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7th April 2010

The Secretary
Standing Committee on Employment and Workplace Relations
Dept of House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mr Worthington

Re: Inquiry into Regional Skills Relocation

The Orana Regional Organisation of Councils (OROC) would like to thank the Standing Committee the opportunity to submit comments on the Terms of Reference for addressing skills shortages in regional Australia.

OROC comprises the Shires of Bogan, Bourke, Brewarrina, Cobar, Coonamble, Gilgandra, Narromine, Walgett, Warren, Warrumbungle and Dubbo City Council.

These councils are located in the Central West, Northwest and Far West sectors of New South Wales. The OROC region covers approximately 20% of the geographical area of New South Wales and comprises a diverse environmental landscape with an extensive and **complex range of natural resources that covers approximately 190,000 square kilometres**. Population statistics show that there are just over 85,000 people residing in the OROC region.

OROC would like to emphasise the following social and economic uncertainties of relocating unemployed workers from areas of high unemployment to the Orana region of NSW.

- There is a noticeable decline and diminishing rural business and service base that is already suffering from prolonged drought;
- The retraction and shut down of critical government services and further impost to local government to provide these services to rural communities;
- A reduced workforce and further decline in population as agriculture production and related employment declines and becomes less diverse;

The largest single employer in the region is Fletcher International Exports based in Dubbo with over 850 employees. This business is the leader in the supply of sheep meat, skins, wool products and associated by products to over 40 countries.

As a direct result of the prevalent drought, in late 2009 Fletcher International exports cut 300 part time and casual positions and 118 traineeships. The processor also cut back to a one 10-hour shift per day instead of 2 shifts per day, in order to retain a permanent workforce.

Unemployment rates have increased in recent years, but are still slightly below the Sydney State averages. However, closer examination of this data indicates that this is because the labour force has declined as jobs have been lost. When jobs are lost, it appears that the unemployed leave the region to seek a job. Had the unemployed stayed, the unemployment rate in 2009 would have reached 12%.

As drought and water reform have significantly reduced the skilled agricultural labour workforce, this sector has been pushed off farm to seek employment opportunities in towns. As a result this workforce has taken employment opportunities away from unskilled or low skilled workers. This has denied unskilled workers an opportunity to gain employment.

The delivery of training is limited to large centres such as Dubbo; therefore unskilled workers remain in a long term unemployment cycle with very limited opportunity to train or gain employment.

As reflected in the abovementioned information, this region is experiencing an economic stasis. However local government is actively seeking industry and business retention and attraction opportunities to facilitate employment and economic growth to the region.

There is adequate infrastructure in the region for industry and population increase, however without industry or business investment there is a severe lack of employment and job opportunities in the region. It is essential that governments encourage business and industry development to rural and regional areas of NSW to generate jobs and future employment opportunities.

The Orana Regional Organisation of Councils would like to stress that the relocation of an unemployed workforce base will place significant social strains on the already suffering communities of the Orana region, and will risk a stifling of rural and regional communities achieving long term sustainability and prosperity.

It is also stressed that there must be significant and meaningful consultation with industry, business and communities before the relocation of unemployed workers to any region is considered.

Yours sincerely

Clr Dawn Collins
Chair
Orana Regional Organisation of Councils