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Mr Stephen Boyd  
Committee Secretary  
Standing Committee on Economics  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

Dear Mr Boyd

Thank you for the opportunity for Bland Shire Council to provide a brief submission to the inquiry on impediments to business investment in Australia.

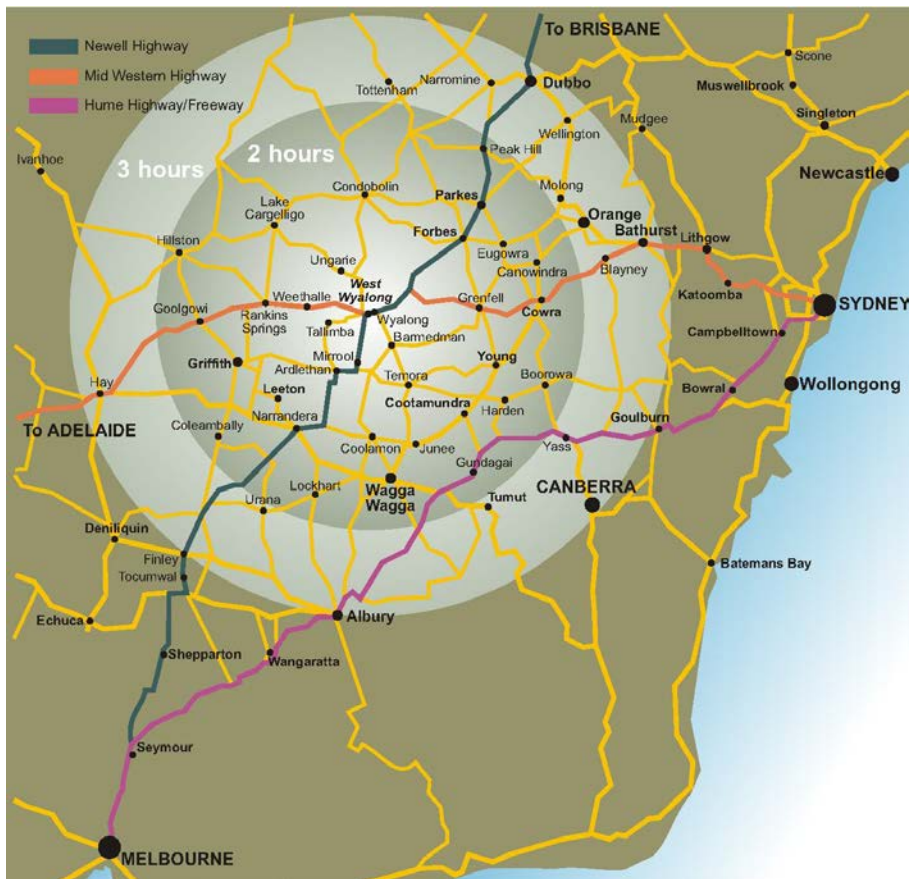
Bland Shire Council extends an invitation to the Standing Committee on Economics to visit West Wyalong and to hold one of its public hearings in West Wyalong to see firsthand the agricultural, mining and exploration activities and investments that have and are occurring in the Bland Shire.

### **Introduction and Background to the Bland Shire**

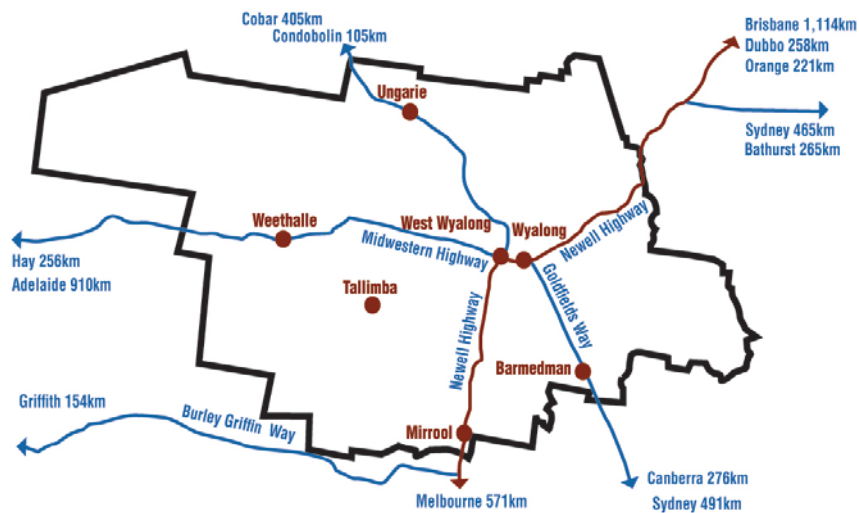
The Bland Shire was proclaimed on 6 March 1906. The Bland Shire, West Wyalong is centrally located in regional New South Wales at the junction of the Newell and Mid Western Highway and Goldfields Way.



**The Bland Shire and West Wyalong central location**



The Bland Shire and West Wyalong central location



The Bland Shire

The Bland Shire has a population of 5,995 as at the 2016 census, and covers an area of 8,558 square kilometres. The Bland Shire Council has one of the largest New South Wales Local Government road networks of 3,248 kilometres which is made up of 879 kilometres of sealed roads, 2,369 kilometres of unsealed roads. Towns and villages in the Bland Shire include West Wyalong, Wyalong, Barmedman, Mirrool, Naradhan, Tallimba, Kikiora, Ungarie and Weethalle.

The Bland Shire is surrounded by the Shires of Lachlan, Forbes, Weddin, Hilltops, Temora, Coolamon, Narrandera and Carrathool.

Some of the major employers in the Bland Shire include:

- Bland Shire Council
- Evolution Cowal Gold Mine
- Pace Farms
- GrainFlow and GrainCorp
- Royal Freemasons Benevolent Institution
- NSW Department of Education
- John Holland

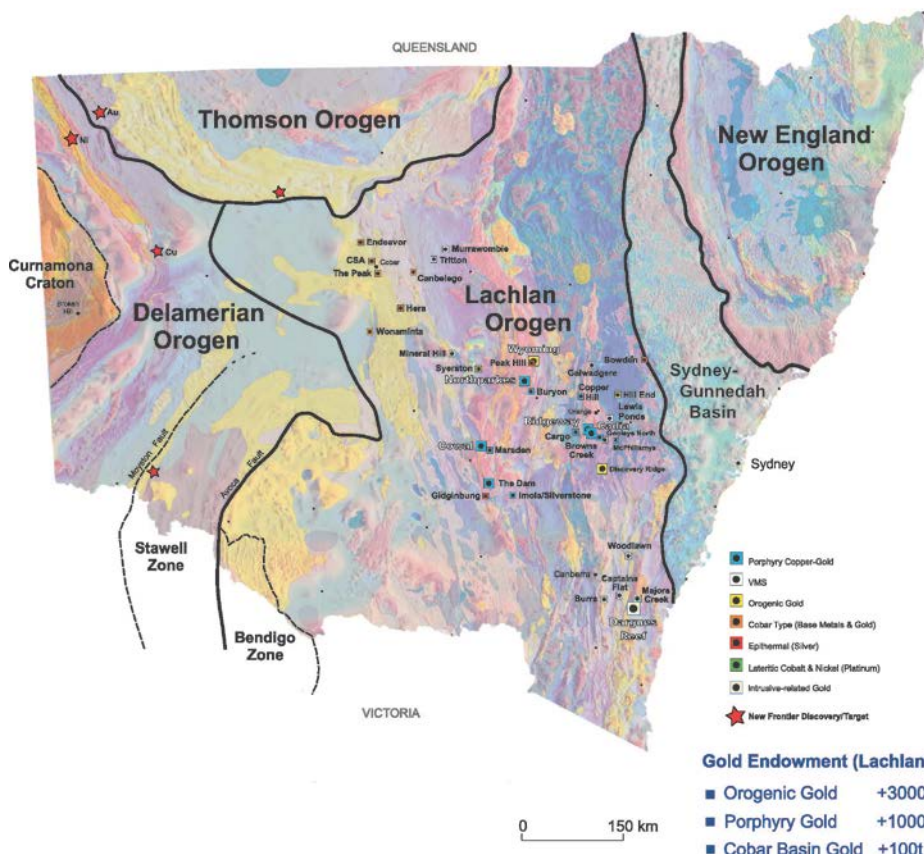
Occupation sectors:

- Sheep, Beef Cattle and Grain Farming 24.5%
- Metal Ore Mining 8.2%
- School Education 5.6%
- Local Government Administration 4.6%
- Road Freight Transport 2.5%

Mining and Exploration

The Bland Shire’s history is deeply engrained in gold and tin production and mineral exploration which continues through to today.

The Bland Shire is located in the Lachlan Orogen. The Lachlan Orogen is a broad orogenic belt that records Cambrian to the Carboniferous convergence between the Australian craton and the proto-Pacific Ocean. It is not a collisional orogenic belt. The Macquarie Arc hosts world class porphyry Cu-Au deposits in the Cadia valley and Northparkes districts. Smaller deposits occur at Cargo and Copper Hill. Structurally controlled Au-Cu occurs at Cowal.



Gold was discovered in the Bland Shire in 1893 and by the end of 1894 there were 300 mining claims registered. Gold mining continued until the 1920's and from 1893 to 1920 some 445,700 ounces of gold was extracted from the West Wyalong gold fields. In 2004 the Canadian Barrick Gold Corporation <https://www.barrick.com/> started to build the Barrick Cowl Gold mine, with production commencing in 2006 and in 2014 produced 268,000 ounces of gold. In 2015 the Barrick Gold Corporation sold the Barrick Cowl Gold mine to Evolution Mining <https://evolutionmining.com.au/> and the Evolution Cowl gold operation <https://evolutionmining.com.au/cowl/> is forecast to produce between 215,000oz and 240,000oz in FY16. The following photo is of Evolution Cowl Gold Operations in the Bland Shire at West Wyalong:



Mining and exploration companies that are currently undertaking activities in the Bland Shire include:

- Evolution Mining - <http://evolutionmining.com.au/>
- Argent Minerals - <http://www.argentminerals.com.au/>
- Thomson Resources - <https://www.thomsonresources.com.au/>
- Sandfire Resources - <http://www.sandfire.com.au/>
- St Barbara Limited - <http://www.stbarbara.com.au/>

The exploration companies also add to the Bland Shire economy and have expressed a desire for RPT services to be available in West Wyalong. The Australian Bureau of Statistics, Mineral and Petroleum Exploration release for the December 2016 quarter shows that total mineral exploration expenditure increased by 6.1% to \$403million. One of the above mentioned exploration companies have spent almost \$10 million since July 2013, with the lions share spent within the Bland Shire.

Both the State and Federal Governments should increase their efforts to encourage more exploration in regional Australia using the latest technologies.

### Agriculture

Agriculture is the Bland Shire's largest industry sector and is at the heart of the Australian identity. Australia's history and economy was 'built on the sheep's back'. Today agriculture continues to play a pivotal role in building the wealth of Australia; this is why the sector is one of the five pillars of the Australian economy and why the Government has made agriculture a priority.

Agriculture is a significant contributor to the Australian economy. The value of farm production was \$51 billion in 2013–14 (ABARES 2015a). Agriculture contributed around two per cent of Australia's gross domestic product (GDP) and 15 per cent of total Australian merchandise exports (ABARES 2014). Agriculture underpins Australia's largest manufacturing industry—food, beverage and tobacco processing—which added \$25 billion to the economy in 2013–14 (25 per cent of manufacturing GDP) (ABS 2015a). As the mining construction boom moderates it will be important to foster growth in other export sectors, including agriculture.

Agriculture has played an important role in Australia's history. In the first half of the 20<sup>th</sup> century it accounted for around a quarter of the nation's output and between 70–80 per cent of Australia's exports (Productivity Commission 2005). In recent decades, agriculture's share of Australia's national income and exports has declined, consistent with that of many other developed countries. This is in part due to the strength of the services and mining sectors.

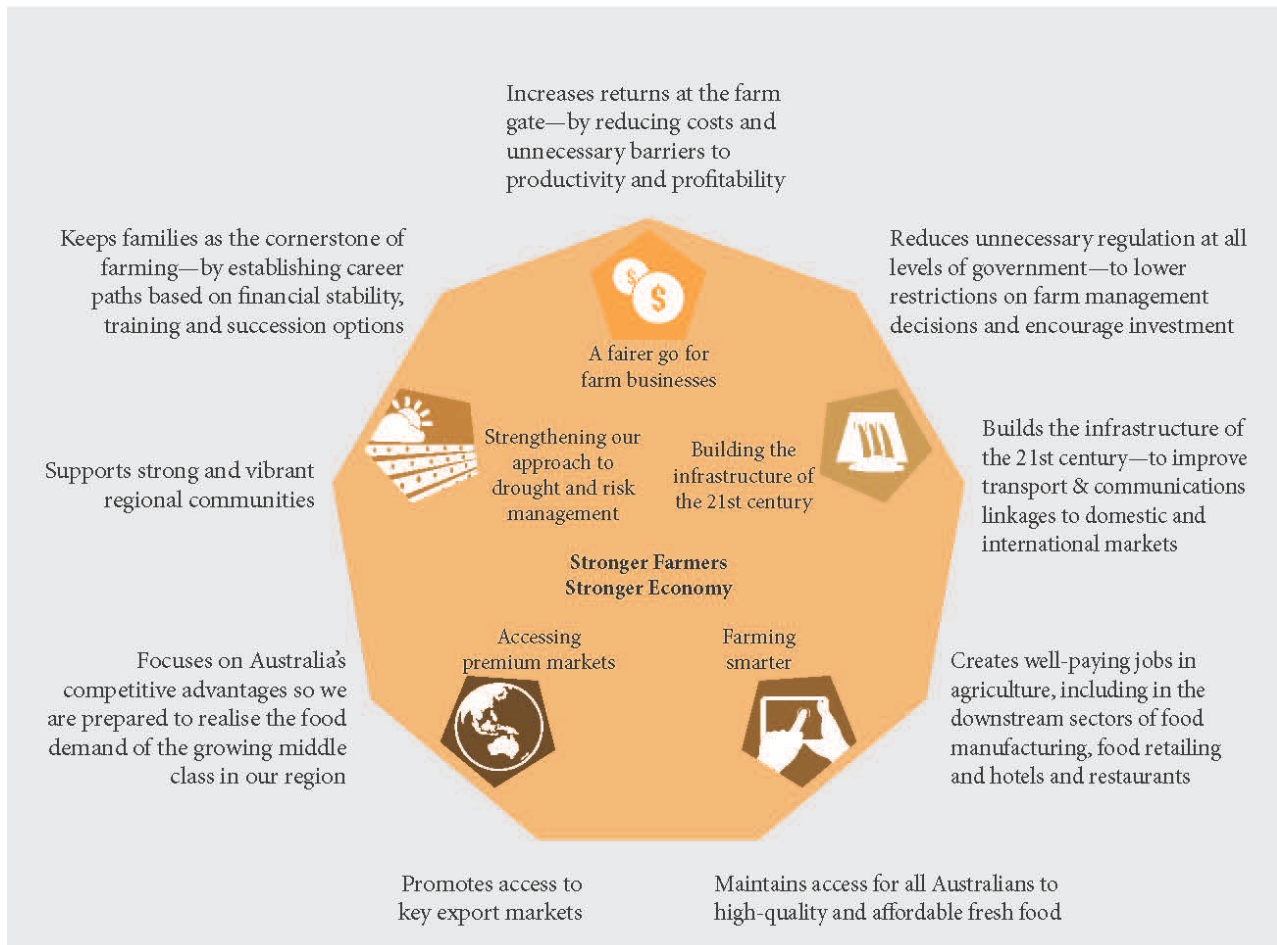
Population growth, increasing prosperity in our region and changing consumer diets and preferences are creating consumer demand for food and fibre. Worldwide, demand for food is projected to rise by around 75 per cent in the first half of this century, with three quarters of this growth in Asia (ABARES 2013a). Australian agricultural production will need to expand significantly to take advantage of these opportunities. This is likely to require opening up new areas of agricultural production, including in northern Australia, with the possibility of doubling production by 2050.

A vibrant, innovative and competitive agriculture sector will create jobs, encourage investment and help build stronger rural and regional communities, and, in turn, a stronger Australia. Australia cannot afford not to have vibrant rural and remote townships and a vibrant, healthy and profitable agricultural sector.

The following schematic has been extracted from the Federal Governments Agricultural White Paper <http://agwhitepaper.agriculture.gov.au/> and mentions that Agriculture is at the heart of the Australian identity. Our history and economy was 'built on the sheep's back'.

Today agriculture continues to play a pivotal role in building the wealth of Australia; this is why the sector is one of the five pillars of the Australian economy and why the Federal Government has made agriculture a priority:

Figure 1 Australian Government agriculture policy principles and priorities



The 2016 Australian Infrastructure Plan <http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Plan.aspx> mentions that Australia's regions contribute substantially to the nation's growth and prosperity. Regional Australia produces many of our key exports – such as minerals, energy, agriculture and tourism. It is also home to around a quarter of our population.

The booming economies of south-east Asia and China will boost demand for our resources, services, produce and tourism. Efficient and reliable regional infrastructure will help us take advantage of this opportunity for growth.

The Bland Shire's history is deeply engrained in agriculture production which continues through to today. Agriculture is the major economic driver in the Murray-Murrumbidgee and Central West and Orana regions.

The following table provides the 2011 Gross Value of Agricultural Production (GVAP) from the Murray-Murrumbidgee (MM) <http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Riverina-Murray/Resources>, and Central West and Orana (CW&O) regions <http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Central-West-and-Orana/Resources>, with the Bland Shire being the most productive with a GVAP of \$328 million:

<b>LGA</b>	<b>Area sq KM</b>	<b>2011 Census</b>	<b>GVAP Millions</b>	<b>Region</b>
<b>Bland</b>	<b>8,560</b>	<b>5,865</b>	<b>328</b>	<b>Murray-Murrumbidgee</b>
<b>Griffith</b>	1,640	24,364	281	Murray-Murrumbidgee
<b>Carrathool</b>	18,933	2,587	276	Murray-Murrumbidgee
<b>Lachlan</b>	14,965	6,476	260	Central West & Orana
<b>Narromine</b>	5,260	6,585	216	Central West & Orana
<b>Greater Hume</b>	5,749	9,815	194	Murray-Murrumbidgee
<b>Berrigan</b>	2,066	8,066	187	Murray-Murrumbidgee
<b>Cabonne</b>	6,024	12,821	178	Central West & Orana
<b>Parkes</b>	5,955	14,592	173	Central West & Orana
<b>Forbes</b>	4,718	9,170	172	Central West & Orana
<b>Narrandera</b>	4,116	5,902	169	Murray-Murrumbidgee
<b>Wakool</b>	7,521	3,692	164	Murray-Murrumbidgee
<b>Corowa</b>	2,329	11,000	161	Murray-Murrumbidgee
<b>Coonamble</b>	9,916	4,030	152	Central West & Orana
<b>Wagga Wagga</b>	4,826	59,458	150	Murray-Murrumbidgee
<b>Warren</b>	10,754	2,758	149	Central West & Orana
<b>Temora</b>	2,802	5,776	147	Murray-Murrumbidgee
<b>Weddin</b>	3,409	3,665	134	Central West & Orana
<b>Coolamon</b>	2,431	4,099	126	Murray-Murrumbidgee
<b>Lockhart</b>	2,896	2,998	120	Murray-Murrumbidgee
<b>Urana</b>	3,356	1,159	115	Murray-Murrumbidgee
<b>Warrumbungle</b>	12,371	9,588	113	Central West & Orana
<b>Jerilderie</b>	3,373	1,496	112	Murray-Murrumbidgee
<b>Murray</b>	4,344	6,957	104	Murray-Murrumbidgee
<b>Conargo</b>	8,738	1,540	102	Murray-Murrumbidgee
<b>Murrumbidgee</b>	3,507	2,261	99	Murray-Murrumbidgee
<b>Junee</b>	2,030	5,878	95	Murray-Murrumbidgee
<b>Bogan</b>	14,601	2,900	94	Central West & Orana
<b>Leeton</b>	1,167	11,037	91	Murray-Murrumbidgee
<b>Cowra</b>	2,809	12,147	86	Central West & Orana
<b>Gilgandra</b>	4,832	4,368	86	Central West & Orana
<b>Hay</b>	11,326	2,956	84	Murray-Murrumbidgee
<b>Tumut</b>	4,567	10,934	80	Murray-Murrumbidgee
<b>Wellington</b>	4,110	8,493	72	Central West & Orana
<b>Mid Western</b>	8,753	22,318	63	Central West & Orana
<b>Cootamundra</b>	1,524	7,334	61	Murray-Murrumbidgee
<b>Bathurst</b>	3,816	38,519	56	Central West & Orana
<b>Tumbarumba</b>	4,393	3,358	55	Murray-Murrumbidgee
<b>Dubbo</b>	3,426	38,805	54	Central West & Orana
<b>Gundagai</b>	2,457	3,662	42	Murray-Murrumbidgee
<b>Deniliquin</b>	143	7,120	39	Murray-Murrumbidgee
<b>Blayney</b>	1,525	6,985	38	Central West & Orana
<b>Oberon</b>	3,627	5,040	31	Central West & Orana
<b>Lithgow</b>	4,512	20,160	19	Central West & Orana
<b>Orange</b>	284	38,057	16	Central West & Orana
<b>Albury City</b>	306	47,810	5	Murray-Murrumbidgee

Source: Australian Bureau of Statistics (ABS). ABS undertake an Agricultural Census of farm businesses every five years and an Agricultural Survey in the interim years reporting estimates for Statistical Local Areas (SLA's), the smallest spatial unit of the Australian Standard Geographic Classification (ASGC 2006). The 2011 Census data and 2012 and 2013 surveys were collated by Statistical Area Level 2 (SA2). SLA and SA2 boundaries do not line up exactly but for most parts of the region they are close enough to generate meaningful time series data sets.

Bland Shire Council recognises the significant importance of the agricultural sector and the Bland Shire is one of New South Wales largest cereal-growing areas producing wheat, barley, oats, triticale, cereal rye, chickpeas, field peas, lupins, canola and sorghum.

As can be seen in the following table, the 2016 ABS Census data shows that in the Bland Shire, Agriculture, forestry and fishing industry by occupation is the largest employment sector employing 727 or 28.6% of the Bland Shire's workforce followed by mining at 213 and 8.4%.

<b>ABS 2016 Census Industry By Occupation</b>	<b>Total</b>	<b>%</b>
Agriculture, forestry and fishing	727	28.6
Mining	213	8.4
Retail trade	202	7.9
Education and training	191	7.5
Health care and social assistance	187	7.4
Accommodation and food services	146	5.7
Construction	131	5.2
Transport, postal and warehousing	114	4.5
Public administration and safety	147	5.5
Other services	105	4.1
Manufacturing	77	3.0
Professional, scientific and technical services	68	2.7
Administrative and support services	50	2.0
Wholesale trade	46	1.8
Rental, hiring and real estate services	22	0.9
Financial and insurance services	17	0.7
Electricity, gas, water and waste services	8	0.3
Information media and telecommunications	8	0.3
Arts and recreation services	4	0.2
Inadequately described/Not stated	105	4.1
<b>Total</b>	<b>2,696</b>	

A vibrant and progressive rural community is vital to support the agricultural sector where they can have access to RPT services, educational facilities, purchase supplies, access services including banking, mechanical, engineering, medical and allied health, agricultural machinery companies, car dealers, tyre and exhaust services etc.

There is a rationale for investing in slower growing regions based on social reasons or to unlock potential opportunities. Our slower growing regions should have access to vital services such as schools, hospitals, transport and other community facilities. Such regions will still be great places to live, and may score more highly than larger cities on measures of well-being and social connection. Over the longer term, as regional hubs expand and technology continues to connect our regions, these areas could become even more attractive places to live and work.



Bland Shire Council is working with Plains Water on agricultural projects that have the potential to generate 155 FTEs.

### Eucalyptus Oil Production

Eucalyptus oil production started in 1907 and the West Wyalong area has become one of the major world exporters of Eucalyptus oil in Australia <http://www.grdavis.com.au/>.

### Recent investments in the Bland Shire

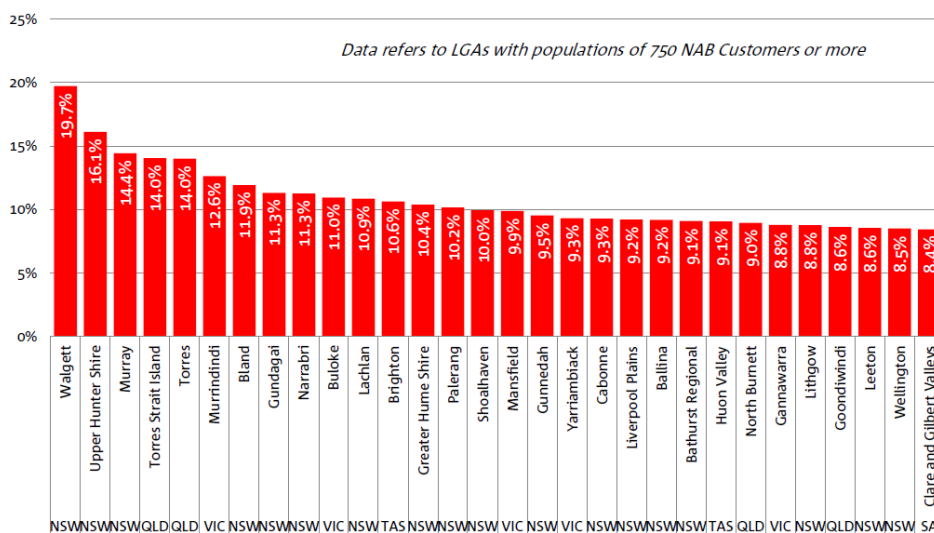
Recent investments in the Bland Shire include:

- Evolution Mining \$694 million
- GrainCorp \$14 million
- Sandfire Resources \$10 million
- Royal Freemasons Benevolent Institution (RFBI) Masonic Village \$9 million refurbishment
- Sandfire Resources \$8.5 million
- GrainFlow \$4 million
- Hanlon Enterprises \$1.1 million

### NAB Customer Spending Report

In a recent NAB Customer Spending report <http://business.nab.com.au/nab-customer-spending-behaviours-q4-2016-22578/>, the Bland Shire was the 7<sup>th</sup> fastest growing Local Government Area (LGA) in regional Australia:

#### **TOP 30 FASTEST GROWING AUSTRALIAN REGIONAL LGA'S**



### The Visitor Economy

The visitor economy sector is also extremely important to the Bland Shire as it is centrally located in regional New South Wales at the junction of the Newell and Mid Western Highways and Goldfields Way. Bland Shire Council would like to see more international visitors disperse into the regional NSW. Statistics show that approximately 88% of visitors to regional areas drive and approximately 7% fly. More funding needs to be allocated to the NSW regional road network and also to increase the number of visitors and tourists that fly to regional and remote communities.

## Terms of Reference

The Intergovernmental Review of Business Investment, September 2017, reveals a complex mix of structural and cyclical factors as well as institutional and policy factors that are influencing business investment in Australia.

### **The Standing Committee on Economics will inquire into and report on:**

- **the interaction between regulatory frameworks across all levels of Government and how the cumulative regulatory burden can be reduced to support greater business investment;**

Despite the efforts of governments to reduce bureaucratic red tape, many small and medium-sized businesses continue to be hobbled by poorly designed, poorly targeted or excessively enforced government regulations. This comment also applies to the amount of red tape that is being imposed on local governments by the state governments.

Australia's future economic prosperity requires an environment that supports resilience and adaptiveness and facilitates innovation and entrepreneurship. The ability for firms to grow is both constrained and facilitated by regulatory frameworks. Well-designed regulations can overcome market failure, improve productivity and lead to an improved allocation of resources. Poorly-designed regulations, however, burden business with red tape, and hinder innovation and entrepreneurship.

Regulation increases complexity, uncertainty and risk, which impede innovation and entrepreneurship and business investment. Cutting red tape has therefore been a key part of the Government's overall strategy to build a stronger, more productive and diverse economy.

The Institute of Public Affairs <https://ipa.org.au/> Barriers to Prosperity: Red Tape and the Regulatory State in Australia report mentions that at the macroeconomic level, red tape is one of the biggest cost impost on the Australian economy, reducing economic output by \$176 billion each year, which is equivalent to 11 per cent of GDP. This cost is visible from the microeconomic level, where red tape reduces entrepreneurship, lowers competition, prevents new businesses starting, makes the economy more susceptible to a prolonged downturn, and prevents Australian firms from getting access to leading technologies and management practices.

There are different standards between the levels of Governments and we will relate this to the recently released report by the NSW State Audit Office <https://www.audit.nsw.gov.au/publications/latest-reports/internal-controls-and-governance-2017> on the Internal Controls and Governance 2017. The report found that NSW government agencies overspent on consultants and contractors by \$250 million. The report found government agencies used consultants or contractors on 82 per cent of major capital projects, with almost a third exceeding their original budget. The report also found 13 per cent of capital projects were not supported by a business case. The controls that the NSW Government impose on local governments would not tolerate this negligent behaviour.

- **the impact of innovation policies, at the Commonwealth and State government levels, on business investment and the role of innovation policies in encouraging greater business investment, having regard to approaches taken in other countries;**

Innovation is an important strategy for businesses to adopt in order to overcome the challenges they face. It is a fundamental driver of economic prosperity, and sustainable job creation and retention in regional NSW.

Innovation is a broad based process which includes but is not confined to R&D and its commercialisation or diffusion. Innovation does and can occur in every segment and every sector of a business and the economy, regardless of the level of technology.

Businesses in regional NSW face a number of challenges, many of which are common across the state though some are unique to specific regions or industries. The effects of the droughts, floods, fires, inland de-population coupled with population growth on the coast, access to markets, and fluctuating global economic conditions are among these. Innovation is relevant to regional businesses as it increases competitiveness through the development of new, or significantly improved, products, services, systems and processes.

Businesses engaging in innovation tend to be more competitive, more capable of capturing increased market share, and more likely to increase employment than their competitors. Many rural and regional areas including the Bland Shire do not have access to the mobile phone and internet services that are taken for granted in urban Australia including Sydney. Reliable mobile phone and internet coverage is critical for the adoption of new technologies and for the future growth of Australia's agriculture sector and regional NSW. Today's trading environment requires real-time access to, and sharing of, information. Enhancing mobile coverage in regional and remote areas also has clear social, economic and safety benefits.

Access to reliable and affordable mobile phone and internet coverage in remote and regional areas is essential to NSW and Australia's future growth, and the growth of the agriculture sector and for the adoption of new technologies. Improved services have the potential to revolutionise agriculture in Australia. For good reason communication coverage was the issue most often raised by the agriculture sector during the development of this White Paper. This is an area of critical importance to the Government.

The use of information technology has evolved from basic GPS to precision farming. The next frontier is 'big data'—or data-enabled agriculture, which will provide information to assist better decision making through real time delivery of relevant and specific knowledge. The potential for productivity gains through increasing yields, reducing costs and reducing agricultural risks is progressing through initiatives currently underway. These include Sense-T in Tasmania and the GrainGrowers ProductionWise programme. Farm machinery companies have developed applications that not only warn farmers of the need for maintenance, but also use data collected to facilitate real time benchmarking, further driving productivity gains. Today's farmers need access to mobile phone coverage and broadband internet to run their businesses efficiently. Those farmers that have access to these services are able to run their businesses from the stockyard, from their tractor or while they are harvesting. But communication services are often not available, or are unreliable or expensive.

The Federal Governments Smart Cities and Suburbs Program

<https://cities.infrastructure.gov.au/smart-cities-program> that supports the delivery of innovative smart city projects that improve the liveability, productivity and sustainability of cities and towns across Australia is a great program but it is targeted towards the larger cities and larger regional centres. As mentioned earlier an issue with the State and Federal Government grants is that they require co-contributions and most regional councils are not able to provide co-contributions which excludes them from applying for the grant.

- **the role that taxation policy, at the Commonwealth and State government levels, can have on the encouragement of new business investment;**

The tax system needs to evolve to respond to the opportunities, as well as challenges, arising from a number of reasons including globalisation and changing technologies etc. An internationally competitive business environment is necessary to attract investment and international businesses, consistent with an objective of increasing national income. Achieving an internationally competitive business environment depends, in part, on getting the right balance of tax bases and rates.

The quality of investment is equally important. Improving the allocation of resources and investments, not discouraging risk taking, and removing tax biases that negatively affect business and household investment decisions, offers the potential to increase productivity and Australia's long-term prospects for economic growth.

Tax is becoming increasingly important as competition for foreign investment intensifies and businesses become more mobile. Australia's corporate tax rate is high compared to many countries we compete with for investment, especially those in the Asia-Pacific region.

Australia's corporate tax system is also extremely complex. Artificial distinctions embedded in the system often create unintended biases towards particular forms of investment, distort business decisions and increase incentives to engage in complex tax planning.

Taxation plays a fundamental role in providing the right environment for Australian business to operate effectively and efficiently, improving productivity and taking advantage of the increasingly globalised and competitive world. How companies are taxed impacts on a vast array of business decisions, from employment and investment to location. Consequently our taxation system has the potential to have a significant impact on the long-term prosperity of Australia.

One of the biggest impediments to business growth in New South Wales is incurring a payroll tax liability once a payroll exceeds \$750,000 per annum. In practice this means the typical business employing fewer than 10 employees (at the average full time wage in NSW) must pay a 5.45 per cent premium on the wages of additional employees (or employee hours). These businesses also incur tax administration costs associated with payroll tax.

- **the role that energy policies, at the Commonwealth and State government levels, can have on the encouragement of new business investment;**

Increasing energy prices and concerns about inadequate security of supply have been emerging as a key concern for most businesses and business investment. The surge in energy prices has forced businesses to defer investment decisions, with some even thinking of moving offshore.

The rising cost of energy has also heightened businesses vulnerability to foreign competition, eroding one of the few cost advantages that Australia has compared to other countries.

Energy costs are a core input cost for much of Australia's agricultural product. This applies to product that is produced using irrigation, and product that requires packaging, processing or refrigeration. The rising energy costs are now making Australian irrigated and processed food products less competitive.

The rising energy costs have affected the profitability of businesses and businesses are reporting bill stress and taking on more debt. The squeeze on profitability is affecting business investment and having the ability to pay staff higher wages.

In NSW for example, three electricity companies Origin, AGL and Energy Australia control 90 per cent of the market. These retailers also own the three largest electricity generators in NSW, giving them a lot of control over how much power is produced and how much it's sold for.

The 2017 residential electricity price trends report prepared by the Australian Energy Market Commission (AEMC) <https://www.aemc.gov.au/markets-reviews-advice/2017-residential-electricity-price-trends> identified the current changes in the energy supply chain components that are driving costs and affecting the trends in residential electricity prices and bills for each state and territory of Australia from 2016/17 to 2019/20 (the reporting period). The four electricity supply chain components are:

- network costs: comprised of transmission and distribution costs, which account for around 40 to 55 per cent of the price
- wholesale market costs: which account for around 30 to 40 per cent of the price in most jurisdictions
- environmental policy costs: which directly account for around 5 to 15 per cent of the price
- residual component: which account for around 5 to 15 per cent of the price in most jurisdictions.

The 2017 report shows that the trends in residential electricity prices are primarily driven by wholesale electricity purchase costs in all jurisdictions. In the National Electricity Market (NEM), wholesale cost are expected to increase from 2016-17 to 2017-18 due to the retirements of Northern (546 MW), Hazelwood (1,600 MW) and Smithfield (171 MW) synchronous power stations and high gas prices and decrease in 2018-19 and 2019-20 due to new generation (approximately 4,100 MW across the NEM, of which 3,900 MW is renewable) and the return to service of Swanbank E (385 MW in Queensland). The regulated network component continues to be uncertain in a number of jurisdictions due to ongoing legal and regulatory processes.

- **the impact of supplier payment times, including by governments, on business investment for small to medium enterprises; and**

Dunn & Bradstreet <http://dnb.com.au/> research revealed that the largest companies (500+ employees) are often the slowest payers of all businesses. Many enact an outstanding invoice drift up to 58 days on average. Such delays can compromise or even cripple SMEs and make it even harder to provide reliable supply unless SMEs concentrate their efforts on that clients more intently (exposing the SME to concentration risk).

Late payments aren't just the source of headaches for SME – often they're the difference between a business thriving and becoming insolvent. The MYOB <https://www.myob.com/au> SME snapshot found 77 percent of businesses felt some sort of business impact from a customer not paying their bills on time.

Thirty-five percent of business owners said late payments had an impact on their personal finances, impacting things such as the ability to cover rent and power (32 percent).

The snapshot demonstrates that the effects of late payments aren't just impacting a cashflow of a business, but flowing through to the small business owner themselves.

It found that late payment takes an emotional toll on SME owners, with 52 percent saying it impacts their stress and anxiety levels. Other late payment impacts are:

- Impeded cash flow
  - Locked-up capital
  - Additional financial and administrative costs
  - Diminished investment potential
  - Hampered market competitiveness.
  - Reduced confidence
- **Other issues affecting business investment in regional NSW**

### **Fiscal policies at federal, state and local government levels;**

The fiscal policies of the Federal and State Governments have a major impact on the inequality and business investment in regional Australia and the Bland Shire. Some of the issues are:

#### **Rate Pegging**

The imposition of a 1.5% rate peg announced by the Independent Pricing and Regulatory Tribunal (IPART) for 2017/18 will push NSW Councils further behind the financial eight-ball, and effectively preventing councils from becoming financially sustainable and addressing Councils infrastructure renewal and backlog. Rate pegging affects the ability of the Bland Shire to allocate funds to invest in and maintain and improve the social, cultural and community infrastructure in the Band Shire including the West Wyalong Airport and the Bland Shire road network.

IPART came to the 1.5% figure despite an increase of 2.3% in employee benefits and on-costs, and an increase of 2.7% in non-residential building construction costs. IPART said that these price rises were partly offset by decreases in gas and fuel prices. This is not the case as energy prices have increased and are projected to increase further.

IPART has failed to recognise the ongoing squeeze on councils that comes from the combination of rate-pegging, cost-shifting, deteriorating infrastructure and the Federal Government's decision to pause the indexation of the Financial Assistance Grants (FAGs) for the next three years.

The latest figures show cost shifting by the NSW Government and the Australian Government in the financial year 2013/14 totalled around \$670 million - almost 7% of local government's total income before capital amounts.

The reality is that rates have not kept pace with the cost of services and infrastructure that Local Government is expected to deliver and the rate peg has forced many Councils to seek special rate variations to provide infrastructure and services.

NSW councils are being squeezed from all sides, by rate-capping and also by cost-shifting by the State and Federal Governments, which cost councils more than \$820 million per annum.

#### **Grants**

The amount of information required to apply for and acquit State and Federal Government Grants is extremely demanding, time consuming and costly if you are required to prepare a cost benefit analysis or ratio. The requirement of meeting a Cost Benefit Ratio of greater than one for projects in regional NSW also makes it difficult for the majority of local regional councils to have any hope

of applying for and receiving grants. The grants are usually way over subscribed and appear to be targeted towards the larger regional centres. The lead time given to apply for some grants is also very short and State and in some cases the Federal Government Grants are released at the same time and local councils may not have the resources available to apply for the grants.

There also appears to be little consultation between the Government Departments and Councils in relation to what grants are needed in regional NSW and the resources available to apply for and acquit the grants.

Bland Shire Council would like to see grants to include the refurbishment and improvement of existing assets and facilities including airports, picnic or playground areas, local parks, barbeques, meeting facilities and regional and town entry features instead of building new assets and facilities.

Another issue with the State and Federal Government grants is that they require co-contributions and most regional councils are not able to provide co-contributions which excludes them from applying for the grant.

The NSW State Government is also making the grants available for NSW State Government Departments available to apply for them and a recent example of this was the NSW Government recently announced \$27million had been allocated out of the NSW government's Regional Growth Environment and Tourism Fund (RGETF) <https://www.nsw.gov.au/improving-nsw/regional-nsw/regional-growth-environment-and-tourism-fund/> to develop walking tracks in Kosciuszko NP. The applicants for this project were the NSW Government Office of Environment & Heritage / NSW National Parks.

### **Cost Shifting**

Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function are 'shifted' from a higher level of government on to a lower level of government without providing corresponding funding or the conferral of corresponding and adequate revenue raising capacity.

Cost shifting by the NSW Government and the Australian Government on to Local Government in NSW in the financial year 2013/14 is estimated to amount to \$670 million or 6.96% of Local Government's total income before capital amounts – about \$88 million higher than the result for 2011/12 of \$582 million.

The Local Government NSW survey results <https://www.lgnsw.org.au/policy/cost-shifting-survey> confirm that cost shifting continues to place a significant burden on councils' financial situation. Despite the recognition of cost shifting and its adverse impacts on NSW local government, cost shifting remains at a high level (around 6 per cent of councils' total income before capital amounts).

NSW councils are being squeezed from all sides, by rate-capping and also by cost-shifting by the State and Federal Governments, which cost councils more than \$820 million per annum.

### **Financial Assistance Grants (FAGs)**

Financial Assistance Grants (FAGs) are a vital payment from the Commonwealth to local councils that makes up part of the revenue base of all councils. These untied payments are essential and allow local councils to provide a reasonable level of service to your local residents. Councils invest these funds in areas such as maintaining a range of infrastructure including maintaining and

replacing local roads, bridges, parks, swimming pools, libraries and community facilities as well as services to the young, the elderly and community groups.

By way of example, Local Government is responsible for almost 85% of the total road network of 900,083 kilometres across Australia. The States and Commonwealth raise approximately \$18.4 billion in road related taxes each year, and the Commonwealth provides approximately \$1.2 billion annually in road funding to local councils. It is estimated that local roads are underfunded by around 3 billion dollars each year.

The decision in the 2014 Federal Budget to freeze indexation of FAGs had a major impact on local councils including the Bland Shire.

The Federal Government announced in the 2017/18 Federal Budget that they would end the indexation freeze on FAGs which had been frozen over the three years from 2014/15 to 2016/17.

The three-year freeze has had a harsh impact on NSW councils – since the freeze was imposed by the Federal Government in 2014, NSW councils have missed out on up to \$300 million in million.

Local Government is one of the biggest sectors in our national economy, spending over \$30 billion per annum nationally - including \$11 billion in NSW where councils employ more than 50,000 people, mainly in rural and regional NSW.

In 1996, Financial Assistance Grants were equal to about 1% of the total Commonwealth tax take. Despite an average 3.47% annual growth rate in Australia's Gross Domestic Product (GDP) from 1960 until 2017, Financial Assistance Grants have declined and now amount to approximately 0.57% of Commonwealth tax revenue. This is a drop of about 43% in relative terms, which can't help but have a very significant impact on local government's ability to provide and maintain community infrastructure.

Local government has long called upon the Commonwealth to provide FAGS at 1.0% of taxation revenue to allow local governments to address the ever increasing backlog of infrastructure maintenance and renewal required which is estimated to be increasing by over \$2 billion each year.

If Local Government had been provided with just 1.0% of Commonwealth Tax Revenue Local Government would receive an additional \$1.146B annually, going a long way to meeting the backlog.

NSW councils are being squeezed from all sides, by rate-capping and also by cost-shifting by the State and Federal Governments, which cost councils more than \$820 million per annum.

### **Improved co-ordination of federal, state and local government policies**

From a local government and Bland Shire Councils point of view there appears to be no coordination of federal, state and local government policies except for the coordination of federal and state government polices to shift costs onto local government.

### **Regional development policies**

The regional policies appear to be developed by bureaucrats who have lost touch with regional Australia and NSW or do not have clue of the regional issues or what is in regional Australia or NSW. One example of this was recently a statement was made by a senior bureaucrat from the NSW Department of Premier of Cabinet that the Bland Shire or West Wyalong was not mining



affected, yet gold was discovered in West Wyalong in 1893 and was mined until the 1920's and Barrick Gold <https://www.barrick.com/> established the Barrick Cowal Mine in 2004 which was recently sold to Evolution Mining <https://evolutionmining.com.au/> and is currently licensed to produce gold until 2032.

NSW Governments regional development policies do not assist companies or staff moving from Sydney to regional NSW but will assist companies who are moving from interstate to NSW. The NSW Government has an assistance policy for businesses that employ more than ten new full time employees which excludes most small business in regional NSW. One or two new full time positions in the smaller regional centres is definitely worth more than ten new full time positions in the larger regional centres.

The NSW Government is rolling out Functional Economic Regions (FER) and Regional Economic Development Strategies (REDS) based around communities and labours of interest, yet without any consultation. The NSW Government has included the Bland Shire and West Wyalong in the FER with Temora, Weddin, Hilltops and Gundagai. The Bland Shire has hardly any communities and labours of interest with these Local Government Areas (LGAs).

In December 2016 the NSW Government established the Centre for Economic and Regional Development (CERD) [https://www.dpc.nsw.gov.au/programs\\_and\\_services/centre\\_for\\_economic\\_and\\_regional\\_development](https://www.dpc.nsw.gov.au/programs_and_services/centre_for_economic_and_regional_development) which is based out of Orange NSW. The CERD was formed to lead economic and regional development policy and analytics. According to the CERD's website, the centre will provide insightful real time analysis for industry, government, peak bodies and more broadly anyone with an interest in economic development issues. The CERD is guided by a Chief Economist Dr Andrew Stoeckel and advised by an Expert Panel from across Australia and internationally consisting of Dr Janine Dixon, Dr Leo Dobes, Dr Nicholas Gruen, Professor Lee Pugalis, Professor John Rose, Professor Bob Stimson and Professor Glyn Wittwer. The CERD is run by staff with a range of experience in public policy and economics and it was the Instead of establishing the CERD the NSW Government would have been better off consulting directly the LGAs in regional NSW instead of wasting the exorbitant amount of money in setting up and running the CERD.

Another example of deficient regional development and investment policies is the State and Federal policies relating to the Newell Highway which is mention below. The Newell Highway is NSW's and Australia's third largest freight corridor and premier inland touring route and yet it has been flooded and or closed between West Wyalong and Forbes in 1950, 1952, 1956, 1962, 1973, 1974, 1975, 1983, 1990 for twelve weeks, and 2012 and in 2016 for six weeks. The conservative cost for this six weeks closure in 2016 from West Wyalong and Forbes was \$153 million dollars. Imagine if the Federal or the Hume Highway, or the M5 freeways were closed for six weeks? The NSW Government Department of Roads and Maritime Services (RMS) have been applying band aid fixes to the Newell Highway and not fixing it properly. The RMS's funding programs also need to be overhauled and a significant funding increase to the Newell Highway must be made by both the State and Federal Governments.

The recently released State Government Destination NSWs Destination Riverina Murray (DRM) Destination Management Plan (DMP) <https://riverinamurray.com.au/> is focused on the larger centres of Wagga Wagga, Albury and Griffith and this is adding to the inequality for the smaller regional centres in the Riverina Murray region. The DRM DMP is also focused on food and wine and aquatic themes and this is also increasing the inequality for the smaller regional centres.

## **The Federal Government Smart Cities and Suburbs Program**

The Federal Governments Smart Cities and Suburbs Program

<https://cities.infrastructure.gov.au/smart-cities-program> that supports the delivery of innovative smart city projects that improve the liveability, productivity and sustainability of cities and towns across Australia is a great program but it is targeted towards the larger cities and larger regional centres. As mentioned earlier an issue with the State and Federal Government grants is that they require co-contributions and most regional councils are not able to provide co-contributions which excludes them from applying for the grant.

## **Federal Government Regional Growth Fund**

The Federal Governments Regional Growth Fund

<http://regional.gov.au/regional/programs/regional-growth-fund.aspx> which will provide grants of \$10 million or more for major transformational projects which support long-term economic growth and create jobs in regions undergoing structural adjustment is a great program. The requirement of having a minimum \$10 million co-contribution for the grant will exclude most regional councils from applying.

## **Infrastructure**

### **Regional Telecommunications**

Many rural and regional areas including the Bland Shire do not have access to the mobile phone and internet services that are taken for granted in urban Australia including Sydney. Reliable mobile phone and internet coverage is critical for the future growth of Australia's agriculture sector, business investment and regional NSW. Today's trading environment requires real-time access to, and sharing of, information. Enhancing mobile coverage in regional and remote areas also has clear social, economic and safety benefits.

Access to reliable and affordable mobile phone and internet coverage in remote and regional areas is essential to NSW and Australia's future growth, and the growth of the agriculture sector. Improved services have the potential to revolutionise agriculture in Australia. For good reason communication coverage was the issue most often raised by the agriculture sector during the development of this White Paper. This is an area of critical importance to the Government.

The use of information technology has evolved from basic GPS to precision farming. The next frontier is 'big data'—or data-enabled agriculture, which will provide information to assist better decision making through real time delivery of relevant and specific knowledge. The potential for productivity gains through increasing yields, reducing costs and reducing agricultural risks is progressing through initiatives currently underway. These include Sense-T in Tasmania and the GrainGrowers ProductionWise programme. Farm machinery companies have developed applications that not only warn farmers of the need for maintenance, but also use data collected to facilitate real time benchmarking, further driving productivity gains. Today's farmers need access to mobile phone coverage and broadband internet to run their businesses efficiently. Those farmers that have access to these services are able to run their businesses from the stockyard, from their tractor or while they are harvesting. But communication services are often not available, or are unreliable or expensive.

Expanding mobile coverage to areas where it is currently inadequate or non-existent has clear economic, social and safety benefits. A study commissioned by the Australian Communications and Media Authority found that in the seven years to 2013, mobile broadband contributed 2.1 per

cent of productivity gains in the agriculture sector (CIE 2014). Due to comparatively higher costs and lower levels of revenue, mobile network operators are reluctant to invest in extending coverage into regional areas on a commercial basis. To help address this, the Australian Government established the \$100 million Mobile Black Spot Programme.

Inadequate mobile phone coverage is a significant issue especially in regional and remote communities. This includes portions of major highways and transport routes, popular seasonal tourist locations, locations at high risk of natural disasters, and key mining and agricultural areas.

Mobile phone blackspots, extensive grey and shadow spots and mobile phone coverage failures adversely affect community resilience and increase the vulnerability of communities when the need for mobile communications is heightened.

Inadequate mobile phone coverage disadvantages individual communities and the wider national economy. Lives can quite literally depend on access to mobile phone coverage.

It is accepted that the Australian population is increasingly reliant on mobile services as a convenient utility for safety and emergency purposes. However, mobile phone blackspots, extensive grey and shadow spots and mobile phone coverage failures exist in regional and remote areas of Australia meaning mobile telephones services cannot be relied upon or do not exist in some areas.

The majority of the land mass and roads in the Bland Shire have numerous black spots, extensive grey and shadow spots and mobile phone coverage failures. This not only proves difficult and frustrating for the businesses, residents, motorists and visitors, but also represents a specific risk during disaster and emergency conditions. In the case of farmers, often working alone on their properties, this is also an unacceptable health and safety risk.

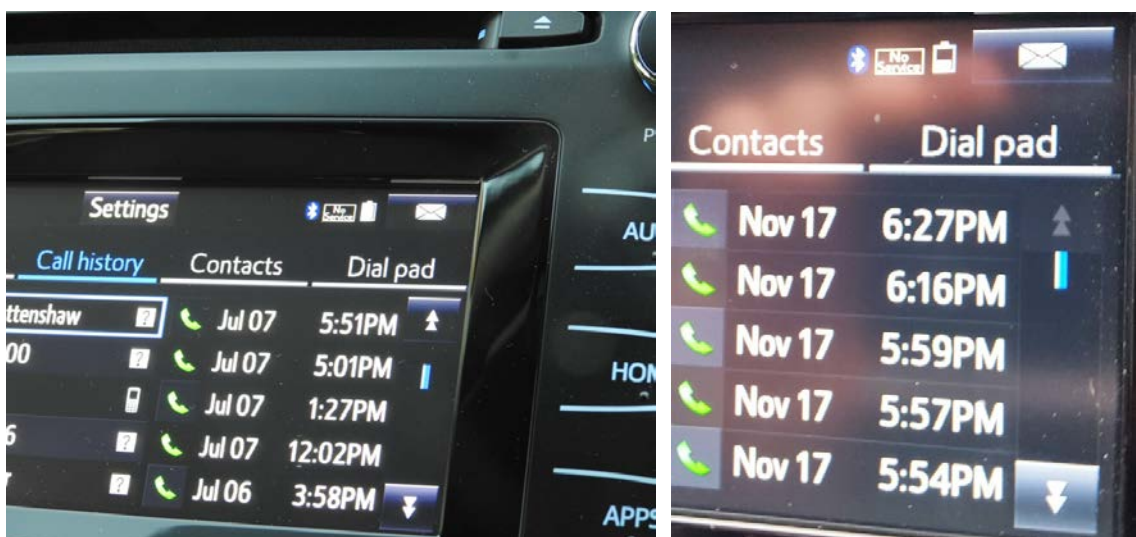
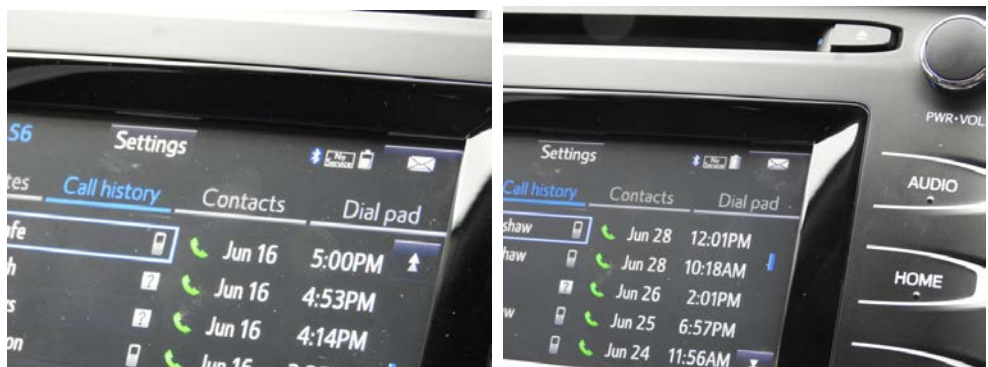
The mobile phone coverage along the major transport routes, in small communities and in locations prone to experiencing motor vehicle accidents or natural disasters must be improved in the Bland Shire. The Newell and Mid Western Highways and Goldfields Way that traverse the Bland Shire all have black spots, extensive grey and shadow spots and mobile phone coverage failures.

The Bland Shire also receives a large flow-through of population along our vast road network and highways as we are based centrally from most capital cities and are a large distance from other towns. More and more visitors and travellers are also accessing information from their smartphones and or mobile devices and when they stop they often make use of the opportunity to phone friends and family, make accommodation and tour bookings and use their tablets and computers that consequently puts added pressure on the telecommunication infrastructure. The lack of consistent reliable mobile phone coverage reception has obvious safety consequences for not only the visitors to the Bland Shire but also the farmers and residents.

As mentioned previously the Bland Shire is one of the largest winter cereal cropping districts in NSW and subsequently has a large number of contractors visiting the area to grow and harvest these crops who need consistent reliable mobile phone coverage.

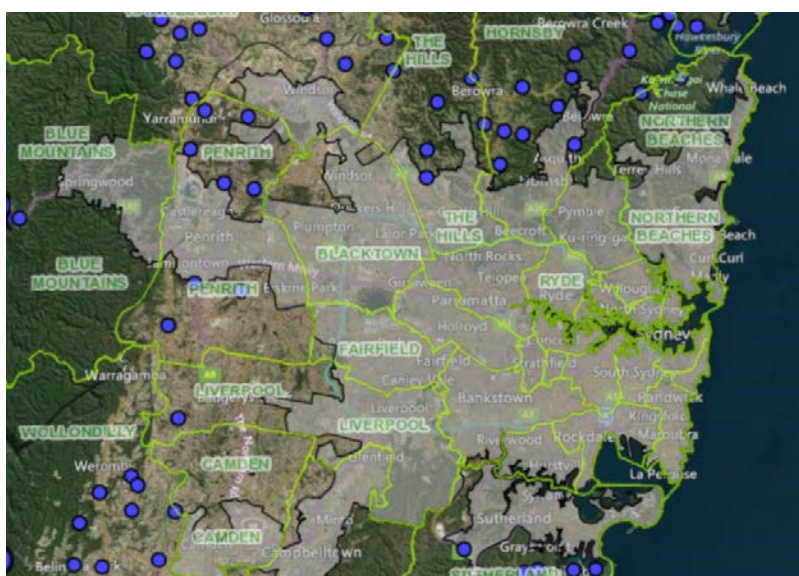
As a result of the above the Bland Shire experiences substantial peaks in visitation which significantly impacts the capacity of the mobile networks, resulting in backhaul issues.

The following photos were taken in the Bland Shire and provides additional evidence of the poor mobile phone coverage in regional NSW and the Bland Shire:

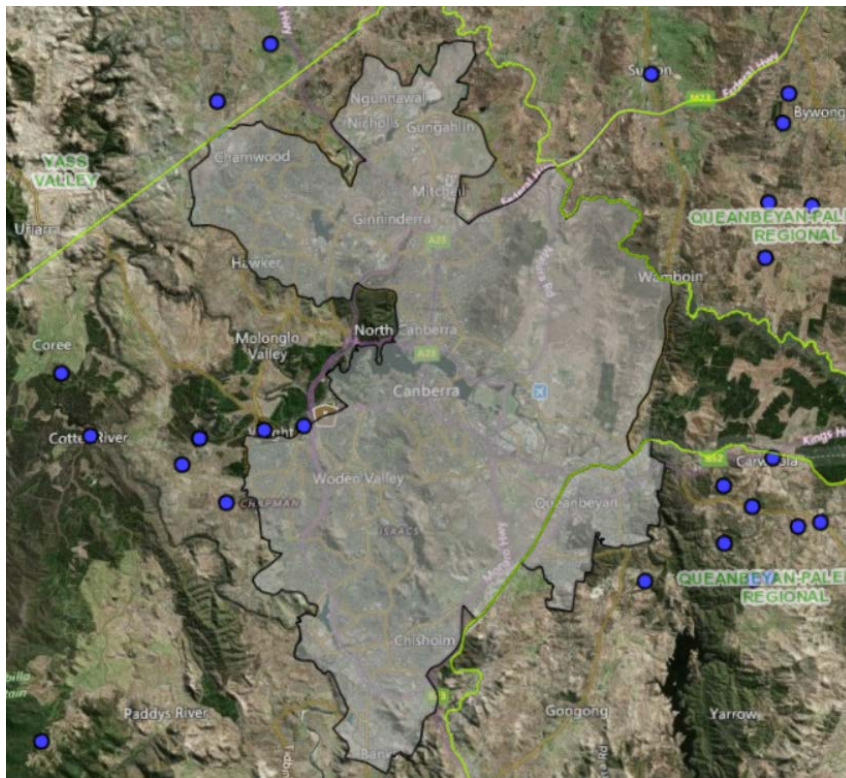


The following schematics have been extracted from the Federal Government's Australian Government National Map <https://nationalmap.gov.au/> showing the community reported black spots (the blue dots in the schematics). It is clearly evident by these schematics that the greater Sydney has far better mobile coverage than regional NSW and the Bland Shire.

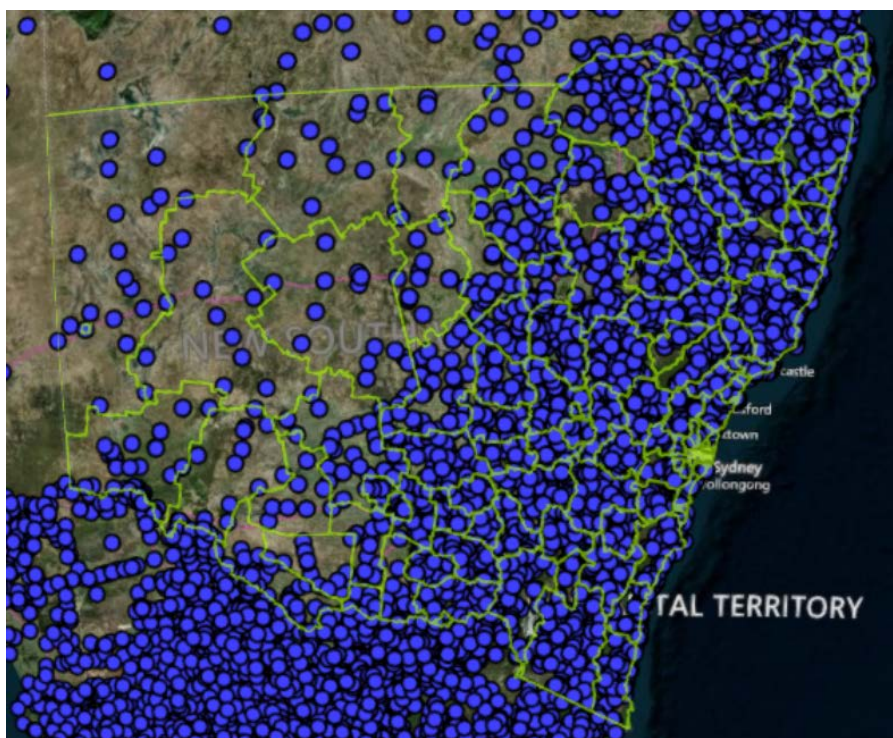
The following schematic shows the community reported blackspots in Sydney <https://nationalmap.gov.au/#share=s-js0DygVIwg8nWhNIZj1gRoqP0Xc:>



The following schematic shows the community report mobile blackspots in Canberra <https://nationalmap.gov.au/#share=s-vgdmXPVjYdvDe9c6VM8Pyg1uxaf:>

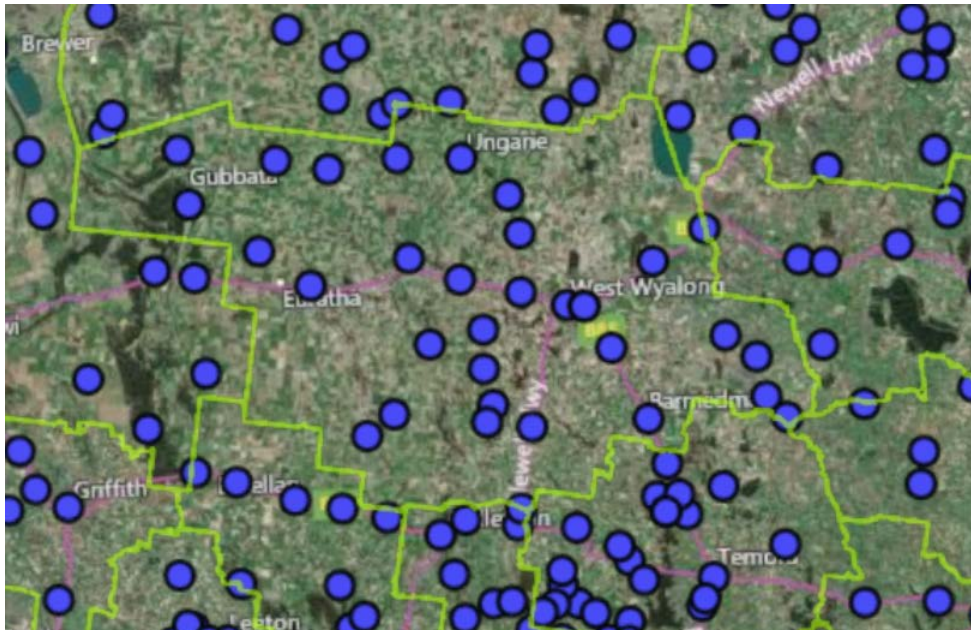


The following schematic shows the community reported mobile blackspots in NSW and compared to the greater Sydney and Canberra regions, demonstrates that there will be a need for a significant upgrade in communication infrastructure in regional NSW to eliminate the mobile phone blackspots and to provide the same coverage as what is provided in the greater Sydney region <https://nationalmap.gov.au/#share=s-acMTYITjvWZjpwqhSZXj3rRYn>:



The following schematic shows the community reported mobile blackspots in the Bland Shire and compared to the greater Sydney region demonstrates that there will be a need for a significant upgrade in communication infrastructure in the Bland Shire to eliminate the mobile phone

blackspots and to provide the same coverage as what is provided in the greater Sydney region  
<https://nationalmap.gov.au/#share=s-9ttzWqILmrIcyfZ4qR43iFH3APc>



### **Bland Shire Council Road Network**

As mentioned in the introduction, the Bland Shire Council has one of the largest NSW Local Government road networks of 3,248 kilometres which is made up of 879 kilometres of sealed roads, 2,369 kilometres of unsealed roads.

Also mentioned previously, the Bland Shire is one of NSW largest cereal growing areas in NSW. The large quantities of grain produced from the farms in the Bland Shire is transported to the grain receival facilities or direct to port or between the grain receival facilities by road. The tonnages of grain and the number of trucks involved in this operation places a huge toll on the sealed and unsealed Bland Shire road network. The condition of the road network in the Bland Shire is affecting business investment and increases the cost of doing business in the Bland Shire.

The LGA's that surround the Bland Shire also produce large quantities of grain and due to the large and efficient grain receival facilities in the Bland Shire, the preference by these grain producing operations is to deliver the grain to the facilities in the Bland Shire which adds to the tonnages and truck movements into and out of the Bland Shire and on the Bland Shire sealed and unsealed road network.

In 2012 and 2016 NSW and the Bland Shire were subjected to extreme wet weather events that created multi-million dollar repair bills and a long wait for works to be done that caused extensive damage to the Bland Shire and NSW road network. The extreme wet weather events disrupted the National Freight Task by the flooding of the Newell Highway for six weeks and the towns and villages of the Bland Shire.

There has got to be a way we can streamline and improve the recovery and assistance to Councils following extreme weather events to reduce the amount of disruption for the towns and villages of the Bland Shire. There has to be a better and timelier process as with roads, to get NSW Government funding, the bureaucratic red tape means that we can't start on the road works or get the funding until the RMS has inspected the damaged roads.

To improve the efficiency and productivity of these grain receipt and storage facilities, investment will be required in the local (Bland Shire), regional and state road network to accommodate Higher Mass Limits (HML) and High Productivity Vehicles (HPV). The following Bland Shire local roads have been identified as the best routes for HML's and HPV's but are currently substandard and require investigation and investment to accommodate the HML's and HPV's:

- Ungarie to Naradhan
- Rankins Springs to Lake Cargelligo
- Dundas
- Crown Camp Road
- Kolkilbertoo
- West Wyalong to Lake Cargelligo
- West Wyalong to Condobolin
- Blow Clear
- Clear Ridge
- Wamboyne
- Quandialla
- Mary Gilmore Way
- Tallimba
- Boreamble
- Girral
- Bodells
- Hatelys
- Ridleys

The Bland Shire roads identified on the previous page are highlighted in yellow in the following schematic:



As there is desire by all levels of Government to improve the efficiency and productivity of the movement of freight and the implementation of higher mass and productive vehicles the Commonwealth and NSW Governments should undertake a review and provide funding to inspect and to bring these roads and maintain these roads so that they can handle the higher mass and productive vehicles.

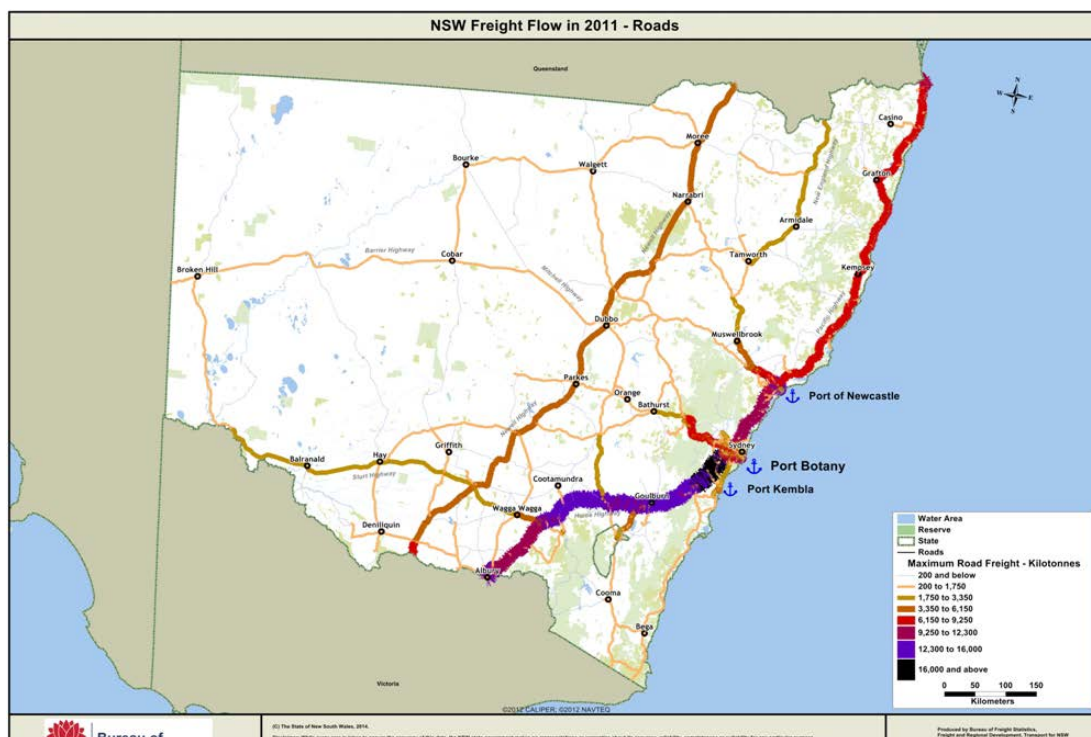
## Newell Highway

The Newell Highway (<http://www.newellhighway.org.au/route39/>; <http://www.rms.nsw.gov.au/projects/western-nsw/newell-highway/index.html>) is the premier inland touring route in NSW and the third largest freight corridor in NSW as is evidenced by the following NSW Government Bureau of Freight Statistics 2011 and 2031 and Transport NSW 2016 – 2026 and 2016 - 2056 schematics.

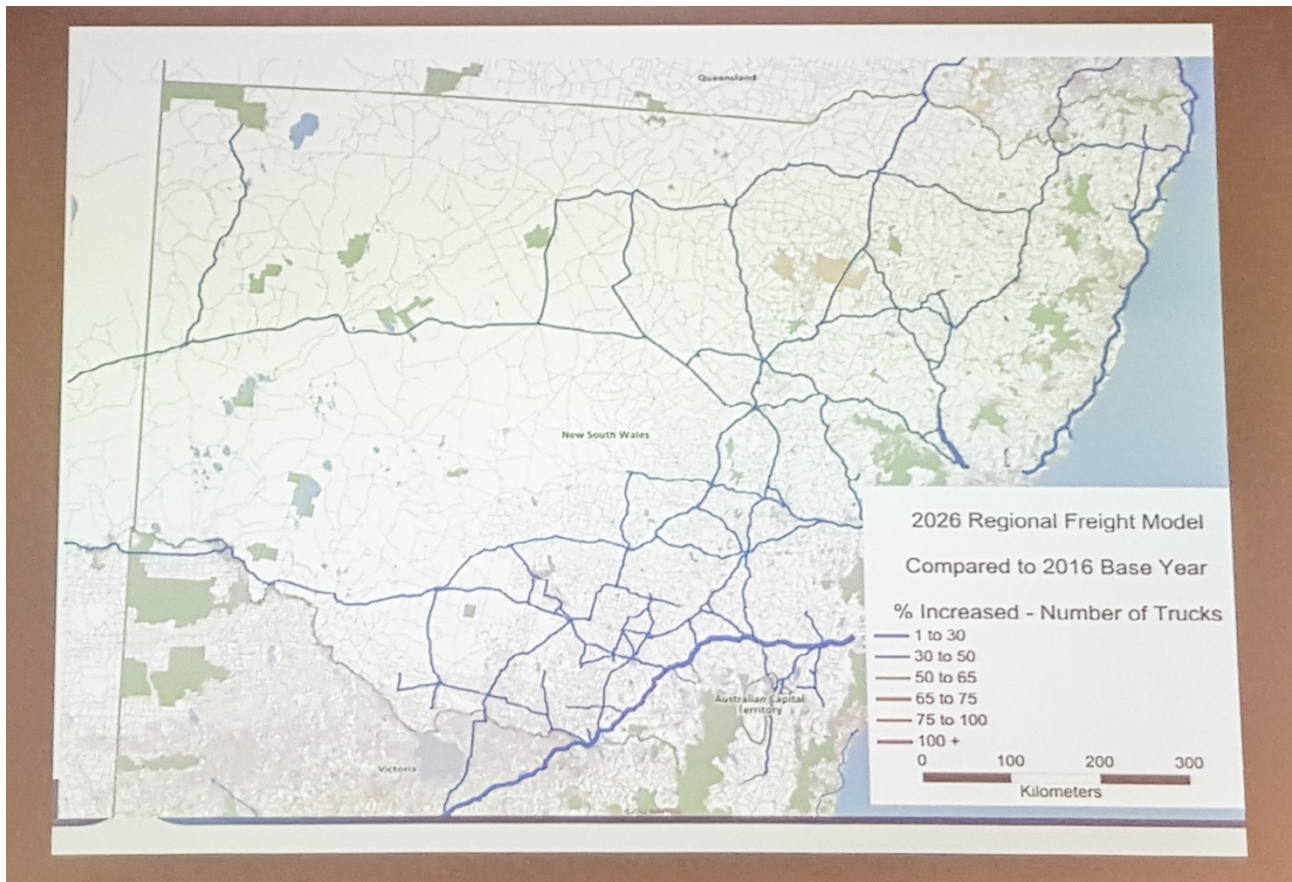
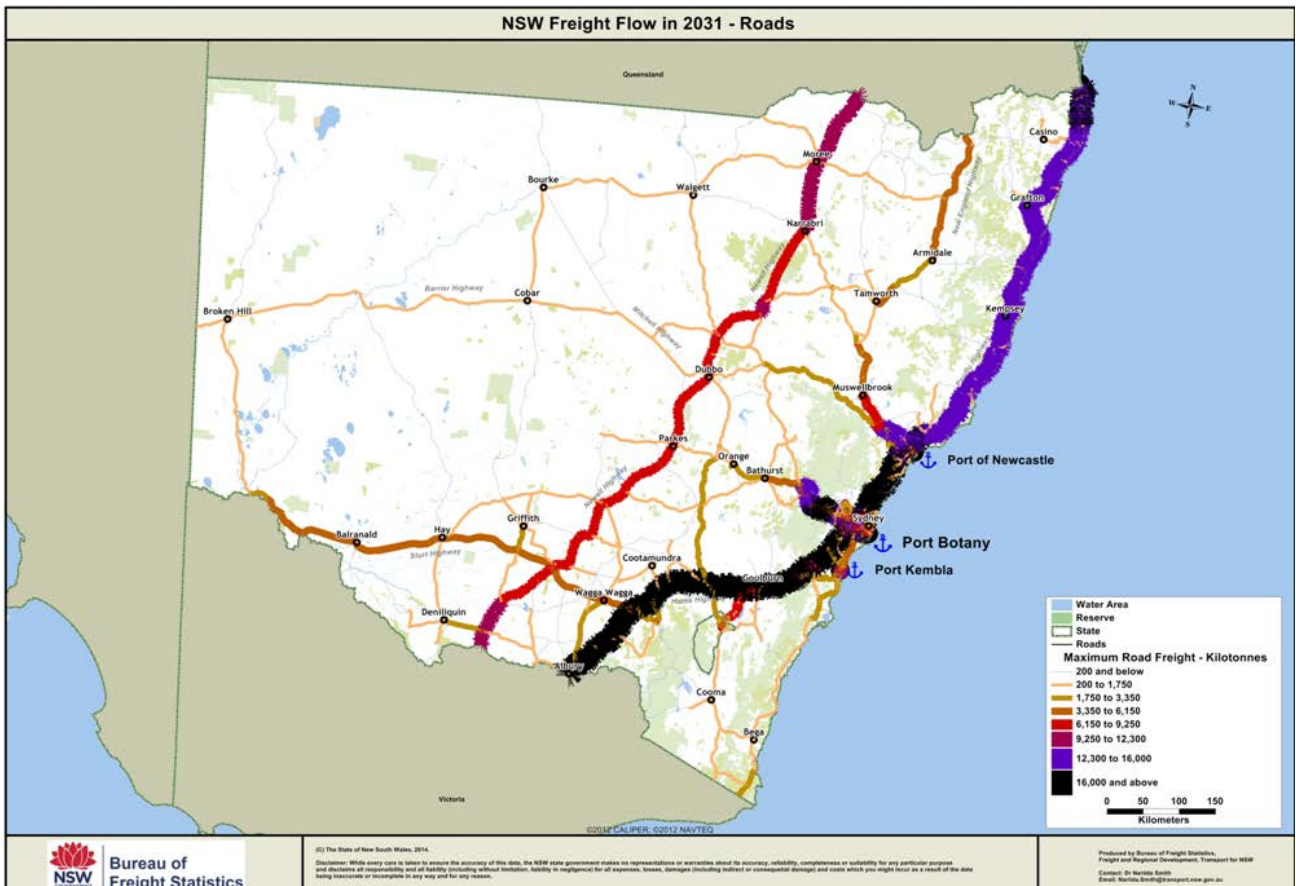
The Newell Highway has been flooded and or closed between West Wyalong and Forbes in 1950, 1952, 1956, 1962, 1973, 1974, 1975, 1983, 1990 for twelve weeks, and 2012 and in 2016 for six weeks. The conservative cost for this six weeks closure in 2016 from West Wyalong and Forbes was \$153 million dollars. We have attached a copy of the report titled, ‘The Newell Highway closure in 2016 from flooding: The direct and indirect effects’.

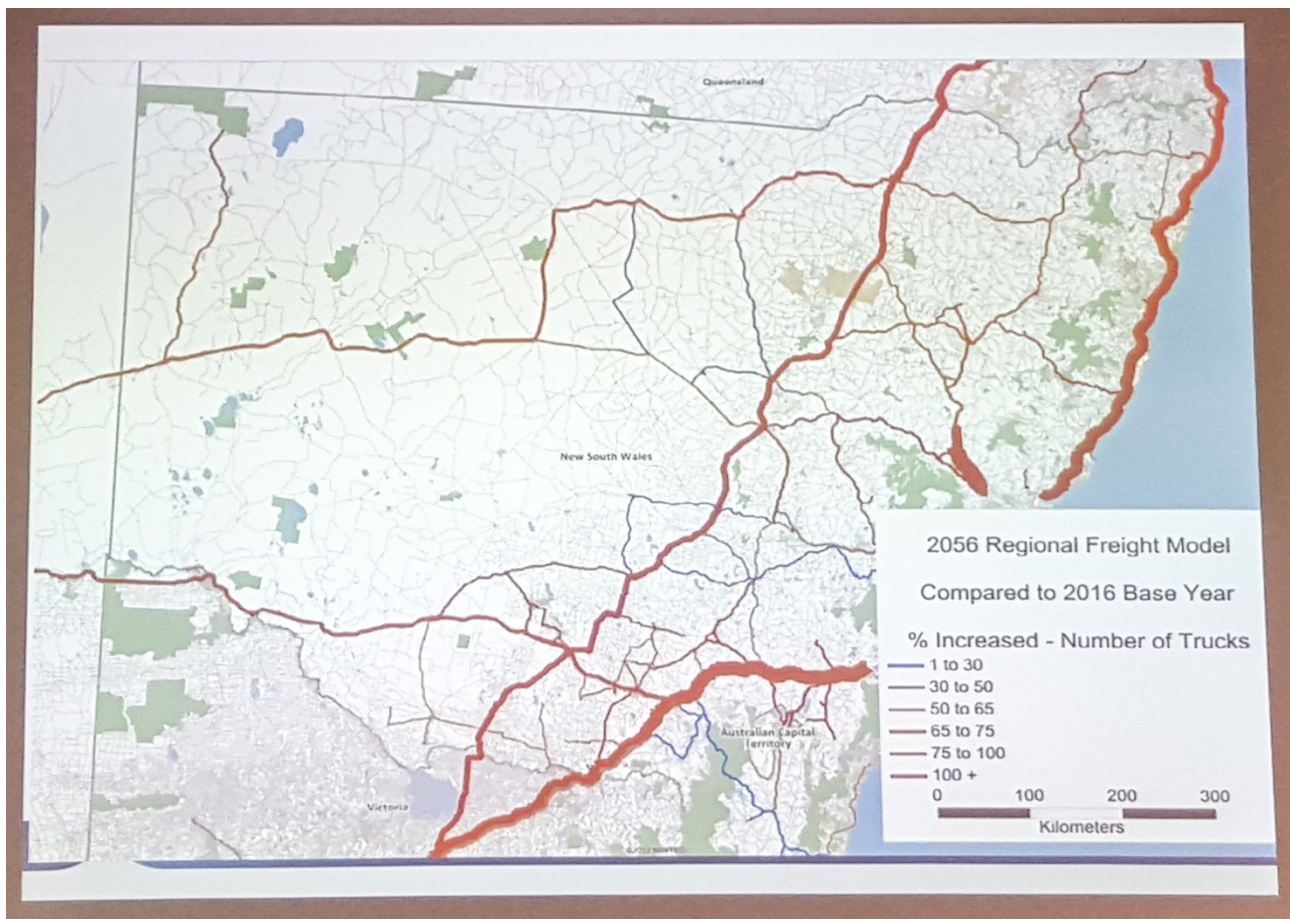
Bland Shire Council would like to see additional funding allocated for the Newell Highway for:

- Road pavement improvements
- Heavy vehicle town by-pass routes
- Additional overtaking lanes
- Additional modern rest stops that allow for the separation of vehicles
- Installation of the wide centre line treatment and tactile edges
- More appropriate and modern signage including town entry and exit signs
- Flood proofing the Newell Highway
- More and regular cleaning of rubbish along the Newell Highway
- NSW Government funding for the Newell Highway Promotions Committee
- Improvements and funding for the main streets in the towns on the Newell Highway
- Keeping road side vegetation down to protect the road integrity and improve safety by reducing the collisions between animals and motor vehicles
- Road Safety Programs
- Eliminating the mobile black spots on the Newell Highway and installation of free WiFi in the towns on the Newell Highway









### **The Mid Western Highway, Goldfields Way and Olympic Way**

Other important roads to be improved include the Mid Western Highway, Goldfields Way and Olympic Way. Bland Shire Council would also like to see the following works carried out on the Mid Western Highway, Goldfields Way and Olympic Way:

- Road pavement improvements
- Heavy vehicle town by-pass routes
- Additional overtaking lanes
- Additional modern rest stops that allow for the separation of vehicles including Yalgogrin
- Installation of the wide centre line treatment and tactile edges
- More appropriate and modern signage including town entry and exit signs
- Flood proofing the Mid Western Highway, Goldfields Way and Olympic Way
- More and regular cleaning of rubbish on the Mid Western Highway, Goldfields Way and Olympic Way road side corridors
- Keeping road side vegetation down to protect the road integrity and improve safety by reducing the collisions between animals and motor vehicles
- Road Safety Programs
- Eliminating the mobile black spots on the Mid Western Highway, Goldfields Way and Olympic Way

## **Regional Air Services**

Bland Shire Council currently has no RPT services but maintains a fully-functional all-weather airport which has a basic Passenger Terminal available for use, and the Bland Shire Council would welcome the reintroduction of RPT services to the West Wyalong airport. In the past West Wyalong was serviced by RPT services, which ceased after the construction of the Barrick Cowal Gold Mine was completed.

While there is currently no RPT services at the West Wyalong Airport, one of Bland Shire Council's plans is to investigate and target RPT services and to promote economic development and education / visitor / tourism / aviation activities at the West Wyalong airport. Over the last four years the West Wyalong airport has hosted the Bathurst Soaring club for a number of their annual gliding camps. The reintroduction of RPT services at West Wyalong will assist in attracting business investment in the Bland Shire.



**West Wyalong Airport**



**Gliders lined up at the West Wyalong Airport with four time world champion Ingo Renner**

Charter, medical and other aircraft at the West Wyalong airport during 2017:



Charter Flights at the West Wyalong Airport in 2018 including the Deputy PM



Besides the economic impacts, airports and RPT services also play an important social role in connecting individuals, families and communities with the rest of the state, country and indeed the world.

It is without doubt that by West Wyalong not having a regular RPT service has a major negative economic impact on the Bland Shire, and the value of having a regular and reliable RPT service cannot be overstated. The Bland Shire is 491km or 5hr 41min from Sydney by road and is not on a direct passenger train service. West Wyalong is serviced by a nine hour XPT train from Sydney to Cootamundra, then a Country Link bus from Cootamundra to West Wyalong. The XPT departs Sydney at 7:32am and arrives in Cootamundra at 12:46pm, with the Country Link bus arriving in West Wyalong at 4:40pm.

Government, businesses and residents of the Bland Shire have to travel to the following centres to access RPT services:

Griffith:	154km - 1hr 52min
Wagga Wagga:	155km - 1 hr 58min
Parkes:	138km - 1hr 43min
Leeton / Narrandera:	143km - 1hr 42min

The additional time and costs to existing businesses in connecting to these RPT services is quite substantial and adds to the bottom line of conducting a business in the Bland Shire. Research has also shown that whilst accessing these RPT services, there is a lot of revenue leakage from the Bland Shire as a result of these businesses taking the advantage of accessing services and supplies at these locations.

The Bland Shire is one of New South Wales largest cereal-growing areas producing wheat, barley, oats, triticale, cereal rye, chickpeas, field peas, lupins, canola and sorghum and the Deloitte Access Economics report

[http://www.tourism.australia.com/documents/Statistics/Statistics\\_Aviation\\_CONNECTINGAUS\\_May2012.pdf](http://www.tourism.australia.com/documents/Statistics/Statistics_Aviation_CONNECTINGAUS_May2012.pdf) mentions, that the use of air services has become exceedingly important in light of the greater economic integration between national and global markets. Airports provide easier access to suppliers, staff and customers, particularly over longer distances, increasing business efficiency and thereby contributing to stronger productivity performance and economic growth.

Should a regular RPT service be reintroduced to West Wyalong, the service will assist in offsetting the current maintenance and upkeep costs that the Bland Shire Council is outlaying on the West Wyalong airport. The reintroduction will also provide confidence for investors, businesses and services to invest in the Bland Shire and in aviation opportunities that may arise.

Past studies have shown that a location with a regular and reliable RPT service will grow faster than an location who does not have a regular and reliable RPT service, and a study conducted by Deloitte Access Economics

[www.tourism.australia.com/documents/Statistics/Statistics\\_Aviation\\_CONNECTINGAUS\\_May2012.pdf](http://www.tourism.australia.com/documents/Statistics/Statistics_Aviation_CONNECTINGAUS_May2012.pdf) showed that, in 2011, Australia's airports generated a total economic contribution of around \$17.3 billion, equivalent to around 1.2% of Gross Domestic Product. National employment at airports was estimated at approximately 115,200 full-time equivalent (FTE) workers. Consisting of nearly 56,500 air transport jobs (ABS 2012), the broader aviation industry supports activity at airports and air service dependent sectors.

The Deloitte Access Economics report also mentions, that the use of air services has become exceedingly important in light of the greater economic integration between national and global

markets. Airports provide easier access to suppliers, staff and customers, particularly over longer distances, increasing business efficiency and thereby contributing to stronger productivity performance and economic growth.

Past studies have also showed that the likelihood of sustaining or attracting new enterprises, services or business without a regular and reliable RPT service is dramatically reduced. By not having a regular RPT service the Bland Shire is severely impacted as air travel is the preferred method of travel used by visitors / tourists from the major capital cities, particularly those travelling for short stays and events.

It is noted that there is a significant disparity between airfares inter-capital and airfares into regional NSW. This generates disincentives for air travel to regional NSW. Landing fees are a small part of the problem though is regularly rolled out as of concern to air passenger service providers.

Bland Shire Council would also encourage that the NSW Government work collaboratively with the Commonwealth Government to reintroduce the En-Route Rebate scheme as a matter of urgency. Bland Shire Council would also encourage that the NSW Government and the Federal Government work collaboratively to reduce the cost of regulatory compliance for regional airports.

Bland Shire Council would also like to mention that the costs of running regional airports including compliance costs for safety and security and the like are escalating, Local Government airport costs are increasing in a rate capped environment.

In the November 2012 Australian Airports Association report [http://airports.asn.au/wp-content/uploads/2012/12/AAA-Regional-Airports-Research-Paper\\_FA.pdf.pdf](http://airports.asn.au/wp-content/uploads/2012/12/AAA-Regional-Airports-Research-Paper_FA.pdf.pdf), as many as 50% of regional airports may be operating at a loss each year, and are heavily dependent upon cross-subsidisation by their local government owners who face multiple and competing demands on their limited finances. In these circumstances, developing non-aeronautical activity on-airport can be essential in order to maintain future capacity for aeronautical activity.

The report also mentions that the number of airports serviced by RPT operators has declined markedly over the years and trends in airline operations threaten to further reduce this number in the future, risking increased isolation for many Australians in rural and remote communities.

Bland Shire Council feels that the State and Federal Governments and Airline Operators provide safe, affordable, efficient and effective aviation services as part of their corporate, social and environmental responsibility. We feel that RPT services to the smaller regional centres e.g. West Wyalong should be subsidised by the users of the larger more profitable routes.

Modern and efficient air services between country areas and the state capital are essential for the economic and social wellbeing for government, businesses and residents, and particularly for country residents who rely on air travel increasingly for access to the wide range of services no longer available outside Sydney. This includes travel to essential government, education, health and medical purposes etc.

Governments can positively influence rural and regional airfares through a mix of policy levers:

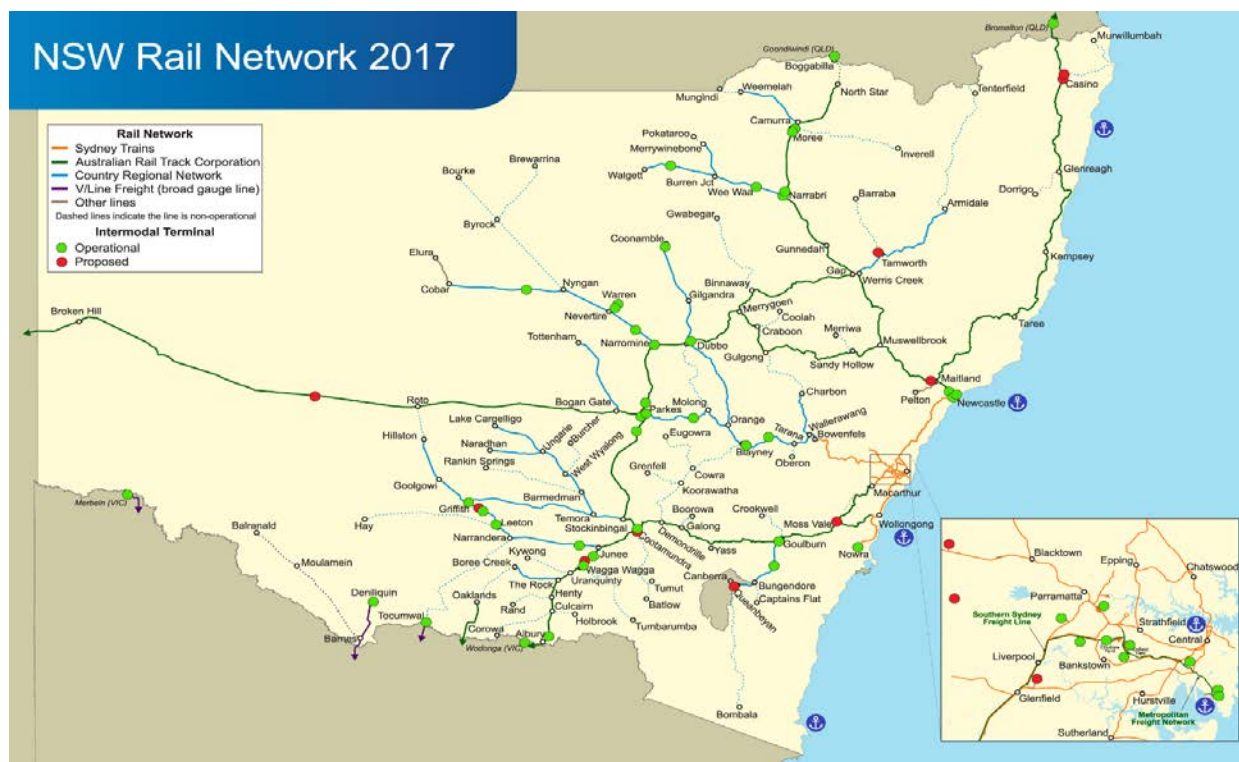
- Providing new and additional funding to subsidise airport infrastructure investment and maintenance in rural and regional areas;
- Ensuring that Government compliance requirements remain reasonable and affordable for Local Councils, operators and passengers; and
- Providing pricing oversight of airline airfares through consumer competition regulation.

Bland Shire Council would like the NSW Government to work with the Federal Government to ensure the continued reservation of affordable access (slots) at Sydney Airport (Kingsford Smith Airport) at peak times for regional services and investigate the slot allocation rules to determine if there is a more efficient way to coordinate airline movements (take-off and landing) within the defined hour period.

Ensuring regional slots remain and are increased at Kingsford Smith airport is essential for government, businesses and communities in regional NSW. The location of Kingsford Smith Airport and the improved train service between the domestic terminal and the city centre enables passengers with meetings and appointments to travel to Sydney and back within the one day. This is critical due to the extra costs with over-nighting in Sydney and remembering that in many instances people have had to travel to reach the airport in their regional location. In the case of West Wyalong this is a 154km journey both ways to Wagga Wagga. In recent times to add to the cost of flying out of Wagga Wagga, Wagga Wagga City Council has imposed car parking fees at their airport.

## Regional Rail Network

Bland Shire Council would like to see increased investment and upgrading of the NSW Rail Network to increase the Wagon Tonne Axle Load by Limit on the regional rail network including the Lake Cargelligo and Naradhan rail network to Cootamundra as per the following schematic:



As the freight task is expected to double in the Greater Sydney area and grow by a quarter in Regional NSW the NSW Government should open the non-operational branch lines such as the Barmedman to Rankin Springs line to allow more efficient delivery of high volume grain to the ports, and the West Wyalong to Burcher line not only to allow more efficient delivery of high volume grain to the ports, but to allow better delivery and removal of road base material from the Evolution Cowal Gold mine.

## **Mining and Exploration Activities in the Bland Shire**

As mentioned in the introduction the mining and exploration companies that are currently undertaking activities in the Bland Shire include:

- Evolution Mining - <http://evolutionmining.com.au/>
- Argent Minerals - <http://www.argentminerals.com.au/>
- Thomson Resources - <https://www.thomsonresources.com.au/>
- Sandfire Resources - <http://www.sandfire.com.au/>
- St Barbara Limited - <http://www.stbarbara.com.au/>

The exploration companies also add to the Bland Shire economy and the Australian Bureau of Statistics, Mineral and Petroleum Exploration release for the December 2016 quarter shows that total mineral exploration expenditure increased by 6.1% to \$403million. One of the above mentioned exploration companies have spent almost \$10 million since July 2013, with the lions share spent within the Bland Shire. Both the State and Federal Governments should increase their efforts to encourage more exploration in regional Australia using the latest technologies.

We have attached some information that demonstrates that there are considerable mining and exploration activities being undertaken in the Bland Shire and should the exploration activities determine the presence of additional mineral resources and that the companies establish mining operations in the Bland Shire, this will place considerable pressures on transport and community and social infrastructure in the Bland Shire including:

- Transport
- Gas
- Water
- Electricity
- Roads
- Staff
- Housing
- Community & social infrastructure – Cultural & Community Centre
- Industrial Land
- Residential Land
- Telecommunications
- Policing
- Education
- Health
- Emergency Services

The following 2013 NSW Government Office of Environment & Heritage figures show that the Bland Shire LGA is by far the largest energy user in the Riverina and should additional mining operations commence in the Bland Shire there will be need for a significant upgrade in infrastructure required for the Bland Shire.





## Average consumption

LGA	Consumption (MWh) per business customer	Consumption (MWh) per business	Consumption (MWh) per business customer	Consumption (MWh) per business customer
	2010	2011	2012	2013
Bland	505.3932438	490.7570036	492.9179821	509.2016496
Lockhart	96.25593706	118.4086981	143.7187621	160.7476093
Carrathool	87.84018943	66.33571229	99.95970886	118.8283675
Leeton	79.7739552	78.98620875	87.44631751	98.80136825
Griffith	80.45632457	76.59092509	79.61779691	83.09906801
Narrandera	37.39392153	40.42465103	49.86217667	76.1771235
Junee	77.846378	76.78732226	79.39058294	70.50629064
Hay	31.21681127	36.17487081	43.80629085	48.41768991
Cootamundra	42.03710888	42.21959278	42.12087474	45.05195723
Gundagai	39.46183694	37.59818114	38.09237288	41.46084564
Murrumbidgee	23.04533833	42.68605969	41.27982366	41.30784619
Wagga Wagga	21.07191014	26.47224652	27.10324026	28.61834956
Temora	25.02607346	27.1728022	25.39085548	24.82597533
Coolamon	16.35413971	15.48941843	15.56853631	16.27009318



### County Councils Water and Distribution

Bland Shire Council would also like to comment on the cost of infrastructure head works charges that are being imposed by the County Councils to new residential and industrial developments. The exorbitant charges are restricting residential, industrial and business investment.

### Social, Cultural and Community Infrastructure

Investment in cultural and community infrastructure is essential for attracting business investment and for the health, social wellbeing and economic prosperity of regional communities. Indeed it has been described as the cornerstone of wellbeing in a community. Social, cultural and community infrastructure plays an important role in bringing people together, helping to form friendships and social support networks, and in helping communities to develop life skills and resilience. All these attributes are essential elements in the creation and maintenance of strong communities.

As mentioned previously, NSW councils are being squeezed from all sides, by rate-capping and also by cost-shifting by the State and Federal Governments, which cost councils more than \$820 million per annum.

Local government has long called upon the Commonwealth to provide FAGS at 1.0% of taxation revenue to allow local governments to address the ever increasing backlog of infrastructure maintenance and renewal required which is estimated to be increasing by over \$2 billion each year.

The State and Federal Governments must continue to invest in social, cultural and community infrastructure in the smaller centres regional Australia and NSW.

## **Education**

Education is extremely important in relation to business investment and with the amount of the current and future agriculture and mining investment that has taken place or is planned for the Bland Shire, it would be beneficial for the West Wyalong TAFE NSW Campus to be upgraded and equipped and staffed to offer training for the expected new positions that will be created.

The public and high schools in the Bland Shire will also need to be upgraded to cater for the increased demand as a result of the amount of the current and future agriculture and mining investment that has taken place or is planned for the Bland Shire.

Bland Shire Council sees Charles Sturt University (CSU) and the University of New England (UNE) playing an important in the building of human capital in regional Australia and NSW and Bland Shire Council would like to see funding increased for these regional universities for health and engineering.

## **Building human capital**

Bland Shire Council considers that the economic (business investment), social, cultural and environmental development of Australia will be enhanced by further building human capital. Bland Shire Council sees Charles Sturt University (CSU) and the University of New England (UNE) playing an important in the building of human capital in regional Australia and NSW. Regional universities provide the most direct and cost-effective way of further harnessing talent, developing skills and contributing to knowhow to our regions for the benefit of all Australians. CSU and UNE play a key role in fostering vibrant, diverse and resilient communities.

Bland Shire Council understands that human and social capital are increasingly key determinants of economic prosperity in regional Australia and NSW. Human capital includes knowledge, skills, understanding and the ferment of ideas. Collectively, they serve to open up people's horizons, create new industries, perform existing tasks better and more competitively, assist in personal and institutional adaptation to changing situations, and generally help individuals to anticipate change and fashion their lives accordingly. Education is also personally enriching because it enables people to live fuller lives and to secure more financially intellectually rewarding jobs in regional Australia and NSW.

## **Enhancing local workforce skills**

The Federal Governments Department of Jobs and Small Business <https://www.jobs.gov.au/national-state-and-territory-skill-shortage-information> has identified that there are skills shortages in regional Australia and the skill shortages apply to the Bland Shire in a number of occupations which will have an impact on business investment in regional Australia.

## **Employment arrangements**

Most Australians spend a substantial part of their lives in the workforce. Employment arrangements have changed dramatically where as a few decades ago, employed people - particularly male workers - typically worked in full-time wage and salary jobs with regular working hours, and could often expect to remain in the same job for a long time. This situation has changed, with the emergence of different forms of employment and different working arrangements. Over the last decade, there has been strong growth in casual and part-time employment, and many people now have flexible working hours, or have a working pattern that differs from the five-day working week. These changes have coincided with other changes in the labour market such as growth in the service industries, increasing numbers of women in the workforce, sustained periods of relatively high unemployment, labour market deregulation and changes in technology. Employment arrangements also have an impact on business investments.

## **Decentralisation policies**

The recently released Infrastructure Australia Future Cities (AFC) report <http://infrastructureaustralia.gov.au/policy-publications/publications/future-cities.aspx> indicated that Australia's largest cities are facing a watershed moment in their growth and development. In the coming 30 years the size of the Australian population will grow substantially. Between 2017 and 2046, Australia's population is projected to increase by 11.8 million people. That's equivalent to adding a new city, roughly the size of Canberra, each year for the next 30 years.

The AFC report mentions that in the next 30 years, Sydney's population is projected to increase by 2.4 million people, growing to be a city of 7.4 million. Over the same period, Melbourne is projected to grow by 2.7 million people, to be a city of 7.3 million. The growth of Brisbane and Perth, while on a smaller scale, will still bring substantial change to both cities. Between now and 2046, Brisbane is projected to grow by 1.6 million people and Perth by 2.2 million people, delivering cities of just under 4 million and 4.3 million, respectively.

The capital cities are already congested and affordable houses increasingly out of reach, wage growth slow and household debt high. Regional Australia and NSW are not congested and to attract people to regional Australia, NSW and the Bland Shire a concerted effort must be made by the State and Federal Governments to improve the social and community infrastructure in the large and small regional centres to make them more attractive to entice people to want to move to them.

Most smaller regional centres do not have public transport services which detract people from moving to regional Australia and NSW including the Bland Shire.

The NSW Government is currently focusing on the hub and spoke model which will see the further decline in the smaller regional centre which have been and re the back bone of Australia and NSW.

Both the State and Federal Governments should embed decentralisation policy in government to increase the impact of government employment and expenditure in regional Australia, NSW and the Bland Shire.

## **Relocation of Public Sector Jobs**

Relocating government agencies has the dual objectives of bringing government decision-making to local communities and stimulating growth and long-term job generation in regional NSW. The NSW Government already contributes significantly to regional employment.

Bland Shire Council believes there are further opportunities to relocate public sector jobs and government business units to regional NSW and not just to the Western Suburbs of Sydney or to the coastal or larger regional cities and communities i.e. Wagga Wagga, Bathurst, Griffith, Albury, Dubbo, Queanbeyan, Orange, Newcastle, Wollongong, Goulburn, Tamworth, Armidale, Gosford, Coffs Harbour, Tweed Heads, and Port Macquarie etc.

With the relocation of the public sector jobs will see an increase in the need and use of airline services to regional centres.

### **Inequality of accessing services**

The inequality of accessing services is a major concern for regional NSW, whether it be health, community banking, servicing or repairing the motor vehicle or farm machinery, phone and internet, emergency services and many more. Surely in this day and age residents of regional Australia, NSW and the Bland Shire should not go without or be forced to travel major distances to access these services that are taken for granted in the major centres and capital cities.

The lack of ready access to these services is affecting business investment and is a disadvantage that hits the core of many of the towns and villages in regional Australia and NSW and this need to be brought to the attention of the State and Federal Governments and their bureaucrats.

### **Regional fuel price differences**

Bland Shire Council realises that the Fuel prices are generally higher in regional Australia due to:

- lower population and demand resulting in fewer outlets, leading to less competition
- higher costs for transport and storage of fuel
- less demand for convenience sales like drinks, food and newspapers that can enable retailers to add to overall profits and keep fuel prices lower
- the location of outlets—whether or not they are on a highway and likely to get a high number of customers
- regional fuel retailers don't usually sell their fuel stocks as quickly as city retailers, so when there is any change in the international benchmark and wholesale prices of fuel it generally takes longer to impact on country retail prices
- while prices in regional areas might fall slowly they also tend to rise more slowly.

The higher prices of fuel increase the cost of living in regional Australia, NSW and the Bland Shire and affect the discretionary purchasing power of the residents and businesses. Most residents in regional Australia do not have the luxury of having access to public transport or cheap airfares as those living in the capital cities and larger regional centres in Australia.

### **Tourism Australia and Destination New South Wales Sector Development**

Tourism Australia and Destination NSW's sector development or main activities are concentrated around Aboriginal Tourism, Youth, Food & Wine, Cruise and Regional Conferencing. Bland Shire Council believes that this sector development is extremely limited and there is more to regional NSW than these sectors. One sector that is overlooked by Destination NSW is the caravanning and camping sector which is extremely important to regional NSW.

The visitor economy sector is also extremely important to the Bland Shire as it is centrally located in regional New South Wales at the junction of the Newell and Mid Western Highways and Goldfields Way. Bland Shire Council would like to see more international visitors disperse into the

regional NSW. Statistics show that approximately 88% of visitors to regional areas drive and approximately 7% fly. More funding needs to be allocated to the NSW regional road network.

### **Native Title and Aboriginal Land Claims**

Through the *NSW Aboriginal Land Rights Act 1983*, Crown land not lawfully used or occupied, or required for an essential public purpose, or for residential land, is returned to Aboriginal people.

Aboriginal land rights aim to redress past injustices when Aboriginal people were dispossessed of their land by colonisation. This dispossession led to many social, economic and physical problems for Aboriginal people. The Department of Industry - Lands investigates and assesses Aboriginal Land Claims across the State.

Native title is the name Australian law gives to the traditional ownership of land and waters that have always belonged to Aboriginal people according to their traditions, laws and customs. These rights are different to and separate from the statutory right of Aboriginal Land Councils to make claims for land under the *NSW Aboriginal Land Rights Act 1983*.

The changes to the Native Title Act and Land Claims are stifling development and business investment in regional communities with delays, costs and red tape.

### **Inequality in Health in Regional Australia, NSW and the Bland Shire**

As mentioned earlier there are large inequalities in health across all of Australia. Inequalities in health are due to many factors, including differences in living and working conditions and in behavioural factors, but also in access to and quality of health care.

Examples of this inequality in the Bland Shire is that on occasions there is no doctor on call at the West Wyalong hospital and patients have to be transferred to the Wagga Wagga Base Hospital which is a two hour drive from West Wyalong.

As mentioned previously West Wyalong is located on the Newell Highway the third largest freight corridor in Australia and is the premier inland touring in Australia. West Wyalong has a working gold mine that operates twenty four hours a day seven days a week and three hundred and sixty five days a year and it is disappointing in this day and age that there is a shortage of doctors for the West Wyalong Hospital.

Recently a farmer based just north of Weethalle in the Bland Shire had a heart attack and it took the farmer five hours to be transferred by ambulance to the Wagga Wagga Base Hospital and as a result of the time that it took the farmer to get to the Wagga Wagga Base Hospital for surgery he has lost 70% of the function of his heart which will affect him for the rest of this life which one would have thought that this would be unacceptable today.

Bland Shire Council would like to see the lack of allied health services i.e. physiotherapy, occupational therapy, midwifery (for the younger mine workforce and families) improved in regional NSW and the Bland Shire. Incentives should also be provided to attract medical professionals to regional NSW and the Bland Shire.

Once again Bland Shire Council extends an invitation to the Standing Committee on Economics to visit West Wyalong and to hold one of its public hearings in West Wyalong to see firsthand the agricultural, mining and exploration activities that are occurring in the Bland Shire. West Wyalong

is central to the following regional centres of Wagga Wagga, Dubbo, Bathurst, Orange, Parkes, Leeton, Narrandera, Griffith etc.

Yours sincerely

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General Manager

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