



Select Committee on Jobs for the Future in Regional Areas
Submission by Tweed Shire Council

August 2019

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The Tweed

Tweed Shire covers 1303 square kilometres and adjoins the NSW shires of Byron, Lismore and Kyogle, with the NSW/Queensland border to its north where it divides the twin towns of Tweed Heads and Coolangatta. The Tweed's population is approximately 96,000 which is estimated to reach more than 128,000 by 2031. Our diverse population is geographically spread between urban communities, coastal and rural towns and more than fifteen villages.

The stunning centrepiece of the Tweed, where the sun first hits the Australian continent, is Wollumbin / Mount Warning which is surrounded by national parks forming the caldera of the fertile Tweed Valley. With 37 kms of natural coastline, wetlands and forests, lush pastoral and farm land, the entire basin of the Tweed River, and mountainous regions containing three World Heritage listed national parks, Tweed boasts an internationally significant environment with the highest biodiversity in NSW, and in the top three in Australia. It is located within one of the largest natural erosion calderas in the world. The Tweed has an average rainfall of approximately 1600 millimetres per year and offers a very moderate climate all year round, with mild winters and many sunny summer days.

The Tweed has two public hospitals, 34 primary schools, nine secondary schools, three public libraries, two TAFE campuses, three public swimming pools, more than 480 parks and reserves and more than 35 sports fields.

Tweed Shire Council - Living and loving the Tweed

Tweed Shire Council has the following vision;

The Tweed will be recognised for its desirable lifestyle, strong community, unique character and environment, and the opportunities its residents enjoy.

As the largest Council on the north coast of New South Wales, we deliver more than 50 services to 96,000 residents over an area of 1303 square kilometres.

Submission

Tweed Shire Council would like to make the following submission to the Senate Select Committee on Jobs for the Future in Regional Areas.

a. new industries and employment opportunities that can be created in the regions;

The Northern Rivers has an environment that lends itself to Small and Medium sized Enterprises (SMEs). Specifically, SMEs are the cornerstone to the Tweed's economic prosperity.

The Tweed is well positioned to take advantage of the growing trend in SMEs that specialise in food processing. This is particularly the case in niche areas of food processing focused on health foods, whole foods and wellbeing. The Tweed is currently experiencing this trend where a number of these type of food processing businesses which have either established or re-located in the Tweed. Several of

these relocations have been from across the NSW border and particularly from the Gold Coast.

Tourism

Another developing trend being experienced in the Tweed is retailing at the farm gate. Selling produce from the farm gate is nothing new. However, this latest evolution of the 'on farm experience' includes cafés, restaurants, prepared picnics, and of course produce sales.

This trend has also branched into on-farm processing and production with a specific focus on selling 'direct to the public'. Direct wholesale supply which leverages off provenance and encourages farm diversification (eg. Establishment of a micro-breweries or a distillery door retail).

This style of on-farm retailing and hospitality is driven by a strong tourism economy. In the Tweed the prominent tourism markets include South East Queensland day trippers, intrastate (NSW) and interstate (QLD and VIC) visitors and overseas visitors. Many of these tourists enter the Tweed through the Gold Coast Airport.

Tourism is a very strong and growing industry in the Tweed. Market segments in the tourism sector are continually evolving and are demanding a more sophisticated and mature product. This has pushed for an increase in tourism accommodation which takes advantage of the special environment the Tweed has to offer which includes the rainforests and beaches.

This tourism demand extends beyond accommodation to visitor experiences. Specifically, these experiences include uniquely packaged immersive experiences which relate related to the Tweed environment and local food / beverage experience. Many examples of this exist in the Tweed, including;

- On-farm experiences;
 - farm tours (Tropical Fruit World),
 - pick your own (Farm & Co),
- On farm processing;
 - cheese manufacturing (Tweed Valley Farmhouse Cheeses),
 - breweries (Stone and Wood, Pickled Pig),
 - distilleries (Husk Distillery),
- Environment experiences;
 - river cruises (Catch a Crab, Tweed Eco Cruises, Mt Warning Tours).

Events

Tweed is also experiencing growth in events which attract large numbers of patrons/participants from outside the area, particularly from South East Queensland. These type of events include sporting events such as;

- Kingscliff Triathlon,
- Battle Recharge (cycle event),
- Tweed Coast Enduro (triathlon endurance event),
- Tour de Tweed (cycle event.).

There is also a synergistic impact stemming from nationally significant music events hosted in Byron Bay. These events include those hosted at North Byron Parklands located at Wooyung which hosts Splendour in the Grass and The Falls Music and Arts Festival. Both of these festivals have been approved by the NSW state government to grow up to 35,000 people. Along with numerous community events of up to 5000 people.

Additionally, the Byron Bay Bluesfest is hosted on a separate site located at Tyagarah. Again immediately on the Tweed border with benefits spilling into the Tweed.

This burgeoning events industry represents significant economic benefits to tourism in the Tweed. The fact that all of these events are attracted to the North Coast of NSW demonstrate the demand for sites that have a backdrop of beautiful environments which are in a reasonable travel distance from a major urban centre and major airport.

Health

Proportionally, the Tweed has a very high aging population compared to rest of Australia. 32.5% of residents in the Tweed are aged 60 years or over and 18% are aged 70 years or over. This is compared to 21.3% (60+ years) and 10.7% (70+ years) across Australia as a whole. This trend in aging is being experienced across Australia generally, but due to these demographics it is being felt acutely in the Tweed. This trend places a very high demand on health care services generally across the Tweed.

The NSW Government have recently announced a new hospital will be developed in the Tweed to meet this growing demand. The development of this new hospital will increase the demand for related and ancillary services to the health industry. Due to its nature the industry will require these services to be close to hospitals in an Allied Health Precinct. Also other associated businesses which include preventative medicine, wellbeing, health foods and allied health.

Tweed's aging population is placing an increased demand for age care facilities. This includes pressure to increase places in existing facilities and demand for the development of entirely new ones. This demand also runs head long into the affordable housing issues and for the development of affordable retirement housing solutions. For example, existing manufactured home estates and caravan parks are becoming pseudo retirement villages.

Recycling

Another emerging industry within regional Australia is the development of local/district recycling transfer stations that integrate with State and Federal objectives. These transfer stations are becoming significant infrastructure. Communities across Australia are focused on reducing waste going to land fill, resulting in an increase in recyclable material.

As a result of China's recent Green Sword Policy the recycling industry. This policy will require Australia to re-consider how it exports recyclable material. It also is causing a rethink on how this material is collected and managed within Australia. This includes cleaning up dirty recycling. Local recycling transfer stations will become important centres for the sorting and distribution of recyclable material.

b. the number of existing jobs in regional areas in clean energy technology and ecological services and their future significance;

Council has no response to this question.

c. lessons learned from structural adjustments in the automotive, manufacturing and forestry industries and energy privatisation and their impact on labour markets and local economies;

Car Manufacturing - an alternative policy position that would have supported the industry

In 2011 the Federal Government amended the Fringe Benefits Tax (FBT) rates for vehicles into a single flat rate of 20%. In response to this change government and private fleet owners reviewed their options in light of their increased FBT liabilities. The easiest way to offset the increases was for fleets owners to purchase cheaper cars. This ultimately led to fleets opting to purchase cheaper imported cars. These FBT changes have had a detrimental effect on Australian manufactured cars for this reason.

In 2013 the Federal Government announced a support package to keep Holden manufacturing in Australia. Apart from the high Australian dollar affecting exports and benefiting imports the underlying problem with Australian manufacturing of vehicles is that the local sales market reduced with many fleet buyers moving to imported cars.

Tweed Shire Council owns a large fleet of passenger vehicles, trucks and plant. Prior to 2011 Council's passenger vehicle fleet consisted mainly of Australian manufactured cars. With the changes to FBT, the upfront purchase price of the vehicle ultimately increased the weekly lease rate that an individual would have to pay.

In June 2011 the Federal Chamber of Automotive Industry made a submission to Senate Economics Legislation Committee prior to the final ascent of Reform of the car fringe benefits tax rules: Provisions of Schedule 5 of the Tax Laws Amendment (2011 Measures No. 5) Bill 2011 which claimed that;

A Motorist travelling 25,000 per year, will incur more than \$3,000 in additional tax per year (based on a vehicle price of \$35,000).

Another submission from the Motor Trades Association of Australia identified that;

the impact of changes on consumer driving habits, particularly in regional and rural Australia where businesses are required to travel long distances.

The Government could have considered an alternative support package to the Australian car industry that would have essentially been cost neutral to the Government. By having a differential FBT rate for Australian built cars, it would have encouraged Government and Fleet buyers to move back to Australian built cars. This would have in turn supported the Australian car accessory industry and parts. Such a policy would have had a minimum impact to the budget as Fleet owners just opted for cheaper vehicles so as not to incur the additional FBT changes as a result of the Government's policy. Council suggests that a flat rate of 20% FBT be applied to

foreign imports and that a discounted FBT rate of 10 or 15% be applied to Australian built imports. This would have been a far better structural adjustment support package and could be considered for other industries going forward.

At the end of the day, the government can give as much direct financial support to a local industry as it likes, but if people, Government and Private fleets are not purchasing locally built cars the policy will ultimately fail (and it did). The policy position we have suggested would have encouraged the purchase of Australian built cars and all of the support industries that are associated with that, directly benefiting Australian manufacturing and jobs.

Forestry

Tweed Shire Council is cognisant of the impacts of structural adjustment in the forestry industry. It is clear that given these changes all levels of government need to work towards establishing surety within the industry.

This surety will guarantee the industry that plantations will not be prevented from harvest in 5 to 20 years' time. Surety could be in the form of caveats on title or other form of land use planning controls establishing a perpetual guarantee over the right to harvest. With such surety, it is also essential to have adequate monitoring and reporting and oversight of the industry sector to assure the public of best silviculture principles. This will allow the industry to strategically plan and forecast with certainty.

If the harvest of the plantation was controlled through selective logging rather than clear felling provisions, it would have the added benefit of providing habitat for fauna.

d. the importance of long-term planning to support the diversification of supply chain industries and local economies;

The Tweed promotes itself as a diversified agricultural region that grows clean, green and sustainable produce. The Australian Airports Association made a submission to the Federal Inquiry into Freight and Supply Chain stating

"Air freight is particularly important for same-day and overnight transport for time-critical or perishable goods such as seafood, medical supplies, newspapers, banking and express post. Air freight also supports increasingly popular manufacturing and trade models- for example, 'just-in-time' business practice, where component parts or stocks are maintained in a limited number of central depots and dispatched as required. Retailers are able to reduce inventory, freeing up capital and reducing wastage for perishable goods. The quicker transit times also allow businesses, including importers and exporters, to be more responsive to immediate market needs, taking advantage of market and price (including exchange rate) opportunities"

Tweed Shire Council has identified a clear benefit in the development of a purpose built air freight hub located at the Gold Coast Airport. This will develop a supply chain from producers direct to overseas markets via the Gold Coast Airport using daily flights from the Gold Coast Airport reach medium haul destinations of Kuala Lumpur, Singapore, Tokyo and Seoul.

To this end Council strongly endorses the creation of a Strategic Activation Precinct (SAP) by the NSW State Government near the Gold Coast airport. This should include an education and employment land areas.

Tweed Shire Council is strongly of the opinion that regional economic development is fostered from within the local economies. Council's in the regions across Australia play a vital role in providing early identification of emerging industries.

State and Federal governments must establish strategic alliances with local governments to effectively and efficiently support regional economic development. This is fundamental if we all want to achieve the proper growth and diversification of local economies which support the establishment of new jobs in regional Australia.

An additional point here is that any long term planning that aims to grow and diversify regional economies should be supported by both state and Federal governments. This planning also needs to be enshrined into land use policies.

e. measures to guide the transition into new industries and employment, including:

i. community infrastructure to attract investment and job creation;

It is unclear what the definition of community infrastructure is in this context. If this type of infrastructure relates to community facilities then the ongoing economic impacts need to be closely examined as they would represent a very narrow portion of the entire economy.

Local government may be responsible for the provision of local roads, water reticulation, sewer reticulation and stormwater drainage to new employment generating developments. In these instances developer contribution charges may be levied against the developers to assist in the provision of critical infrastructure. Provision of this infrastructure may be out of sequence or the systems may be nearing capacity. It is at these points the local government must take a 'leap of faith' and make risky capital investments.

At Pottsville on the Tweed Coast there is an area of greenfield employment land which has yet to be developed. This land would support up to 500 much needed jobs for the Tweed. Commencement of this development critically hinges on the upgrade of the waste water treatment plant. There is considerable risk in undertaking this capital investment prior to any onsite development works. This risk includes commitment from the developers that they will continue with their proposals as envisaged.

To successfully promote employment generating developments the Federal Government should focus their assistance on key infrastructure that will promote emerging industries and employment areas. Furthermore, infrastructure that stimulated employment should attract federal and state assistance in obtaining regulatory approval.

ii. the need for a public authority to manage the transition;

Tweed Shire Council strongly supports the concept of an inter-governmental authority with a charter to encourage economic development, identify key infrastructure and develop policy.

iii. meaningful community consultation to guide the transition; and

As stated above, Tweed Shire Council strongly supports the concept of an inter-governmental authority with a charter to encourage economic development, identify key infrastructure and develop policy.

iv. the role of vocational education providers, including TAFE, in enabling reskilling and retraining;

Council has no response to this question.

f. the use of renewable resources in Northern Australia to build a clean energy export industry to export into Asia; and

Council has no response to this question.

g. any related matters.

Council has no response to this question.

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