (DSAP) which set aside a sum of around $1.7 billion to assist farmers, affected by the price decreases, to leave the industry. NSW deregulated the price of milk four months after the other states in June 2000. In August 2000, Woolworths announced standard national milk prices for its in-house milk label. This was the first time that a retail chain had set a national price for milk. As AusVet Animal Health Services commented, "These factors are contributing to a trend for farmers to leave the [dairy] industry." See AusVet Animal Health Services, *A Review of the Structure and Dynamics of the Australian Dairy Industry* (AusVet Animal Health Service, Canberra, 2005), p.20.

Richmond-Tweed: Employed Persons by Occupation (2001-2006)[10]

	2001	2006	Difference
	Persons	Persons	
Retail	13,064	15,091	+2,027
Health Care and Community Services	8,924	11,479	+2,555
Education and Training	6,382	7,366	+984
Manufacturing	6,301	6,782	+481
Property and Business Services	5,994	6,940	+946
Agriculture, Forestry and Fishing	5,552	4,907	**-645**
Construction	5,411	7,923	+2,512
Accommodation and Food Services	5,380	6,088	+708
Wholesale Trade	3,256	3,129	**-127**
Government Administration and Defence	2,683	3,487	+804
Personal and other Services	2,640	3,017	+377
Transport and Storage	2,404	2,808	+404
Cultural and Recreational Services	1,707	1,888	+181
Financial and Insurance Services	1,534	1,730	+196
Communication Services	995	934	**-61**
Electricity, Gas and Water Supply	353	473	+120
Mining	109	214	+105
TOTAL	72,689	84,256	+11,567

Mid-North Coast[11]

10,553 more people were employed in 2006 in the Mid-North Coast than 5 years previously. As mentioned above, the Mid-North Coast has even more people aged 55 or over than the Richmond-Tweed. Again this accounts for the high number of large employers which are retirement villages with "health care and community services" accounting for the biggest increase in persons employed between 2001 and 2006.

The Mid-North Coast has also been able to attract a degree of manufacturing within its boundaries. Thus in the Coffs Harbour-Kempsey-Taree area, there are companies such as Akubra Hats, Amcor, Boral Bricks, Express Coach Builders, Schefenacker Lighting Systems and United Goninan (see appendix). On the other hand, jobs continue to disappear in agriculture, particularly in the dairy industry. This may be the result of both industry adjustment and the effects of the 2002-

10 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

11 The Mid-North Coast region extends from Grafton, through Coffs Harbour and Port Macquarie, to Taree. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.39.

2003 drought.[12] Again, these developments can be seen in the following table for persons employed and increases/decreases in employment:

Mid-North Coast: Employed Persons by Occupation (2001-2006)[13]

	2001	**2006**	**Difference**
	Persons	Persons	
Retail	17,114	18,814	+1,700
Health Care and Community Services	10,900	13,747	+2,847
Manufacturing	7,586	8,106	+520
Education	7,274	8,382	+1,108
Construction	7,010	8,768	+1,758
Property and Business Services	6,737	7,487	+750
Accommodation, Cafés and Restaurants	6,605	7,372	+767
Agriculture, Forestry and Fishing	6,043	5,361	**-682**
Wholesale Trade	4,077	3,422	**-655**
Government Administration and Defence	3,779	4,811	+1,032
Personal and other Services	3,357	3,836	+479
Transport and Storage	3,179	3,684	+505
Financial and Insurance Services	2,027	2,148	+121
Cultural and Recreation Services	1,952	1,905	**-47**
Communication Services	1,327	1,174	**-153**
Electricity, Gas, Water and Waste Services	925	1,347	+422
Mining	134	215	+81
TOTAL	90,026	100,579	+10,553

Northern[14]

In the Northern region nearly 2,000 more people were employed between 2001 and 2006. As in the case of the Richmond-Tweed and Mid-North, the Northern and North West regions have had to cope with the impact of rural adjustment. In this region, rural adjustment involved the wool industry, and in particular the abolition of the Australian Wool Corporation (which, between the 1970s and the 1980s, had intervened in auction sales to maintain the price of wool).[15] It has been estimated

12 AusVet Animal Health Services, op.cit., p.60.

13 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

14 The Northern region extends from north of Armidale southwards to Tamworth, and westwards to Moree and Narrabri. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.43.

15 Wool Industry Review Committee, *Wool: Structuring for Global Realities* (Australian Government Publishing Service, Canberra, 1993), pp.73-74.

that throughout Australia, following the demise of the reserve price scheme in 1991/92 receipts from the sale of wool declined by about 35%.[16] While there are still some very large sheep graziers in the region,[17] New England and North West producers have refocused on beef production. In 2006-07 there were 3,203 beef cattle farms, compared to 1,717 farms running sheep.[18] However, more than 1,000 jobs were lost, in primary production, between 2001 and 2006.

Compensating for the loss of jobs in primary production is New England's strength in education (see appendix). Around 500 academic staff, and nearly 750 general staff, are employed at the University of New England and there are around 5,000 internal and 13,000 external students.[19] At the Armidale campus of New England Institute of TAFE there were 3,980 enrolments in 2007.[20] There are also 124 government primary and secondary schools in the New England region alone.[21] There have also been gains in employment in health and community services between 2001 and 2006. The contrasting trends in employment are illustrated in the tables below:

16 R.B. Hacker, S.A. Khairo, J.D. Mullen and D.P. Patton, *The Profitability of Alternative Sheep Enterprises in the Pastoral Zone of NSW* (Trangie Agricultural Research Centre, Trangie, 2006), p.1.

17 Warren Coventry, in the Armidale district, runs the world's biggest fine wool producing property: grazing 85,000 sheep on 25,637 hectares and producing 2,500 bales (around 425,000 kilograms) of fine wool a year. See the *Country Leader*, October 2009.

18 Australian Bureau of Agricultural and Resource Economics (ABARE), *Commodity Outlook and Financial Performance of Key Agricultural Industries in New England and North West Slopes and Plains* (ABARE, Canberra, 2009).

19 University of New England, *Annual Report: 2007* (University of New England, Armidale, 2008), p.2. In 2002 UNE had the highest number of students enrolled in distance education of any Australian university: a total of 76.5%. See David Cottle and M. Williams, "Future Human Capability Building in Sheep and Wool Science" in the *International Journal of Sheep and Wool Science*, vol.54, issue 2, 2006.

20 New England Institute of TAFE, *Annual Report: 2007* (New England Institute of TAFE, Tamworth, 2007), p.4.

21 See the NSW Public Schools section of the NSW Department of Education and Training website at www.schools.nsw.edu.au/schoolfind/locator/.

Northern Region: Employed Persons by Occupation (2001-2006)[22]

	2001	**2006**	**Difference**
	Persons	Persons	
Agriculture, Forestry and Fishing	13,588	12,317	**-1,271**
Retail	10,312	10,693	+381
Health and Community Services	6,928	7,807	+879
Education	6,212	6,933	+721
Manufacturing	4,774	5,290	+516
Property and Business Services	4,581	4,484	**-97**
Construction	3,714	4,285	+571
Wholesale Trade	3,574	2,742	**-832**
Accommodation, Cafes and Restaurants	3,529	3,470	**-59**
Government Administration and Defence	2,892	3,628	+736
Transport and Storage	2,717	2,923	+206
Personal and other Services	2,252	2,269	+17
Financial and Insurance Services	1,347	1,421	+74
Communication Services	835	696	**-139**
Cultural and Recreational Services	954	978	+24
Electricity, Gas and Water Supply	409	520	+111
Mining	292	369	+77
TOTAL	68,910	70,825	+1,915

North-West Region[23]

In the North West region there were 613 less people in employment in 2006 than in 2001. Roy Powell has attributed this trend in unemployment in the Namoi district (covering a major portion of the North-West, from Tamworth to Walgett) both to rising levels of productivity (or high levels of mechanisation) in primary production and to industry restructuring (particularly in meat processing) – amongst other factors.[24] This can be seen in the figures for employment between 2001 and 2006 (with over 1,000 jobs lost in primary production):

---

22 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

23 The North-West region extends from Coonabarabran and Dubbo westwards to Bourke and Cobar. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.49.

24 In their report for the Namoi Catchment Management Authority, Roy Powell and his colleagues reported an average yearly unemployment rate for the Namoi area (between 1985 and 2005) of around 10% .See Adele Bentham, Linden Chalmers and Roy Powell, *Socio-Assessment of the Namoi Catchment Action Plan: The Namoi Region Economy* (Centre for Agricultural and Regional Economics, Armidale, 2006), table 3-4. See also Judith McNeill, Roy Powell and Richard Stayner, "Targeting Assistance in a Resource-Dependent Region", paper presented at the *Proceedings of the Inaugural National Regional Research Colloquium*, Canberra, 2004.

North West Region: Persons Employed by Occupation (2001-2006)[25]

	2001	**2006**	**Difference**
	Persons	Persons	
Agriculture, Forestry and Fishing	9,107	7,746	**-1,361**
Retail	6,745	6,706	**-39**
Health and Community Services	4,470	5,181	+711
Education	3,512	4,045	+533
Manufacturing	3,231	2,806	**-425**
Property and Business Services	2,731	2,558	**-173**
Wholesale Trade	2,647	1,833	**-814**
Construction	2,521	2,794	+273
Accommodation, Cafes and Restaurants	2,490	2,364	**-126**
Government Administration and Defence	2,164	2,541	+377
Transport and Storage	1,650	1,742	+92
Personal and other Services	1,494	1,453	**-41**
Mining	1,049	1,471	+422
Financial and Insurance Services	790	780	**-10**
Cultural and Recreational Services	684	623	**-61**
Communication Services	532	441	**-91**
Electricity, Gas and Water Supply	371	491	+120
TOTAL	46,188	45,575	**-613**

Central West[26]

In the Central West 2,383 jobs were created between 2001 and 2006. However, within the region itself there are distinct individual differences. In Lithgow, the smallest of the three major towns, the unemployment rate in 2006 was 8.5%.[27] In contrast, in Orange the unemployment rate in 2006 was 4.9%,[28] and in Bathurst it was 5.3% in 2005.[29]

25 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

26 The Central West region extends from Lithgow westwards through Bathurst, Orange, Parkes, Forbes and West Wyalong. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.55.

27 Lithgow City Council, *Social Plan 2006-2011*, revised edition (Lithgow City Council, Lithgow, 2008), p.14.

28 Orange City Council, *Orange Economic Profile* (Orange City Council, Orange, 2008), p.3.

29 Central West Regional Development Board, *Central West Overview* (Central West Regional Development Board, 2006), p.2.

Between 2001 and 2006 nearly 700 jobs were lost in manufacturing, despite the presence of a considerable manufacturing base (see appendix). Within the wool processing industry alone, the Canobolas Wool Topmaking plant at Orange closed as did the Lachlan Industries scouring plant at Cowra.[30]

In contrast employment in the mining sector increased. In 2003 the Western District Coalfield (extending from Lithgow to Ulan) produced 15.9 million tonnes of coal.[31] Currently Xstrata operates the Ulan coal mine and Peabody operates the Wilpinjong coal mine. There are three large copper and gold mines in the region. North Parkes is a gold and copper mine near Parkes, operated by Rio Tinto. Lake Cowal is a gold mine (operated by Barrick Gold) near West Wyalong. Ridgeway and Cadia Hill mines (near Orange), operated by Newcrest Mining (Australia's biggest gold mining company), produce gold and copper. In 2006 the two mines combined produced 560,690 ounces of gold and 61,120 tonnes of copper.[32]

Other sectors contributing to employment growth are health and education. The Greater Western Area Health Service, which extends from Dubbo through Orange/Bathurst to Broken Hill, has 33 public hospitals and 59 community health centres.[33] Orange Base Hospital has 699 full-time equivalent (FTE) staff and Bathurst base hospital 449 FTE positions.[34] 1,231 new jobs in health and community services were created between 2001 and 2006. Throughout the combined Central West and Far West regions there are 197 government primary and secondary schools.[35] 481 more people were employed in education in 2006 than in 2001. The influence of the health, education and mining sectors is highlighted in the tables below:

---

30 Australian Wool Innovation, *Submission to the Department of Foreign Affairs and Trade* (Australian Wool Innovation, Sydney, 2004), p.15.

31 Central West Regional Development Board, *Central West Overview*, p.12.

32 Central West Regional Development Board, *Infrastructure Australia Discussion Paper 1* (Central West Regional Development Board, 2008), p.2; Central West Regional Development Board, *Central West Overview*; NSW Department of Primary Industries, *Minerals Industry Annual: 2008* (NSW Department of Primary Industries, Sydney, 2008), pp.63,69.

33 NSW Health, *Mature Workforce Retention Project* (NSW Health, Sydney, 2006).

34 NSW Health, *NSW Health Services: Comparison Data Book 2007-08*, vol.I, (NSW Health, Sydney, 2009), pp.70,80.

35 See the NSW Public Schools section of the NSW Department of Education and Training website at www.schools.nsw.edu.au/schoolfind/locator/.

Central West Region: Employed Persons by Occupation (2001-2006)[36]

	2001	2006	Difference
	Persons	Persons	
Retail	10,069	10,466	+397
Agriculture, Forestry and Fishing	9,886	8,759	**-1,127**
Manufacturing	8,012	7,335	**-677**
Health and Community Services	6,932	8,163	+1,231
Education	5,554	6,035	+481
Property and Business Services	4,407	4,247	**-160**
Construction	4,141	4,407	+266
Accommodation, Cafes and Restaurants	3,519	3,609	+90
Wholesale	2,969	2,471	**-498**
Government Administration and Defence	2,786	4,110	+1,324
Transport and Storage	2,734	2,925	+191
Personal and other Services	2,466	2,590	+124
Mining	1,846	2,470	+624
Financial and Insurance Services	1,220	1,237	+17
Electricity, Gas and Water Supply	988	1,101	+113
Cultural and Recreation Services	953	983	+30
Communication Services	837	794	**-43**
TOTAL	69,319	71,702	+2,383

Far West[37]

Along with the North West region, the Far West was the only other region to lose jobs between 2001 and 2006, with 325 less people in employment in 2006 than five years before.

Mining is the predominant economic influence in the Far West. A recent report by the Outback Development Forum noted that, "Mining is estimated to account for 23.6% of the total [regional] economy, almost ten times the state average of 2.5%."[38] During the First World War some 8,700 people worked in the mines in the region, and around 35,000 people lived in Broken Hill. As shown in the table below, in 2006 718 people were employed in the mining sector, and now some 18,500 people live in Broken Hill.[39]

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36 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

37 The Far West region effectively consists of Broken Hill and surrounding agricultural lands. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.79.

38 Outback Development Forum, *Far West Region: Growth and Investment Strategy* (outback Development Forum, Broken Hill, 2007), p.7.

39 See ABS http://www.censusdata.abs.gov.au/ABSNavigation/prenav/LocationSearch?

Since World War One when BHP was producing 150,000 tons of lead annually for export to Britain (to be manufactured into munitions), production has gradually declined.[40] BHP stopped mining lead in the area in 1939. In 1962 the Zinc Corporation (which had been set up in 1905 to extract zinc from the mine tailings) merged with the British mining company Rio Tinto, forming Rio Tinto Zinc (RTZ). RTZ then formed a subsidiary company - Conzinc Rio Tinto of Australia (CRA). However, with the increasing popularity of newer materials such as aluminium and plastic, lead and zinc products declined in importance and between 1972-73 and 1988-89 the two metals fell to 3.3% of total Australian mineral exports.[41]

In 1989 the zinc-lead-silver operations of CRA were merged with North Broken Hill Peko to form Pasminco: the latter becoming the predominant operator at Broken Hill. In 2002 Perilya mining took over Pasminco's operations. Perilya nonetheless has still been able to extract significant quantities of non-ferrous minerals from the mines and, in financial year 2007-2008, produced 91,295 tonnes of zinc and 52,412 tonnes of lead.[42]

Mining contributed to the biggest number of job increases between 2001 and 2006, with 201 new positions. Health and community services created 51 new jobs (the Broken Hill base hospital currently employing the equivalent of 310 full-time staff).[43] Primary production has, however, been affected by drought and accompanying water restrictions. Tandou (a 79,000 hectare agribusiness concern near Menindee) produced 49,528 bales of cotton in 2001/02, but grew no cotton in 2007/08.[44] The continuing influence of mining on the Far West region is evident in tables for the region's employment by occupation:

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40 See, W.E. Wainwright, "Mining and Metallurgy at Broken Hill" in Ambrose Pratt, *The National Handbook of Australia's Industries* (Specialty Press, Melbourne, 1934), pp.113,115,122; Trevor Sykes, *Two Centuries of Panic* (Allen and Unwin, Sydney, 1988), p.146; Robert Bollard, *'The Active Chorus': The Mass Strike of 1917 in Eastern Australia* (PhD Thesis, Victoria University, 2007), p.153; *ASHET News* (Newsletter of the Australian Society for the History of Engineering and Technology), vol.1, no.3, July 2008, p.6 .

41 Brian Pinkstone, *Global Connections: A History of Exports and the Australian Economy* (Australian Government Publishing Service, Canberra, 1992), p.217.

42 ACIL Tasman, *The Australian Minerals Industry's Infrastructure Path to Prosperity: An Assessment of Industrial and Community Infrastructure in Major Resources Regions*, vol.2, *New South Wales* (ACIL Tasman, Melbourne, 2009), p.58.

43 NSW Health, *NSW Health Services: Comparison Data Book 2007-08*, vol. 1, p.80.

44 See *Cotton Yearbook 2008* (Greenmount Press, Toowoomba, 2008), p.57; Tandou Limited, *Presentation: April 2009* (Tandou Limited, Mildura, 2009).

Far West Region: Persons Employed by Occupation (2001-2006)[45]

	2001	2006	Difference
	Persons	Persons	
Retail	1,380	1,338	**-42**
Health and Community Services	1,093	1,144	+51
Agriculture, Forestry and Fishing	976	607	**-369**
Education	621	619	**-2**
Accommodation, Cafes and Restaurants	527	537	10
Mining	517	718	+201
Property and Business Services	503	412	**-91**
Construction	416	392	**-24**
Personal and other Services	409	339	**-70**
Government Administration and Defence	361	476	+115
Manufacturing	317	288	**-29**
Wholesale Trade	272	248	**-24**
Transport and Storage	265	274	+9
Electricity, Gas and Water Supply	164	201	+37
Financial and Insurance Services	136	103	**-33**
Cultural and Recreational Services	136	108	**-28**
Communication Services	101	65	**-36**
TOTAL	8,194	7,869	**-325**

Hunter Region[46]

Despite the closure of the BHP steelworks in 1999, 25,205 more people were employed in the Hunter region in 2006 than in 2001. This is partly because manufacturing remains viable despite the departure of BHP. OneSteel was demerged out of BHP in 1999 and currently employs around 2,000 people.[47] The aluminium smelter at Tomago has a production capacity of around 525,000 tonnes a year and employs 1,200 people.[48] The aluminium smelter at Kurri Kurri has a production capacity of around 160,000 tonnes a year and employs around 500

45 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

46 The Hunter region extends from Gloucester through Newcastle to Cessnock, and westwards to Muswellbrook. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.25.

47 Information provided by OneSteel.

48 See Department of State and Regional Development, *Metal Manufacturing* (Department of State and Regional Development, Sydney, 2007); Rio Tinto, *Annual Report: 2008* (Rio Tinto, London, 2008), p.8

people.[49] EDI Rail has a contract to build 626 rail carriages for the NSW railways.[50] Volgren has a contract to build 150 articulated buses for the State Transit Authority, creating around 250 jobs.[51]

Expansion in the mining industry, with the arrival of Xstrata, has equally contributed to the increase in jobs. After originally purchasing the Mount Owen mine from BHP in 1998, Xstrata (by the end of 2007) operated 12 mines in the Hunter Valley and employed around 3,000 people.[52] Older established mine operators continue to prosper. Rio Tinto employs over 1,500 people at its Hunter Valley (Singleton), Mount Thorley and Bengalla mines and BHP employs over 600 people at its Mount Arthur operations.[53]

Health and education have equally become major contributors to employment in the region. John Hunter hospital, in Newcastle, is one of the largest hospitals outside of Sydney, employing the equivalent of 2,474 full-time staff.[54] In 2007 the University of Newcastle had: 846 full-time equivalent academic staff; 1,248 full-time equivalent general staff; and 19,000 students.[55] Newcastle City Council employs around 1,000 staff.[56] There are around 150 government primary and secondary schools in the Hunter region.[57] The contribution of the health, education, mining and manufacturing sectors to sustaining employment in the Hunter is shown by the accompanying tables for employment by occupation:

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49 See Hydro Aluminium, *Submission to the NSW Greenhouse Gas Reduction Scheme Transition Review* (Hydro Aluminium, Kurri Kurri, 2008).

50 Hunter Economic Development Corporation, *Hunter Investment Prospectus 2008* (Hunter Economic Development Corporation, Newcastle, 2008), p.49.

51 Jodi McKay MP, Speech delivered to the 45th Annual Sydney Luncheon of the Hunter Valley Research Foundation, 4 March 2009.

52 Peter Coates, *Xstrata Coal* (Xstrata Coal, Sydney, 2007).

53 See BHP Billiton, *Annual Environmental Management Report 2007* (BHP Billiton, Melbourne, 2007), p.6; Rio Tinto, *Sustainable Development Report 2006* (Rio Tinto, Brisbane, 2006), p.2.

54 *NSW Health Services: Comparison Data Book 2007-08*, vol.I, p.35.

55 Australian Universities Quality Agency, *The University of Newcastle: Performance Portfolio* (Australian Universities Quality Agency, Melbourne, 2008), preface.

56 See www.newcastle.nsw.gov.au.

57 See the NSW Public Schools section of the NSW Department of Education and Training website at www.schools.nsw.edu.au/schoolfind/locator/.

Hunter Region: Employed Persons by Occupation (2001-2006)[58]

	2001	**2006**	**Difference**
	Persons	Persons	
Retail	36,646	38,801	+2,155
Manufacturing	25,656	27,111	+1,455
Health and Community Services	24,565	30,490	+5,925
Property and Business Services	19,190	22,081	+2,891
Education	16,082	18,528	+2,446
Construction	16,494	19,724	+3,230
Accommodation, Cafes and Restaurants	12,146	13,153	+1,007
Wholesale	10,338	9,510	**-828**
Government Administration and Defence	9,856	12,616	+2,760
Transport and Storage	8,612	9,682	+1,070
Personal and other Services	7,765	8,659	+894
Mining	6,811	8,704	+1,893
Agriculture, Forestry and Fishing	6,641	5,873	**-768**
Financial and Insurance Services	5,559	6,800	+1,241
Cultural and Recreational Services	3,995	4,155	+160
Electricity, Gas, Water and Waste Services	2,914	3,473	+559
Communication Services	2,617	2,452	**-165**
TOTAL	216,607	241,812	+25,205

Illawarra Region[59]

In the Illawarra 11,367 more people were employed in 2006 than in 2001. However, unlike the Hunter nearly 1,500 jobs were lost in manufacturing during this period. Nevertheless the manufacturing sector (overall) remains relatively buoyant. While BHP quit steel making in Wollongong only three years after closing its Newcastle operations, BlueScope Steel (demerged from BHP in 2002) currently employs the equivalent of around 5,000 full-time staff.[60] The company makes steel for the building, automotive, white goods and general manufacturing sectors.[61]

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58 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

59 The Illawarra region extends from Wollongong through Nowra to Ulladulla, and westwards to Bowral. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.31.

60 Bluescope Steel, *Submission to the House of Representatives Standing Committee on Economics, Finance and Public Administration*, (Bluescope Steel, Port Kembla, 2006).

61 Bluescope Steel, *Submission to the Review of the Australian Automotive Industry* (Bluescope Steel, Port Kembla, 2008).

The Illawarra is similar to the Hunter region, nonetheless, in the contribution that mining makes to employment. Illawarra Coal (a subsidiary of BHP) employs nearly 1,000 people.[62] Nearly one thousand more people were employed in mining in 2006 than in 2001.

Heath and education made major contributions to employment growth. Nearly 1,700 full-time equivalent staff are employed at the Wollongong hospital,[63] and almost 3,500 more people were employed in health and community services in 2006 than five years before. There are 232 government primary and secondary schools in the combined Illawarra and South East regions.[64] The University of Wollongong has 16,000 students and 1,477 full-time equivalent academic and general staff.[65] Over 1,500 jobs were created in education in the 2001-2006 period. The contribution of the health, education and mining sectors to employment in the Illawarra is demonstrated by the following table:

62 See BHP Billiton, *Submission to the House of Representatives Standing Committee on Transport and Regional Services* (Bluescope Steel, Port Kembla, 2006); BHP Billiton, *Illawarra Coal: Independent Inquiry into NSW Southern Coalfield* (BHP Billiton, Port Kembla, 2007), pp.6,14.

63 *NSW Health Services: Comparison Data Book 2007-08*, vol.I, p.45.

64 See the NSW Public Schools section of the NSW Department of Education and Training website at www.schools.nsw.edu.au/schoolfind/locator/.

65 Australian Universities Quality Agency, *UOW Performance Portfolio: Appendices* (Australian Universities Quality Agency, Melbourne, 2005), p.122.

Illawarra Region: Employed Persons by Occupation (2001-2006)

	2001	**2006**	**Difference**
	Persons	Persons	
Retail	23,729	24,746	+1,017
Manufacturing	20,314	18,816	**-1,498**
Health and Community Services	15,365	18,856	+3,491
Property and Business Services	13,730	14,684	+954
Education	12,854	14,607	+1,753
Construction	12,196	13,696	+1,500
Accommodation, Cafes and Restaurants	8,246	8,823	+577
Government Administration and Defence	6,637	8,551	+1,914
Transport and Storage	6,101	6,884	+783
Personal and other Services	5,750	6,381	+631
Wholesale Trade	5,670	5,039	**-631**
Finance and Insurance	4,439	4,837	+398
Cultural and Recreational Services	3,183	3,429	+246
Agriculture, Forestry and Fishing	2,317	2,027	**-290**
Communication Services	2,175	1,751	**-424**
Electricity, Gas and Water Supply	1,157	1,176	+19
Mining	1,523	2,450	+927
TOTAL	145,386	156,753	+11,367

South-East Region[66]

Only 340 more jobs were created in the South East region between 2001 and 2006. The region (like the Central West) experiences significant regional variations in job creation. For instance, the 1992 completion of the Hume freeway bypass led to a short-term decline of activity in Goulburn. In 2003, the closure of Supertex (a manufacturer of towels) led to the loss of 110 manufacturing jobs.[67] In contrast, in 2007 Coles opened a regional distribution center in Goulburn. This cost $73 million to build and employs around 400 people. The largest commercial employer in Goulburn is Southern Meats, which processes around 8,000 sheep and lambs each day, and employs around 600 people.[68] Burrangong Meat Processors (BMP),

66 The South East region extends from Goulburn and Queanbeyan southwards to Bega, and westwards to Young and Harden. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.61.

67 See the Office of the Commissioner for Sustainability and the Environment, *State of the Environment Report: Goulburn Mulwaree Economy* (Office of the Commissioner for Sustainability and the Environment, Canberra, 2004), p.1.

68 See www.southernmeats.com.au

at Young, processes around 24,000 head of lambs, pigs and cattle a week and employs around 400 people.[69]

Other portions of the South East region have benefited from improved access to Canberra. In 2001 the then Prime Minister (John Howard) announced that a new defence facility (Defence Headquarters Australian Theatre) would be constructed on a site near Queanbeyan, a project that is intended to employ around 1,000 people. The construction of the defence headquarters contributed to the creation of just over 2,800 jobs in government administration and defence (the biggest area of job increases in the South East).

In the mountains below Canberra, timber processing and timber-related manufacturing are important. The biggest pulp and paper producer in the area is the Visy Pulp and Paper Mill at Tumut (which produces about 275,000 tonnes of brown kraft paper each year and employs around 150 people).[70] The biggest timber mill in the region is operated by Weyerhaeuser, which in 2002-03 processed 490,000 cubic metres of softwood and employed around 250 people.[71] Willmott Forests manages 53,000 hectares of commercial plantations, throughout NSW and Victoria, on behalf of 6,000 growers.[72]

However, in the southern coastal portion of the South East jobs continued to disappear as seasonal variations contributed to a slowdown in tourism,[73] and as the process of adjustment continued in the dairy industry.[74] Nearly 1,200 jobs were

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69 National Meat Training Advisory Council, *Establishing the Economic Benefits of a Meat Industry Trained Workforce: Report from the Community Study involving Burrangong Meat Processors and the Community of Young, NSW* (National Meat Training Advisory Council, Sydney, 2007), p.19.

70 See URS, *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales* (URS, Melbourne, 2004), p.7-4; ABB, *Visy Industries Improving Efficiency with ABB's Industrial IT* (ABB, Melbourne, 2002).

71 See *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales*, p.7-1; Forests NSW, *Bush Telegraph* (Forests NSW, Sydney, 2004), p.4

72 Willmott Forests, *Solid Woodlot Sales Relative to Market in FY 2009* (Willmott Forests, Melbourne, 2009).

73 In a submission to a parliamentary inquiry, the southern councils group wrote that, within the Eurobodalla shire (covering Batemans Bay-Bermagui), there is "one major industry, tourism. . . downturns in the. . .national economy magnify the economic impacts in our LGA as tourism spending is largely discretionary." See Southern Councils Group, *Submission to the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government* (Southern Councils Group, Kiama, 2009), p.4.

74 In 2005 Dairy Australia reported that, "The national herd declined by an estimated 24,000 cows during the 2004-05 season. This compares with losses reported last year of around 80,000 cows. In percentage terms, the most significant cow losses were from the Bega Valley and Western Australia." See Dairy Australia, *Dairy 2005: Situation and Outlook* (Dairy Australia, Melbourne, 2005), p.59. In the Bega area, in 2004 there were around 120 dairy farms and 25,000 dairy cows. See Commonwealth of Australia. Parliamentary Debates, Hansard. 23 March 2004, p.26941.

lost in the "accommodation, restaurants and cafes" employment category, between 2001 and 2006, and just over 1,000 jobs were lost in primary production in the same period. Dairy-related production has shifted to manufacturing with Bega Cheese becoming the biggest individual employer in the region, employing around 600 people on a full-time and part-time basis.[75] The growth in jobs in government administration and defence, and the continuing loss of jobs in tourism and primary production, is evident in the 2001 and 2006 census figures:

South East Region: Persons Employed by Occupation (2001-2006)[76]

	2001	**2006**	**Difference**
	Persons	Persons	
Retail	12,780	13,085	+305
Accommodation, Cafes and Restaurants	7,147	5,955	**-1,192**
Agriculture, Forestry and Fishing	8,057	7,055	**-1,002**
Government Administration and Defence	6,305	9,181	+2,876
Health and Community Services	7,850	8,805	+955
Property and Business Services	7,433	7,189	**-244**
Construction	6,244	7,325	+1,081
Manufacturing	6,013	5,842	-171
Education	5,209	5,780	+571
Personal and other Services	3,612	3,862	+250
Wholesale	3,598	2,675	**-923**
Transport and Storage	3,085	3,293	+208
Cultural and Recreational Services	1,968	2,033	+65
Finance and Insurance	1,608	1,377	**-231**
Communication Services	1,207	963	**-244**
Electricity, Gas and Water Supply	927	999	+72
Mining	258	223	**-35**
TOTAL	85,302	85,642	+340

75 South East (NSW) Area Consultative Committee (Seacc), *Regional Engagement Report* (Seacc, Queanbeyan, 2008), p.3.

76 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

Murrumbidgee[77]

1,324 more people were employed in the Murrumbidgee region in 2006 than in 2001. Again, as in many other regions of the state, jobs growth was held back by the continual shedding of jobs in primary production: over 2,000 between 2001 and 2006. A contributing factor has been the effect of the drought on the rice industry in the Murrumbidgee region (and in the adjoining Murray region). For instance, in 1997 there were 1,013 rice growers in the Murrumbidgee region, producing 628,932 tonnes of rice. By 2005 the number of growers had dropped by 514, with 499 rice growers producing 162,217 tonnes of rice.[78]

The grape growing and wine production sectors have also encountered difficulties. In 2006, the Murrumbidgee region produced 295,000 tonnes of wine grapes: 15% of the national crop.[79] However, because of a glut in production, the price obtained for wine grapes fell from $1,400 per tonne in 1997-98 to $400 per tonne in 2004-05.[80]

Again, like many other regions, the Murrumbidgee benefits from the existence of an extensive health service (just over 800 full-time equivalent staff work at the Wagga Base Hospital),[81] and from the presence of substantial education facilities. There are 191 government primary and secondary schools in the combined Murrumbidgee and Murray regions and 829 full-time equivalent staff employed at the Wagga campus of Charles Sturt University.[82] 1,318 jobs were created in health care and social assistance between 2001 and 2006, and 635 jobs were created in education during the same period.

Unlike a number of other inland regions, the Murrumbidgee has actually seen a growth in manufacturing. As in the case of the Mid-North Coast, the Murrumbidgee has been able to achieve this through developing a small manufacturing hub made up of firms based in Wagga, including firms such as Bartter Chickens, Cargill Meat Processing, Fonterra (dairy products) and Heinz (see appendix). The difficulties of

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77 The Murrumbidgee region extends from Cootamundra and Wagga Wagga westwards through Leeton and Griffith to Hay. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.67.

78 See Rice Marketing Board, *Annual Report: 2007* (Rice Marketing Board, Leeton, 2007), p.32.

79 Kim Anderson, Signe Nelgen, Ernesto Valenzuela and Glyn Wittwer, *Economic Contributions and Characteristics of Grapes and Wine in Australia's Wine Regions* (Centre for International Economic Studies, University of Adelaide, 2009), p.79.

80 Kiri-ganai Research, *The Australian Wine Grape Industry, Taking Stock and Setting Directions: 2006* (Kiri-ganai Research, Canberra, 2006), p.63.

81 *NSW Health Services: Comparison Data Book 2007-08*, vol.I, p.75.

82 Office of Planning and Audit, *Charles Sturt University Statistical Profile: 2008* (Charles Sturt University, Bathurst, 2008).

the agriculture sector - and the positive contributions from the health and education sectors - are highlighted in the table below:

Murrumbidgee Region: Persons Employed by Occupation (2001-2006)[83]

	2001	2006	Difference
	Persons	Persons	
Agriculture, Forestry and Fishing	10,867	8,850	**-2,017**
Retail	9,695	9,856	+161
Manufacturing	6,813	7,558	+745
Health and Community Services	5,280	6,598	+1,318
Education	4,926	5,561	+635
Wholesale	3,783	2,874	**-909**
Property and Business Services	3,748	3,941	+193
Government Administration and Defence	3,615	4,162	+547
Construction	3,555	4,022	+467
Accommodation, Cafes and Restaurants	2,970	3,163	+193
Transport and Storage	2,772	2,828	+56
Personal and other Services	2,223	2,101	**-122**
Finance and Insurance	1,130	1,204	+74
Electricity, Gas and Water Supply	743	800	+57
Communication Services	632	583	**-49**
Cultural and Recreational Services	760	718	**-42**
Mining	78	95	+17
TOTAL	63,590	64,914	+1,324

Murray[84]

In the Murray region there were 2,605 more people employed in 2006 than in 2001. As in the case of the neighbouring Murrumbidgee region, the drought has affected agricultural production. In 1997 there were 1,481 rice growers producing 751,862 tonnes of rice. By 2005 rice production was just 142,649 tonnes from 505 growers, with 976 rice producers leaving the industry.[85] Murray wine grape producers have equally encountered difficulties. In 2006, the Murrumbidgee region produced 219,600 tonnes of wine grapes: 12% of the national crop.[86] Like their neighbours in

83 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

84 The Murray region extends along the northern side of the Murray River, from Albury westwards through Deniliquin, Balranald and Wentworth. See Australian Bureau of Statistics, *Regional Statistics: New South Wales*, p.73.

85 See Rice Marketing Board, *Annual Report: 2007*, p.32.

86 Kim Anderson, Signe Nelgen, Ernesto Valenzuela and Glyn Wittwer, op.cit., p.77.

the Murrumbidgee, they have also had to experience the price for wine grapes falling from $1,400 per tonne to $400 per tonne.[87] 879 jobs were lost in primary production between 2001 and 2006.

There are a range of manufacturing companies operating in the Murray region, a number of which operate in the timber and paper sector. Norske Skog acquired the Fletcher Challenge paper mill at Albury in 2000. Norske Skog's Albury plant produces about 220,000 tonnes of newsprint a year, and employs around 230 people.[88] Hyne and Son purchased the former Boral timber mill, at Tumbarumba (in 2001) and, by 2002-03, was processing 244,200 cubic metres of logs a year and employing around 180 people.[89] ITI purchased the former Austral timber mill at Holbrook, in 2002, processing 120,000 cubic metres of logs in 2002-03 and employing around 110 people. In 2005, ITI sold the Holbrook mill to Hyne.[90] Despite the presence of these, and other manufacturing concerns, over 200 jobs were lost in manufacturing in the Murray region between 2001 and 2006.

As in the case of the Hunter, Illawarra, South East and Murrumbidgee regions, defence-related activity contributes to employment in the Murray. In 2006 Thales (through taking over ADI) acquired the management of the explosive and propellant factory at Mulwala (the federal government continuing to own the plant until 2015). The factory employs around 300 people.[91]

Like all the other regions, health and education contribute even more to employment. The Albury Base Hospital employs 539 full-time equivalent staff.[92] As mentioned earlier, there are 191 government primary and secondary schools in the combined Murray and Murrumbidgee regions.[93] 277 staff are employed at the

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87 Kiri-ganai Research, ibid. Australian Vintage (formerly McGuigan Simeon), which has a large crushing operation at Buronga (near Wentworth), made a loss of over $123 million in financial year 2007-08. See Eli Greenblat, "De Bortoli's New Red Leaves a Sour Taste" in the *Sydney Morning Herald (Business Day)*, 24 November 2009, p.5. The chief executive officer of Murray Valley Winegrowers (a body representing NSW and Victorian growers in the Murray valley) estimated that grower numbers in his organisation had fallen from 1,300 (in 2005) to less than 900 in 2009. See Asa Wahlquist, "Storm Clouds Threatening Wine Industry's Blue Sky" in *The Australian*, 19 November 2009, p.24.

88 See *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales*, p.7-4; www.norskeskog.com.

89 See *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales*, p.7-2; Tumbarumba Shire Council, *Tumbarumba* (Tumbarumba Shire Council, Tumbarumba, 2002).

90 See *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales*, p.7-2; www.itiaustralia.net.

91 Thales Australia, *Submission to the Parliamentary Joint Standing Committee on Public Works* (Thales Australia, Sydney, 2006).

92 *NSW Health Services: Comparison Data Book 2007-08*, vol.I, p.70.

93 See the NSW Public Schools section of the NSW Department of Education and Training

Albury campus of Charles Sturt University. The positive influence of the health, education and defence sectors (counteracting the job losses in primary production) can be seen in the tables for regional employment by category of occupation:

Murray Region: Persons Employed by Occupation (2001-2006)[94]

	2001	**2006**	**Difference**
	Persons	Persons	
Agriculture, Forestry and Fishing	8,173	7,294	**-879**
Manufacturing	6,155	5,929	**-226**
Retail	6,727	7,305	+578
Health and Community Services	4,287	5,064	+777
Education	3,025	3,357	+332
Accommodation, Cafes and Restaurants	2,935	3,142	+207
Property and Business Services	2,800	3,044	+244
Construction	2,654	3,592	+938
Wholesale	2,336	1,960	**-376**
Government Administration and Defence	1,864	2,367	+503
Transport and Storage	1,772	2,069	+297
Personal and other Services	1,312	1,372	+60
Finance and Insurance	800	917	+117
Cultural and Recreational Services	704	661	**-43**
Communication Services	465	404	**-61**
Electricity, Gas and Water Supply	420	496	+76
Mining	56	117	+61
TOTAL	46,485	49,090	+2,605

4. INTERNATIONAL EXPERIENCE: THE USA

In June 2009 the American Rural Policy Research Institute (based at the University of Nebraska) produced a report on unemployment rates in the non-metropolitan portions of the various states of the USA. The report authors concluded, from an aggregation of county level figures from the Bureau of Labor Statistics, that the unemployment rate throughout the non-metropolitan USA in February was 9.8%: almost 1% higher than for metropolitan USA (at 8.9%). The states in which the non-metropolitan unemployment rate was even higher were as follows:

website at www.schools.nsw.edu.au/schoolfind/locator/.

94 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

Higher than Average Non-Metropolitan (Percentage) Unemployment Rates in the USA: February 2009[95]

USA Non-Metropolitan Unemployment Rate (Average)	9.8
South Carolina	15.1
Oregon	14.4
Michigan	14.2
California	13.3
North Carolina	12.8
Tennessee	12.5
Indiana	12.1
Ohio	12.1
Arkansas	11.6
Massachusetts	11.3
Kentucky	11.2
Alabama	10.9
Georgia	10.9
Washington	10.9
Maine	10.7
Mississippi	10.5
New York	10.3
Minnesota	10.1
Wisconsin	10.1
Missouri	10
Virginia	10

95 Leah Kemper and Timothy McBride, *Impact of the Recession on Rural America* (Rural Policy Research Institute, University of Nebraska, Omaha, 2009).

5. REGIONAL DEVELOPMENT PROGRAMS IN NSW AND AUSTRALIA

(a) New South Wales

Transformation in Large Scale Regional Development

The Rise and Fall of Growth Centres

It was during Robert Heffron's ALP state government (1959-1964) that, in 1962, the then treasurer (Jack Renshaw) was also made Minister for Industrial Development and Decentralisation . However, it was Robert Askin's (Liberal Party-Country Party) state government (elected in 1965) which, according to Francis Hurley, ushered in "the first ministry and department in Australia to be devoted exclusively to development and decentralisation."[96] More than just inaugurating the first ministry for decentralisation, Askin introduced a policy of growth centres for furthering regional development. In October 1972 he announced that:

> The state government today selected the Bathurst-Orange area as the site of its first growth centre as a scheme to promote regional development and to relieve mounting social and economic pressures in metropolitan Sydney.[97]

Over the long term, the Askin government intended the combined population of the Bathurst-Orange centre (in the present-day Central West region of the state) to reach 240,000 by the year 2010.[98]

In 1973 Askin, together with the newly elected ALP Prime Minister of Australia (Gough Whitlam) and the then Premier of Victoria (Rupert Hamer), announced the creation of a second regional growth centre formed of Albury and Wodonga (in the present-day Murray region).[99] Askin believed that a population of 250,000 would live in the twin towns by 2000.[100] The funding arrangements, as described by Bruce Pennay, were as follows:

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96 Francis Hurley, *An Event that Never Happened: The History and Politics of Decentralisation in Victoria and New South Wales 1885-1985* (PhD Thesis, Deakin University, 1989), p.304.

97 Ibid., p.322.

98 Ibid.

99 Lionel Orchard, *Whitlam and the Cities: Urban and Regional Policy and Social Democratic Reform* (PhD Thesis, University of Adelaide, 1987), p.284; Bruce Pennay, *Making a City in the Country: The Albury-Wodonga Growth Centre Project 1973-2000* (University of NSW Press, Sydney, 2005), p.44.

100 Pennay, op.cit., p.37.

> the Commonwealth government was expected to provide funds for land acquisition, and land development, by way of loans. . .The states were expected to continue to disperse funds at their disposal for hospitals, schools and public housing. . .All three governments would share the cost of the Albury-Wodonga Development Corporation.[101]

A year later, Askin obtained passage of the *Growth Centres (Development Corporations) 1974* Act to facilitate NSW involvement in the centres. In the ten years between 1974 and 1984, the Bathurst Orange Development Corporation had: acquired 4,130 hectares of land; attracted $450 million in investment; and developed thirteen residential estates and four major industrial estates (two in each city).[102] Uncle Ben's opened a pet food processing operation in Bathurst in 1978 and Devro, a subsidiary of Johnson and Johnson, opened in Bathurst a year afterwards.

However, Neville Wran's ALP state government (in office from 1976 to 1986) gradually abandoned the Askin government Bathurst-Orange scheme. In 1979, Wran's then minister for decentralisation and development (Jack Hallam) declared that the government would "shelve plans to build a new city" at Bathurst-Orange. In 1985, Wran officially announced the phasing out of the Bathurst Orange scheme.[103] By 1986 the combined population of Bathurst and Orange had only increased to 65,900 (from 52,500 in 1971), an annual growth rate of just 1.5%.[104]

The entire phasing out of the Albury-Wodonga growth centre was initiated by Bob Hawke's federal ALP government (in office from 1983-1991). Even though by the late 1980s the Albury-Wodonga centre had accumulated a land bank of 24,000 hectares of land and had attracted over $1 billion of private investment, the combined population of the twin towns had grown from only 55,800 in 1971 to just over 63,000 by 1986 (far from the figure of 250,000 by the year 2000).[105]

In 1989 Hawke decided to alter the nature of the Albury Wodonga Development Corporation, gaining the approval of Nick Greiner's NSW Liberal Party-National Party government (which had won office in 1988) and that of the then premier of Victoria (John Cain). As the Senate's Rural and Regional Affairs and Transport Legislation Committee later summarized: "the three governments agreed to

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101 Ibid., p.46. F.A. Larcombe observed that in November 1974 the then NSW Minister for Decentralisation (James Bruxner) had written an article in the *Sydney Morning Herald* in which he had "stressed the $26,000,000 approved expenditure on the Albury-Wodonga and Bathurst-Orange schemes."See F.A. Larcombe, *A History of Local Government in New South Wales*, vol.III, *The Advancement of Local Government in New South Wales: 1906 to the Present* (Sydney University Press, Sydney, 1978), p.287

102 Orchard, op.cit., pp.290-292.

103 Hurley, op.cit., pp.340,347,349-350.

104 Orchard, op.cit., p.292.

105 Bernard Salt, *The Population Growth Database 2007* (KPMG, Melbourne, 2008), pp.36,52.

abandon the original aims of the scheme. Responsibility for planning was returned to local councils, while the corporation was required to provide a return to the Commonwealth on its original investment. Consequently the corporation became a property developer, selling land in order to provide a return to the Commonwealth."[106] Three years after concluding this agreement with the Hawke government, Greiner abolished the Bathurst Orange Growth Centre.

Six years after Hawke began the process of winding down the Albury-Wodonga growth centre, Paul Keating's ALP federal government (in office from 1991-1996), finalised the ending of the project. In 1993 Alan Griffiths (Keating's Minister for Industry, Technology and Regional Development) remarked on the ABC television program *Lateline* that:

> when companies stopped receiving the tax incentives and rebates which in the 1970s had induced them to transfer to the regional growth centres, they moved back to the capital cities.[107]

Two years later Keating's deputy prime minister (Brian Howe) announced that the Keating government was finishing its support for Albury Wodonga. According to Bruce Pennay, Howe "did not think that the concept of growth areas. . .was effective." Howe declared that all the assets of the Albury Wodonga Development would be sold off within five years.[108] Three years after gaining office federally, the Howard government obtained passage of the *Albury-Wodonga Development Corporation (Amendment) Act 1999*, to wind up the corporation within five years.[109]

At the beginning of the twenty-first century, Bob Carr's ALP state government (in office from 1995-2005) obtained passage of the *Albury-Wodonga Development Repeal Act 2000*, to complement the Howard government's policy. Although the Albury Wodonga Development Corporation (by this stage) had assets of over $138 million, and still owned 3,758 hectares of land on the Albury side of the border, the

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106 Senate Rural and Regional Affairs and Transport Legislation Committee, *Annual Report: 2005* (Senate Rural and Regional Affairs and Transport Legislation Committee, Canberra, 2005), p.15.

107 Interview with Alan Griffiths on *Lateline*, 21 July 1993. Just over 10 years previously, the British government (then led by Margaret Thatcher) decided to respond to the onset of the 1980s worldwide rececession by establishing enterprise zones (EZs). The EZs were set up on disused industrial land and companies were enticed to the zones by an exemption from local property taxes and by a 100% deduction on corporation and income taxes (for capital expenditure on industrial and commercial buildings). A subsequent report for the Thatcher government concluded that 86% of companies transferring to the EZs were simply transferring from one part of a county to another. In 1991 John Major (after succeeding Thatcher as prime minister the year before) phased out the scheme. See Leslie Papke, *What Do We Know About Enterprise Zones?* (National Bureau of Economic Research, Washington DC, 1993), p.20.

108 Pennay, op.cit., p.310. See also Senate Rural and Regional Affairs and Transport Legislation Committee, ibid..

109 Pennay, op.cit., p.326.

estimated combined population of the two cities had only reached around 78,000 by the beginning of the twenty-first century.[110]

Transfer of Public Sector Agencies to Regional Centres

The first significant transfer of government agencies occurred under Wran when the NSW police academy was transferred to Goulburn in 1984. At a federal level, in 1987 the Hawke government announced that 500 Australian Taxation Office staff would be transferred to Albury.[111] Greiner continued, and indeed expanded, the Wran government's policy of public sector agency transfer to regional NSW, including the relocation of the NSW Department of Agriculture from Sydney to Orange in 1991. Carr pursued this policy to an even greater level. In 1997 he convened a Country Summit. At the conclusion of the summit, Carr made a commitment to increase the relocation of state government jobs to regional NSW. From 2000 onwards, the Carr government transferred around 1,500 personnel to the regions, including: 480 staff of WorkCover to Gosford; 314 staff of Pillar Administration to Wollongong; and 200 Department of Mineral Resources staff to Maitland (see appendix 4). Morris Iemma's ALP government, which took office in 2005 (on Carr's resignation) discontinued this process.

Direct Budgetary Assistance for the Regions

On a statewide level, governments have used direct budget assistance to enhance services in the regions. For instance, in the health sector, in the 2000-2001 budget, the Carr government provided funding for the building, or redeveloping of 19 hospitals in regional NSW: 1 in the Richmond-Tweed region; 1 in the Northern region; 1 in the New England region; 7 in the North West; 2 in the Central West; 1 in the Hunter; 1 in the South East; 1 in the Murrumbidgee region; and 4 in the Murray. In the 2001-2002 budget, $324 million was provided for new facilities at the John Hunter and Mater hospitals in Newcastle.[112] The government also provided $181.5 million, in the 2000-01 and 2002-03 budgets, for the area health services in the Richmond-Tweed, the Mid-North Coast, the Hunter and the Illawarra.[113] In the 2002-03 budget, $10.4 million was provided to redevelop Kyogle hospital, $10.9 million to redevelop Bourke hospital, $10.9 million to redevelop Hay hospital and $5 million for new health services in Henty.[114] In the 2003-2004 budget, an extra

110 Salt, ibid.

111 Orchard, op.cit., p.309.

112 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2001-2002* (NSW Treasury, Sydney, 2001), p.9.

113 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2000-2001* (NSW Treasury, Sydney, 2000), p.8.

114 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2002-2003* (NSW Treasury, Sydney, 2002), p.18.

$244 million was provided for health services in regional NSW.[115]

In the education sector, in the 2000-2001 budget, an additional $40 million was provided for works at regional schools and $20.6 million was provided to improve facilities at TAFE colleges in the regions.[116] In the 2001-02 budget, an additional $157 million was provided for schools in regional NSW and an additional $68 million for TAFE.[117] In the 2002-2003 budget, a further $300 million was provided for schools in the regions and another $72 million for regional TAFE.[118] A year later, in the 2003-04 budget, $113 million was provided for the building, and refurbishing, of both schools and TAFE colleges in regional NSW.[119]

Scaling Down of Assistance to Companies in the Regions

While being an enthusiast of growth centers, Askin also focused on assistance to regional firms. A year after gaining office, Askin obtained passage of the *State Development and Country Industries Assistance Act 1966*. Under the Act, a Country Industries Assistance Fund (CIAF) was established. As described by Hurley:

> The main form of assistance was loan funds for up to 60% of land purchase and building costs where local governments were willing to provide 30%, and the firm 10%, of total costs. . .[the Country Industries Assistance] Fund was a 'revolving' fund in that repayments from loans were returned to the fund and $2 million was added to the fund each year from general revenue. As well as land and building finance, the Act provided initially for housing loans for a firm's key personnel, freight subsidies and various subsidies towards transfer, labour training and other costs. Further forms of assistance such as a country manufacturers' 5 per cent marginal preference allowance in tenders for supplies to government departments and authorities (1970) and programs of management education for country based executives (1971) were added periodically in amendments to the Act.[120]

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115 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2003-2004* (NSW Treasury, Sydney, 2003), p.25.

116 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2000-2001*, p.10.

117 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2001-2002*, p.12.

118 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2002-2003*, p.21.

119 NSW Treasury, *Budget Highlights for Rural and Regional New South Wales 2003-2004*, p.15.

120 Hurley, op.cit., pp.304.305.

Between 1966 and mid-1967, 171 companies were helped under the Act, receiving assistance totaling nearly $7.5 million.[121] Amongst the companies helped to relocate were: W.E. Smith Engineering (to Coffs Harbour in 1968); Borg-Warner (to Albury between 1969 and 1970); Clyde Industries (to Bathurst in 1971); Speedo Knitting Mills (to Taree between 1971 and 1972); and Ferrero Chocolates (to Bathurst in 1972).[122] By 1974, 898 industries had been either established or expanded in 170 country centres.[123]

Neville Wran, a year after gaining office, obtained passage of the *Country Industries (Payroll Tax Rebate) Act 1977* with the aim of helping regional firms by reducing their payroll tax bill. Interest rate subsidies, rental subsidies and a loan guarantee scheme were subsequently introduced (in 1983) and payroll tax rebates were increased for firms providing additional employment (a summary table of these measures is provided in appendix 3). In 1980, Wran established the Department of Industrial Development and Decentralisation (IDD). The new Minister for the IDD (Don Day) then transformed the Regional Advisory Councils (established under Askin) into Industry Development Boards.[124]

By the time that Nick Greiner gained office in NSW, the experience with Bathurst-Orange and Albury Wodonga was increasingly turning government towards smaller scale assistance (or, in Wran's case, towards larger scale assistance in regions closer to Sydney). A year after gaining office (in 1988), the Greiner government introduced a Regional Business Development Scheme (RDBS), administered by a Department of Business and Consumer Affairs. Greiner also transformed Wran's Industry Development Boards into Regional Development Boards (RDBs).

However, regional development incentives were wound back by the Greiner Coalition government in 1989, when automatic entitlement to relocation subsidies was replaced with individual case assessments under the Regional Business Development Scheme, and payroll tax rebates were largely eliminated. Nonetheless, towards the end of the Greiner government and during the term of the Fahey government regional relocation and expansion assistance increased to an average expenditure of $3.5 million per annum between 1989 and 1993.[125] Over all, during the period of the Greiner government (1988-1992), and the second year of the succeeding Fahey government (1992-1995), 300 firms received

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121 Ibid. A list of the Askin government's initiatives is detailed, in tabular form, in appendix 2.

122 Hurley, op.cit., p.307; for Ferrero Chocolates see Jonathan Chancellor, "Title Deeds" in the *Sydney Morning Herald* (*Domain*), 19 September 2009, p.2; for W.E. Smith Engineering see www.wesknm.com.au.

123 Larcombe, op.cit., p.286

124 *New South Wales Year Book 1982*, p.309.

125 Beth Cook, *National, Regional and Local Employment Policies in Australia* (Centre of Full Employment and Equity, University of Newcastle, 2008), p.36.

assistance for relocation to regional NSW, with a total of $17 million provided. [126]

Bob Carr, during his term in office (1995-2005) preserved the assistance (that previous governments have provided) to both help firms operating in regional areas and to help firms to relocate. The main oversight for this assistance was given to a department of state and regional development (DSRD). The vehicles for this assistance were the Industries Assistance Fund (provided with more money) and the Greiner-established Regional Business Development Scheme (the title abbreviated to Regional Business Development). In the year 2000-2001 expenditure, via these two programs, was as follows:

Industries Assistance Fund/Regional Business Development Expenditure: 2000-2001[127]

Program	Expenditure
Industries Assistance Fund	$17.5 million
Regional Business Development	$7.5 million

On a particular level, when (in April 1997) BHP announced that it would withdraw from steel making in both Newcastle and Wollongong,[128] Carr established the Hunter Advantage Fund and the Illawarra Advantage Fund to ward off unemployment (in addition to the Carr government providing $10 million towards the Hunter Advantage Fund, the Howard government contributed $10 million and BHP provided $10 million).[129] The funds provided assistance with establishment and infrastructure costs as well as provision of payroll tax, land tax and stamp duty relief. Between 1997 and 1998, $3.8 million in grants was distributed to 9 firms, generating an estimated total of 758 full-time jobs.[130] In 2005-06 assistance totaled $3 million for the Hunter and $1.4 million for the Illawarra.[131]

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126 See NSW Parliamentary Committee on State Development, *Sustainable Growth: Regional Business Development in New South Wales*, vol.II, *Initiatives for Implementing Policy* (NSW Parliamentary Standing Committee on State Development, Sydney, 1994), p.131

127 NSW Public Accounts Committee, *Industry Assistance* (NSW Parliament, Sydney, 2001), p.4.

128 Elizabeth Sexton, “A Painful Transition Ahead” in the Sydney Morning Herald, 30 April 1997, p.9.

129 Cristina Martinez-Fernandez, *Networks for Regional Development: Case Studies from Australia and Spain* (PhD Thesis, University of NSW, 2001), p.77.

130 NSW Parliament. Legislative Council. Standing Committee on State Development, *Report on Future Employment and Business Opportunities in the Hunter Region* (NSW Parliamentary Standing Committee on State Development, Sydney, 1998), p.83.

131 Cook, op.cit., p.37.

During the period of the Morris Iemma's ALP government (2005-2008) the transfer of public sector agencies was discontinued but the smaller programs of assistance were maintained and some new initiatives were introduced. The Regional Business Development Scheme was maintained. An innovation, introduced by the Iemma government, was a payroll tax incentive scheme. This was launched in July 2006, providing a rebate of up to $144,000 per annum for the first 3 years for businesses investing in areas with unemployment rates above the state average.[132]

(b) Victoria

The present design of regional development in Victoria has its origins in the government of Jeff Kennett (1992-1999). Andrew Beer and Alaric Maude have written that:

> Local and regional economic development was recast in Victoria in the early and mid-1990s with the restructuring of local government. . .larger, newly established local governments were charged with responsibility for developing and implementing local economic development. . .by 2001 these arrangements were more firmly established.[133]

During the period of the Bracks government (1999-2007) regional policy in Victoria became the responsibility of the Department of Innovation, Industry and Regional Development (DIIRD) which lists its objectives as investment attraction, trade development, developing innovative industries, regional development and marketing Victoria. Regional Development Victoria (RDV) was established in 2003 to enhance economic development in regional and rural Victoria.[134] Programs initiated, under RDV, included the following:

Regional Business Investment Ready Program

The Regional Business Investment Ready Program provided $250,000 assistance in 2005-06 to develop business skills and knowledge, and access to networks. Several programs assist farmers and rural industries:

Young Farmers Finance Scheme

The Rural Finance Corporation of Victoria provides loans to encourage growth and stability in rural industries. The Young farmers Finance Scheme provides loans for purchases of land, livestock and equipment at concessional interest rates. Other assistance to farmers includes development of milk harvesting plans, drought assistance, upgrading of local infrastructure, information and counseling.

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132 Ibid., p.38.

133 Andrew Beer and Alaric Maude, *Local and Regional Economic Development Agencies in Australia* (Local Government Association of South Australia, Adelaide, 2002), pp.10-11.

134 Cook, op.cit., pp.37-38.

Regional Joint Action Groups

Regional Joint Action Groups (RJAGs) encourage small and medium enterprises in the wine, tourism and food industries to cooperate on a regional basis. Grants of up to $24,000 enable RJAGs to develop new markets, and promote the region as a tourist destination. The Agribusiness Development Project develops the export capabilities of regional agribusinesses through market analysis and linking businesses with markets through trade shows, and inward buyer visits.

Small Towns Development Fund/ Living Regions, Living Suburbs Program

Several programs aim to enhance both economic and social development in local communities including grants of up to $250,000 under the Small Towns Development Fund and the Living Regions, Living Suburbs Program. Funding of $10 million and $3.3 million were provided for these programs respectively in 2005-06. Provincial councils and business groups also encourage support for local businesses through the Buy Locally Campaign. The Victorian government has also provided $20 million to build new arts and cultural facilities in regional areas. Grants of up to $40,000 and $10,000 per event per annum are available for key events and local events respectively.

Provincial Pathways Program

Assistance to develop tourism opportunities, including funds for the development of rail trails is provided through the Provincial Pathways Program. According to Sue Beeton, in her *Economic Analysis of Rail Trails in Victoria, Australia*,

> Rail trails are multi-use tourism and recreation trails that are sited on abandoned railway lines for use usually by cyclists, walkers and horse riders. . .While they have existed in the United States for over thirty years, through the Rails to Trails Conservancy, and in the UK as Sustrans, rail trails are a relatively new concept in Australia. The Australian 'equivalent' was established in 1994 by a group of railway history enthusiasts. . .as Rail to Trails Australia, which was later modified to Railtrails Australia. . .[135]

In addition to these measures, the government has engaged in a marketing campaign to encourage migration from Melbourne to regional areas and provided funding to tackle skill shortages through the Community Regional Industry Skills Program that provided over $800,000 in 2005-06.

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135 Sue Beeton, *An Economic Analysis of Rail Trails in Victoria, Australia* (Bendigo Campus of LaTrobe University, Bendigo, 2003), p.1.

Energy Technology Innovation Strategy

In addition to specific regional programs, the Energy Technology Innovation Strategy is intended to have a major impact on regional areas such as the Latrobe Valley. The strategy provides funding of $103.5 million over 5 years to maintain Victoria's competitiveness in the national electricity market and promote regional development through research and development, and investment in clean brown coal technology in power plants.[136]

(c) Queensland

Beer and Maude have written that before Peter Beattie's state government (1998-2007):

> the Queensland government did not financially support regional development agencies. Queensland's 2001-02 budget announced $8.7 million of funding for the Queensland Regional Development Initiative with monies going to five Regional Economic Development Corporations, five Remote Area Boards, fifteen Regional Economic Development Organisations and to the Institute of Sustainable Regional Development. . . The economic development landscape in Queensland is affected by the much stronger role of local government in that state. . .[137]

Since the 2001-02 budget, the Beattie government developed a number of regional and state-wide programs, as outlined below.

Regional Queensland: an Economic Powerhouse

Regional Queensland: an Economic Powerhouse established 6 regions as Centres of Enterprise throughout the state. The regions are: Cairns and the Far North; Townsville and the North West; Mackay and Whitsunday; Fitzroy and Central West; Wide Bay Burnett; and, Darling Downs and South West. The programme focuses on the development of regional partnerships including government, business and community representatives to develop regional strategies to take advantage of regional strengths and opportunities, attract new businesses and diversify into high value added industries.

Regional Business Development Scheme (RBDS)

The Regional Business Development Scheme (RBDS) provides matching grants to regional businesses to identify and develop opportunities for economic development.

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136 Cook, op.cit., pp.37-39.

137 Beer and Maude, op.cit., p.11.

Regional Events Innovation Scheme (REIS)

The Regional Events Innovation Scheme (REIS) provides assistance for events that have potential for development to meet the requirements of the Queensland Events Regional Development Program (QERDP). The Significant Regional Events Scheme (SRES) enables organisers of successful regional events to apply for up to $50,000 funding per annum for 3 years.

Our Place/Our Future Funding

Assistance is available under the Our Place, Our Future Funding Initiative to assist rural and remote communities to become more socially and economically sustainable by building leadership skills, planning, and developing networks. Funding of up to $20,000 is available for planning and engagement, and project specific funding is available for implementation of plans.

Small Business Emergency Assistance Scheme

Small businesses that have been affected by drought can qualify for an interest subsidy of up to 50 per cent up to a maximum of $10,000 per annum for 2 years under the Small Business Emergency Assistance Scheme.[138]

(d) South Australia

The present regional development policy in South Australia was developed by the Bannon and Arnold governments in the early 1990s.[139] South Australia's regional development policy is delivered by 12 Regional Development Boards (RDBs) under the auspices of Regional Development South Australia, which seeks to facilitate balanced economic development and employment outcomes. RDBs are independent entities funded by state and local government and pursue economic outcomes through the delivery of business, employment and skill formation strategies that are developed in consultation with business and the community. Programs specifically directed towards regional South Australia are as follows:

Regional Development Infrastructure Fund

The Regional Development Infrastructure Fund provides grants or loans of up to 50 per cent of the cost of infrastructure such as energy, telecommunications, transport, waste water or water. The Rural Town Development Fund assists communities with infrastructure that enhances the appearance of towns.

138 Cook, op.cit., pp.39-40.

139 Beer and Maude, ibid.

Community Builders

The Community Builders program is a partnership between the Local Government Association of South Australia, the Commonwealth Department of Family and Community Services and Indigenous Affairs and the South Australian Office of Regional Affairs. The program attempts to strengthen the social and economic capacity of rural and regional areas. Clusters of towns form a loose association, but each town pursues its own objectives with representatives from each town meeting to exchange ideas, discuss issues and learn about available resources at monthly workshops.

Regions at Work

The tailoring of employment solutions to local conditions is the objective of Regions at Work. The program operates through 17 local networks consisting of business, local community representatives, regional economic bodies and representatives from the 3 tiers of government.

Regional Facilitation Groups

The government has added a regional focus to delivery of services by government departments through the establishment of 6 Regional Facilitation Groups. Regular meetings of various agencies in the region provide an opportunity to improve cooperation between government departments, improve efficiency and service delivery.

Wine Innovation Cluster

The government has established a Wine Innovation Cluster to assist the local wine industry to maintain its market position.[140]

(e) Western Australia

Beer and Maude have commented that, at the time they prepared their report for the Local Government Association of Australia:

> There are nine Development Commissions in Western Australia and, between them, they cover all the non-metropolitan parts of the state. They are amongst the best funded economic development agencies in the country, with all having budgets in excess of $1 million. . .The chief executive officers of these organisations are members of the Western Australian public service. They have the status of a head of department in order to ensure a high level of co-ordination within the state public service.[141]

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140 Cook, op.cit., pp.40-41.

141 Beer and Maude, op.cit., p.12.

The Western Australian Regional Development Policy*, Regional Western Australia - A Better Place to Live* was released in 2003, highlighting priority policy areas of economic growth, regional employment, health education, community safety and environment, and promising to implement the policy through effective partnerships with local communities. The following programs are part of that policy:

Regional Investment Fund (RIF)

The Western Australian Regional Investment Fund (RIF) operated 5 types of assistance from 2001, providing grants of $100,000 to $5,000,000 for capital projects in regional areas designed to attract inward investment, generate additional employment and improve service delivery. Projects funded under RIF included assistance to the tourism, forestry and fishing industries, main street redevelopments, transport and recreational facilities.

Western Australian Regional Initiatives Scheme (WARIS)

The Western Australian Regional Initiatives Scheme (WARIS) provides grants of $10,000 to $250,000 for non-capital projects impacting on 2 or more regions in areas such as capacity building, environmental and natural resource management, and research on regional issues and opportunities. Projects approved in 2006-07 include funding for various festivals, cultural and arts activities, youth services, training needs analysis, and volunteering.

Regional Development Scheme (RDS)

The Regional Development Scheme (RDS) provides grants up to $150,000, administered by the Regional Development Commission, for either capital or non-capital projects.

Community Facilities Grants

The Community Facilities Grants Program provides grants of $2,000 to $25,000 to fund capital works in regional areas.

Regional Headworks Program

The Regional Headworks Program provides $5,000 to $200,000 for provision of essential services in regional areas to attract investment, provide additional employment and enhance the quality of life in regional areas. Applicants must indicate how the project will increase employment and provide other benefits.

Future Skilling Outback WA Project

The skills of workers in very remote areas are enhanced by the Future Skilling Outback WA Project that provides free basic IT training and support. The project is a joint state-Commonwealth initiative that is expected to train around 6,000 people. The government also provides Local Government Youth Scholarships for local

governments to provide a year's experience in a governance of community development role for young people living in areas with few employment opportunities.[142]

The 2008 Western Australia Election

Since becoming National Party leader in 2005, Brendon Grylls has pushed for an independent National Party and refused to enter into a coalition with either of the major parties before the 2008 State election. In that election the Nationals in WA ran on a policy of giving a proportion of royalties received by the State government back to the regions. Brendon Grylls made acceptance of a 25% return of royalties to the regions a condition of his agreement to support either party into government.

The subsequent Liberal / National Government has implemented this policy, and the Departmental website provides this update:

> Royalties for Regions is an historic agreement that underlines the State Government's long-term focus on regional development throughout Western Australia. Through Royalties for Regions, the equivalent of 25 per cent of the State's mining and onshore petroleum royalties will be returned to the State's regional areas each year as an additional investment in projects, infrastructure and community services. The money is in addition to regular Budget programs and in 2009-10 it will provide an additional $619million for regional communities, this represents less than 4 per cent of Western Australia's total budget. The money is being distributed through three funds:
>
> - the Country Local Government Fund;
> - the Regional Community Services Fund; and
> - the Regional Infrastructure and Headworks Fund (including the Regional Grants Scheme).[143]

(f) Tasmania

Partnership Agreements

Partnership Agreements have been operating in Tasmania since 1999 to deliver outcomes identified by the community through state-local government partnerships. There are 4 types of partnership agreements: bilateral agreements with individual councils; regional agreements with groups of councils; statewide agreements; and tripartite agreements that include the Commonwealth government. The agreements address local priorities in relation to economic development, tourism, culture and the arts, events, positive ageing and sport and recreation. The regional partnership with the Southern Tasmanian Councils typifies the development potential of the partnerships. Plans have been developed for

142 Cook, op.cit., 40-41.

143 See: http://www.royaltiesforregions.wa.gov.au/

projects that address skills and labour availability, telecommunications, integrated transport, tourism and events promotion. Partnerships to Jobs is designed to facilitate development of sustainable employment for workless people and disadvantaged and long-term unemployed job seekers. The program provides training and work readiness training through community organisations. Applicants must demonstrate broad community support, a commitment to reduce unemployment and increase workforce participation and meet local needs.

Young Farmers Interest Rebate

Financial assistance is provided to farmers and small business. The Young Farmers Interest Rebate scheme provides rebates of up to 3 per cent for loans to assist farmers under 40 years of age to enter the industry or expand their business. The Enterprise Growth Program provided matched grants up to $10,000 for expert assistance and advice on business growth. Similarly, Administered Grants Programs were introduced to improve business competitiveness by assisting with strategic planning, marketing, supply chain issues and management skills.[144]

6. INTERNATIONAL EXPERIENCE AND IMPLICATIONS FOR NSW

(a) The Contribution of Foreign Direct Investment Overseas/NSW

North East England

The North East of England has been a particular focus of regional investment endeavours because of a long-run downturn in activity there. In 2002, for instance, the unemployment rate was 7.5%.[145] A significant contribution to developing employment in the North East has been foreign direct investment (FDI), defined as: "investment in which the investor acquires a substantial controlling interest in a foreign firm or sets up a subsidiary in a foreign country".[146] In 1985, in the aftermath of the 1980s recession, the region's share of new FDI jobs was 8%. By 2005, however, that had risen to 11%. Between 1985 and 1998 the North East received an estimated sum of £8.7 billion in FDI. The main sources of investment were Japan (38%), the USA (28%) and Germany (16%).[147]

Not all the overseas plants which opened in the North East, between 1985 and 1998, were still operating by the twenty-first century. Out of the 265 plants which began in that period, 118 had closed down by 2007, leaving 147 operations still in

144 Cook, op.cit., pp.42-43.

145 UK Office for National Statistics at www.statistics.gov.uk.

146 See Isobel Faeth, *Foreign Direct Investment in Australia: Determinants and Consequences* (PhD Thesis, University of Melbourne, 2005), p.2.

147 Jonathan Jones and Colin Wren, *Foreign Direct Investment and Prospects for the Northern Region* (Newcastle University Business School, Newcastle, 2008), pp.3,7.

existence. In 2007 these 147 plants were estimated to be providing 29,350 jobs.[148] By financial year 2006-07 the unemployment rate in the North East was 0.8% lower than in 2002 (at 6.7%).[149]

New South Wales

Foreign investment has always played an important role in economic activity in the regions and continues to play an equally prominent role in the majority of the regions of NSW during the 1990s and into the twenty-first century.[150] Attracting foreign investment is undertaken by the federal and state governments acting in concert. As explained by Austrade, in 2001,

> The Australian Trade Commission (Austrade). . .promotes investment. . . with the department of industry, science and resources (ISR). . . Austrade is a partner with ISR in Invest Australia, the Australian government's national investment agency. Through Invest Australia. . .Austrade helps attract foreign direct investment into Australia. . .Austrade works in close collaboration with other Commonwealth agencies, state and territory governments and industry bodies.[151]

In the fourteen years between 1992 and 2006, foreign direct investment (in Australia as a whole) has more than doubled, as illustrated by the accompanying table:

Accumulated Foreign Direct Investment in Australia: 1992-2006[152]

1996	$110 billion
2006	$246 billion

During the 2-year period 2002-2004, out of 391 investment projects announced in

148 Ibid., p.12.

149 See Skills North East at www.skillsnortheast.co.uk.

150 In a major statement on foreign investment policy, Bob Hawke's treasurer (Paul Keating) declared that, "The Australian government welcomes foreign investment. The government recognises the substantial contribution foreign investment has made. . .It provides scope for rates of growth in economic activity and employment to be higher than otherwise." See Australian Department of the Treasury, *Australia's Foreign Investment Policy: A Guide for Investors* (Australian Government Publishing Service, Canberra, 1987).

151 Austrade, *Submission to the Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade* (Austrade, Sydney, 2001).

152 Pemasiri Gunawardana and Kishor Sharma, *The Impact of Inward FDI, Labour Productivity and Industry Assistance on Manufacturing Exports of Australia* (Victoria University, Melbourne, 2009), p.3.

Australia, almost 33% went to NSW. The share of NSW, and of the other states, can be seen in the table below:

Shares of 391 Announced Investment Projects: 2002-2004[153]

New South Wales	32.7%
Victoria	20.5%
Queensland	13.3%
Western Australia	6.6%
South Australia	4.6%
Northern Territory	1.8%
Tasmania	1.3%
ACT	0.5%

Via the attractiveness of NSW as whole, the regions have been able to draw foreign industry investors to their particular part of the state. This can be seen by a survey of the regions, on a north-south basis:

Mid-North Coast

Nippon Meat Packers (Japan), trading as Wingham Beef Exports, employs around 500 people.[154] KNM, of Malaysia, acquired a controlling interest in W.E. Smith Engineering.[155]

North West

In 1998 the American company Cargill (the largest agribusiness company in the world) bought a large abattoir at Tamworth. Cargill then integrated the beef production of the North and North West regions with Woolworths, the biggest supermarket chain in Australia. Andrea Insch has written that, "Woolworths [has] forged processor agreements in each state. For example, in New South Wales, Cargill's Tamworth plant supplies 90 per cent of their beef, representing 75 per cent of its total output".[156] Near Quirindi, JBS Swift (the largest meat processor in the world) operates the Caroona feedlot, carrying 24,000 head of cattle and employing 45 people.[157]

153 Faeth, op.cit., p.32.

154 *Feedback*, September 2008, p.6.

155 Invest Australia, *Submission to the Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade* (Invest Australia, Canberra, 2007).

156 Andrea Insch, *The Effects of Marketing Organisation on the Delivery of Added Value: A Historical Comparison of Australia's Beef and Chicken Marketing Systems* (PhD Thesis, Griffith University, 2005), p.108.

157 *Cutting Edge*, no.30, June 2008; Media Release, *Swift andCo,/AMH Deal Creates World's Largest Beef Processor*, Cattle Council of Australia, 30 May 2007.

The Japanese company Idemitsu currently operates a mine, near Boggabri, which produces around 1.5 million tonnes of coal per annum.[158] Whitehaven Coal also operates a coal mine near Boggabri (30% of which is owned by Idemitsu) and also operates a mine near Gunnedah. Shenhua, of China, is exploring for coal at its Watermark site.[159]

In 1989 the (then) British Aerospace began the establishment of a flying college in Tamworth. In 2002 BAE Systems established the Australasian Pacific Aeronautical College in Tamworth, employing just over 70 people. BAE Systems at Tamworth has contracts to supply flight training for: the Australian Defence Force; the Royal Malaysian Air Force, and to supply services to the Republic of Singapore Air Force.[160]

Central West

Xstrata (of Switzerland) operates the Ulan coal mine. Peabody (the largest commercial coal mining company in the USA) operates the Wilpinjong coal mine. Rio Tinto (of Britain) mines gold and copper at North Parkes. The Canadian company Barrick Gold (the largest gold mining company in the world) mines gold at Lake Cowal near West Wyalong.[161] Mars Petcare (Uncle Ben's) and Simplot (which purchased Edgell in the 1990s) – both American companies - have factories in Bathurst. In 2005 Simplot employed 429 people and Mars employed 222 staff. Devro-Teepak was the subject of management buyout in 1991 and is now based in Scotland: Devro has 248 employees.[162]

At the beginning of the twenty-first century, the Howard government sold the Australian Defence Industries (ADI) factory (at Lithgow) to a consortium of Transfield and Thales (of France). In 2006, Thales acquired Transfield's share of the operations. At the time of Thales's acquisition, there were 140 people employed at ADI. [163]

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158 Matt Chambers, "Japanese to Triple Output" in *The Australian*, 10 September 2009, p.20.

159 *NSW Coal Industry Profile: 2009* (NSW Department of Primary Industries and Energy, Sydney, 2009), pp.135,137; Matthew Stevens, "Unseemly Stand-Off over Coal Evolution" in *The Australian*, 5September 2009p, p.25.

160 New England Institute of TAFE, *Annual Report: 2007* (New England Institute of TAFE, Tamworth, 2007), p.7; see also www.baesystems.com.au

161 Central West Regional Development Board, *Infrastructure Australia Discussion Paper 1* (Central West Regional Development Board, 2008), p.2.

162 See Bathurst Regional Council, *Bathurst Regional Council Statistical Profile 2005* (Bathurst Regional Council, Bathurst, 2005), appendices; Orange City Council, *Orange Economic Profile* (Orange City Council, Orange, 2008); Economic Development Office, Lithgow; Australian Bureau of Agricultural and Resource Economics, *Australian Commodities*, vol.12, no.2, June 2005.

163 Tony Griffiths, "Lithgow's Small Arms Factory, An Overview – 1907-1997: Building for War – Surviving the Peace" in *ASHET News* (Newsletter of the Australian Society for the History of Engineering and Technology), vol.1, no.2, April 2008. Information on Thales workforce

Far West

In 2009, Shenzhen Zhongjin Lingnan Nonfemet (China's third largest zinc producer) took a controlling interest in Perilya, which in 2002 had acquired the mines at Broken Hill from Pasminco.[164] Epuron (Germany) and Martifer Renewables (Portugal) have begun the first stage of a wind farm at Silverton, involving the construction of 282 turbines.[165]

Hunter

Xstrata commenced its coal mining operations in NSW when its predecessor (Glencore) purchased the Mount Owen mine from BHP in 1998. Four years later, Xstrata bought the Australian (and South African) assets of Glencore (Xstrata's major shareholder).[166] By the end of 2007, Xstrata operated 12 mines in the Hunter Valley and employed around 3,000 people.[167] By simultaneously acquiring mines in Queensland, Xstrata has become Australia's largest exporter of coal for power stations (thermal coal): investing $8.5 billion in Australia between 2002 and 2005 and producing over 33 million tones of coal from its Hunter Valley operations in 2003.[168] In October 2009 the assistant federal treasurer (Nick Sherry) gave his approval to Yangzhou Coal Mining Company (China) to acquire full ownership of Felix Resources, operator of major mining projects in the Hunter Valley. Yangzhou already owns the Austar mine, near Cessnock, which employs over 250 people.[169]

Port Waratah Coal Services (PWCS) which originally began in 1976 (taking over the former Gollin loader at Port Waratah), and then expanded in 1990 by taking over the Kooragang Coal Loader, is currently the largest coal exporting undertaking in the world. PWCS loaded over 80 million tones of coal in 2005 and employed 382 people. Rio Tinto has a 37% interest in PWCS.[170]

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supplied by the Economic Development Office, Lithgow City Council.

164 ACIL Tasman, *The Australian Minerals Industry's Infrastructure Path to Prosperity: An Assessment of Industrial and Community Infrastructure in Major Resources Regions*, vol.2, *New South Wales* (ACIL Tasman, Melbourne, 2009), p.58.

165 Broken Hill City Council Media Release, *Council Welcomes Silverton Wind Farm Announcement*. 3 June 2009; Debra Jopson, "Gone with the Wind: Rare Flora and Fauna Force Change of Plan" in the *Sydney Morning Herald*, 7 November 2009, p.4..

166 See the *Mining Journal*, vol.338, no.8673, 22 February 2002.

167 Peter Coates, *Xstrata Coal* (Xstrata Coal, Sydney, 2007).

168 See Xstrata Plc, *Presentation to the Australian Institute for Mining and Metallurgy Conference*, 8 February 2005; *NSW Coal Industry Profile: 2009*, pp.47-92.

169 Assistant Federal Treasurer. Media Release, *Foreign Investment Decision – Felix Resources*, 23 October 2009; NSW Coal Industry Profile: 2009, p.79.

170 See www.pwcs.com.au/pages/history; Port Waratah Coal Services, *Financial Community Tour* (Port Waratah Coal Services, Newcastle, 2006); Rio Tinto, *Annual Report: 2008* (Rio Tinto, London, 2008), p.61.

The aluminium smelter at Tomago (majority owned by Rio Tinto) has a production capacity of around 525,000 tonnes a year and employs 1,200 people.[171] The aluminium smelter at Kurri Kurri (owned by Norsk Hydro of Norway) has a production capacity of around 160,000 tonnes a year and employs around 500 people.[172]

BAE Systems (having operated in the Hunter, during the 1990s as British Aerospace) currently employs 525 people adjacent to Williamtown. BAE provides support and training for the RAAF's jet fighters and pilots.[173]

Pernod Ricard (France) acquired Wyndham Estate in 1989 (when it purchased Orlando Wyndham, owner of the Jacobs Creek label).[174]

Illawarra

BAE Systems (Nowra) is the current contractor for the provision of Seahawk and Sea King Helicopter maintenance and employs around 200 people.[175]In 2004 Gujarat NRE (India) purchased a coal mine at Russell Vale: opening (the following year) as the Gujarat NRE No.1 colliery. Two years later, Gujarat NRE acquired one of BHP's mines near Dapto.[176]

South East

The biggest timber mill in the region is operated by Weyerhaeuser of the USA, which took over the former CSR mill, in Tumut, in 2000. In 2002-03 the Weyerhaeuser mill processed 490,000 cubic metres of softwood and employed around 250 people.[177] Dongwha (of Korea) has formed a joint venture with Willmott Forests operate to run the Bombala timber mill.[178]

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171 See Department of State and Regional Development, *Metal Manufacturing* (Department of State and Regional Development, Sydney, 2007); Rio Tinto, *Annual Report: 2008*, p.8

172 See Hydro Aluminium, *Submission to the NSW Greenhouse Gas Reduction Scheme Transition Review* (Hydro Aluminium, Kurri Kurri, 2008).

173 See www.baesystems.com.au

174 Peter Galvin and John Rice, "Grape Expectations: A Case Study of the Southcorp-Rosemount Nerger" in *The Management Case Study Journal*, Vol.5, no.1, May 2005, p.2.

175 See www.baesystems.com.au

176 See Gujarat NRE press releases: 26 September 2005; 28 April 2008.

177 See *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales*, p.7-1; Forests NSW, *Bush Telegraph* (Forests NSW, Sydney, 2004), p.4

178 Willmott Forests, *Solid Woodlot Sales Relative to Market in FY 2009* (Willmott Forests, Melbourne, 2009).

Murrumbidgee

In 1991 Cargill bought the Metro Meats abattoir in Wagga Wagga (which launched Cargill's beef processing operations in Australia).[179] By 2006 (after extensions to its plant) Cargill's Wagga operation had the capacity to process around 300,000 head of cattle a year.[180] At Rockdale Beef in Yanco (a beef processing operation owned by Itoham of Japan) an estimated 97,000 tonnes of carcass were processed in 2003.[181] JBS Swift operates the Prime City feedlot (near Griffith) carrying around 35,000 head of cattle and employing 60 people.[182]

In 1996 Heinz took over Southern Country Foods (maker of Tom Piper products) in Wagga Wagga. In October 2009 Kirin (Japan) acquired San Miguel (which, in 2005, had purchased National Foods: the latter, shortly afterwards, acquiring Berri's citrus processing plant in Leeton).[183]

Murray

In 2006 Thales, through taking over ADI, acquired the management of the explosive and propellant factory at Mulwala (the federal government continuing to own the plant until 2015). The factory employs around 300 people.[184]

The Norwegian firm Norske Skog (the world's largest manufacturer of newsprint) produces about 220,000 tonnes of newsprint a year, and employs around 230 people.[185] Geely Automotive Holdings (China) acquired Drivetrain Systems International in June 2009.[186] Kimberly-Clark (USA) employs around 50 people at its Albury plant.

JBS Swift operates a feedlot, near Wakool, which carries 45,000 lambs and 25,000 head of cattle: employing 31 people.[187]

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179 See *Australia: 40 Years of Growth* at www.cargill.com.au.

180 See *Rendertech Review*, no.11, 2006.

181 AusVet Animal Health Services, op.cit., p.50.

182 See www.jbsswift.com.au; *Cutting Edge*, no.30, June 2008.

183 See Leeton Shire Council, *Business Prospectus*; Blair Speedy, "Lion's Share from Bee Sales" in *The Australian*, 6 November 2009, p.23.

184 Thales Australia, *Submission to the Parliamentary Joint Standing Committee on Public Works* (Thales Australia, Sydney, 2006).

185 See *Profile of the Value of the Timber Industry in the South West Slopes Region of New South Wales*, p.7-4; www.norskeskog.com.

186 Media Release. Minister for Primary Industries, Mineral Resources and State Development (Ian Mcdonald), *Sale of Albury Manufacturer Finalised – 131 Jobs Secured*, 15 June 2009.

187 See www.jbsswift.com.au; *Cutting Edge*, no.30, June 2008.

Constellation Brands (USA) took over BRL Hardy (in 2003): including BRL Hardy's wine production at Buronga.[188]

(b) Cluster Strategy: Overseas and in NSW

Overseas

A recent approach in strategies for regional development has been the expansion of clusters. Clusters have appeared over centuries in many parts of the world. A notable feature of clusters during the twentieth century is their increasing connection with universities. Christian Ketels has written that:

> In North Carolina the explicit decision was made in the1960s to invest heavily in universities and a research infrastructure to develop a relatively rural region of the United States. After more than three decades, the region has now managed to become a serious player in the research-dependent life sciences field.[189]

Amongst the clusters that are functioning across the world, there is the IT cluster in California and the telecommunications cluster in Finland. A selection of clusters, by country, is as follows:

Selected Industry Clusters: 2005[190]

Cluster	Associated Universities and Companies
Silicon Valley (IT)	Stanford University; approximately 5,000 high-technology companies (including Intel, Oracle, Sun Microsystems)
Austin, Texas	University of Texas at Austin; around 1,750 high-technology companies (including Dell)
Boston	Harvard University, MIT; about 250 medical biotechnology companies including Biogen and Genzyme
Raleigh/Durham/Chapel Hill (North Carolina)	Duke University and North Carolina State University; approximately 140 biotechnology concerns (including the core American research institute of Glaxo Smith Kline)
Cambridge, UK	Cambridge University; around 1,250 high-

188 See Constellation Brands, *Annual Report: 2006* (Constellation Brands, Rochester, New York, 2006), p.24.

189 Christian Ketels, "The Development of the Cluster Concept – Present Experiences and Further Developments", paper presented a the *NRW Conference on Clusters*, Duisberg, 5 December 2003, p.11.

190 Industrial Cluster Study Group, *Industrial Cluster Study Report* (Ministry of Economy, Trade and Industry, Tokyo, 2005), reference material, p.22.

	technology companies
Munich	Max Planck Institute; about 100 biotechnology companies (including Bayer and Hoechst)
Sofia Antipolis (France)	Nice University and the Centre National de la Recherche Scientifique; around 1,100 Science and IT companies (including Air France and IBM)
Oulu (Finland)	Oulu University; approximately 500 high technology companies (including firms associated with Nokia)
Zhongguan (China)	Beijing University and Qinghua University; about 10,000 high technology companies

Clusters are considered important as they create economic benefits, as summarised by Ketels:

> *First*, companies can compete with a higher level of efficiency, drawing on more specialised assets and suppliers with shorter reaction times than they could in isolation. *Second*, companies and research institutions can achieve higher levels of innovation. Knowledge spillovers and the close interaction with customers create new ideas and provide intense pressure to innovate while the cluster environment lowers the cost of experimenting. *Third*, the level of business formation tends to be higher in clusters. Start-ups are more reliant on external suppliers and partners, all of which they can find in a cluster. Clusters also reduce the cost of failure, as entrepreneurs can fall back on local employment opportunities in the many companies in the same field.[191]

New South Wales

Heavy Industry Clustering

In 1950 James MacGirr's ALP state government (1947-1952) established the State Electricity Commission of NSW to undertake a program of building power stations adjacent to the coalfields in the Hunter Valley. During the 1950s the Electricity Commission built the Tallawarra, Wangi and Wallerawang stations. Askin, after his election 1965, allowed the process to continue with the Vales Point and Munmorah stations opening in the late 1960s and Liddell finished in 1974.[192] In response to the 1980s worldwide recession, Neville Wran decided to accelerate this process with the aim of developing a coal mining/electricity-generation/aluminium industry cluster in the Hunter Valley. Graham Larcombe has written that:

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191 Ketels, op.cit., pp.6-7.

192 See "The Story of Electricity Generation" in *Network*, vol.25, no.1, pp.1-5.

> With. . .the comparative advantage of. . .black coal reserves. . .The NSW strategy was to maximise the location of energy-intensive manufacturing activities. . .In the aluminium industry, announcements were made to expand the existing Alcan smelter [at Kurri Kurri]. . .and proposals were made to locate [a new smelter at Tomago]. . .[193]

Eraring power station was finished in 1984 (at around the same time as Mount Piper power station was completed at Lithgow in the Central West). Bayswater power station was opened in 1987 (during the term of office of the succeeding Unsworth ALP government): Eraring and Bayswater (two of the biggest power stations in Australia) eventually supplying nearly 40% of the state's electricity requirements.[194] The Hunter power stations were designed to be supplied by coal from the large mines in the region.

The gradual withdrawal of government support for this policy came to a head with the election of the Greiner government in 1988. In 1991 the Greiner government changed the Electricity Commission of NSW into Pacific Power, comprised of six semi-autonomous commercially-orientated business units.[195]

Smaller-Scale Biotechnology Clustering

With the conclusion of Wran's large-scale cluster strategy, the emphasis on clustering in NSW turned towards the nurturing of small firms in advanced technology fields, again with the Hunter region an area of focus.

In 1997, when Carr announced the launching of the Hunter Advantage Fund, he declared that Jurox (a manufacturer of veterinary pharmaceuticals) would be the first recipient of funding, to help it relocate from Silverwater to Rutherford.[196] The aim of the relocation was to connect Jurox with the University of Newcastle, the lead institution for the Australian Research Council of Excellence in Biotechnology and Development.[197] The University of Newcastle works on laying the analytical

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193 Graham Larcombe, "New South Wales: The Political Economy of an Industrial State" in Brian Head (ed.), *The Politics of Development in Australia* (Allen and Unwin, Sydney, 1986), p.105. In 2009 the Tomago smelter's largest supplier of electricity was Bayswater (which together with Liddell was combined by the Carr government in 1996, into Macquarie Generation). See Brian Robins, "Revealed our Biggest Power Generator's $400m Loss" in the *Sydney Morning Herald* (*Business Day*), 3 November 2009, p.5.

194 Transgrid, *Annual Report* 2005, p.47; see also Anthony Owen, *Inquiry into Electricity Supply in NSW* (NSW Government, Sydney, 2007), p.2-10.

195 National Competition Council, *Assessment of State and Territory Progress with Implementing National Competition Policy and Related Reforms* (National Competition Council, Melbourne, 1997), p.37.

196 NSW Parliament. *Questions and Answers*. Legislative Council. 11 November 1997.

197 Australian Universities Quality Agency, *Report of an Audit of the University of Newcastle* (Australian Universities Quality Agency, Melbourne, 2008), p.4. Information on research centres supplied by Newcastle University.

foundation for the clustering program. Steve Garlick has written that, "The University of Newcastle's Industry Development Centre (IDC) houses the secretariat and support facilities for the day to day progression of the industry clustering initiatives".[198]

Assistance to Co-operative Research Centres (CRCs) in New South Wales is also provided by the NSW Department of State and Regional Development. The Department has listed three activities through which it assists CRCs:

- liaison with CRCs (to enhance linkages of established CRCs with external partners and users - including industry, government agencies and the education sector - and to facilitate CRC proposals by identifying relevant university, industry and government partners).

- provision of financial support for the development of competitive business proposals at stage two of the Commonwealth process/CRC Business Case Support Program.

- provision of financial support from the Science Leveraging Fund to CRCs that have significant operations and benefit to NSW[199]

Between the 1990s and the early years of this century, a number of small Hunter region high-technology companies have been assisted by DSRD to maintain a relationship with the University of Newcastle. A selection of these firms is itemised below:

Hunter Region Biotechnology Activity[200]

Organisation/Firm	Activity
ARC Centre of Excellence in Biotechnology and Development	Developing processes that control cell behaviour to address testicular cancer, gene farming, contraception and pest control
Biospecialties Australia Pty Ltd	Production of biological antioxidant precursor
Hunter Immunology Pty Ltd	Developing and testing of a therapeutic oral vaccine for golden staph
Inter-K Pty Ltd	Identifying compounds that inhibit the growth of colon cancer

198 Steve Garlick, *Engaging Universities and Regions: Knowledge Contribution to Regional Economic Development in Australia* (Southern Cross Regional Research Institute, Southern Cross University, Lismore, 2000), p.80.

199 Department of State and Regional Development, *Submission to the National Innovation System* (Department of State and Regional Development, Sydney, 2008), appendix 2.

200 See NSW Department of State and Regional Development, *Profiling Innovative NSW Technologies* (NSW Department of State and Regional Development, Sydney), pp.5,8,15,16,19-22,24,26,29.

Jurox	Developing a range of veterinary pharmaceuticals for animal health
Keystone Product Development Pty Ltd	Developing a compressed gas drug infusion device for delivery of fluid medications to patients
Probiotic Health Pty Ltd	Developing dairy bacterium of use in functional foods and neutraceuticals
TheraPPy Pty Ltd	Developing lead compounds for the rational design of new anti-cancer therapeutics
Virotarg Pty Ltd	Developing procedures for preventing growth and spread of malignant melonoma tumours
Unilife Medical Solutions Ltd	Developing and manufacturing safety engineered syringe products
Whitely Corporation Pty Ltd	Development and manufacturing of a range of hygiene and medical disinfectants

Medium Range Defence Industry Cluster

In May 2009 the Premier (Hon Nathan Rees MP) announced the appointment of Air Vice Marshal John Blackburn as adviser to the NSW government for the purpose of expanding defence industry related hubs in the state.[201] The announcement was made ahead of the delivery of the Rudd government's Defence Capability Plan (DCP). The DCP, when introduced in July 2009, announced that a new Mobile Regional Operations Centre (MROC) would replace the current Tactical Air Defence System. In terms of openings for Australian industry, the DCP declared that "It is anticipated that phase 1 will provide the following industry opportunities: provision of MROC system. . .[and] integration of the new MROC into the Australian Aerospace Battle Management systems".[202] In an interview in October 2009 the Premier said that,

> The government would specifically target acquisition projects contained in the Defence Capability Plan. . .We have the largest supply of defence-related skilled workers, with more than 51,000 workers qualified in engineering and related fields.[203]

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201 See Media Release, *Premier Unveils Hunter Jobs Package*. Premier of NSW 28 May 2009; see also Daniel Cotterill, "Rees Aims High for 'Top Gun' Investment" in *The Australian*, 24 October 2009, *Defence Supplement*, p.16..

202 Defence Material Organisation and the Capability Development Group, *Defence Capability Plan: 2009* (Defence Material Organisation and the Capability Development Group, Canberra, 2009), p.30.

203 Cotterill, ibid.

The principal defence industry hub is in Newcastle. The Royal Australian Air Force (RAAF) base at Williamtown employs around 2,000 personnel.[204] Lone Pine Barracks, at Singleton, is estimated to contribute to the employment of around 800 people.[205] BAE Systems currently employs 525 people adjacent to Williamtown, providing support and training for the RAAF's jet fighters and pilots.[206] The Rees government intends that it will secure work for the Hunter region connected with the introduction of the new Joint Strike Fighter.[207]

A second potential defence-industry hub is in the Illawarra. The Royal Australian Navy (RAN) base at Nowra (HMAS Albatross) is the RAN's major establishment for the provision of operational, training, engineering, administrative and logistic support for naval air squadrons. In 2000 there were over 1,400 personnel stationed at HMAS Albatross including 900 naval personnel and 223 civilian defence personnel.[208] HMAS Creswell, the RAN's officer training college at Jervis Bay, employs around 100 defence force personnel.[209] BAE Systems (Nowra) is the current contractor for the provision of Seahawk and Sea King Helicopter maintenance and employs around 200 people.[210]

A third possible hub lies in the Murrumbidgee region. The RAAF Training College and the air force Recruit Training Unit are based in the vicinity of Wagga Wagga, as are Blamey Barracks (which hosts the army recruit training centre). Recently there has been a $60 million upgrade of the RAAF base and there is a planned $108 million upgrade of Blamey Barracks. There are around 1,500 personnel at the RAAF and army bases in Wagga.[211] 547 more people were employed in government administration and defence in the Murrumbidgee in 2006 than in 2001.

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204 See Hunter Economic Development Corporation, *Submission to the Department of Infrastructure, Transport, Regional Development and Local Government: National Aviation Policy* (Hunter Economic Development Corporation, Newcastle, 2008).

205 Centre for Policy Studies, *Defence Estate Proposal: Regional Economic Costs and Benefits of Selected Australian Defence Force Bases* (Centre for Policy Studies, Monash University, Melbourne, 2003), p.8

206 See www.baesystems.com.au

207 Cotterill, ibid.

208 See Joint Parliamentary Standing Committee on Public Works, *Report Relating to the Proposed HMAS Albatross Stage 2 Redevelopment, Nowra, NSW* (Parliament of the Commonwealth of Australia, Canberra, 2000), p.3.

209 Shoalhaven City Council, *Submission to Infrastructure Australia*.

210 See www.baesystems.com.au

211 See Joint Parliamentary Standing Committee on Public Works, *Relocation of RAAF College: RAAF Base East Sale, Victoria, and RAAF Base Wagga, New South Wales* (Joint Parliamentary Standing Committee on Public Works, Canberra, 2005); *Defence Estate Proposal: Regional Economic Costs and Benefits of Selected Australian Defence Force Bases,* p.12; City of Wagga Wagga, *Submission to the 2008 Defence White Paper* (City of Wagga Wagga, Wagga Wagga, 2008),

7. CONCLUSION

Before the Second World War, the majority of the NSW regions lay within the main sphere of activity in the state, primary production. In 1933 the then Premier of New South Wales (Bertram Stevens) wrote: "New South Wales is predominantly a pastoral and agricultural state. . .the pastoral industry is and always has been the greatest industry of NSW and it contributes more than 40 per cent of the aggregate wealth annually produced by the state's primary industries."[212]

From 1939 onwards there were two fundamental shifts in production in New South Wales: the first by-passing the rural regions, and the second by-passing all regions (outside of Sydney). Australian production for the Second World War caused an overall shift in production towards manufacturing, with the latter contributing 26.2% of gross domestic product (GDP) by 1949 (compared to its 18.5% share in 1939).[213] 25 years after Stevens put forward his description of the state's economy, 70% of the value of the production in NSW was provided by secondary industry, as the accompany table illustrates:

Value of Primary/Secondary Production in NSW: 1958[214]

Secondary Production	£757,862,000
Primary Production	£343,768,999

Manufacturing production in NSW became concentrated mainly in Sydney. The remainder of manufacturing production in the State was essentially based in Newcastle and Wollongong. Rural regions were largely deprived of manufacturing production, as the breakdown of mid-1970s manufacturing employment indicates:

Manufacturing Employees in Sydney and Regional NSW: mid 1970s[215]

Location	No.of Employees	Percentage of NSW Total
Sydney	347,742	77%
Newcastle/Wollongong	70,995	15%
Remainder of NSW	34,990	8%

In the aftermath of the 1980s worldwide recession, manufacturing itself began to

212 Pratt, op.cit., p.100.

213 Ian McLean, *Why Was Australia So Rich*, working paper 2005-11 (School of Economics, University of Adelaide, 2005), p.25.

214 See *NSW : A State of Prosperity* (NSW Government, Sydney, 1960), pp.24,44.

215 See *Official Year Book of New South Wales 1979* (Australian Bureau of Statistics, Sydney, 1979), p.558; Frank Stilwell, *Economic Crisis, Cities and Regions: An Analysis of Current Urban and Regional Problems in Australia* (Pergamon Press, Sydney,1980), 102.

decline. Whereas in 1981 it still contributed 21% of NSW gross state product (GSP), by 2005-06 it had fallen to 11%.[216] Production in NSW shifted once more, this time to services. By 2007-2008 the services sector in NSW accounted for 83% of GSP.[217] Of all the components of the services sector, the categories of Property and Business Services, and Finance and Insurance, are the most significant: accounting for 17.7% and 11.9%, respectively, of GSP.[218] Figures for the services' component of GSP, contrasted with other sectors, can be seen in the following table:

Contribution of Services to NSW Gross State Product: 2007-2008[219]

Sector	Percentage of Gross State Product
Property and Business Services	17.7%
Finance and Insurance	11.9%
Construction	8%
Health and Community Services	7%
Retail	6.4%
Wholesale	6%
Transport and Storage	5.1%
Education	5%
Government Administration and Defence	4.2%
Communication Services	2.9%
Accommodation, Cafes and Restaurants	2.8%
Electricity, Gas and Water Supply	2.2%
Personal and other Services	2.1%
Cultural and Recreational Services	1.9%
TOTAL	83.2%

By 2007-08 the contribution of agriculture, forestry and fishing to GSP had fallen to 4.6%.[220] Services, like manufacturing, became similarly concentrated in Sydney. This can be seen by following table for employment in these areas in Sydney and regional NSW:

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216 Australian Bureau of Statistics, *Australian National Accounts: State Accounts 1991-92*, ABS Catalogue 5220.0 (Australian Bureau of Statistics, Canberra, 1992), p.5; *Australian National Accounts: State Accounts 2005-06* (Australian Bureau of Statistics, Canberra, 2006), p.7.

217 Department of State and Regional Development, *Submission to the Review of the National Innovation System*.

218 See *Official Year Book of New South Wales 2004* (Australian Bureau of Statistics, Sydney, 2004), p.237;

219 Department of State and Regional Development, *Submission to the Review of the National Innovation System*.

220 Ibid.

Statewide Share of Employment in Property/Business Services- Finance and Insurance: NSW (2006)[221]

Sydney	379,924 (79%)
Regional NSW	99,621 (21%)

By the mid-1990s the effects of being by-passed by two shifts in production was already apparent in the regions' contribution to GSP as the accompanying table indicates:

Individual Regions' Percentage of Gross State Product: 1995-1996[222]

Sydney	68.77%
Hunter	7.62%
Illawarra	4.97%
Richmond-Tweed	2.8%
Mid-North Coast	2.76%
Northern	2.62%
Central West	2.53%
South East	2.4%
Murrumbidgee	2.12%
Murray	1.56%
North West	1.4%
Far West	0.46%

During the process of these two major shifts in production, there were attempts to bring at least two regions in which primary production continued to be the main category of employment – the Central West and the Murray - into a more urbanised realm of production. But, with the failure of this strategy, there remain a number of regions where primary production is still the main category of employment: notably Northern, North-West, the Murrumbidgee and the Murray. It continues to be the second-highest category of employment in the Central West.

Faced with a situation where they have been left behind by the switch from manufacturing to services (as in the case of the Hunter and the Illawarra), or with the situation that primary production continues as the main occupation of employment (as in the case of the Northern, North-West, the Murrumbidgee and the Murray) the regions have had to make particular efforts both to diversify and to introduce innovations in production. Both the Richmond-Tweed and the Mid-North

221 http://www.abs.gov.au/websitedbs/d3310114.nsf/home/census+data

222 Department of State and Regional Development, *Main Street/Small Towns Program: Self Help Module 9, Business and Economic Development* (Department of State and Regional Development, Sydney, 1997).

Coast have witnessed an expansion of the aged care sector. The Mid-North Coast has been successful in attracting manufacturing. New England has seen producers switch from wool to beef production. The North-West, the Central West, the Hunter and the Illawarra have witnessed the expansion of the mining sector. The South East has benefited through a part of it being integrated into Canberra. The Hunter, in particular, has been the beneficiary of a concerted effort to link advanced production with high-level research at its main university.

On an overall level, regional areas of New South Wales will still find the future challenging. Governments have been able to sustain services in the regions via direct budgetary intervention. They have also been able to sustain regional towns by transferring government agencies to them. However, governments are unlikely to provide the relatively large-scale development assistance that was on offer during the 1970s (such as for growth centres). Assistance is likely to continue to be smaller and more sharply focused. As the Senate Employment, Workplace Relations, Small Business and Education References Committee concluded in 1999, in a report entitled *Jobs for the Regions*, "structural economic change affect[s] regions in different ways." Modern government, as the Committee also concluded, is "limited as. . .to the extent that it is able to change the rate and direction of investment".[223]

223 Senate Employment, Workplace Relations, Small Business and Education References Committee, *Jobs for the Regions: A Report on the Inquiry into Regional Employment and Unemployment* (Senate Employment, Workplace Relations, Small Business and Education References Committee, Canberra, 1999), pp.11,135.

APPENDIX 1: MAJOR EMPLOYERS IN THE REGIONS
(A) Selected Large Employers in the Richmond-Tweed Region[224]

Organisation	Locality
St. Andrews Care	Ballina
Ballina Beach Resort	Ballina
Ballina District Community Services Association	Ballina
Baptist Community Care	Lismore
Big River Timbers	Grafton
Byron at Byron	Byron Bay
Byron Bay Beach Resort	Byron Bay
Caroona Care	Lismore
Crowley Care	Ballina
Feros Care	Lismore
Grafton Base Hospital	Grafton
Grafton district Ex-Services Club	Grafton
Lismore Base Hospital	Lismore
Lismore Workers Club	Lismore
Macadamia Processing Company	Grafton
Mantra on Salt	Kingscliff
Mills Transport	Lismore
Norco	Lismore
North Coast Radiology	Casino
North Coast Community Connections	Lismore
Northern Co-operative Meat Company	Casino
NSW Sugar	Ballina
NSW TAFE	Murwillumbah/Kingscliff
Peppers at Salt	Kingscliff
Riverina Stockfeeds	Casino
South Grafton Ex-Servicemen's Club	Grafton
Seagulls (registered club)	Tweed Heads
Southern Cross Credit Union	Murwillumbah
Southern Cross University	Lismore
St. Vincent's Hospital	Lismore
Summerland Credit Union	Lismore
Sunnybrand Chickens	Byron Bay
Tweed Base Hospital	Tweed Heads
Tweed Heads Bowls Club	Tweed Heads
Tweed Shire Council	Tweed Heads
Twin Towns (registered club)	Tweed Heads
Uniting Care Ageing North Coast	Lismore
J.H. Williams and Sons	Murwillumbah

[224] Information supplied by the Northern Rivers Regional Development Board.

(B) Selected Large Employers in the Mid-North Coast Region[225]

Organisation	Locality
Akubra	Kempsey
Amcor	Taree
Bayview Seafoods	Taree
Birdon Marine	Port Macquarie
Boral Bricks	Kempsey
Boral Timber	Herons Creek
Busfurb	Macksville
Bushland Retirement Village	Taree
Catholic Aged Care	Port Macquarie
Chiquita South Pacific	Coffs Harbour
Coffs Harbour Base Hopsital	Coffs Harbour
Coffs Harbour City Council	Coffs Harbour
Coffs Harbour Education Centre	Coffs Harbour
Country Energy	Port Macquarie
Express Coach Builders	Macksville
Expressway Spares	Wauchope
Hastings Co-op	Wauchope
Hastings Food Processing	Wauchope
Impress	Taree
Kara Kar Trailers	Nambucca Heads
Lindsay Australia	Coffs Harbour
Mayo Private Hospital	Taree
Mid Coast Trucks	Macksville
Nestle	Kempsey
Panthers	Port Macquarie
Port Macquarie Base Hospital	Port Macquarie
Port Macquarie-Hastings Council	Port Macquarie
Ramsay Health Care	Coffs Harbour
Schefenacker Lighting Systems	Coffs Harbour
W.E. Smith Engineering	Coffs Harbour
Thermal Electric Elements	Coffs Harbour
United Goninan	Coffs Harbour
Wingham Beef Exports	Wingham

[225] Information supplied by the Mid-North Coast Regional Development Board.

(C) Selected Large Employers in the Northern Region

Armidale Dumaresq Council
Autumn Lodge Village
Coles
Commonwealth Government
Costa Group
Eastmon
Hunter New England Health (Armidale Hospital)
New England Girls School
New England Institute of TAFE
NSW Department of Education
NSW Government
Presbyterian Ladies College
The Armidale School
University of New England
Woolworths

(D) Selected Large Employers in the North-West Region[226]

ABB
Auscott
BAE Systems
Baiada
Belmont Engineering
Bindaree Beef
Cargill
Goodman Fielder
New England Institute of TAFE (Tamworth)
NSW Department of Education
OBIECO Truck Bodies
Peel Valley Exporters
Penford
Tamworth Council
Tamworth Hospital
Twynam Agricultural

226 Table compiled with the assistance of the Tamworth Regional Council.

(E) Selected Large Employers in the Central West[227]

Organisation	Number of Employees
Orange Health Service	1,110
Newcrest Mining	1,110
Charles Sturt University	1,059
NSW Department of Education and Training (Orange)	820
Greater Western Area Health Service	802
Centennial Coal	700
NSW Department of Primary Industries (Orange)	546
Electrolux	600
Country Energy	503
Simplot	429
Bathurst Regional Council	425
Land and Property Information	282
Barrick Gold	250
Bathurst Woolworths	250
Devro-Teepak	248
Delta Electricity (Mt. Piper)	230
Lithgow Integrated Health Service	202
Mars Petcare	222
Bathurst Correctional Centre	214
Bathurst Big W	191
Lithgow City Council	180
Thales	140
Bathurst K Mart	140
State Debt Recovery Office	130
Bathurst Coles	130
Central West Linen Services	130
Ferrero Chocolates	120
Downer EDI	110
Bathurst McDonalds Outlets	100

227 See Bathurst Regional Council, *Bathurst Regional Council Statistical Profile 2005* (Bathurst Regional Council, Bathurst, 2005), appendices; Orange City Council, *Orange Economic Profile* (Orange City Council, Orange, 2008); Economic Development Office, Lithgow; Australian Bureau of Agricultural and Resource Economics, *Australian Commodities*, vol.12, no.2, June 2005.

(F) Selected Large Employers in the Hunter Region

Australian Defence Force (Air Force/Army)
Ampcontrol
Australia Post
Australian Tax Office
BAE Systems
Baiada
Bartter
BHP
Boral
Bradken
Coles
Commonwealth Bank
EDI
Energy Australia
Goninan
Hunter Area Health Service
Hunter Water
Inghams
Lake Macquarie City Council
Macquarie Generation
Maitland City Council
Newcastle City Council
Newcastle Newspapers
Newcastle Permanent Building Society
Newcastle University
NSW Department of Education
OneSteel
Rio Tinto
State Rail
Telstra
Tomago Aluminium
University of Newcastle
Volgren
Woolworths
Xstrata

(G) Selected Large Employers in the Illawarra Region: 2009[228]

Australian Health Management
Bluescope Steel
CSC Communications
Figtree Private Hospital
Gujarat NRE Minerals
Illwarra Area Health Service
Illawarra Coal
Illawarra Mercury
Illawarrra Retirement Trust
Illawarra TAFE
IMB Banking Services
Integral Energy
Manildra Starches
MM Kembla
Novotel North Beach
NSW Department of Education
Oasis Superannuation
Pillar Superannuation
Port Kembla
Port Kembla Coal Terminal
Royal Australian Navy (Nowra/Jervis Bay)
Shoalhaven Council
University of Wollongong
Wideform Group
WIN TV
Wollongong Council
Wollongong Hospital

[228] Information supplied by the Illawarra Research and Information Service.

(H) Selected Large Employers in South East Region[229]

Organisation	Locality
Goulburn-Mulwaree Council/NSW Police Academy/Goulburn Base Hospital/Goulburn Correctional Centre/Southern Meats	Goulburn
Commonwealth Public Service (Canberra)/Queanbeyan City Council/Queanbeyan District Hospital	Queanbeyan
Yass Valley Council	Yass
Willmott Forests/Forests NSW/Dongwha	Bombala
Cooma Monaro Shire Council/Monbeef/Snowy Hydro	Cooma
Snowy River Council/Perisher Blue	Snowy Mountains
Visy/Weyerhaeuser	Tumut
Bega	Bega Cheese
Young Council/Burrangong Meat Processing/National Engineering	Young

(I) Selected Large Employers in the Murrumbidgee Region: 2009[230]

Australian Defence Force (RAAF/Army)
Australian Rail Track Corporation
Baiada
Beelgara Estate
Big Rivers Timber
Buildev
Byrne Transport
Cargill Australia
Casella
Chargeurs/Riverina Woolcombing
Charles Sturt University
Days Transport Services
De Bortoli
De Paoli Transport
FLT Pty Ltd
Fonterra Brands
Freedom Foods
G and J Groves Pty Ltd
Glencore Grain
Golden West Packing House
GrainCorp
Gunns
Hart Bros

229 Information supplied by the South East Region Development Board.

230 Information supplied by the Riverina Regional Development Board.

Hartwigs
Heinz
Hyne and Son
Junee Abattoir
Lodehaul Grains
Manildra Group
Market Express Pty Ltd
Murrumbidgee irrigation
McWilliams
Nugan Estate
Pacific Fresh
Regional Estate
Ridley Corporation
Rinaland Investments
Rodney's Transport
Ron Crouch Transport
Shearer's Transport
Simmos Express Freight
Star Track Express
Sumar Produce
Summertime Fruit Juices
Sutherlands Transport
Teerman's Transport
Tenix
The Real Juice Company
Toll
Vinidex
Visy
Twynam Agriculture
Wagga Wagga Base Hospital
Wagga Wagga City Council
West End Estate
Weyerhauser

(J) Selected Large Employers in the Murray Region: 2009[231]

Australian Taxation Office
Billabong Produce
Bradflow
Byfords Engineering
Cooper Tools
Geely Automotive
Geofabrics Australia
Huhtamaki
Hyne
Iplex
Joss Group
Kimberley-Clark
Macquarie Textiles
Norske Skog
QAF
Stramit
Surdex Steel
Telstra (National Country Wide)
Thales
Uncle Toby's

231 See Murray Valley Regional Development Board, *Regional Profile: 2008* (Murray Valley Regional Development Board, Albury, 2008), p.2.

APPENDIX 2: ASKIN GOVERNMENT ASSISTANCE FOR FIRMS ESTABLISHING IN REGIONAL NSW

Type of Assistance	Form of Assistance
Factory Loans/General Loans	Concessional loans for the acquisition of land/and or factory buildings
Housing Loans	Concessional loans for the building by employers of homes for key personnel
Industrial Land Acquisition	Acquisition and development of land by the Department of Decentralisation and development for later sale on a long term finance basis
Freight Subsidies	Concessional rates for goods consigned by rail to/from country centres
General Subsidies	Subsidies for additional purposes (such as establishment costs/employee training/site access roads/staff transfer from city to country
5% Preference	Providing for rural manufacturers to be given a preference of up to 5% when tendering (in competition with urban businesses) to supply state government departments
Miscellaneous Assistance	Assistance with factory design/education for managers etc.

APPENDIX 3: WRAN GOVERNMENT REGIONAL BUSINESS ASSISTANCE MEASURES: 1983[232]

Program	Purpose
Interest Rate Subsidies/Rental Subsidies	Facilitate relocation of businesses from Sydney to the regions
Amended Loan Guarantee Scheme	Supporting loans for the acquisition/construction/extension of factory premises or for the purchase of plant/machinery/equipment for the operation of a country industry
Amendments to the Payroll Tax Rebate	Provision of further incentives for companies to increase staff

232 Bureau of Industry Economics, *The Regional Impact of Structural Change – an Assessment of Regional Policies in Australia* (Australian Government Publishing Service, Canberra, 1985), p.160.

APPENDIX 4: STATE PUBLIC SERVICE EMPLOYMENT RELOCATIONS TO REGIONAL NSW: 2000-2005[233]

Government Department (from which Positions Transferred)	Destination of Transfer	Personnel Relocated	Year of Relocation
Firearms Licensing Branch (NSW Police)	Murwillumbah	50	2000
Registry of Co-operatives (Department of Fair Trading)	Bathurst	43	2000
Pillar Administration (formerly Superannuation Administration Corporation)	Wollongong	314	2001-2003
Native Vegetation Unit (Department of Natural Resources)	Wellington	24	2002
WorkCover Authority	Gosford	480	2002
Long Service Payments Corporation	Gosford	60	2002
Infringement Processing Bureau (NSW Treasury)	Maitland	150	2002
Department of Local Government	Nowra	60	2003
Department of Mineral Resources	Maitland	200	2004
State Debt Recovery Office (NSW Treasury)	Lithgow	132	2005

233 NSW Auditor General, *Relocating Agencies to Regional Areas* (NSW Auditor General's Office, Sydney, 2005), p.8.