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Mr Ashley Albury
Director Regions, Western
Department of Planning and Environment
PO Box 58
DUBBO NSW 2830

ABN: 55 418 618 640

Ph: 02 6369 1600

All Postal
Correspondence
PO Box 172
Orange
NSW 2800

Dear Ashley

SUBMISSION ON DRAFT CENTRAL WEST AND ORANA REGIONAL PLAN

Regional Development Australia (RDA) Central West is pleased to provide the following feedback to the Department on the draft Central West and Orana Regional Plan ("the draft Plan").

We acknowledge the significant work involved in putting together a Regional Plan of this nature. The draft Plan is a substantial document and makes an important contribution to capturing the current and future priorities for the region.

In providing our feedback on the draft Plan, we want to emphasise that it is not possible for a single plan to fully encapsulate the wide range of issues, challenges and opportunities for a region let alone the vision and aspirations of a wide cross section of business, community stakeholders and individuals.

In writing this submission we have not provided feedback on all aspects of the draft Plan. Where we have not made comments we are broadly supportive of the direction and policy measures proposed. Moreover, there are a number of proposed strategies and actions that relate to Local Government planning processes and where feedback from Central Councils NSW and their member Councils will be more instructive.

We intend to comment on the content by exception, that is, where we believe that additional context or feedback may enhance the draft Plan.

Regional Development Australia (RDA) Committees and Strategic Planning

RDA Central West is part of a national network of 55 Committees responsible for enhancing the development of Australia's regions. The network is made up of local leaders who work with all levels of government, business and community groups to support the development of their regions.

The Central West region, for our purposes, includes the eleven LGAs of Lithgow, Oberon, Bathurst, Blayney, Cabonne, Orange, Parkes, Forbes, Cowra, Weddin and Lachlan. We note that the Department's definition of the region includes Mid-Western Council, which is outside of our coverage area.

In broad terms, RDA Committees undertake the following 4 key activities:



- (i) Consult and engage with communities
- (ii) Promote and participate in regional programs and initiatives
- (iii) Provide information and advice on their region to all levels of government
- (iv) Support informed regional planning

Each RDA Committee is responsible for maintaining and updating a Regional Plan which outlines priorities for their respective region and guides them in strengthening their communities.

We are in the process of reviewing the *RDA Central West Regional Plan*. As part of this process, we review current Commonwealth, State and Local Government plans and support those plans in respect of initiatives relating to regional development. Where we reach the conclusion that current plans do not fully cover the needs, key priorities, opportunities and challenges of our region, we have the capacity to identify and/or address these gaps within our strategic planning framework.

Communities of Interest and plan coverage

Achieving a plan that resonates with a broad range of regional stakeholders is difficult, and is further compounded when the territory is expanded to cover two large and distinct geographic regions which in many cases do not share the same community of interest in respect of landscapes, economies and social considerations. The Central West region in itself is highly diversified in terms of industry, population and geographic factors. Aggregating the Central West and Orana regions into a single plan detracts from the identification of strategies, actions and solutions more tailored and appropriate for communities with comparable communities of interest.

This aspect is noted in the draft Plan, at page 5:

"The region is made up of two equally important areas – the Central West and the Orana. Each has its own unique economy, environment and settlements."

It was unfortunate, in our view, to attempt to combine two neighbouring, albeit distinct and different, regions into a single "regional" plan. The result is a document that in a number of instances doesn't resonate with the needs of a wide range of cities and towns with different needs and aspirations.

Important part of the regional planning framework, by no means the only part

It is important that all levels of Government, as well as other regional stakeholders such as RDA Committees, universities, business and community groups work together to collectively identify and plan for the development of the regions. While it is desirable and in many instances important to have alignment in key priorities and initiatives, it is unrealistic that a single plan can, on its own, encapsulate the wide range of strategic themes and actions that our communities require. This is particularly the case when a variety of State and Commonwealth Government departments are involved to various degrees in regional planning in respect of the provision of services and infrastructure.

The release of the draft Plan by the Department of Planning and Environment is to be commended. It is an important part of the broader regional planning framework and landscape. However, it is by no means the only regional plan for the Central West and Orana region. In terms of NSW State Government alone, a significant number of other State Government departments release, from time to time, their own policy, priorities and plans for the regions. Indeed, the Department of Premier and Cabinet is in the process of developing and disseminating a range of plans and initiatives under the auspices of *Making it Happen in the Regions*. The importance of the Draft Plan needs to be understood in this context – it is an important part but ultimately only one part of the broader regional planning framework.

Consultation and Engagement

RDA Central West appreciates the opportunity afforded to it to join Central Councils NSW (Centroc) and Local Council planners in providing substantial background information, research and ideas to the Department for consideration in the development of the draft Plan.

We recognise and appreciate the efforts of Department staff in Dubbo to engage with us in order to ensure that the existing evidence base of the region, including information about the economy, infrastructure and key industries, was accessible and understood. We were also pleased to assist the Department with identification of various stakeholders to consult with as part of the agricultural study undertaken across the region. In short, we were pleased to be able to provide assistance to the Department as part of the consultation and engagement process.

The Department has released similar plans in other regions, such as the Illawarra region. These were informed and developed after widespread and extensive consultations with the community over a significant period of time. The Department took a different approach in this instance. In our view, the community is less connected and engaged with the draft Plan than could otherwise have been the case.

While we appreciate the opportunity we were given to engage with the Department, we believe a more extensive engagement plan with other regional stakeholders would likely have resulted in a better, higher quality and more widely supported draft Plan.

Vision and Key Goals

Developing a compelling vision for two combined regions, let alone one, is always going to be an extremely difficult and contentious task. The vision which is outlined in the draft Plan is essentially a “business as usual” statement with several references to characteristics that “will continue to” apply.

For example:

“Residents and visitors will continue to enjoy....”

“The regional cities of Orange, Bathurst and Dubbo....will continue to grow”

“The region’s agribusiness sector will continue to make a significant long term contribution...”

“A sustainable mineral and energy resource sector will remain....”

These statement suggest we have already achieved the vision in respect of those outcomes. This is not especially inspiring for a region that wishes to surpass what it may has already achieved.

The vision lacks clarity of quantifiable outcomes. How will we know when we have reached the vision? What specifically are we aiming for? It also lacks aspirational qualities. For example, what will distinguish our region from other regions? What legacy do we want to leave future generations? What is our point of difference, or our competitive edge in comparison with other regional communities? Should we focus our thinking on traditional industries because that’s what we’ve been traditionally good at?

Encouragingly, there are references to important new opportunities and initiatives such as opportunities in the renewable energy sector, significant scope for improved freight connectivity and access to markets, and Inland Rail. These are key priorities for the region and it is essential that references to these remain in the plan.

RDA Central West has recently completed a study in to the potential economic opportunities arising from Inland Rail. We share the view that “the Melbourne to Brisbane Inland Rail Corridor will transform the freight network” as outlined in the draft Plan at page 13 and that it will “expand economic opportunities for business in the region” (page 19). Inland Rail needs to remain a cornerstone of regional transport and infrastructure planning.

We believe that the four goals set out at the end of the vision statement provide a reasonable framework for which specific goals and activities identified throughout the draft Plan can be framed within.

Governance Framework

We welcome and support the governance framework set out at pages 16 and 17 of the draft Plan. In particular, we acknowledge and appreciate the opportunity afforded to RDA Central West to contribute towards the successful delivery of the draft Plan through our participation on the proposed Coordination and Monitoring Committee.

Underlying Growth Assumptions

In the recently released *Australian Infrastructure Plan*, Infrastructure Australia has identified the Central West region as a “high potential regional hub”. Indeed, it is projected as having the sixth largest projected Gross Regional Product (GRP) of \$17.6 Billion by 2031 out of the top 23 major regional centres across Australia. Infrastructure Australia argues that investment from both public and private sectors should be channelled towards hubs such as the Central West in order to elevate national productivity¹.

1 Infrastructure Australia, *Australian Infrastructure Plan: Priorities and Reforms for our nations’ future report*, pages 60-63

In view of this, we would request that the underlying growth assumptions for the Central West region that are contained within the draft Plan be reviewed in line with those espoused by Infrastructure Australia. It is important that the plan does not assume “business as usual” growth assumptions in line with previous demonstrated rates of growth where the region may be poised to realise a “step change” in growth from public and private sector investment.

Indeed, the draft Plan does not appear to provide sufficient consideration of economic growth opportunities resulting from the new business development or, more broadly, development of new industries that are likely to arise through disruptive technologies. The advent of high speed broadband and greater connectivity within the region as well as with other regions (and to export markets) enables the Central West to compete on a level playing field with larger, coastal population centres. There is no reason why the Central West, particularly given its proximity to Sydney, Canberra and coastal population centres, cannot compete with Newcastle and Wollongong as a “smart region” and secure a fair share of the technology based, highly skilled jobs of the future.

The region has strategic advantages in a number of key industries such as mining, agriculture, manufacturing, health and education. These are well established, mature industries and the importance of these to the economy should not be understated. Carefully targeted investment and industry development can leverage these existing strengths. However, there are also opportunities in emerging industries such as renewable energy which are noted but perhaps understated in the draft Plan.

The draft Plan appears to assume that the Central West region will continue to grow on its current trajectory based on trend growth over past years, with the larger regional cities of Bathurst and Orange growing at approximately 1% to 1.5% per annum and smaller centres growing at a minimal amount or contracting. At these rates of growth, the Central West region will continue to lag behind metropolitan areas in terms of its economic contribution to NSW and well below its potential.

What would it take to achieve a “step change” in this underlying trend? This is a key question that should be considered, especially as metropolitan areas continue to become more congested and where infrastructure spend is increasingly required to maintain productivity rather than boost it.

A strategic, targeted approach to regional development which recognises that the Central West region has significant latent potential for growth and productivity, will encourage and facilitate the establishment of new industry, business development and population growth in a highly liveable, productive region with close proximity to markets.

Lack of Metrics and Baseline Data

The draft Plan does not provide sufficient baseline data or quantifiable targets from which progress can be monitored. For example, page 28 of the Draft Plan refers to the importance of the provision of well-located and serviced land to establish processing and manufacturing facilities:

“The timely supply of this land is necessary to support the projected growth of agribusiness”.

Given the emphasis throughout the draft Plan on the contribution from agribusiness, a target(s) should be able to be set to quantify this. What is the projected growth of agribusiness over the next 5,10 or 20 years? What is the current baseline from which we will measure success? How many hectares of serviced land need to be set aside to cater for this growth? These are examples of measurable indicators to enable informed regional planning,

Another example of a lack of quantifiable baseline data relates to the projected increase in freight volumes across the region vis-à-vis NSW as a whole:

“Freight volumes across NSW are projected to double by 2030 and triple by 2050. A large portion of this growth is expected to occur in the Central West and Orana...” (page 31)

What is “a large portion”? How can there be effective, coordinated regional planning in relation to corridor protection, demand for intermodal terminal facilities, maintenance requirements etc. in the absence of projections on the regional freight volumes (let alone the anticipated modal split between road and rail)?

Value-add Opportunities

We support the emphasis of transforming the region’s manufacturing sector through advanced and value-adding manufacturing opportunities.

We believe that while there are certainly opportunities to value-add to agricultural produce through manufacturing, there are a number of other levers for increasing the economic contribution made to the region through agriculture and related industries. These opportunities include value adding through biotechnology (e.g. functional foods, protein and animal feed, bioenergy), digital technology, processing and packing (including new technologies such as HPP), branding and marketing, and collaboration and cooperation.

RDA Central West has recently completed a study into these regional opportunities and will be pleased to provide a copy of this report to the Department upon its finalisation.

We welcome the opportunity outlined in Action 1.2.1 (page 23) to work with Industry NSW to prepare and implement a value-adding strategy for the Central West area.

The Regional Freight task and supporting actions need to be better articulated

While the objectives stated throughout Goal 2 are important, this section, in the main, reproduces a summary of existing programmes already in place and does not contain any new measures or initiatives in relation to the Central West. To this extent the section on freight transport, as it currently stands, lacks regional context and commitment, and a clear plan to address future needs.

A restatement of existing programs and measures that apply to all regions across the State does not amount to effective regional planning for the Central West region and its particular circumstances, challenges and opportunities. This does not provide a plan to respond to a “doubling or tripling” of the freight task (page 31).

The actions outlined under Direction 2.1 are vague and non-committal. For example, action 2.1.1 indicates that the NSW Government will “*work with stakeholders to coordinate investment in the freight network to improve network efficiency*” (page 34). Some of the questions that arise from this are:

- What investment is needed and by when?
- Who are the stakeholders that the Government will work with?
- How will investment be “coordinated”?
- What will improved network efficiency look like? For example, is there a target modal share for rail? Is there a target cost savings per TEU to the port of Botany directly attributable to measures implemented under *Fixing Country Rail*? What lead time improvements for a rail (or road) freight journey will be targeted based on current journey times?

While the draft Plan states that the NSW Government acknowledges that the constraints in the road and rail network “can substantially affect economic productivity”, the statement that Transport for NSW is “proposing to investigate” a Defined Freight Network does not constitute a tangible commitment to addressing this key area. “Proposing” to investigate provides no assurance that even the investigation itself will take place.

We also seek a stronger commitment in this section to Inland Rail, recognising the important economic contribution that Inland Rail can bring to the Central West region (as outlined in other parts of the draft Plan but, curiously, not in this section on freight transport).

If this draft Plan is to provide a strong and compelling vision for a prosperous Central West region, more needs to be done to provide assurances that there is recognition that freight costs represent a significant burden on regional producers and manufacturers in comparison with their counterparts in countries such as Canada. This places our businesses at a competitive disadvantage on the world stage when competing for exports.

A vision that takes our region (and the State generally) to the top decile of international cost competitiveness when it comes to freight is an example of providing a target benchmark that is measurable and actionable with Government and non-Government stakeholders alike. Regardless of what the ultimate target may be, we need to have a target to work towards and benchmark our progress against if we are to avoid being overwhelmed by a tripling of the freight task within the next 35 years.

Telecommunications Infrastructure and Connectivity

The extent of Mobile Black Spots across the region, as well as a lack of high speed broadband connectivity, is an impediment to productivity in the region and access to markets. This has been recognised by the NSW State Government through its co-contribution in round 1 to the national *Mobile Black Spots Program*.

As an example, the increasing prevalence of internet based technologies to farming practices requires greater telecommunications connectivity. The absence of reliable, high speed and cost effective access to mobile phone and internet services places farming communities at a significant disadvantage by not being able to adopt available technologies and achieve improved productivity and yield.

There needs to be a continued strong emphasis on rectifying mobile black spots and providing high speed broadband to all communities and agribusinesses as soon as possible. This significant constraint to productivity should be noted in Direction 2.2 of the draft Plan (page 40).

Miscellaneous, Specific Matters

Finally, we would like to remark on a number of specific matters contained in the report.

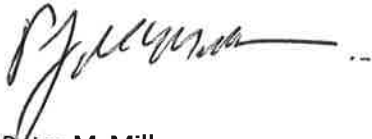
- (i) While it is noted at page 5 that renewable energies are growing, there are solar projects in the Central West region including Parkes as well as a number of other projects such as community renewable energy in Cowra. We suggest that the wording be *“Renewable energy opportunities are growing, including wind farming....”*
- (ii) We are not clear as to the purpose or effect of the reference to “a stable investment policy” for food and fibre at page 21. Can this be expanded on to provide more context?
- (iii) We had difficulty with a number of the maps contained within the draft Plan. Some appears to misrepresent the actual size and importance of towns. For example, Oberon is depicted in the same font size as Mullion Creek and Hill End on page 33. Maps of regional assets and resources in Figures 4 and 12 do not appear to contain known mineral resources etc. It may be beneficial to include additional maps to illustrate the key messages here rather than further clutter the existing figures.

Final Remarks

As previously mentioned, we welcome the release of the draft Plan as an important component of the regional planning framework. We look forward to working closely with the Department of Planning and Environment and other stakeholders to oversee and support the effective implementation of the plan. We recognise that all plans have their limitations and opportunities for improvement and believe that future iterations of the plan will result in further collaboration and community engagement which will, in turn, build additional interest and engagement with a broader range of stakeholders.

We trust that the feedback provided in this submission is of value and we look forward to seeing the post-consultation version of the *Central West and Orana Regional Plan*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter McMillan', followed by a horizontal line.

Peter McMillan
Executive Officer

