



Skills Report Position Paper 6: What's Holding Regional Communities Back?

REPORT FINDINGS

Of the 12 local government areas (LGAs) in the Orana region, 10 identify the ability to attract and retain staff as one of their critical issues. Six are concerned about a declining population. Most have expressed concern about the needs of the ageing population across the region.

Basic needs for business to develop and grow in regional communities include:

- attracting suitably qualified and experienced staff
- space to develop and grow
- high speed, reliable internet access
- available housing
- community support services, including health, child care and education
- affordable access to training
- incentives to choose employment over ongoing dependence on welfare.

Focus groups with employers during the surveys uncovered a range of burdens on business. The incidental cost of training was among these. Where trainees and apprentices are concerned, their TAFE requirements regularly see young staff away from work for three days at a time, allowing for travel. This places a significant burden on both the employer, who is without a staff member, and on the employee. Young apprentices away from home who do not have a drivers licence or their own vehicle, are faced with additional transport costs, on top of accommodation, food and fuel. While training at home, apprentices and trainees registered with TAFE also have regular online training expectations that require access to high speed internet that is not always guaranteed.

A further barrier to employment raised by survey participants revolves around the generosity of our welfare system and the disincentive it presents to unskilled job seekers. Employers seeking unskilled or lowly-skilled labourers have found that the minimum wage is lower than the full value of benefits that unemployed people are entitled to. When fully employed, welfare recipients lose not only their unemployment benefit, but also the associated rental and transport assistance, as well as their Health Care Card. Accepting the minimum working wage effectively means they are worse off financially, in most instances.

"The additional benefits associated with unemployment payments mean that many towns are home to families that have been welfare dependent for three generations."

The economic base in many of the region's small rural communities has narrowed over the past 10 to 15 years. While agriculture remains the biggest employer, drought has brought many challenges. Farming enterprises have also become larger and more mechanised. This has reduced the demand for low and unskilled labour and caused a drift towards larger urban centres.

Despite this, opportunities are still emerging, local councils are encouraging development wherever possible and new enterprises are being developed. However, the community supports are lacking.


























Larger regional councils like Dubbo and Mid-Western and the Warrumbungle Shire have budget allocations the support widespread promotional campaigns. Dubbo is one of seven major regional councils involved in the Evocities campaign that aims to change perceptions of life in a regional city and encourage people to live, work and invest in an Evocity. It showcases the abundance of opportunities in the Evocities due to their lower cost of living, strong career and business opportunities and enhanced lifestyle.



























"One of the key comments made by survey respondents was the need for governments and residents to proactively sell the region as a place to live and work."

SITUATIONAL REVIEW AND GAP ANALYSIS

What has become clear in working with local councils in the region is that there is a looming critical labour supply shortage. There are a number of major projects being developed in the region that will impact on the labour force, including:

PROJECT	DATE	TYPE	INDUSTRY	VALUE \$M	BUILD JOBS	ONGOING JOBS	STAGE
Dubbo Regional Council							
New Dubbo Bridge	2018 - 22	State		\$140.00	783	-	Announced
Newell Highway Mitchell Highway Intersection Upgrade	2018 - 20	State		\$20.00	112	-	Planning
Newell Highway Upgrade - West Dubbo	2017 - 19	State		\$11.00	62	-	Underway
Mitchell Highway & Fitzroy St Upgrade	2018 -20	State		\$14.00	79	-	Planning
Wellington Pool Revamp	2018	LG		\$7.50	25	-	Underway
Wellington Caves Visitor Experience	2017- 19	LG		\$3.80	17	-	Proposed
Victoria Park upgrade	2017	LG		\$8.00	45	-	Announced
SES Upgrade	2017	State		\$2.30	13	-	Announced
Dubbo Solar Hub	2017	Private		\$55.60	312	4	Underway
Regional Rail Project	2018	State		\$50.00	280	100	Announced
Taronga Western Plains Zoo Redevelopment	2017-18	State		\$25.80	144	15	Underway

Dubbo Base Hospital Upgrade	2017-18	State		\$43.50	272	155	Underway
Wellington Solar Farm	2018-19	Private		\$400.00	2,161	5	Planning
Suntops Solar Farm	2019	Private		\$286.00	100	10	Planning
Fletchers Expansion	2018-20	Private		\$30.00	168	130	Planning
Alkane – Dubbo Project	2018-19	Private		\$1,290.00	3,000	250	Funding
MAAS Macquarie St – Mixed Use	2018-19	Private		\$115.00	643	100	Planning
RSL Lifecare "Horizons"		Private		\$12.00	67	78	Planning
NSW Rural Fire Services	2018-20	State		\$16.20	91	?	Planning
Bogan Shire							
Nyngan Medical Centre	2017	LG		\$1.30	3	5	Completed
Cobar-Nyngan twin pipelines	2017/18	State		\$2.50	8	-	Announced
Road maintenance	2017/18	LG		\$1.65	3	-	Funded
Plant	2017/18	LG		\$1.30	3	-	Funded
Capital roadworks	2017/18	LG		\$1.40	3	-	Funded
Road gravel resheeting	2017/18	LG		\$1.01	2	-	Funded
Water supply and sewerage assets	2017/18	State/LG		\$0.94	2	-	Funded
Water storage	2017/18	State/LG		\$7.87	26	-	Funded
Nyngan Scadium Project	2019	Private		\$110.00	60	75	Approved
Lawlab	2018/19	Private		-	-	30	Planning
Bourke Shire							
Abattoir	2017-18	Private		\$61.00	226	200	Underway
Reconstruction/resealing roads	2018	LG		\$11.00	41		Announced
Indigenous anti-DV program	2010-2022	State/LG		\$1.50	-		Announced
Water treatment plant	2018	State/LG		\$8.50	32	-	Approved
Main St makeover	2017	State/LG		\$1.50	6		Approved
Brewarrina Shire							
Goodooga Rd upgrade/sealing	2018/19	State		\$21.30	86	-	Announced
Cobar Shire							
Copper City motel extensions	2017/18	Private		\$1.00	3	7	Scheduled

Cobar Water Board - Pipeline Replacement and Pumping System Upgrade	2017/18	State/LG		\$10.70	14		Announced
New water treatment plant	2017/19	State/LG		\$8.00	42		Announced
Sewer treatment plant upgrade	2017/18	State/LG		\$2.10	5		Announced
Cobar Airport - Lighting and Pavement Upgrade	2017/18	State/LG		\$2.50	3		Announced
Cobar-Nyngan twin pipelines	2017/18	State/LG		\$51.50	137		Underway
IGA development	2017/18	Private		\$1.00	3		Planning
CSA Mining - concentrate filter replacement	2017	Private		\$2.00	5		Underway
Sealing the Wool Track	2018	State/LG		\$52.00	138		Seeking funding
Heritage Centre extensions	2018	Fed/LG		\$31.00	82		Seeking funding
Mobile preschool relocation	2018	State/LG		\$1.40	4		Planning
Cobar Biohub and Solar Thermal Plant	2019	Private		\$250.00	665		Planning
Coonamble Shire							
Coonamble to Warren Rd upgrade	2017	LG		\$1.90			Planning
Gilgandra Shire							
Federation Street Upgrade	2018	State/LG		\$1.40			Underway
CBD Upgrade - Stage 2	2018/19	State/LG		\$2.00		-	Underway
Inland Rail	2024-25	Federal					Announced
Gilgandra Solar Farm	2018	Private		\$61.62	110	2	Scheduled
Mid Western Regional Council							
Bylong Coal Project		Private			800	470	Planning
Bowdens Silver Project	2020?	Private		\$150.00	200	150	Planning
Bylong East Duplication		State		\$106.30	464	-	Planning
Wollar Solar Farm		Private		\$450.00	300	5	Planning
Beryl Solar Farm		Private		\$171.00	150	3	Approved
Water and sewer infrastructure	2017-18	State/LG		\$12.80	55	-	Scheduled
Unsealed rural roads	2017-18	LG		\$11.10	49	-	Scheduled
Wilpinjong Mine Extension	2018/19	Private		\$101.00	135	75	Approved
Mudgee Hospital Upgrade	2017-18	State		\$70.00	275	6	Announced
Crudine Ridge Wind Farm	2018	Private		\$300.00	75	15	Approved

Sewer augmentation	2019/20	State/LG		\$15.90	69	-	Budgeted
Narromine Shire							
Inland Rail – Parkes to Narromine	2019-20	Federal		\$300.00	1,138	-	Planning
Narromine Airport Industrial Park	2017-18	State/LG		\$1.50	6	35	Announced
Agricultural value-added manufacturing[1]	2018-20	Private		\$23.50	125	50	Planning
Walgett Shire							
Walgett Solar Project		Private		\$51.00	42	1	Approved
Walgett Levee	2018/19	LG		\$2.40	9	-	Funded
Bugilbore Rd upgrade	2017	LG		\$3.50	13	-	Underway
Goangra Bridge Replacement	2018	LG		\$1.20	4	-	Underway
Lightning Ridge VIC Construction	2018/19	LG		\$1.30	6	-	Funded
Australian Opal Centre	2019/21	Private		\$30.00	112	5	Approved
Warren Shire							
Nevertire Solar Project	2018	Private		\$178.50	300	5	Approved
Regional Rd maintenance	2017	LG		\$1.00	3	-	Scheduled
Sewerage Treatment Plant	2018	LG		\$6.00	18	-	Funded
Reconstruction of Ellengerah Rd	2017	LG		\$1.06	3	-	Underway
Flood damaged road repairs	2017	LG		\$1.17	3	-	Underway
Warrambungle Shire							
Dunedoo Solar Project		Private		\$90.00	100	2	Planning
Liverpool Range Windfarm	2018	Private		\$643.00	395	20	Approved
Three Rivers Regional Retirement Community	2017/18	LG/State		\$7.20	30	10	Underway
NSW Rural Fire Service Control Centre	2017/18	State		\$3.00	13	?	Underway
Regional projects							
Western Slopes (Gas) Pipeline	2018/19	Private		\$450.00	350	5	Planning
Inland Rail - Narromine to Narrabri	2020/22	Federal		\$1,500.00			Planning
TOTAL				\$7,927.02	15,328	2,023	

In Bourke, where 220 jobs will be created through the development of the new small livestock meatworks, the impact on the community of only 2,633 people will be significant. The total output from this development, including all direct, industrial and consumption effects is estimated to increase the local economy by up to \$242 million.

The total employment increase, including all direct, industrial and consumption effects is estimated at up to 526 jobs. That's nearly one new job per every five residents. The additional consumption effect alone is an estimated \$15.4 million boost.

Bourke Abattoir Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	\$144.447	\$71.653	\$26.164	\$242.264	1.496	1.677
Employment (Jobs)	220	210	96	526	1.955	2.391
Wages and Salaries (\$M)	\$18.380	\$11.780	\$6.151	\$36.311	1.641	1.976
Value-added (\$M)	\$31.092	\$28.626	\$15.412	\$75.129	1.921	2.416

Source: Remplan, Impact report for Orana RDA viewed 4 April 2018.

HOUSING SHORTAGE

However, there are currently only three houses available for rent in Bourke. The current vacancy rate is only 2%, suggesting very high demand. Nearby Brewarrina has nothing available to rent.

Vacancy Rate, 2017		
Period	Vacancy rate	Vacant properties
July 2017	0.8%	5
August 2017	0.3%	2
September 2017	0.2%	1
October 2017	0.2%	1
November 2017	0%	0

Source: SQM Research (2017).

Employers in these towns, including the NSW Government, are regularly faced with housing as a key barrier to recruitment. This makes it particularly difficult to fill essential roles such as police and nursing, as well as to attract quality teaching staff to local schools. NSW Government studies show there will be demand for 12 new dwellings a year to 2036, or another 253 houses.



Housing Demand to 2036	
	Bourke
Estimated population, 2036	3,100
Dwelling occupancy, 2016	2.5
Properties required, 2036	1,600
Housing stock, 2016	1,347
New dwellings required	253
New dwellings required each year	12

Source: NSW Department of Planning and Environment (2016) & ABS, 2016.

Without investment in suitable accommodation, or incentives to improve the supply of housing, communities like Bourke and Brewarrina will continually be faced with declining and ageing populations that have increased health and community services requirements.

FBT concessions currently apply for staff in remote areas where housing is provided—assuming any is available. However, those benefits are not well promoted or packaged into salaries and the only benefit employers gain is access to staff. There is no incentive for them to become direction accommodation providers as that is considered an area for developers.

TAX AND MIGRATION INCENTIVES

A number of respondents felt that major adjustments to the taxation systems—specifically Payroll and PAYE—could potentially benefit the economies and residents of regional areas, without making a significant difference to the amount of tax collected by the government.

Employers and training providers surveyed also suggested that tax incentives could recognise the additional costs of training staff in rural areas. They believe that help is needed to provide quality on-the-job training to young trainees and apprentices.

Suggested incentives that could help reduce the declining rural populations and support communities trying to attract and retain staff include:

- reduced tax thresholds for people employed in remote and rural areas that are faced with declining populations and difficulties attracting and retaining staff
- extending schemes such as IPTAAS (Isolated Patients' Travel and Accommodation Assistance Scheme) that recognise the additional financial burden people are faced with when travelling long distanced to access specialist medical treatment and even children's sporting activities
- higher HECs thresholds for graduates locating to remote and rural areas for employment
- tax incentives for businesses or organisations to build staff housing that would help attract new employees to rural areas.



RDA Orana Position

The Orana region is home to a number of very productive rural centres that play an important role in sustaining our nation's agricultural industry. These centres have a proud history and are a significant part of the fabric of our society. RDA Orana is committed to promoting the Orana region as a place to live and work and to supporting employers to attract staff.



RECOMMENDATIONS

- 6.1 Advocate for immigration and tax incentives that encourage people to live and work in rural communities and businesses to invest in housing to support increased employment.
- 6.2 Advocate for additional support for students from rural areas to attend university, in a bid to bring skilled and educated workers back to rural centres.
- 6.3 Work with local government, the social sector and housing providers to accelerate the provision of affordable housing across the Orana region.
- 6.4 Work with local and state government to ensure that growth targets and land planning targets are adequate to meet anticipated growth within the region.
- 6.5 Develop work on the concept of liveability—and what that means in terms of attracting, supporting and retaining residents—to build a common understanding across local government.
- 6.6 Develop a position that discourages the establishment of workers camps during construction of major developments and advocate in support of that position to the NSW Government.
- 6.7 Advocate for continued participation in the Evocities program by Dubbo Regional Council and coordinate the development of a regional recruitment marketing program for regional and rural employers.
- 6.8 Campaign for accelerated investment in essential infrastructure to support economic growth and that recognises Dubbo, Mudgee and the Orana region as a NSW growth area.