

State Plan Priority P6
Regional Business Growth Plan – Riverina Region
July 2008

1. Introduction

The Riverina region includes the major centres of Wagga Wagga and Griffith. As at June 2007 the region had a population of 154,663 which grew by 1.3 per cent between June 2002 and June 2007¹. Major industries include: agriculture; manufacturing; defence; forestry and timber industries; transport and logistics; wine; tourism and education. Growth is occurring in: manufacturing; logistics industry; grape and wine production; and education at Charles Sturt University.

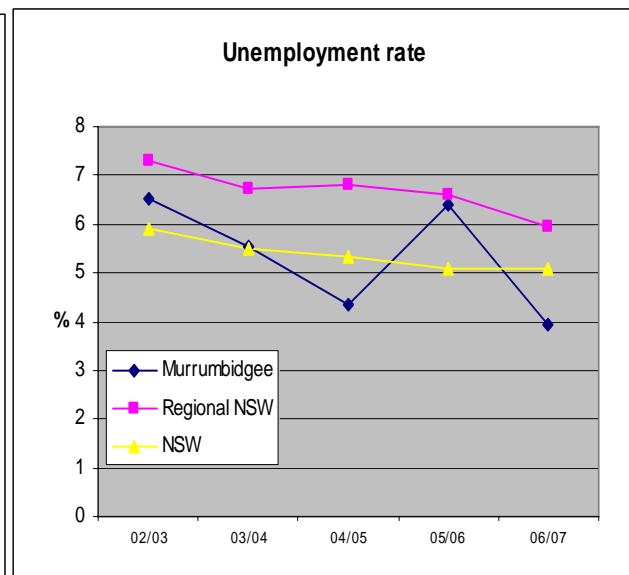
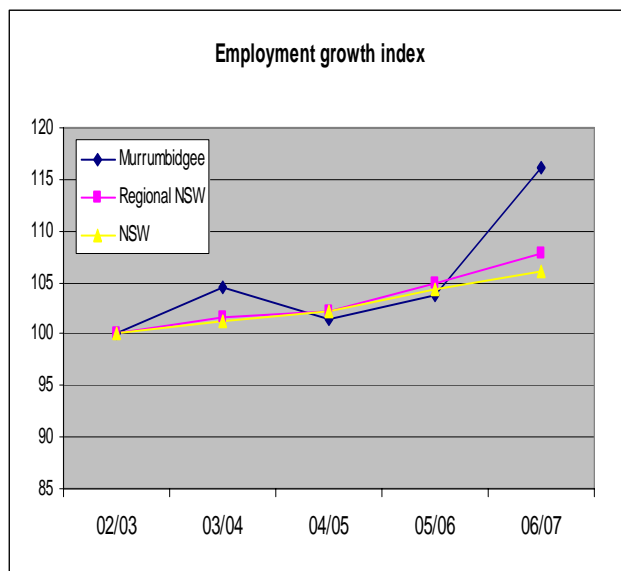
2. Regional opportunities and challenges

| TYPE OF ISSUE | OPPORTUNITIES | CHALLENGES |
|-----------------------------|---|--|
| Industry development | <ul style="list-style-type: none"> • Alternative energy (including biofuels) • Research and development activities at Charles Sturt University • Tourism • Value-adding to timber industry • Defence industry opportunities (Kapooka Military Army area and RAAF Forest Hill at Wagga Wagga) • Tourism and other commercial opportunities arising from the Wagga Wagga Riverside project • Exploration and development of minerals and petroleum | <ul style="list-style-type: none"> • Rapid technology development in alternative energy • Commonwealth defence industry priorities |
| Infrastructure | <ul style="list-style-type: none"> • Strong logistical and transport hub developments around Wagga Wagga and Griffith • Opportunities for development contributions to enable the provision of infrastructure necessary to respond to changing demands | <ul style="list-style-type: none"> • Water security for existing and future industry development • Alignment of infrastructure with business growth needs • Identifying mechanisms to fund new infrastructure required for business • Balancing development contributions to ensure housing and employment lands affordability and delivering appropriate community infrastructure |

¹ Source: ABS, Cat No. 3218.0, Regional Population Growth, Australia, 2006-07.

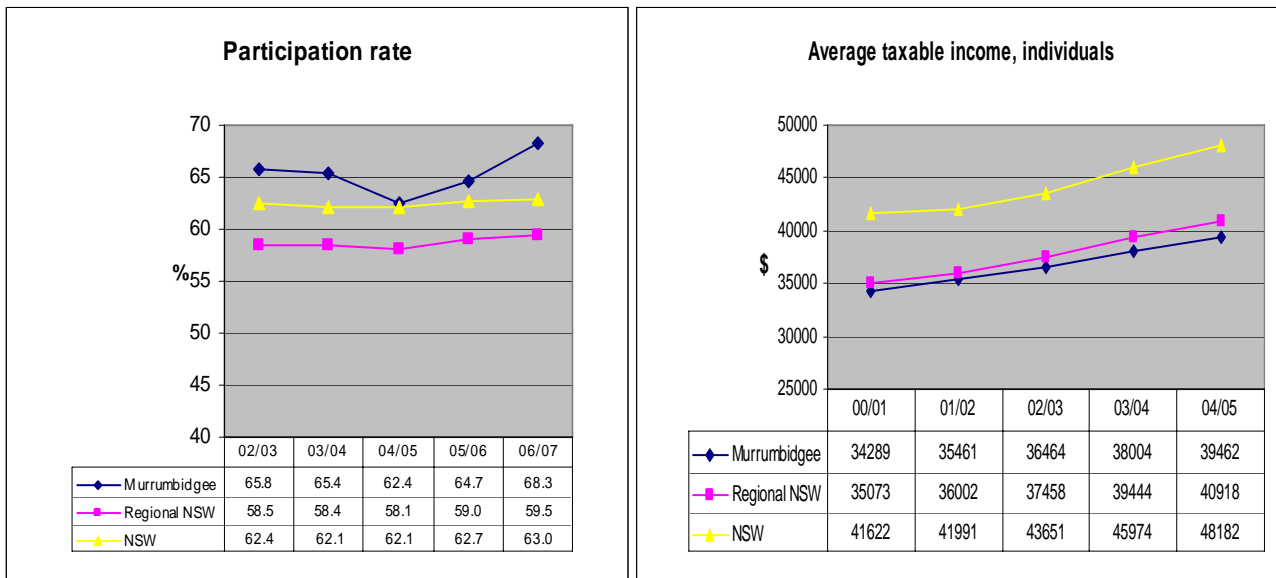
| TYPE OF ISSUE | OPPORTUNITIES | CHALLENGES |
|--------------------------------|--|--|
| Land use/Planning | <ul style="list-style-type: none"> New industrial/employment lands proposals (including potential release of Crown lands) Planning reforms will improve operation of planning system by providing: streamlined approach to rezoning; transparent assessment of major proposals; faster assessment of routine developments; and improved accountability and affordability of development contributions Each council in the region is reviewing and modernising its land use planning framework as part of the Standard LEP Recent gazettal of the Rural Lands SEPP provides greater certainty about resolving rural land use conflict | <ul style="list-style-type: none"> Limited stock of suitably serviced industrial land available in Wagga Wagga |
| Skills & Employment | <ul style="list-style-type: none"> High degree of success in attracting skilled migrants | <ul style="list-style-type: none"> Skill shortages (professional and technical) Human services gaps (in particular in health care) |

3. Regional indicators and measures



| Total Employment, (000's) | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 |
|---------------------------|-------|-------|-------|-------|-------|
| Murrumbidgee | 76 | 79 | 77 | 78 | 88 |
| Regional NSW | 1186 | 1206 | 1212 | 1243 | 1279 |
| NSW | 3118 | 3154 | 3187 | 3255 | 3307 |

| Total Unemployment (000's) | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 |
|----------------------------|-------|-------|-------|-------|-------|
| Murrumbidgee | 5.3 | 4.7 | 3.5 | 5.4 | 3.6 |
| Regional NSW | 93.6 | 87.2 | 88.7 | 88.2 | 80.7 |
| NSW | 196.6 | 183.6 | 179.3 | 175.0 | 177.8 |



Notes: (1) ABS Labour Force regions approximate DSRD regions. (2) Labour Force data for the financial year is based on the average of four quarters at August, November, February and May. (3) Taxable income for regions has been based on the postal area – statistical division concordance based on the ABS Cat No 2905.0.55.001, ABS Postal Area Classification, Aug 2006. The concordance as at 2006 has been applied to previous years. As a result, changes in postal areas or additions and deletions of postal areas in previous years have not been considered. Sources: Labour Force data sources from ABS Cat No 6291.0.00.003 and unpublished ABS data. Taxable income data sourced from the Australian Tax Office at www.ato.gov.au.

4. High priority and high impact strategies to address barriers to business investment

Strategy 1 Provide infrastructure to facilitate transport and logistics hub development (road, rail, gas and electricity)

High Priority and High Impact Initiatives

There are a number of major transport and logistics hub initiatives under consideration in the Riverina including:

- Relocation of the rail freight yards at Griffith.
- Private development at the Harefield siding just north of the Bomen Industrial Park.
- Further development of the existing Bomen Industrial Park to include intermodal transport facilities.
- In addition, Visy Industries has planning approval to build a second paper mill at their Tumut site at a cost of \$450 million, doubling capacity to 700,000 tonnes and creating up to 300 jobs for the region which will involve significant raw material and product movements.

Impacts

- The existing Griffith rail freight yard is in the centre of the city and has serious noise and access problems. Relocation would address both issues as well as remove level crossings from the city and potentially generate new economic opportunities.
- The existing Bomen site is nearing capacity at the same time as there is increased demand for industrial land in Wagga Wagga.
- The Visy project, while creating substantial new employment, will put stress on the region's road system which supports a significant timber industry. The major impact will be on Gocup Road which links Tumut with the Hume Highway at Gundagai.

Resources

- The funding mix between the levels of government to provide road infrastructure around the needs of the Visy project are under discussion. The eligibility of the project for Commonwealth Government programs such as Auslink needs to be resolved.
- The Department of State and Regional Development (DSRD) has established an economic development cluster within the Riverina Murray Regional Coordination Management Group (RCMG). In addition DSRD will lead an Employment Lands Taskforce. The issues related to the three (3) intermodal proposals will be included in the terms of reference for both groups and should provide other agencies with sufficient information to consider these developments in their priorities.

Strategy 2 Develop initiatives to secure water, including re-use and recycling

The current drought is unprecedented in the Murray-Darling Basin severely restricting water allocations, particularly for general security users. Allocations are determined by the Department of Water and Energy (DWE) in consultation with broad stakeholder representation through a Critical Water Advisory Group. While not as badly affected as the Murray region, crop yields are substantially reduced.

High Priority and High Impact Initiatives

- The Department of Environment and Climate Change (DECC) has a number of initiatives revolving around their Sustainability Advantage program aimed at sustainable resource use and have worked proactively with a number of companies to reduce water use.
- The NSW Government is negotiating potential funding for water infrastructure projects under the Commonwealth Government's *Water for the Future* program.
- DSRD will use its programs to assist businesses to identify ways of saving water through engaging consultants to undertake water efficiency audits.
- On a project by project basis, pursue opportunities for shared infrastructure for business to accommodate future water needs arising from growth.
- Educational programs will also be established for businesses to improve their water savings knowledge and expertise, their understanding of the vulnerability of their current water supply arrangements, and their options for improving its reliability.
- Both the Commonwealth and NSW Governments are investigating a range of water savings projects in the region.
- The Department of Primary Industries engages with the irrigation industry to raise awareness and facilitate adaption of best irrigation management practices and systems leading to improved water use efficiency and associated water savings at farm level.

Impacts

- The overall impact is about protecting existing economic capacity.
- A significant number of jobs are at direct risk in the region if industry is unable to obtain water.
- There are over 6,500 people engaged in agriculture in the Riverina region.

Resources

- Access to the NSW Climate Change fund and Commonwealth funds for industry water saving projects.
- On a project by project basis, consideration of funding of infrastructure solutions for clusters of businesses to utilise water resources more efficiently.
- Availability of educational programs for business to tap into water saving expertise.

Strategy 3 Develop new and utilise existing initiatives (including promotion of ‘C- Change Bureau’) to bring skills to the region and to retrain the existing workforce

The Riverina Regional Development Board has been at the forefront in attracting skilled migrant workers, with 111 placements last financial year (2006/07). The Board has also developed a local skills attraction program entitled the ‘C’ (for country) ‘Change Bureau’ that aims to capitalise on the expanding ‘sea and tree change’ phenomenon.

High Priority and High Impact Initiatives

- The Riverina Regional Development Board has received funding from DSRD to provide skilled migration services. The Board will continue to report on the success of its skilled migration attraction programs.
- NSW TAFE has major regional responsibility for increased skilling of the existing workforce. DSRD works closely with TAFE NSW – Riverina Institute in meeting this objective. TAFE NSW is currently undertaking a State-wide review of its face-to-face teaching needs to meet emerging industry needs.
- DSRD undertook a roadshow in November 2007 to provide stakeholders with advice of current activities to address skills shortages. The roadshow examined the demographic trends behind skills shortages and reported on the success of programs in the education sector such as school based apprenticeships and co-operation between TAFE NSW - Riverina Institute and universities in delivery of degree courses. A number of ‘Travelling Expert’ forums to help businesses build expertise to attract skilled employees will be delivered by DSRD.

Impacts

Lack of skilled labour results in:

- Local businesses being restricted in their growth potential e.g. a local equipment manufacturer in Wagga Wagga has seen expansion slowed by an inability to attract welders.
- Local businesses/industry not maintaining operations in the region and/or off-shoring facilities.
- Local businesses sourcing labour from overseas as part of a strategy to address skilled shortages.

Resources

- Funds have been provided to the Riverina Regional Development Board in their capacity as a Commonwealth approved Regional Certifying Body to provide services to business to engage and settle skilled migrants.
- Funding has been allocated from existing DSRD regional development programs for the ‘Travelling Expert’ Forums.
- TAFE NSW - Riverina Institute provides industry based training, for example: food and wine technology at Griffith; forest industries skills training at Tumut; Emergency Management services at Cootamundra and Tumut; and sustainable agriculture at the National Environment Centre.

Strategy 4 Develop initiatives to attract potential investment in minerals and petroleum

The Riverina region has considerable potential for both minerals and petroleum however the area remains under explored.

High priority and high impact initiatives

- The Department of Primary Industries and Geoscience Australia jointly undertook a seismic survey at Rankin Springs at a cost of \$0.88 million. An extension to the northern-most Rankin Springs deep crustal seismic line near Cargelligo is planned.
- Geophysical interpretation maps of basement rocks were completed for the Hay (and Balranald) area.

- An interpretation of the Griffith seismic survey was completed to assess petroleum potential.
- The eastern part of the Riverina region is also a priority for the acquisition of gravity data at a high density. This data will provide an enhanced understanding of the basement rocks and the gold and base metal potential of the area.

Impacts

- The new data and information are designed to attract both minerals and petroleum exploration investment into the region, support area selection and guide exploration strategies.

Resources

- The NSW Government has committed \$16.5 million to the New Frontiers exploration initiative across NSW over the next three years.
- This is expected to be supplemented by additional funding from industry and the Commonwealth Government.

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