

# DECADE OF DECENTRALISATION SUBMISSION

February 2013



CENTRAL NSW  
COUNCILS



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Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

[www.centroc.com.au](http://www.centroc.com.au)

14 February 2013

Enquiries: Ms J Bennett: 0428 690 935

The Hon Richard Torbay, MP  
Chair  
Decentralisation Taskforce

Dear Minister Torbay

**Re: Advice to the Decentralisation Taskforce from Central NSW Councils (Centroc)**

Thank you for the opportunity to provide comments to the review of the NSW Government's Decade of Decentralisation policy and associated regional policies and programs.

Central NSW Councils (Centroc) represents over 236,000 people covering an area of more than 70,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Harden, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, Wellington, Young and Central Tablelands Water.



Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be the lead organisation advocating on agreed regional positions and priorities for Central NSW while providing a forum for facilitating regional cooperation and the sharing of knowledge, expertise and resources.

Centroc has two objectives:

- 1. Regional Sustainability-**  
Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.
- 2. Regional Cooperation and Resource Sharing-**  
Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.



The Centroc Board is made up of the 34 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils.

For more advice on Centroc programming and priorities, please go to our website and download our annual report at [www.centroc.com.au/publications](http://www.centroc.com.au/publications)

Centroc members are more than enthusiastic about an outcomes focussed policy for decentralisation in NSW and would very much like to be part of the development of solutions.

Overall, Central NSW suggests that while the intent of current NSW action in this area is to be applauded, it is difficult to see that decentralisation of any significance will occur as a result. Centroc members provide feedback that what is being done is little, not strategic and counter-balanced by “anti” regional efforts, for example, rationalizations of staffing for State agencies where Trade and Investment is a notable example for this region.

Members were **very** pleased to see the usage of *regions* in the terms of reference. Regional NSW is not Sydney, Wollongong and Newcastle, or for that matter the Central Coast. Please go to the NSW Transport Masterplan to see where a significant spend on the “regions” is retained in Sydney, Newcastle and Wollongong. In our view, this is disgraceful and not at all in the spirit of what our members consider as supporting regional NSW.

Members are keen that the process of developing policy, strategy and implementation for decentralisation authentically engages stakeholders in the region. The timing of this submission process is an example of a lack of consideration for local government. For Councils to provide considered responses of value to a process such as this, sufficient time needs to be given for elected representatives and staff to engage with the community, meet, develop options and agree on a position.

It is suggested that for meaningful regional consultation to be undertaken, local governments need to have a role at steering committee level to ensure that the region’s priorities and issues are addressed. It is to be hoped that this would avoid the development of plans that do not reflect the priorities of the Central NSW region, such as the Regional Action Plan.

### **Current State Plans for Central NSW**

The Taskforce may be aware that a significant strategic effort is being undertaken by the State where material plans for Central NSW include:

- The NSW Transport Masterplan
- The Infrastructure NSW- First Things First State Infrastructure Strategy
- The NSW Government response to the INSW Strategy
- NSW 2021 and the Regional Action Plans for Central NSW members including from Orana, Southern Highlands, South Eastern NSW and the Central West

Other strategic work and State Standing Committees are also impacting on possible decentralisation in the region including State land use planning, the State Standing Committee on development in Central NSW, the State Dams inquiry, the regional transport plan as well as the Local Government reform process. Suggestions such as the removal of Single invitation Maintenance Contracts and the control by communities over their water utilities are not “decentralisation friendly.”

Members are dismayed that current plans for this region identify little activity of any type, let alone of the scale, that would facilitate decentralisation of any substance. So as a first suggestion, all strategic work undertaken by the State needs to make commentary about the way in which it will facilitate a decade of decentralisation. Current plans will need to be reviewed accordingly.

Members are also keen that when considering decentralisation, targeted activity be undertaken across all regional communities, where the place based model could be given consideration. Councils are at the heart of every regional community and have a strong place-shaping role, providing opportunities to involve their local and regional communities in the process.

Place based responses require collaborative working relationships between local governments including the sharing of knowledge and resources to develop innovative solutions which can result in better services at reduced costs.

Central NSW councils are already well known for their strong local leadership in implementing innovative, collaborative regional programs that share resources and deliver cost savings while ensuring increased efficiencies and best practice in delivering critical infrastructure and services to their communities.

Please find below advice from this region regarding the decentralisation strategy and associated policies and programs including:

1. Regional Relocation Grant
2. Jobs Action Plan (regional component)
3. Restart NSW (regional component)
4. Resources for the Regions
5. Government agency relocations
6. The relocation of existing Government facilities

We also provide some other more general advice regarding the development of future programming with a view to authentic engagement with regional stakeholders.

## **1. Regional Relocation Grant**

The Regional Relocation Grant, while a positive initiative, is not sufficient on its own to encourage relocations to regional communities. The key to relocation is that those wanting to make the move firstly have employment, secondly a home and thirdly access to quality community infrastructure of the standard enjoyed in metropolitan areas. While a one-off \$7000 grant is of assistance to families relocating to a regional community it is not an incentive as it does not create employment or stimulate job creation opportunities.

Additionally the relocation grant does not apply to retirees. This has an impact on those which may seek divest city based assets and move to country areas.

While the Central NSW region prides itself in providing an attractive and affordable regional lifestyle, the Regional Relocation Grant cannot be looked at in isolation from the issues that confront many of our communities as these have implications for the attractiveness of the region as relocation destination. These issues include:

- water supply security
- housing supply not meeting the demand for home ownership
- ageing infrastructure
- declining health services in smaller centres
- energy supply stability and high cost
- high demand for aged care services
- limited public transport services in some parts of the region
- pressures on the region from transient mine workers; and
- the need for high speed broad band internet services.

Following is commentary on some of these issues and their impact on regional relocation.

## **Water Security**

In 2006, the Western Research Institute (WRI) at Charles Sturt University in Bathurst completed a study titled “Regional Development in Central West NSW – Water the Real Constraint” that identified that while the Central West of New South Wales has a diverse industry base, a significant proportion of production (27%) is attributable to the heavy water consuming industries of agriculture, mining and manufacturing. The study found that this reliance on water intensive industry, coupled with population growth, extreme drought and a lack of new dam infrastructure has resulted in similar water use and sustainability issues in Central NSW as have been identified across Australia.

Currently demand across the region is at an unsustainable level with water restrictions becoming a way of life for residents and water intensive industries struggling to survive with reduced water supply and security.

During what could arguably be claimed as the worst drought on record, water supply problems in the Central NSW region where numerous towns were on severe water restrictions for 6 to 7 years. The extreme and extended drought caused Orange, a city of nearly 40,000, to implement Level 6 water restrictions, hence the imperative need for the current Macquarie River pipeline to that city.

At the extreme period of the drought, Wyangala and Burrendong Dam levels dropped to about 4% and 12.5% respectively and the Lachlan River near Condobolin stopped flowing. Major Mining operations in the region were also at risk of closing which would have had a devastating effect on the economic viability of the region. Approximately 1,200 jobs would have been at risk not to mention the snowballing effect on the commercial businesses in Orange that feed off the mine.

The 2006 WRI Study and subsequent Centroc Water Security Study have identified that the expansion of Lake Rowlands Dam, near Blayney, from 4,500 megalitres to 26,500 megalitres would significantly enhance the development potential of the Central NSW region. A copy of the study can be downloaded from the Centroc website at [www.centroc.com.au/publications](http://www.centroc.com.au/publications)

Lake Rowlands is a town water supply dam owned and operated by Central Tablelands Water supplying potable water to 13 towns and villages across the Central Tablelands and Central West. Studies have found augmentation of Lake Rowlands to be the best option due to its geographic location and capacity to support the greater associated demands of increased population growth in the region.

The Centroc study states that, as the augmentation of Lake Rowlands is a key recommendation to improve security, it is a high priority action and planning for this work needs to commence as a priority.

In a separate submission to this Taskforce, Central Tablelands Water County Council (CTW) has provided details of the various studies that have been conducted over the past 13 years that have proposed increasing of the storage capacity of Lake Rowlands as a means of increasing capacity and reallocating water to those areas in need. For this proposal to move forward, it needs State and Federal Government support with approvals and funding.

For regional development of any significance to occur through decentralisation initiatives in the Central NSW region, water security for town water supplies and to support industries such as

increased mining is of the highest priority. There can be little if any increases in population or commercial activity without it.

## **Housing**

Of specific relevance to the Regional Relocation Grant is that, according to the Regional Development Australia Central West (RDA Central West) - Regional Plan 2010 -2015 developed in consultation with Centroc councils, housing supply is currently not meeting the demand for private housing (owner-occupied and rentals).

While the availability of housing in some LGA's is more critical than others, all LGA's have reported that to attract professionals to their towns they require more family and executive style housing options, serviced apartments and student accommodation. The critical area is the availability of rental dwellings. This is especially critical for visiting professionals and students.

The majority of Council's in the region are planning for urban development to alleviate the housing issue as part of their integrated planning and see it as a priority in attracting residents, professional people and retaining families.

The Central NSW region has a diversity of industry and workforce (transient and residing) requiring a diversity of housing options. Housing designs that meet the requirements of different lifestyles such as professionals (visiting & residing), contract workers, families, students, Indigenous, disadvantaged persons is becoming more important across the region.

Growth in the industry sectors of health, education, mining, manufacturing and trade related businesses will see the demand for diverse affordable housing increase. For example, the cities of Orange and Bathurst are hubs for health and education across a 63,262 sq.km area servicing a population of 176,526 (2008 figures), it is imperative that the regions housing can cater for this growing workforce and students.

## **Declining Health Services**

One of the biggest issues for regional communities is the availability of medical equipment and services. For the most part it has been left to Councils to develop incentives for doctors to relocate including subsidised housing , cash incentives, private investment in equipment such as x ray/MRI clinics which are readily available (no appointments or waiting times) in metropolitan areas.

Centroc councils have long identified the development of a medical school in the region as a key initiative in improving the delivery of medical services to our communities.

In summary, Centroc members maintain that it is crucial that in developing future programming to encourage regional relocations that the issues outlined above are considered.

It is also recommended that if a Regional Relocation Grant initiative is to be continued it needs to be better promoted and form part of a broader range of initiatives to assist those relocating to find employment and a suitable home, without which relocation is not an option.

## **2. Jobs Action Plan (regional component)**

Centroc members commend the NSW Government in targeting the creation of 40,000 new jobs for non-metropolitan areas of NSW as part of the Jobs Action Plan but doubt that the provision of a

payroll tax rebate is a sufficient incentive to attract businesses to relocate to the Central NSW region.

While the aim of providing payroll tax rebates to businesses that increase their full-time equivalent employment level for a minimum period of two years is positive, a large proportion of businesses in regional communities are small-scale, family-run enterprises that operate under tight budgets and with a small number of staff. Given the size of most regionally based businesses, payroll tax rebates, alone, are unlikely to produce significant employment growth within smaller communities.

It is considered that a program of incentives aimed at attracting larger businesses to regional communities would generate more jobs than one targeted at a large number of individual small businesses.

### **3. Restart NSW (regional component)**

As outlined in comments relating to the Regional Relocation Grant, any initiatives aimed at fostering regional development cannot be viewed in isolation from the need for funding for the provision of quality community infrastructure of the standard enjoyed in metropolitan areas. The establishment of Infrastructure NSW is seen as serving an important role in independently ensuring adequate infrastructure is in place to meet current and future regional needs.

Having said this, Centroc members have been disappointed by recommendations made by INSW to aggregate Local Water Utilities from 105 non-metropolitan utilities down to 30 and see this as a retrograde step not supportive of other decentralisation initiatives. Indeed many of the recommendations in the INSW First Things First strategy are considered to be regionally unfriendly.

It is crucial that the NSW Government provides equitable and accessible funding streams to meet the backlog of regional infrastructure priorities as identified by the Centroc Councils and RDA Central West.

Suitable transport infrastructure (road, rail, air) to ensure the efficient movement of people living in the region as well as the transportation of produce and manufactured goods to markets is essential. While Centroc members welcome funding for the Bridges for the Bush program it will do little to address the region's transport infrastructure priorities.

Infrastructure upgrades for the region including the provision of good road and rail connections, an adequate and reliable electricity and water supply and high speed internet connections are services that will foster business development by providing the capacity for the expansion of existing local business and the attraction of new or relocating businesses.

### **4. Resources for Regions**

The allocation of funding for mining affected communities in regional and rural areas is welcomed by Centroc members. The Central NSW region is home to a number of large mining ventures whose presence in our communities has both positive and negative impacts.

Members are concerned, however, to understand what is defined as a "mining affected community" as the allocation of funding seems to be largely quarantined to areas of high population density such as the Hunter Valley.

Centroc is pleased for the opportunity to participate in the Western NSW Mining and Resource Development Taskforce as many local governments in the Central NSW region either have mines within their local area or have infrastructure such as local roads and rail that is impacted by the transportation of raw materials. Currently communities where there is no mining being physically

conducted in the local area do not receive compensation under the Resources for the Region program.

In addition the Central NSW region suffers similar pressures on its local services and community infrastructure from the presence of transient mine workers to those experienced in the Hunter region.

## **5. Government Agency Relocation**

The relocation of Government Agencies to regional locations is an initiative that should be pursued as it can result in agencies being more synergistically located to their portfolio area and additionally lead to a significant increase in employment opportunities. Communities such as Orange, Lithgow and Bathurst have benefitted in the past from the decentralisation of Government Agencies and can provide advice on lessons learnt. These have not only provided opportunities for local job creation but have also encouraged the relocation of families from metropolitan areas with the flow on benefits to these communities.

Members maintain that it is crucial that such relocations are based on an equitable distribution that leads to improvements across all areas of the state and does not restrict growth to the larger regional centres. Of note is the recent stripping from smaller towns in the region of agencies such as the Catchment Management Authority offices from Forbes while larger inland centres such as Dubbo benefit from the relocation of the Crown Lands office. Surely the point of Government Agency relocation is that they relocate from Sydney and other metropolitan areas and not from smaller regional centres to larger regional centres.

In conclusion, Centroc members welcome the NSW Government's initiatives to stimulate regional development through decentralisation but urge the government to engage in more meaningful consultation with local governments at the earliest stages of developing policy, strategy and implementation plans to ensure that the region's priorities are addressed and that strategies are targeted to meet local needs.

Thank you again for the opportunity to comment on the Government's Decade of Decentralisation Strategy. Please contact our Executive Officer Ms Jennifer Bennett on 0428 690 935 for any further questions.

Yours sincerely,

A handwritten signature in black ink that reads "Ken Keith". The signature is written in a cursive style with a horizontal line underneath the name.

Ken Keith

Chair  
Central NSW Councils (Centroc)