

State Plan Priority P6
Regional Business Growth Plan – Orana Region
October 2008

1. The region

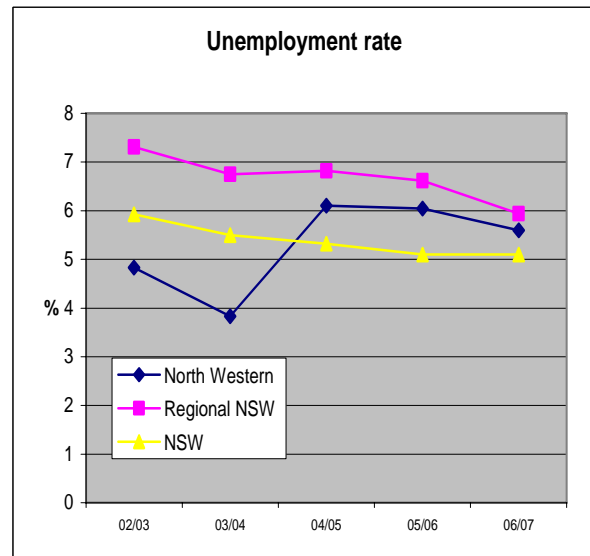
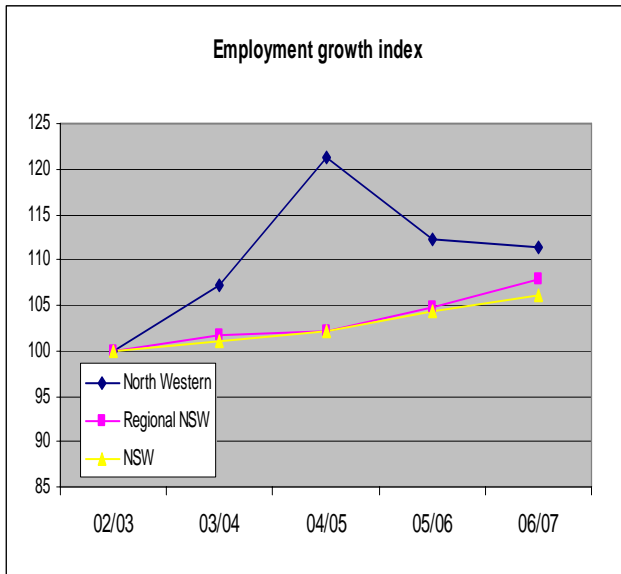
The Orana region includes the major centres of Dubbo, Cobar and Mudgee. As at June 2007 the region had a population of 118,908 and the population declined 2.9 per cent between June 2002 and June 2007¹. The main industries include: agriculture; mining; services; and tourism. Further growth is expected in mining and viticulture.

2. Regional opportunities and challenges

TYPE OF ISSUES	OPPORTUNITIES	CHALLENGES
Industry development	<ul style="list-style-type: none"> Value adding to agriculture (in particular food processing) and natural resources Alternative energy (including biofuels) Services, in particular for the mining industry Zirconia and Rare Earths mining as well as high technology, early stage processing of minerals Agricultural science innovation (Charles Sturt University and E.H. Graham Centre) Continued development of metaliferous mining projects in the Cobar region 	<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"> Dubbo as regional hub, including air-services and road transport 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 Balancing development contributions to ensure housing and employment lands affordability and delivering appropriate community infrastructure
Land use/Planning	<ul style="list-style-type: none"> Planning reform 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"> Management of natural resource issues
Skills & Employment		<ul style="list-style-type: none"> Isolation and concentration of disadvantaged communities Skill shortages exacerbated by population decline

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

3. Regional indicators and measures

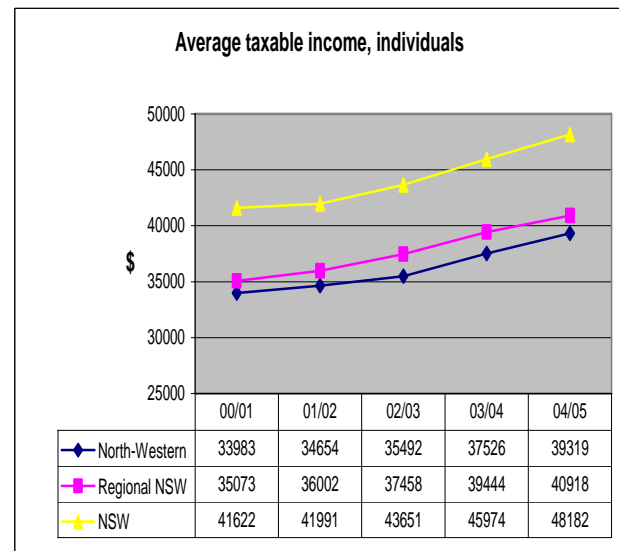
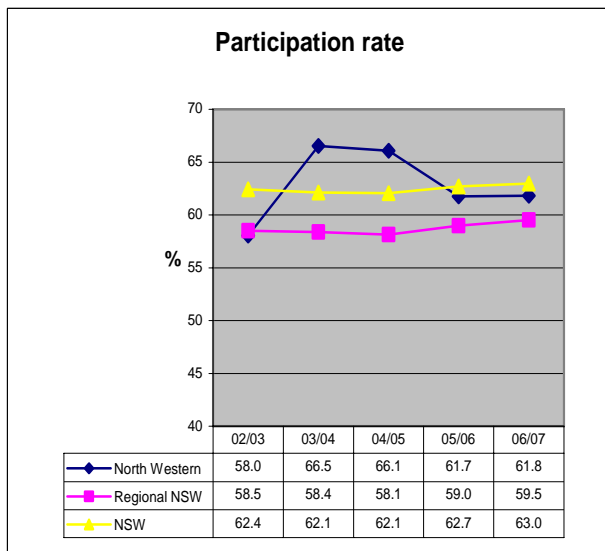


Total Employment, (000's)

	02/03	03/04	04/05	05/06	06/07
North Western	37	40	45	42	41
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
North Western	1.8	1.7	3.0	2.6	2.4
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 2006 Australian Standard Geographical Classifications. 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 Develop initiatives to secure water including re-use and recycling, and long term water planning (in particular for Cobar)

Long term water security for Cobar is a critical issue. Currently Cobar receives water piped from Nyngan Weir Pool, but the 6,000 megalitre allocation (at Warren) is reduced to 3,000 megalitres received at Cobar because of evaporation and transmission losses. It was expected that some of the Cobar mines would run out of water in March 2008. Rainfall over late December 2007 improved supplies and allowed an increase in allocations. Long term concerns with regards to water security remain.

High Priority and High Impact Initiative

- Secure water for Cobar's industries - long-term (permanent) solution: to construct a pipeline to eliminate water transfer losses between Warren and Nyngan (currently transferred through the open Albert Priest Channel).

Impact

- Reduce the risk of mining closures or scale back in production due to water restrictions. The three (3) major mines in Cobar (Peak, Endeavour and Cobar Mines) collectively employ over 1,000 staff and contractors, and between them own 160 residential properties in Cobar. It should be noted that 100 per cent high security allocations are likely to be available in 2008/09, so there is no immediate risk to Cobar and the mines.

Resources

- Estimated cost of the pipeline is \$24 million. The Commonwealth Government has announced a \$500,000 feasibility study into improvements necessary for irrigation infrastructure in the Trangie region, and has announced funding of \$12 million towards the construction of the piping of the Albert Priest Channel.

Strategy 2 Clarify natural resource management issues (balance environmental and business needs)

There is a need to balance natural resource management policy (e.g. Native Vegetation Act, water reform and Regional Forest Agreements) with economic and business development needs. These natural resources management policies are essential to meet the NSW Government's conservation policies and aims. It is important to ensure that where these policies affect the profitability of regional businesses (e.g. farms), the viability of long-standing industries (e.g. forestry and timber milling) and the towns which rely on these industries, that structural adjustment funding and business development assistance continues to be applied to ensure the burden of change is not inequitably borne. Equally, unsustainable practices can not be allowed to be perpetuated.

High Priority and High Impact Initiatives

- The Western Regional Coordination Management Group (RCMG) has adopted a project to conduct a study into hybrid income streams for land management in western NSW. The report would address multiple income streams such as agricultural production, biodiversity, carbon balance and salinity.
- Declining profitability and an ageing farm population in the arid zone pastoral areas indicate a need to consider a mix of productive agriculture and funded conservation management on properties managed by Western Division Farmers.
- Release of the Rural Lands State Environmental Planning Policy (SEPP) provides a clear position on planning for rural lands, including rural subdivision. The Rural Lands SEPP is built around the recommendations of the Central West Rural Lands Panel Inquiry.

- The Brigalow Belt Bio-region decision has transferred a large area of land which was previously logged (cypress pine and native hardwoods) to conservation reserves in order to approach the nationally agreed standards for comprehensive, adequate and representative reserves. The NSW Government has spent substantial funds on industry adjustment (including exit and development assistance).

Impacts

- The Native Vegetation Act impacts the uses to which farmers can put their land, creating tension between the use of land for productive purposes and conservation purposes.
- The Brigalow Belt Bio-region decision has allocated land which was previously logged to conservation purposes. Jobs losses in the timber industry in towns such as Baradine have contributed to economic decline and the loss of population.
- The protracted drought and proposed water reforms have placed pressure on the viability of irrigation businesses, resulting in a contraction in irrigated agriculture in towns such as Bourke.

Resources

- Dialogue between Commonwealth and State agencies is required to develop strategies to ameliorate structural adjustment pressures.
- Ongoing work by the Department of Lands to identify opportunities on Crown lands.

Strategy 3 Develop initiatives to bring skills to the region and to retrain the existing workforce

The Orana region is experiencing a shortage of skilled and qualified people in many occupations. Anecdotal information on skills shortages include: a shortage of planners; medical practitioners; nurses and allied health workers; welders; boilermakers and metal fabrication trades; spare parts interpreters (automotive); engineers/drafting (local government and civil); and government administrators.

High Priority and High Impact Initiatives

- 'Growing Regional NSW' project (early stage: Orana pilot project). This project develops a marketing campaign and Local Government Area (LGA) response capacity to attract skilled labour (and business) from metropolitan and interstate locations. The project is conducted by the Gowest Regional Development Board and funded by the Department of State and Regional Development (DSRD).
- The Department of Education and Training (DET) and the Department of Primary Industries (DPI) are managing and resourcing a range of skills projects in the region.

Impacts

Lack of skilled labour results in:

- Restrictions in the growth potential of local businesses (e.g. the metal trades); and
- Local businesses/industry not maintaining operations in the region and/or off-shoring facilities.

Resources

- Seed funding has been committed to scope the implementation of the 'Growing Regional NSW' project.
- Subject to the scoping exercise, implementation of the 'Growing Regional NSW' project. Elements include: marketing, concept design, regional response design and content development, promotion into target populations.
- DET and DSRD are:
 - Managing a COAG 'Targeting Skill Needs in Regions Program' project known as 'EE-Oz regional/remote Cross Industry Utilities Strategy' in the Orana region which aims to ease skills shortages in utilities and energy sectors in remote and regional areas through developing better entry career pathways.

- Customising strategies for mining enterprises in the region.
- Considering the development of a vocational education and training in schools program to introduce appropriate skills for the mining industry and possible establishment of a mining school to provide a centre of excellence for training.
- DPI will provide PROfarm courses to help land managers use their natural resources in a sustainable manner and adapt to climate change impacts. PROfarm courses will also be delivered to improve personal, financial and resource management skills especially in times of threat such as industry restructure and drought.

Strategy 4 Develop initiatives to 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. A number of manufacturing businesses have closed in the Orana region over recent years.

High Priority and High Impact Initiatives

- Conducting a Lean Manufacturing Awareness forum in Dubbo in 2008. If there is sufficient interest, an implementation program of three (3) workshops will be introduced.
- Formulating quick response strategies to sudden job losses in the manufacturing sector due to business or industry restructures/closures.
- Facilitating the development of business clusters and networks in the 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

- Retention of existing manufacturing plants.
- Manufacturing Learning Australia reports productivity improvements of between 10 per cent and 30 per cent for firms that successfully implement Lean Manufacturing techniques.

Resources

- DSRD to fund Lean Manufacturing Awareness workshops during 2008 from existing regional business development programs.

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

The Orana region has considerable potential for both minerals and petroleum however the northern part of the region relatively remains relatively under explored.

High priority and high impact initiatives

- During 2007-2008 a major 3D mapping project was completed over the Cobar area in collaboration with the Predictive Mineral Discovery Cooperative Research and several mining companies.
- A deep crustal seismic survey was completed in the north west of the area at Louth in 2007. The survey was a collaborative project with Geoscience Australia.
- A new interpretative map of basement rocks was completed in June 2008 for the Bourke area.
- The second generation geological mapping of Narromine has been completed.

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

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