



Enquiries: Jason Linnane

3 September

Committee Secretary
Senate Select Committee on Jobs for the Future in Regional Areas
Department of the Senate
PO Box 6100
Parliament House
CANBERRA ACT 2600
AUSTRALIA

Dear Committee,

Re: Jobs for the Future in Regional Areas

It is with pleasure that I write on behalf of our organisation to make a submission to this very important inquiry.

Singleton Council would like to address two of the committee's interest areas regarding jobs for the future in regional areas.

1. New industries and employment opportunities that can be created in the regions; and
2. The need for a public authority to manage the transition.

Singleton Local Government Area Overview

Singleton is the centre of the Hunter Valley, located 200kms North-West of Sydney and 80kms from Newcastle on the New England Highway. Singleton has a population of just over 23,000 people, with an average growth rate of 1.5%. Singleton's Local Government Area (LGA) services 4,893km², and is a mix of heritage, country charm and modern sophistication.

The Singleton LGA is home to the World Heritage-listed Wollemi, Yengo and Mount Royal national parks, is a gateway to scenic vineyards and bushland beauty. An incredible 40 per cent of the Singleton area is national park, where accessible bush tracks take walkers to gorgeous vistas and picnickers stop to breathe in crisp country air.

Singleton has a powerful industry base, significant agricultural lands, skilled labour force, is located on major transport routes and is home to the 1,500ha Lone Pine Army Barracks and the Singleton Army Training Area. Singleton is an attractive business and commercial destination, with major industries including mining, heavy manufacturing, construction, Defence, public administration, agricultural production and viticulture.

As the gateway between the Upper and Lower Hunter, the newly opened Hunter Expressway has made Singleton even more accessible to the Port and coastal attractions of Newcastle, as well as an easy 2.5 hours' drive to Sydney. Rail and air transport links allow convenient access to major cities on the eastern seaboard and beyond.

Growth areas for the Hunters regions

Over the past 12 months Singleton Council, Cessnock City Council, Maitland City Council, Upper Hunter Shire Council, Dungog Shire Council, Port Stephens Council and Muswellbrook Shire Council developed the Hunter Regional Economic Development Strategy (REDS) 2018–2022. The Hunter REDS identified three core strategies to capture opportunities, manage risks and deliver on a prosperous future for the Hunter Region:

1. Improve inter and intra-connectivity of the Region to boost business opportunities in the 'engine' industries of Agriculture, Mining and Manufacturing
2. Manage transitions and risks to the Coal Mining and Electricity Generation sectors and diversify the Region's economy to build resilience
3. Improve infrastructure, services and amenities to fully realise and sustain the Region's growth potential

Following extensive analysis of existing industries, identification of regional strengths and the forecasting of future economic trends, the Hunter REDS identified future growth areas for our region as being:

- Mining
- Electricity generation
- Heavy equipment manufacturing
- Explosive manufacturing
- Wine and other beverage manufacturing
- Horse farming
- Grape growing
- Poultry farming
- Meat processing

The growth areas identified above have the greatest potential to thrive within the Hunter Region, however strategic planning and investment in infrastructure will be essential to realising the regions growth potential. The following issues and risks have been identified as impediments to regional growth and will need to be managed:

- **Connectivity** - Connectivity refers to the flow of people, information, products and services. Connectivity within the region and within domestic and international markets can be improved through enhanced transport and telecommunications infrastructure and services, and through better community and business networks.

Actions to address issue: Improve mobile phone coverage in regional areas, provide internet services to regional areas at the same cost as capital cities, set up a long range wide area network to enable agribusiness opportunities and to improve farming efficiency and provide easy access to local and international markets via ports and airports.

- **Rapid growth and congestion** - According to Department of Planning and Environment estimates, the population of the Hunter-Lower is expected to grow by 24.1% over the years 2016-2031. This is a faster rate than that of Regional NSW (10.6%), and even that of the City of Newcastle (16.5%). A strategy to manage the infrastructure, services and amenities of the Hunter Region, while fully capturing its population growth potential, is critical to its economic future.

Actions to address issue: Fund the Singleton Bypass Project to minimise the impacts of traffic and freight congestion at Singleton. Fund the Golden Highway/New England Highway flyover to reduce traffic and freight congestion and to improve safety. There is also an obvious opportunity to increase passenger train services on the existing line.

- **Reliance on coal mining** - 25% of Singleton LGA residents and 41% of all jobs within the Singleton LGA are employed in the mining sector. The mining industry accounts for 64% of Singleton's Gross Regional Product (GRP). For this reason, Singleton can be said to have a 'single engine economy' or one in which there is one key industry that brings money into the region and drives the local economy with nearly all other industries being either enabling industries (those that support the engine industry) or population serving industries (those that support the local population). This 'single engine economy' leaves Singleton vulnerable to shocks within the mining industry, with unemployment directly linked to the mining price cycle.

Actions to address issue: Provide access to an annual allocation of the mining royalties extracted from our regions that can be used to address economic and social issues caused by mining. This commitment will go a long way to ensuring our region can transition successfully.

- **Transitions in energy and mining** - The region's reliance on Coal Mining and Electricity Generation means that it is important that the region looks to the future and considers and prepares for scenarios in which there are significant and/or sudden shifts in mining activity. In Electricity Generation, the Liddell and Bayswater power plants in the Upper Hunter will be shut down in 2023 and 2035, respectively. These closures will have a local impact but will also facilitate new opportunities to expand into emerging energy options by leveraging the region's infrastructure and natural advantages. Any decline in coal mining production will have massive impacts on the whole of the Hunter Valley, not just Singleton.

Actions to address issue: Singleton Council and the Hunter Joint Organisation of Councils would like to see the creation and funding of a Hunter Economic Transition Authority that includes community members/groups, industry representatives, Local Government, NSW Government, Australian Government and transition experts to manage and oversee transition actions. All research clearly indicates that long term planning is essential for successful transitions. There needs to be coordinated efforts now.

- **Water security** – Over the last few years various intensive agriculture businesses and manufacturing business have contacted Singleton Council regarding business opportunities. These organisations are placing an increased emphasis on water security and the likelihood of water restrictions affected their business operations. The lack of reliable water sources and water infrastructure in regional areas is posing a risk to potential investment.

Actions to address issue: Increased investment in water infrastructure within Singleton and the Hunter to enabling the expansion of agriculture and agribusiness in the future.

- **Land use conflicts and planning** - The Hunter is in a unique position where it has many specialisation industries such as mining, thoroughbred breeding, viticulture and agriculture. However, this drives 'Conflicts in land-use' amongst the industries. Uncertainty over land-use and the risk of potential conflicts can have a significant impact on investment.

Mining buffer lands and remediated mining lands present a large opportunity for agribusiness expansion, however miners are not willing to risk mining approvals to allow development on these sites.

Actions to address issue: Local governments should be given an opportunity to influence the final post-mining land use when a mining application is submitted. A preference would be to have a flexible final land use that can be amended as community needs change. Mining companies should be made to plan for future "highest and best uses" of their land in consultation with council, state government and the community. This needs to be applied to current and future projects.

Future demand for regional community service jobs

ABS data indicates the approaching bubble of baby boomers that will enter in to the over 60 bracket and therefore into a range of aged care sectors. ¹ There are 30,769 people aged 45-59 (19.6% of the Hunter Population) that will move into some form of over Ageing and over 60's lifestyle and aged care choice in the next 15 years.

Research indicates that baby boomers will demand a higher range of lifestyle and care choices and opportunities:

- The **numbers** of older people will increase rapidly because the 'shockwave' of baby boomers will all move past age 65. Accordingly the median ABS projections (ABS, 2013a) anticipate the numbers aged 65+ in Australia will increased by 84.8 percent from 3.1 million to 5.7 million between 2011 and 2031;
- The **proportion** that the older (65+) population make up will increase from 13.8 percent in 2011 to 18.7 percent in 2031. This raises issues of worsening ratios between the working and non-working population and the effects of intergenerational transfers.
- The **characteristics** of Baby boomers differ in a myriad of ways from the previous generation of older people and this will also have a major impact on the nature of the care and residential arrangements which they need, seek, prefer and can pay for.
- The **distribution** of Australians aged 65+ and 80+ in 2021 and 2031 will be quite different to that of 2001 and 2013. Much of the aged care infrastructure, especially residential care has a fixed location which will be increasingly mismatched with the location of older Australians. ²

The Community Services and Health Industry Skills Council (CS&HISC) annual industry report 2013, identified that care services – which includes aged care, mental health, children's services, disability care and Indigenous services – face significant challenges due to industry demands for growth. Modest predictions are an increase of 1.6 million workers (35 per cent rise) by 2025. Increased and changing demand for services, coupled with an ageing workforce and the physical demands of the job are contributing to difficulties recruiting sufficient number of appropriately qualified workers in these roles. ³

In addition the Nations Disabilities Insurance Scheme (NDIS) has created a growth are for supporting clients with a Disability who have a NDIS plan. The plan offers the individual a wider range of choices and options for care and for community participation.

Recommendations include a need for workers and managers within the industry to develop new skills to adapt to client-led care models. The report found that an overwhelming proportion of the care services workforce will need to be VET-qualified. The consumer-focused workforce will be made up of an increased number of home and community, disability care, mental health, pastoral care, social housing and youth workers, as well as enrolled nurses, allied health and dental assistants and community development managers.

Critical skills needed for a consumer-directed future will include financial management, service coordination and goal-based planning. Future workforce challenges will require the development of new training pathways, transferable skills across aligned sectors – such as

¹ https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/CED121

² Hugo, G. 2014. The Demographic Facts of Ageing in Australia. University of Adelaide
<https://agedcare.health.gov.au/ageing-and-aged-care-aged-care-reform-aged-care-financing-authority/the-demographic-facts-of-ageing-in-australia>

³

https://submissions.education.gov.au/forms/archive/2015_16_sol/documents/Attachments/Community%20Services%20and%20Health%20Industry%20Skills%20Council.pdf

mental health, aged care and disability – and a renewed focus on quality for new training programs.

There are a total of 2,822 (12.6%) people aged over 65 in Singleton ⁴ representing current demand for lifestyle and leisure choices as well as the demand for living and care over the next 5-15 years. Whilst many of these people are long term permanent residents from agricultural, industrial, administrative and service backgrounds, there are also any temporary residents from mining industry backgrounds who have now made their home in Singleton. Singleton faces a continuing drain of these valued members of the community as they migrate to the coast where they have access to leisure, lifestyle, medical and other opportunities. Council research indicates that many of this cohort would prefer to stay in the community with their friends if they could still maintain a fulfilled and connected lifestyle.

There have been opportunities for development of an over 55's lifestyle village catering for the baby boomer generation wanting to remain in Singleton and the region, taking advantage of facilities such as the golf course, Hospital and medical specialists, GP's, shopping, leisure and lifestyle choices. Many residents have developed lifelong associations with community groups, friends and social life and the opportunity to cater to them and retain this cohort for economic benefit should remain a top priority.

Singleton TAFE has made a concerted effort to cater to this demand by offering Age Care, Individual Support (Ageing and Home Care) courses.

Regional Councils require expert assistance and funding to establish over 55's lifestyle villages and aged care villages catering for the baby boomer generation. This assistance will help to develop and ageing and home care industry within the regions and provide jobs and social outcomes for decades.

Singleton Council appreciates the opportunity to make a submission into the 'jobs of the future for regions' as our community is directly affected by the actions government may take. If you require further information relating to any of the issues and actions suggested above, please contact me and I will prioritise a response.

Yours faithfully

Jason Linnane
General Manager

⁴ ABS 2016 Census data, community profile Singleton.