

29 June 2005



It is with pleasure as Chairman of the New England North West Area Consultative Committee Incorporated I appear before this Committee enquiring to the administration and coordination of the Australian Governments Regional Partnerships Program.

For the record, the New England North West Area Consultative Committee is a not for profit incorporated organisation under the NSW Incorporations Act and is contracted by the Australian Government to be the primary link between the Australian Government, business and the community in the New England North West region.

The New England North West ACC aims to improve the physical, social and economic conditions of communities across the region, be a key facilitator of change and facilitate whole-of-government responses to opportunities.

The ACC is managed by a Board of management who are all volunteers. Board members are chosen because of their ability to represent a community or the region both geographically and across their areas of expertise, are representative of business or community groups, are most importantly, are honest, open, transparent, and responsive to the community.

The New England North West ACC has 6 dedicated and professional staff representing the organisation. These officers provide advice

across a number of speciality areas providing frank, honest, comprehensive, accurate and timely advice on Australian Government programmes and initiatives including Regional Partnerships.

There is a clear need for coordination between Government jurisdictions and agencies throughout the region. Community members want a central point of contact with which to connect with Government agencies. The coordination of our services is local, encourages cooperation, reduces competition and is effective in addressing regional development and regional issues.

I would like to provide the Committee with an overview of issues affecting the New England North West region of NSW.

The New England North West region of NSW refers to approximately 100,000 sq kms in the north west of NSW and covers 13 Local Government Areas. The region borders Queensland and lies mainly to the west of the Great Dividing Range. The region is geographically varied incorporating three ecologically diverse regions – the Northern Tablelands, the Northern Slopes and the Central Northern Plains. The region is only 3% of the total NSW population. Within these 13 Local Government Areas there are over 150 communities; most are disadvantaged, isolated and experience a disconnection from Government, agencies and allied services.

The Indigenous population of the region is 12,176<sup>1</sup> - 7.04% of the total population of the region – with the highest Indigenous population in the Moree Plains Shire at 17.84%. On average, our Aboriginal communities suffer from education disadvantage, youth disengaged from society, lower income levels, substance abuse, lower standard of living and significant unemployment.

The agriculture sector represents the largest industry in the New England North West with 7.86% of the total population employed in this area. Retail (5.97%), Health and Community Services (4.01%) and Education (3.59%) are the other major industries. Manufacturing is also a significant industry for the region, particularly in the Northern Slopes employing 2,684 people.

Business in the New England North West is based around the profitability of the agricultural sector. Market demand for value-adding to rural products, means that we can no longer focus solely on production of raw commodities and need to develop opportunities to service the final customer. A shift in thinking is required for traditional farmers to diversify into new products and value-adding.

Coordinated Infrastructure development at a national level and logistics management will help drive the next cycle of 'change' across our region. Industries will relocate, co locate and expand in identified areas of the region based on supply chain management principles ensuring our region is not only building national links and networks but also taking advantage of a very active global marketplace.

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<sup>1</sup> 2001 ABS Census

The scale of agricultural enterprises in the region are changing significantly; with the average age of farmers increasing, the number of individual farming enterprises is decreasing, profitability of farming enterprises is changing and affecting all of our small communities that are linked to agricultural businesses.

Impacts of ongoing drought have been felt by not only the agricultural sector and by businesses that provide services to the sector, retail trade, transport and storage and hospitality.

The diversity of natural experiences in the New England North West is coupled with a problem of accessibility and distance.

The decision by the NSW Government to apply cuts across all Aquifer Access Licences (AIALs) in the Upper and Lower Namoi means that all farm businesses are affected. The size of those impacts depends on the flexibility available to operators to adjust the way they run their operations with less water. The effects are compounded by the way the reductions are to be introduced, or in the case of the Namoi haven't been introduced. Similar to the experiences of the recent decision to shut down the Brigalow – South Bio-region, the lack of certainty is compounding feelings of uncertainty and discontent.

Year 12 completion rates are 8% lower than the national average. Across the region 22% of people hold post-school qualifications including certificates to post-graduate qualifications. The same trends were reflected in internet use which was more common in the Northern

Slopes (44.88%) the Northern Tablelands (23.68%) or the Central Northern Plains (20.15%). In some communities within the New England North West there is not the infrastructure to support an education service and technology is needed to provide access to educational and training services in regional areas. The statistics for the number of students leaving in year 10 are also above the state average. These statistics suggest the New England North West does not have a culture of learning and students cannot see the advantages of higher education within the region. Statistics for Indigenous students are not specifically available, but from anecdotal evidence would also show non-engagement in and early completion of school education.

Unemployment is a problem in the New England North West with an unemployment rate of 8.8% across the whole of the region – 1.4% higher than the national average. 50,800 working age people or approximately 30% of the total population are not involved in the labour force for one reason or another. On top of this, our young people under the age of 15, the next wave of job seekers, comprise 22.5% of the population. There is a shortage of skilled and unskilled labour in the region across all sectors.

Since the introduction of the Regional Partnerships almost two years ago the staff and Board members have worked extremely hard to develop and support 19 projects for funding under Regional Partnerships. This investment of over \$18m by our partners, communities and businesses has been supported by \$7.7m in program funding. Projects such as;

- Assisting the Tenterfield community to upgrade the local Memorial Hall and turn it into a Multi-purpose Centre and improving community facilities at Legume and Steinbrook.
- In the Glen Severn Council area and in a partnership with all levels of Government, Regional Partnerships is assisting to construct a learning centre, incorporating a learning library, community technology facilities, art gallery and teleconferencing equipment.
- In the newly amalgamated Local Government Area of Gwydir Regional Partnerships has provided funding for the local CTC in Warialda and the Croppa Creek Hall to improve and enhance access to services and facilities in small remote communities
- With the assistance of the Moree Plains Shire Council Shire Council funding has been provided to improve community infrastructure for the school and community of Pallamallawa, establish an integrated service centre in Mungindi incorporating a library, tourism support services, business support services, the RTA, community technology centre, community meeting and training facilities and providing a venue for women's refuge assistance, parenting and counselling services and Government service centre. In partnership with the Council and the community, Regional Partnerships funding will be used to construct two new art workshops, walkways and covered areas to the courtyard at the Moree Regional Art Gallery.
- In the Inverell Shire a small amount of funding has been provided for the Sunhaven Aged Care Facility, to purchase materials to build a greenhouse for residents and community members.
- The Spring Ridge community in the Liverpool Plains Local Government Area received assistance to upgrade the kitchen in

order to increase the number of people hiring the hall and facilities for the community and pre-school.

- In the amalgamated Tamworth Regional Area, funding has been provided for the Bendemeer Preschool to renovate and improve the facilities. Assistance has been provided to the North West Slopes Division of General Practice to implement a new model for regional general practice that promotes multi-disciplinary care and training in a community where the ratio of doctors to patients is 1 doctor to 2,157 people. The Hanging Rock Progress Association has constructed a new kitchen in the Community Hall and established a cafe and internet services.

Funding for the Australian Equine & Livestock will establish a nationally significant multi-purpose equine and livestock venue for events and activities located in Tamworth but servicing equine related activities throughout the East Coast of Australia and will become an international show piece for regional Australia. The project is a unique partnership between the Tamworth Regional Council, the Tamworth P&A Association, the NSW Government, the National Cutting Horse Association, the Australian Quarter Horse Association, the Australian Bushmen's Campdraft and Rodeo Association, and the Australian Professional Rodeo Association.

In addition to the above, there are currently applications under assessment requesting assistance of \$2,179,050 from Regional Partnerships to create an investment of \$6,930,987.

The Namoi Valley Structural Adjustment Package was established in September 2002 and integrated into Regional Partnerships from July 2004, as a direct result of extensive community consultation and the impending introduction of the Namoi Valley Water Sharing Plan.

The Water Sharing Plan was been developed in response to two main factors: the need to manage use of groundwater within the recharge limit to ensure sustainability of supply and uses based on that supply, and the modification of the priorities assigned to the competing uses. The package was to enhance the ability of business and the community to deal with the economic downturn imposed by the introduction of the NSW Governments Water Sharing Plan.

It is expected the major impacts of the Water Sharing Plan will be in the first three years of implementation and will be concentrated in the zones along the Mooki River in Gunnedah Shire, Boggabri and Walgett. Narrabri may be affected by flow-ons to business and farm servicing activities in Wee Waa. Investment in value adding opportunities and agricultural diversification will assist structural adjustment. Up to \$20m was provided for unto 10 years and was coordinated by a Sub-Committee of the ACC. Over until July 2004, \$3.6m in assistance to business infrastructure was provided by developing partnerships this investment created a total investment of \$9.7m.

The funding was provided to;

- Businesses Wee Waa, Quirindi and Gunnedah
- Assisting to develop tourism through networks and marketing at Cryon west of Narrabri



- Assisting irrigators and other business partners to build an irrigation channel across 10km providing linkages and access to water for over 4 enterprises. The channel project has also established links with irrigators looking to diversify into other more water efficient crops
- The funding also assisted business to diversify traditional agricultural enterprises into tourism, horticulture and viticulture industries in the region
- The Fund also provided assistance to large enterprise such as New Wave Leathers formerly Michell Leather in Gunnedah and the establishment of the Gunnedah Ethanol Plant expected to cost \$67m and be operational in August 2006.

The New England North West ACC assessed and evaluated the application from Primary Energy for the Gunnedah Ethanol Plant through processes developed under the Namoi Valley Structural Adjustment Package and received funding of \$1,100,000. The project is to assist in the development of Australia's first grain-fed dry milling plant and will use 350,000 tones of locally grown wheat and sorghum each year. It will provide 50 long-term jobs on site and an estimated 350 jobs in the transport industry.

The regional development policies of the 1980s focused on the revitalisation of under-performing regions through industry clustering, the provision of infrastructure, business incubators and advisory services, and location development. The late 1980s saw the emergence of sustainable development principles which emphasised the 'triple bottom line' integration of economic, social and environmental values

in national, regional and local decision making. One size definitely doesn't fit all.

The communities of the New England North West recognise that change must occur to ensure a prosperous future and sees different opportunities ahead. The Australian Government through Regional Partnerships is striving to ensure projects are supported by those who want to affect change, by using local knowledge to develop projects, partnerships and opportunities that match the needs.

More recently there have been significant increases in developing bottom-up partnership approaches to sustainable development. This trend has included community participation and self-help processes, industry and government partnerships and locally based solutions, with an emphasis on networks, education, training, social capital and leadership.

Regional Partnerships and its processes are enabling communities to have a hand in designing their own future, to develop a sense of ownership and empowerment in the community. The New England North West ACC understands and listens to the needs of our communities - that is why we are successful.

The Committee has received several submissions from the ACC outlining its processes and procedures for prioritising and endorsing applications. The process of providing accurate and timely advice on application is a serious one and one that the ACC does not take lightly. Our processes have evolved and will continue to evolve to ensure our

applications are well placed in a competitive and finite national pool of resources.

In relation to this Inquiry, the New England North West ACC believes it has fully cooperated with the requests of this Committee and importantly protected the relationships with our communities.

For any financial institution, business or Government, if you spent \$11.3m and in return receive an investment in regional business, infrastructure or community of over \$27.7m – we believe is an outstanding result.

But the real achievement of this scenario is that it involves people, investing in real projects and outcomes in partnership with Government. These people are now feeling they can influence outcomes, they can have confidence in programs and processes around them and set their own agenda. These are the communities that have worked in partnership with the ACC to develop projects.

I welcome any questions from your Committee.

**ADDITIONAL DOCUMENTS TABLED TO THE SENATE INQUIRY**