



STATE PLAN:

SUPPORTING BUSINESS AND JOBS
ORANA REGION – REGIONAL BUSINESS GROWTH PLAN

AUGUST 2010



THE REGION

1. The region	1
2. Regional opportunities and challenges	1
3. High Priority and High Impact Activities	2
Strategy 1	
Water security to support industry growth and viability	2
Strategy 2	
Transport and Telecommunications Infrastructure	3
Strategy 3	
<i>Innovation Initiatives:</i> Support innovation in regional manufacturing and value-adding to improve competitiveness	3
Strategy 4	
Enterprise and Workforce Development	4
Strategy 5	
Tourism Development	4
Strategy 6	
Aboriginal Business Development	5
4. Labour force and population statistics	5

1. THE REGION

The Orana region includes the major centres of Dubbo, Cobar and Mudgee. As at June 2009, the region had a population of 122,100; the population grew by 1.8 per cent between June 2005 and June 2009. The main industries include: agriculture; mining; services; and tourism. Further growth is expected in mining and viticulture. Opportunities exist for niche manufacturing and transport and logistics, particularly in Dubbo due to its strategic location as the regional hub.

2. REGIONAL OPPORTUNITIES AND CHALLENGES

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
Industry development	<ul style="list-style-type: none"> • Value-adding to agriculture (in particular food processing, and food and wine tourism) and natural resources • Alternative energy (including biofuels and solar farms) • Zirconia, Rare Earths and coal 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 metalliferous mining projects in the Cobar area and coal in the mid western area • Drought, climate change and the need for economic diversification including greater diversification in farming income streams • Pursue opportunities in the Regional Innovation Strategy 	<ul style="list-style-type: none"> • Issue of scale for businesses in smaller centres • Manufacturing operations under pressure from offshore competitors • Access to finance for development following Global Financial Crisis remains an issue • Impact of drought on agriculture and related businesses including meat processing

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
Infrastructure	<ul style="list-style-type: none"> Dubbo as regional hub, including air services and road transport 	<ul style="list-style-type: none"> Withdrawal of radial air services between Dubbo and outlying centres further weakens confidence in long-term service delivery and viability Water security for existing and future industry development Continuing uncertainty regarding rail branch line operations and quality of infrastructure inhibits business confidence and investment decisions Health and aged care resourcing and service delivery models exacerbate population shifts and place pressure on Dubbo as a regional service centre
Land use/Planning	<ul style="list-style-type: none"> Planning reform will improve the operation of the planning system by providing: streamlined approach to rezoning; transparent 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 for greater certainty about resolving rural land use conflict 	<ul style="list-style-type: none"> Management of natural resource issues and competing interests of resource access and environmental protection.
Skills & Employment	<ul style="list-style-type: none"> Higher education and vocational education investment will enhance skills development Changing demographics, particularly in some outlying centres, present opportunity for Aboriginal people to expand representation in mainstream industry sectors Extend virtual education opportunities using communications technology 	<ul style="list-style-type: none"> Isolation and concentration of disadvantaged communities Skills shortages exacerbated by population decline Ageing workforce Limited resources (staff, infrastructure, telecommunications) to sustain adequate training services in smaller communities Difficulty in attracting and retaining medical professionals

3. HIGH PRIORITY AND HIGH IMPACT ACTIVITIES

Strategy 1

Water security to support industry growth and viability

High Priority and High Impact Initiatives

- Improve efficiency of water supply and mitigate transmission losses to Cobar's mining industry by constructing a pipeline.
- Address uncertainty over water resources to support growth in water-dependant industries such as intensive livestock and tourism (bore baths).

- Assist industry to improve water use efficiency.

Impacts

- Reduce the risk of mining closures or scale back in production due to water restrictions. Long-term concerns with water security remain despite recent improvements to supply and easing in production. The three major mines in Cobar collectively employ approximately 700 staff and contractors.

- Investment in diversification and value-adding industry will be restricted by lack of availability of water.

Resources

- Funding sources being explored including the Commonwealth Government and private sector for the Warren to Nyngan water pipeline.
- Industry water use efficiency: various programs managed by Industry & Investment NSW, Department of Environment, Climate Change and Water and Commonwealth agencies.

Strategy 2

Transport and Telecommunications Infrastructure

High Priority and High Impact Initiatives

- Continuing upgrade of Newell Highway to support safe and efficient freight handling and encourage new investment.
- Improve access for road trains to key industrial precincts and develop additional road freight servicing facilities in Dubbo.
- Support improvements to rail operations in Dubbo to address city amenity and increase rail freight activity.
- Support infrastructure needs of the proposed zirconia mine at Toongi.
- Expand facilities, business streams and inter and intra regional air services operating out of Dubbo airport.
- Improve broadband access to remote locations that are unlikely to benefit from the NBN rollout such as Goolooga and Quambone.
- Develop Western NSW Regional Transport Strategy and NSW Freight Strategy.

Impacts

- Road: significant inefficiencies and blockages for road transport are caused by bottlenecks in key locations (eg Boothenba Road/ Troy Bridge Road) affecting strategically important industries (Fletchers Meats – 600 employees, Regional Saleyards - 160 employees) and future investment.
- Rail: existing rail operations in the centre of Dubbo clash with traffic movements and undermine city amenity and development potential. Longer term benefits and investment would be realised by a rationalisation of rail operations away from the city centre.
- The proposed zirconia mine at Toongi will invest \$100 million and create 85 jobs when operational. Initial planning for the mine indicates a strong case for transport of raw materials by rail to the site.

- The suspension of radial air services from Dubbo to outlying centres (Cobar, Bourke, Walgett etc) has severely impacted a range of business and other services such as health. Restoration of these services is critical to the ongoing viability of these communities. Improvement of Dubbo to capital city (and possibly Newcastle) flights will enhance business and tourism potential for Dubbo and surrounding centres.

Resources

- Infrastructure programs of the State and Federal Governments.
- Broadband access for Goolooga and Quambone: Community Broadband Development Program funding through the NSW Office of Rural Affairs.
- Appropriate mix of private and public sector investment in new infrastructure.

Strategy 3

Innovation Initiatives: Support innovation in regional manufacturing and value-adding to improve competitiveness

High Priority and High Impact Initiatives

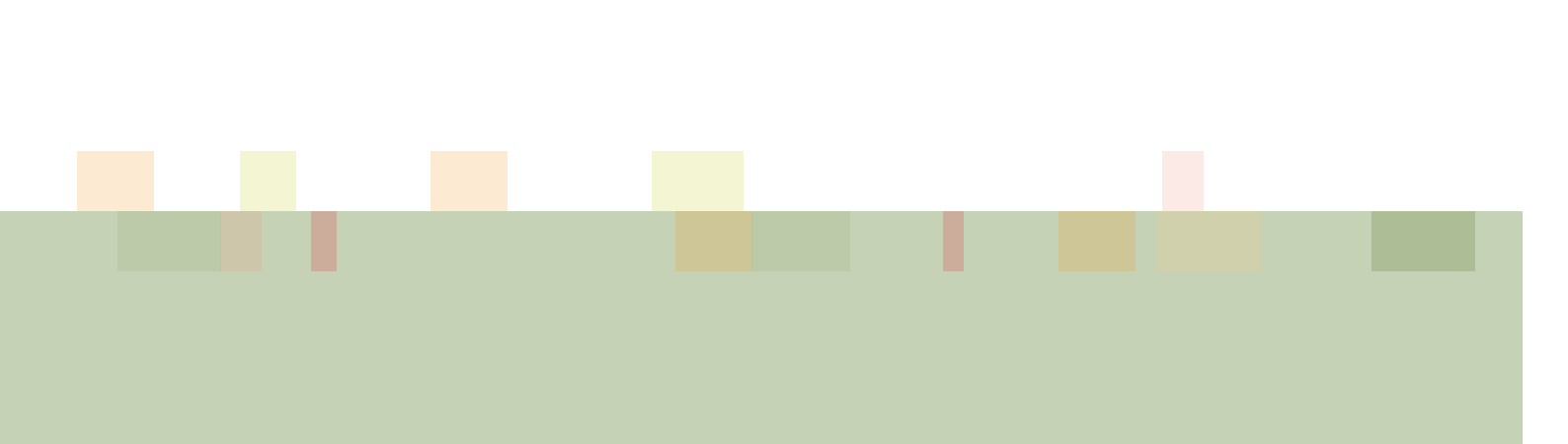
- Support adoption of Lean Manufacturing and other business performance techniques in regional businesses.
- Develop green business opportunities, including renewable energy production such as through funding and other support for Solar Flagship bids.
- Support new export development.
- Support new business opportunities arising from changes to grain trading arrangements.

Impacts

- Firms implementing Lean Manufacturing techniques report productivity improvements of ten per cent. Improved business performance will retain manufacturing business in the region.
- Export sales support growth and resilience in regional firms. First-time or early-stage exporters in the region receiving tailored assistance reported sales of \$558,000 during 2008/09. Products include manufactured goods, honey, meat products and wine.

Resources

- Lean Manufacturing: Industry & Investment NSW will use existing programs to support further implementation of Lean strategies for previous participants of Lean Awareness



workshops in Dubbo and Mudgee (target ten firms). Efforts will be made by Industry & Investment NSW (I&I NSW) to extend Lean Awareness opportunities to firms in other regional centres.

- Green Business Opportunities will be supported through existing NSW and Federal Government programs.
- I&I NSW will support early-stage exporters under existing programs in conjunction with Austrade.
- Department of Environment, Climate Change and Water (DECCW) to expand its existing Sustainability Advantage membership in the region to provide support to businesses in the area of environmental efficiency.

Strategy 4 Enterprise and Workforce Development

High Priority and High Impact Initiatives

- Support major new value-adding investment projects as they arise, including manufacturing, agribusiness and mining-related projects.
- Work with local government to increase the level of service and business support to SMEs to encourage business improvement and new markets.
- Support targeted marketing for attraction of skilled labour.
- Develop strategy to maximise Aboriginal participation in new employment such as mining.

Impacts

- Skills shortages and gaps have consistently been identified as limiting factors in regional business growth and performance. This needs to be addressed through skills development and labour/skills attraction strategies.
- Coal and minerals will create demand for labour particularly in the Dubbo and mid western areas.

Resources

- Value-adding investments and business support: existing programs of I&I NSW. Targeted activity under MoUs between I&I NSW and selected LGAs. Ongoing joint efforts with Economic Development Officers employed by LGAs.
- Labour Attraction: I&I NSW will use existing programs to support promotion and marketing aimed at attracting skilled labour. The Federal and State Governments have provided funding to several inland centres (including Dubbo) to support the 'Evocities' program.

- Regional Development Australia-Orana has been jointly created by the Federal and State Governments to support economic development of the region through a committee comprising regional business and community leaders.
- The Western NSW State Training Services Centre in the Department of Education and Training (DET) provides a range of programs and services to upskill and retrain workers, and brokers services with other organisations, including TAFE NSW, to meet local skills needs. It also provides special assistance in regional areas impacted by the economic downturn.
- The Energy Efficiency Training Program (DECCW/DET) will provide trade and professional training to help protect existing jobs and ensure maximum benefit from the transition to a low carbon economy.
- Rapid response strategy to address impacts of sudden job losses in the manufacturing sector due to business/industry restructure/closure through support for retraining of displaced workers.

Strategy 5 Tourism Development

High Priority and High Impact Initiatives

- Support collaborative marketing through the Regional Tourism Organisation Demand Building Funding program.
- Increase tourism operator business skills through support for the Central NSW RTO 'Learning and Development' program.
- Increase tourist visitation and spend through support for regionally based events.
- Enhance tourism product through linkages / packaging and development of regional assets and facilities.
- Target development of Aboriginal tourism assets and capability, and link with non-Aboriginal assets such as National Parks.
- Enhance air services from Dubbo.

Impacts

- Increased tourism visitor nights through development of new or upgraded assets including Taronga Western Plains Zoo (Dubbo - \$6 million investment), Back O' Bourke Centre (Bourke - \$8 million investment) and Pilliga Discovery Centre (Baradine - \$2.5 million investment).

Resources

- Collaborative Marketing: the Demand Funding program managed by the Central West Regional Tourism Organisation and Outback RTO provides funds for collaborative marketing activities matched by tourism operators and organisations. (Funding pool for 2010 of \$112,000).
- Central NSW RTO Learning and Development Program: support from Industry & Investment NSW of \$45,000 for 17 workshops/forums in 2010.
- Events: support through I&I NSW programs including Tourism NSW Regional Flagship Events Program.
- Linkages/ Packaging: NSW Taskforce on Tourism and National Parks will develop opportunities to enhance the level of sustainable nature tourism.

Strategy 6 Aboriginal Business Development

High Priority and High Impact Initiatives

- Improve the performance and viability of Aboriginal businesses through targeted programs and mentoring.
- Develop capacity of Aboriginal stakeholders to participate in tourism and cultural business opportunities and develop Aboriginal assets.

4. LABOUR FORCE AND POPULATION STATISTICS

Total unemployment (000's)

	05/06	06/07	07/08	08/09	09/10
Northern, Far West - North Western, Central West	12.8	13.2	13.3	13.7	15.1
Regional NSW	88.6	79.1	75.0	81.9	82.0
NSW	178.4	173.7	163.4	203.8	205.9

Unemployment rate % (year to March)

	2006	2007	2008	2009	2010
Orana	5.3	5.6	5.5	5.4	6.5
Regional NSW	6.5	6.2	5.4	5.7	6.0
NSW	5.2	5.2	4.7	5.2	5.9

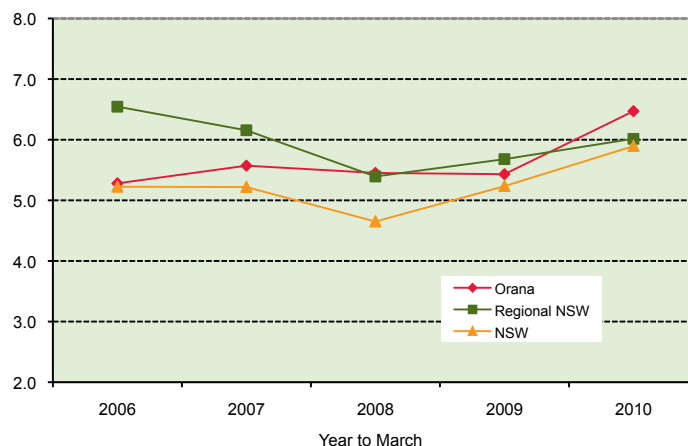
Impacts

- Aboriginal people represent ten per cent of the population of Western NSW, rising to more than 60 per cent in some regional towns. Increasing the proportion of successful Aboriginal – owned and managed mainstream businesses will enhance the economic security of Aboriginal people and the viability of smaller regional centres. In Lightning Ridge, the Barriekneal group of businesses employs 120 people in businesses including a service station, local Council services, Aboriginal housing, art and craft shop, a household furnishings store, mechanic and tyre services, and a 25,000 acre agricultural property.

Resources

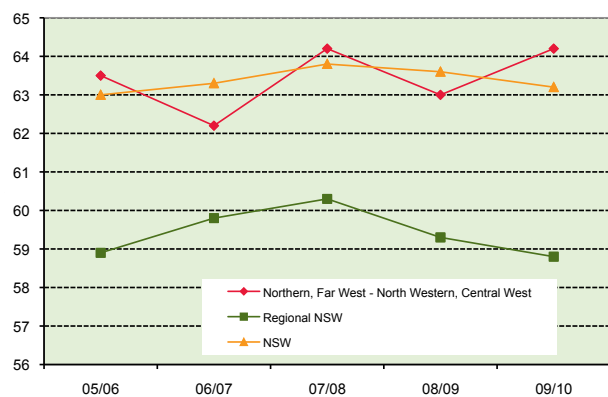
- Business improvement: existing programs of I&I NSW, including enhanced specialist staff services. Other specialist staff attached to DEEWR, DAA and other funded service organisations (Aboriginal corporations, Business Advisory Services). Other funding programs (Indigenous Business Australia, other government agency programs).
- COAG 'Remote Service Delivery' Pilot in Walgett to improve local business outcomes.
- Tourism/Culture: existing government and IBA programs; Bhiemie Dreaming project (I&I NSW); Phoenix Project (Brewarrina); NSW Taskforce on Tourism and National Parks.
- The Western NSW State Training Services Centre in DET has an Aboriginal Enterprise Development Officer (AEDO) Program.

Unemployment rate % (year to March)



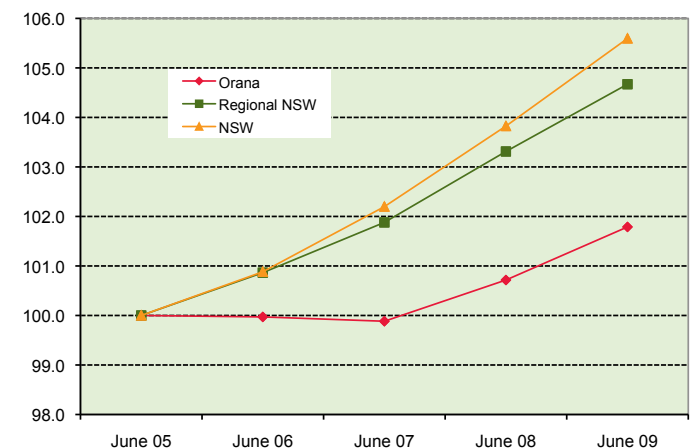
Participation rate %

	05/06	06/07	07/08	08/09	09/10
Northern, Far West - North Western, Central West	63.5	62.2	64.2	63.0	64.2
Regional NSW	58.9	59.8	60.3	59.3	58.8
NSW	63.0	63.3	63.8	63.6	63.2

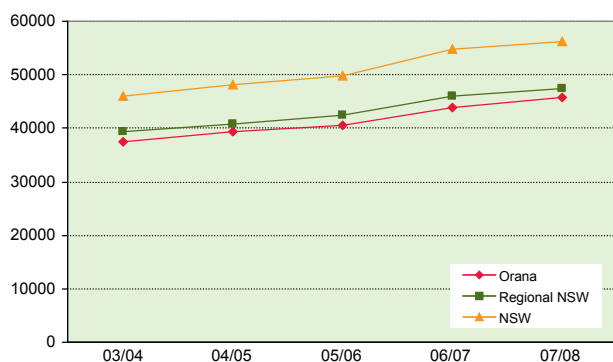


Population growth index (year to June)

	2005	2006	2007	2008	2009
Orana	100.0	100.0	99.9	100.7	101.8
Regional NSW	100.0	100.9	101.9	103.3	104.7
NSW	100.0	100.9	102.2	103.8	105.6



Average taxable income, individuals \$



	03/04	04/05	05/06	06/07	07/08
Orana	37,526	39,319	40,465	43,893	45,741
Regional NSW	39,436	40,908	42,417	46,057	47,520
NSW	45,974	48,182	49,833	54,746	56,301

Population (year to June)

	2005	2006	2007	2008	2009
Orana	119,955	119,920	119,815	120,814	122,100
Regional NSW	2,814,510	2,838,843	2,867,403	2,907,724	2,945,960
NSW	6,756,457	6,816,087	6,904,942	7,014,887	7,134,421

Change June 05 – June 09

Orana = 1.8%
 Regional NSW = 4.7%
 NSW = 5.6%

(1) ABS Labour Force regions approximate DSRD regions. ABS labour force data not available for the Orana region on its own. DEEWR SLA data used to calculate Orana region unemployment rates.

(2) Labour Force data for the financial year is based on the average of 12 months' data from July to June. For DEEWR data, unemployment rates are based on the average of four quarters from June to March.

(3) A break in the DEEWR series between March 08 and March 09 may have occurred due to the introduction of the 2006 ASGC and new population benchmarks.

(4) 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 sourced from ABS Cat. No. 6291.0.55.001 and unpublished ABS data. Data for unemployment rates sourced from DEEWR Small Area Labour Markets.

Taxable income data sourced from the Australian Taxation Office at www.ato.gov.au.



INDUSTRY & INVESTMENT NSW
State and Regional Development and Tourism Division

Sydney Office

Level 47, MLC Centre
19 Martin Place, Sydney
GPO Box 5477
Sydney NSW 2001

Tel: +61 2 9338 6600
Fax: +61 2 9338 6950
TTY: 1800 777 002

www.business.nsw.gov.au

ORANA

Dubbo

Level 1,
47-59 Wingewarra Street
PO Box 1039
Dubbo NSW 2830
Tel: +61 2 6883 3100
Fax: +61 2 6883 3131

