

State Plan Priority P6
Regional Business Growth Plan – Central West Region
October 2008

1. The region

The Central West is a major agricultural, industrial and commercial region with twelve (12) Local Government Areas (LGAs), including the major centres of Bathurst, Orange, Lithgow, Parkes, Forbes and Cowra. The region spans across the Central Tablelands and continues west onto the slopes and plains. The region contains a wealth of natural resources, including coal, gold, copper and timber. As at June 2007 the region had a population of 175,351 which grew by 0.7 per cent between June 2002 and June 2007¹. The main industries include: agriculture; manufacturing; mining; forestry; retail; education; health and community services. New business and industry developments are occurring in mining, transport and logistics, agriculture, and timber processing.

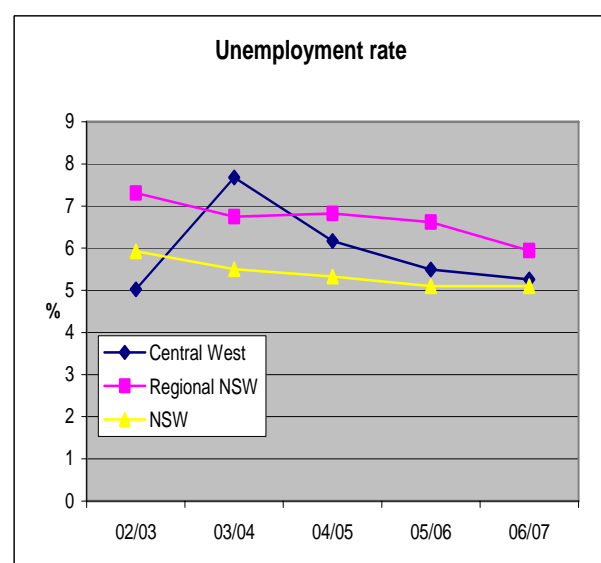
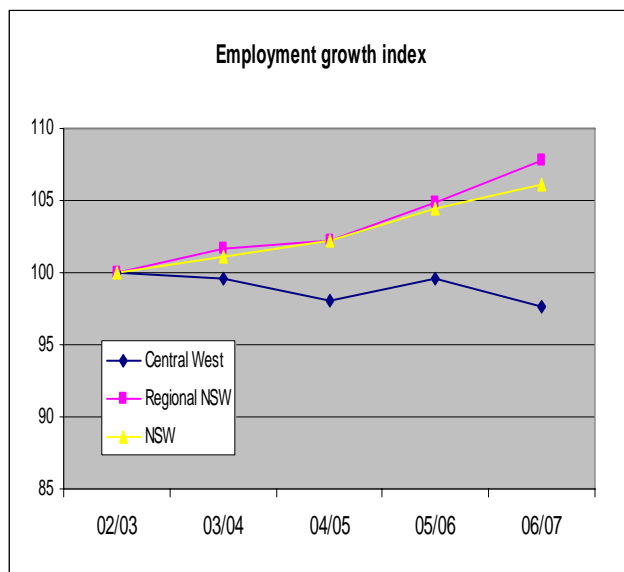
2. Regional opportunities and challenges

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
Industry development	<ul style="list-style-type: none"> • Value adding (manufacturing and services) to mining sector • Value adding to softwood forest resources • Logistics and manufacturing sector growth around distribution hubs • Investment in aged care services • Coal mine development on the Western Coalfields • Continued development of metaliferous mining projects in the Lachlan fold belt • Exploration and development of minerals and petroleum 	<ul style="list-style-type: none"> • Issue of scale for businesses in smaller centres • Manufacturing operations under pressure from offshore competitors
Infrastructure	<ul style="list-style-type: none"> • 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 (roads, telecommunications and rail) with business growth needs • 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.

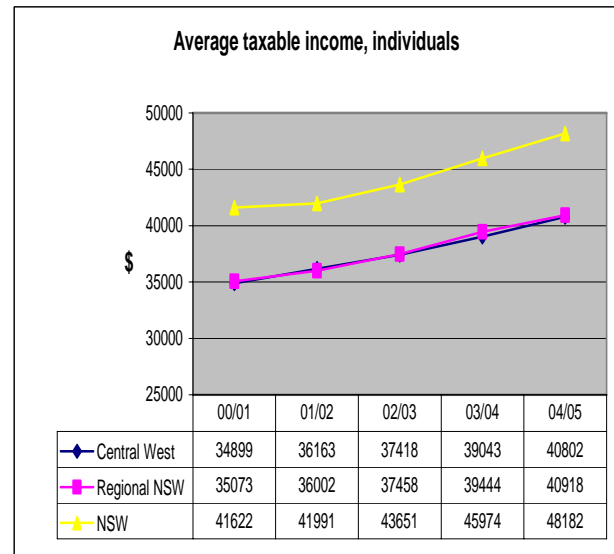
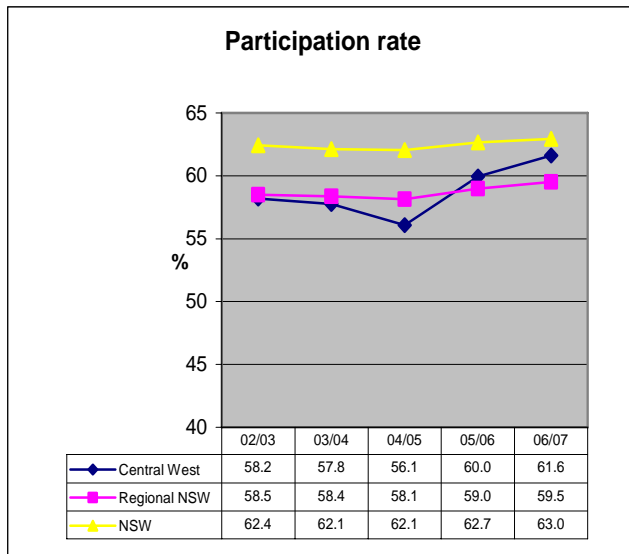
TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
Land use/Planning	<ul style="list-style-type: none"> Each council in the region is reviewing and modernising its land use planning framework as part of the Standard LEP Recent gazettal of the Rural lands SEPP provides greater certainty about resolving rural land use conflict 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 	<ul style="list-style-type: none"> Balancing protection of resource access and land use conflict with primary industry operations Ensuring that sufficient capacity for employment lands is identified in new LEPs
Skills & Employment		<ul style="list-style-type: none"> Retention of professional and technical skills

3. Regional indicators and measures



Total Employment, (000's)	02/03	03/04	04/05	05/06	06/07
Central West	81	81	79	81	79
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
Central West	4.3	6.7	5.2	4.7	4.4
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 Classifications, 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 Undertake high impact initiatives to secure water, including re-use and recycling

The Central Tablelands district is positioned at the head of the Macquarie River system at high altitude, and as a result has limited backup water supplies in times of drought. The main irrigation dams are Wyangala, Carcoar and Windamere. The western area of the region pumps water up hill from the Lachlan River at a considerable annual expense to smaller local councils. Increased pressure is put on rivers and dams with continued growth in the mining industry. For example the Cadia Mine is under threat of scaling back operations unless existing water supplies can be augmented or inflow storages restored. The region has three (3) existing large mines: Lake Cowal (West Wyalong); North Parkes Mine; and Cadia Mine (Orange) with a number of other mining opportunities being explored in the region (Fifield, Kingsplains, and White Rocks - near Orange).

High Priority and High Impact Initiatives

- Oberon Timber Complex Water Strategy (project has commenced) - securing the supply of water for industrial use to four (4) major timber businesses in Oberon drawing on softwood plantations in the Central Tablelands. Provide town grey water, access bore water and improve water use efficiency.
- Regional Drought Proofing Project: the Central NSW Regional Organisation of Councils (CENTROC) has developed terms of reference for a review of current water arrangements for local water utilities. CENTROC proposes a regional local government approach to drought proofing consisting of a feasibility study for 16 LGA's made up of the Central West, Wellington, Harden, Boorowa and Young. The key objective is to secure bulk water supplies for the CENTROC region. The proposed study will consist of an audit of each Council's water supply system and will look at non urban water supply issues (irrigators, mining, other industry) and environmental flows along rivers. The second component would consist of the development of an options paper identifying localized solutions for each council as well as

possible large scale regional solutions to secure bulk water supplies (e.g. new dams, pipelines, and borefields).

- Central Tablelands Council has proposed to increase storage capacity of Lake Rowlands (on the Belubula River), which supplies townships in the region, and may augment supply to Cadia Holdings Pty Ltd. Other projects include effluent re-use programs for industry and the development of pipeline linkages.

Impacts

- Oberon Timber Complex Water Strategy: retention of 200 direct jobs and sustaining critical mass for the local timber industry. Reduce water requirements of industry from Oberon Dam by 50 per cent.
- Regional Drought Proofing and other water supply projects: “drought proof” a population of between 75,000 and 140,000; secure water for future industrial and high value agricultural expansion; and secure current and future mining investment (e.g. Cadia East Gold Mine which will extend the life of Cadia Mine to 30 years).

Resources

- Oberon Timber Complex Water Strategy: grey water pipeline (funds to Oberon Council from the NSW Government have been approved); bore water licence approval (pending); technical assessments and water treatment infrastructure.
- Regional Drought Proofing Project: the proposal for a feasibility study has been submitted to the Minister for Water Utilities.

Strategy 2 Develop pro-active approach to infrastructure provision for business (in particular for transport and communication)

High Priority and High Impact Initiatives

- The Commonwealth Government has announced a Central West Transport Needs Study to consider short and long term requirements.
- Parkes Transport Hub - transport infrastructure will facilitate investment in a transport and logistics cluster.
- Broadband Infrastructure: CENTROC has revived negotiations with the Commonwealth Government to update and implement a broadband infrastructure project which was rejected by the former Commonwealth Government as a consequence of its Opel decision². The project aims to improve broadband infrastructure to support private and commercial needs to an acceptable standard comparable with metropolitan areas.

Impacts

- The Parkes Transport Hub has national transport significance. Investment plans have been made or are currently being proposed by a number of logistics firms.
- Broadband Infrastructure: regional business and industry development potential will be adversely affected as comparability with metropolitan broadband is eroded over time. Innovative businesses which require reliable broadband at a competitive cost will not establish or expand in the region if these services do not exist.

Resources

- Funding case for the Parkes Transport Hub Western Ring Road to be pursued in line with outcomes of the Central West Transport Needs Study.

² Decision by the former Commonwealth Government to award contract to OPEL to build broadband infrastructure.

- Broadband Infrastructure: implementation of a 'Fibre to the Node' pilot project is subject to further negotiations with the Commonwealth Government.

Strategy 3 Assist the manufacturing sector with innovation to increase productivity and global competitiveness

The manufacturing sector has seen a sizeable shift in products being manufactured overseas. Downsizing of staff in the manufacturing industry in the area has occurred over the last few years with elements of production and component supply shifted to Asia.

High Priority and High Impact Initiatives

- In 2007, six (6) Lean Manufacturing Awareness workshops were conducted in Orange. Follow up work will be undertaken with firms that participated to implement 'lean' strategies. In the third quarter of 2008 a Lean Manufacturing Awareness workshop will be conducted in Bathurst to gauge support for participation in an implementation series.
- The Department of State and Regional Development (DSRD,) in cooperation with other government agencies, will formulate quick response strategies to sudden job losses in the manufacturing sector due to business or industry restructures/closures.
- Facilitation of the development of business clusters and networks in local manufacturing sector.
- Promoting distribution hub opportunities to assist manufacturing businesses with cost effective solutions when deciding on expansion or establishment of operations in the region.

Impacts

- Retain viable manufacturing businesses in the region.
- It is expected that a total of up to 25 firms (Orange and Bathurst) will improve productivity by up to 10 per cent by implementing lean techniques after participation in the Lean Manufacturing Program.

Resources

- The Lean Manufacturing program conducted in Orange was funded by the Commonwealth Government. The Bathurst based program will be supported through existing DSRD programs.
- Other initiatives will be funded from within existing DSRD program funds.

Strategy 4 Undertake high impact initiatives to bring skills to the region and to retrain the existing workforce

High Priority and High Impact Initiatives

- Orange Cabonne Blayney Skills Development Project: Stage 1 involved the establishment of RenWeld (Regional Engineering Network for Work, Education, Logistics and Delivery). Stage 1 has been completed but RenWeld will continue to undertake initiatives to improve the recruitment, retention and training practices of firms to solve trade skill shortages in the short-term and develop long-term strategies.
- Industry and Skills Development Project – (Stage 2 of the Orange Cabonne Blayney Skills Development Project commenced in November 2007). This Stage involves: incorporation of group tendering and purchasing as part of RenWeld activities; an extension of network membership to other trade services; development of mining and engineering network in Parkes; and a transport and logistics network in Parkes, Orange and Blayney. Both networks will be based on the RenWeld model assisting firms in these sectors to improve recruitment, retention and training practices.

- Central West Skilled Migration Strategy (continues). Enhance capacity to attract skilled migrants to the region. Build business awareness of skilled migrant options and visa processes, videoconferencing facilities, web-based skills register, regional promotion and business support and liaison.

Impacts

- Orange Cabonne Blayney Skills Development Project - eight (8) members of RenWeld improved their apprenticeship take-up from 70 per cent capacity to 100 per cent capacity. Local TAFE metal trade intake increased by 50 per cent in first year of RenWeld operation. Greater use of school-work placements results in higher quality applicant to jobs. Nine (9) mature-age apprentices. Drafting apprenticeship class for the first time has 12 apprentices.
- Industry and Skills Development Project - anticipate similar impact on apprenticeships in the metal trade area in Parkes. Groundwork established for improved skills development environment in the transport and logistics sector supporting ongoing investment in the Parkes Transport Hub.
- Central West Skilled Migration Strategy: Since July 2006 regional businesses have sponsored a total of 87 skilled migrants. Sponsored occupations include engineers, metal trades, metallurgists and scientific personnel.

Resources

- Orange Cabonne Blayney Skills Development Project: funding of coordinator provided by a number of local stakeholders.
- Implementation of Industry and Skills Development Project through engagement of a project officer resource.
- DSRD project funding has been committed to the Central Western Regional Development Board for the Central West Skilled Migration Strategy.
- The Department of Education and Training (DET) has funded 'Green skills for emerging markets', a Bathurst-based industry and skills project involving electrical, engineering and construction firms. The project looks at how best to target business opportunities for sustainable development and how the firms can best develop the skills and knowledge needed to take them up.

Strategy 5 Develop initiatives to attract potential investment in minerals and petroleum

The Central West has considerable potential for minerals particularly copper and gold. The largest gold mine in Eastern Australia is located at Cadia south of Orange. Although the region is considered to be data rich, much of the region still remains relatively under explored.

High priority and high impact initiatives

- A considerable amount of geological mapping has now been completed in the region including the second generation mapping of the Bathurst, Forbes and more recently the Cargelligo 1:250 000 map sheets.
- The region contains parts of the economically important Ordovician Macquarie Arc. The arc is the host to the copper and gold deposits at Cadia, North Parkes and Cowlah.
- A major international conference on the Macquarie Arc will be held in Orange in April 2009.
- During 2008-2009 research work will be undertaken on the Macquarie Arc.

Impact

- 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.

For more information: regional@business.nsw.gov.au