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Paul Lindwall  
Commissioner  
Productivity Commission  
Locked Bag 2, Collins St East  
MELBOURNE VIC 8003

Dear Mr Lindwall

Thank you for the opportunity for Bland Shire Council to provide a submission to the study on the transition of regional economies following the resources boom. The Bland Shire Council commends the Government in initiating this study into the transition of regional economies following the resources boom and extends an invitation for you to visit the Bland Shire and to see firsthand the agricultural, mining and exploration activities that are occurring in the Bland Shire.

The Bland Shire has seen a decline in employment in agriculture driven by the efficiencies, technology innovation and corporate farming leading to growth in production using less labour. At the same time the Bland Shire has experienced a pattern of consolidation from the towns and villages in the Bland Shire to the larger regional centres, which is affecting the social fabric of these towns and villages and engendering a feeling of being left behind as Australia prospers more generally. The Bland Shire is also the home of the Evolution Cowal Gold Mine and should this close; it will have a major economic impact on the Bland Shire and a lesser impact on the surrounding shires.

It is important that in transitioning to a post-resources boom, regions like the Bland Shire, have a diversified economy enabling it to better adapt to changes to the local, regional, national and international economy over time.

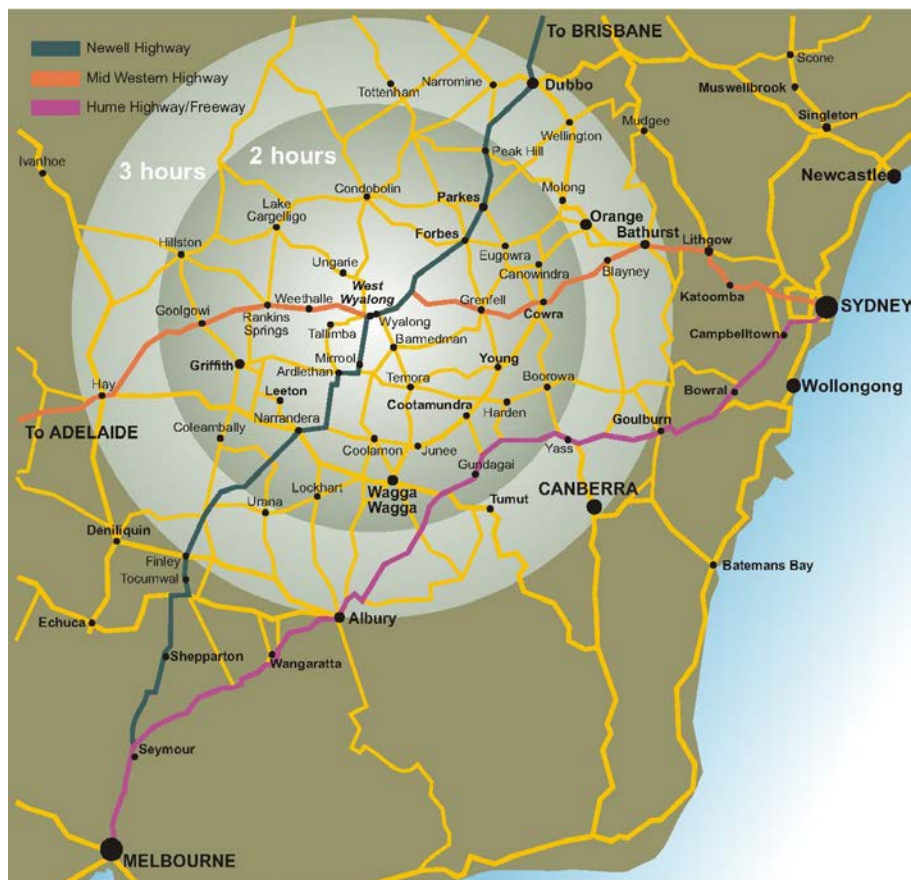
Strong and sustainable communities are vital to a post-resources boom as they help to attract and retain employees to live locally. Governments are responsible for providing infrastructure and services which underpin the liveability in regional communities. A key issue for agricultural and resource communities is that often the onus of the delivery of infrastructure and services falls to local Governments. While local Governments welcome the many opportunities for their community that accompany development, regional Council struggle to find the appropriate sources of revenue to deliver this infrastructure and services.

## Introduction and Background to the Bland Shire

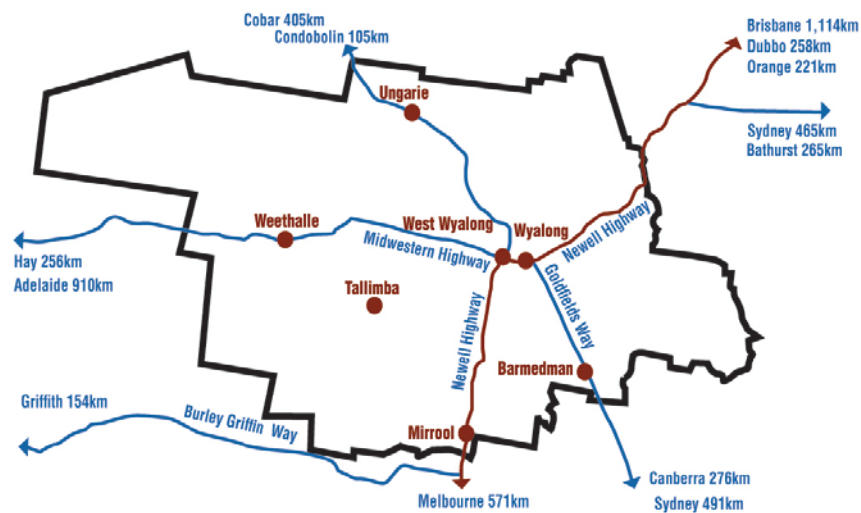
The Bland Shire was proclaimed on 6 March 1906. The Bland Shire, West Wyalong is centrally located in regional New South Wales at the junction of the Newell and Mid Western Highway and Goldfields Way.



**The Bland Shire and West Wyalong central location**



**The Bland Shire and West Wyalong central location**



### **The Bland Shire**

The Bland Shire has a population of 5,995 as at the 2016 census, and covers an area of 8,558 square kilometres. The Bland Shire Council has one of the largest New South Wales Local Government road networks of 3,248 kilometres which is made up of 879 kilometres of sealed roads, 2,369 kilometres of unsealed roads. Towns and villages in the Bland Shire include West Wyalong, Wyalong, Barmedman, Mirrool, Naradhan, Tallimba, Kikiora, Ungarie and Weethalle.

The Bland Shire is surrounded by the Shires of Lachlan, Forbes, Weddin, Young, Temora, Coolamon, Narrandera and Carrathool.

#### Some of the major employers in the Bland Shire include:

- Bland Shire Council
- Evolution Cowal Gold Mine
- Pace Farms
- GrainFlow and GrainCorp
- Royal Freemasons Benevolent Institution
- NSW Department of Education
- John Holland

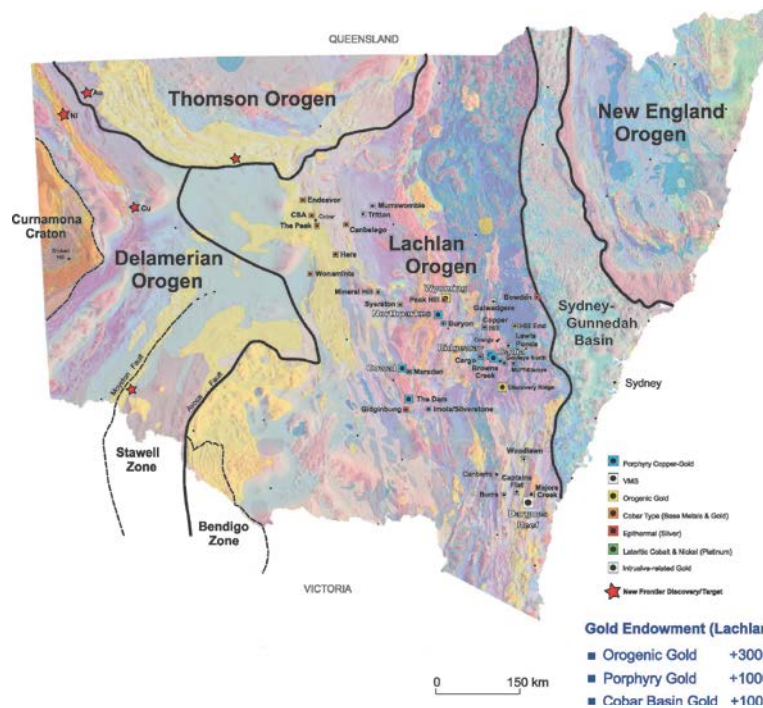
#### Occupation sectors:

- Sheep, Beef Cattle and Grain Farming 24.5%
- Metal Ore Mining 8.2%
- School Education 5.6%
- Local Government Administration 4.6%
- Road Freight Transport 2.5%

#### Mining and Exploration

The Bland Shire's history is deeply engrained in gold and tin production and mineral exploration which continues through to today.

The Bland Shire is located in the Lachlan Orogen. The Lachlan Orogen is a broad orogenic belt that records Cambrian to the Carboniferous convergence between the Australian craton and the proto-Pacific Ocean. It is not a collisional orogenic belt. The Macquarie Arc hosts world class porphyry Cu-Au deposits in the Cadia valley and Northparkes districts. Smaller deposits occur at Cargo and Copper Hill. Structurally controlled Au-Cu occurs at Cowal.



Gold was discovered in the Bland Shire in 1893 and by the end of 1894 there were 300 mining claims registered. Gold mining continued until the 1920's and from 1893 to 1920 some 445,700 ounces of gold was extracted from the West Wyalong gold fields. In 2004 the Canadian Barrick Gold Corporation started to build the Barrick Cowl Gold mine, with production commencing in 2006 and in 2014 produced 268,000 ounces of gold.

In 2015 the Barrick Gold Corporation sold the Barrick Cowl Gold mine to Evolution Mining and the Evolution Cowl gold operation is forecast to produce between 215,000oz and 240,000oz in FY16. The following photo is of Evolution Cowl Gold Operations in the Bland Shire at West Wyalong:





Mining and exploration companies that are currently undertaking activities in the Bland Shire include:

- Evolution Mining - <http://evolutionmining.com.au/>
- Argent Minerals - <http://www.argentminerals.com.au/>
- Thomson Resources - <https://www.thomsonresources.com.au/>
- Sandfire Resources - <http://www.sandfire.com.au/>
- St Barbara Limited - <http://www.stbarbara.com.au/>

The exploration companies also add to the Bland Shire economy. The Australian Bureau of Statistics, Mineral and Petroleum Exploration release for the December 2016 quarter shows that total mineral exploration expenditure increased by 6.1% to \$403million. One of the above mentioned exploration companies have spent almost \$8.5M since July 2013, with the lions share spent within the Bland Shire. Both the State and Federal Governments should increase their efforts to encourage more exploration in regional Australia using the latest technologies.

### Agriculture

Agriculture is the Bland Shire's largest industry sector and is at the heart of the Australian identity. Australia's history and economy was 'built on the sheep's back'. Today agriculture continues to play a pivotal role in building the wealth of Australia; this is why the sector is one of the five pillars of the Australian economy and why the Government has made agriculture a priority.

Agriculture is a significant contributor to the Australian economy. The value of farm production was \$51 billion in 2013–14 (ABARES 2015a). Agriculture contributed around two per cent of Australia's gross domestic product (GDP) and 15 per cent of total Australian merchandise exports (ABARES 2014). Agriculture underpins Australia's largest manufacturing industry—food, beverage and tobacco processing—which added \$25 billion to the economy in 2013–14 (25 per cent of manufacturing GDP) (ABS 2015a). As the mining construction boom moderates it will be important to foster growth in other export sectors, including agriculture.

Agriculture has played an important role in Australia's history. In the first half of the 20<sup>th</sup> century it accounted for around a quarter of the nation's output and between 70–80 per cent of Australia's exports (Productivity Commission 2005). In recent decades, agriculture's share of Australia's national income and exports has declined, consistent with that of many other developed countries. This is in part due to the strength of the services and mining sectors.

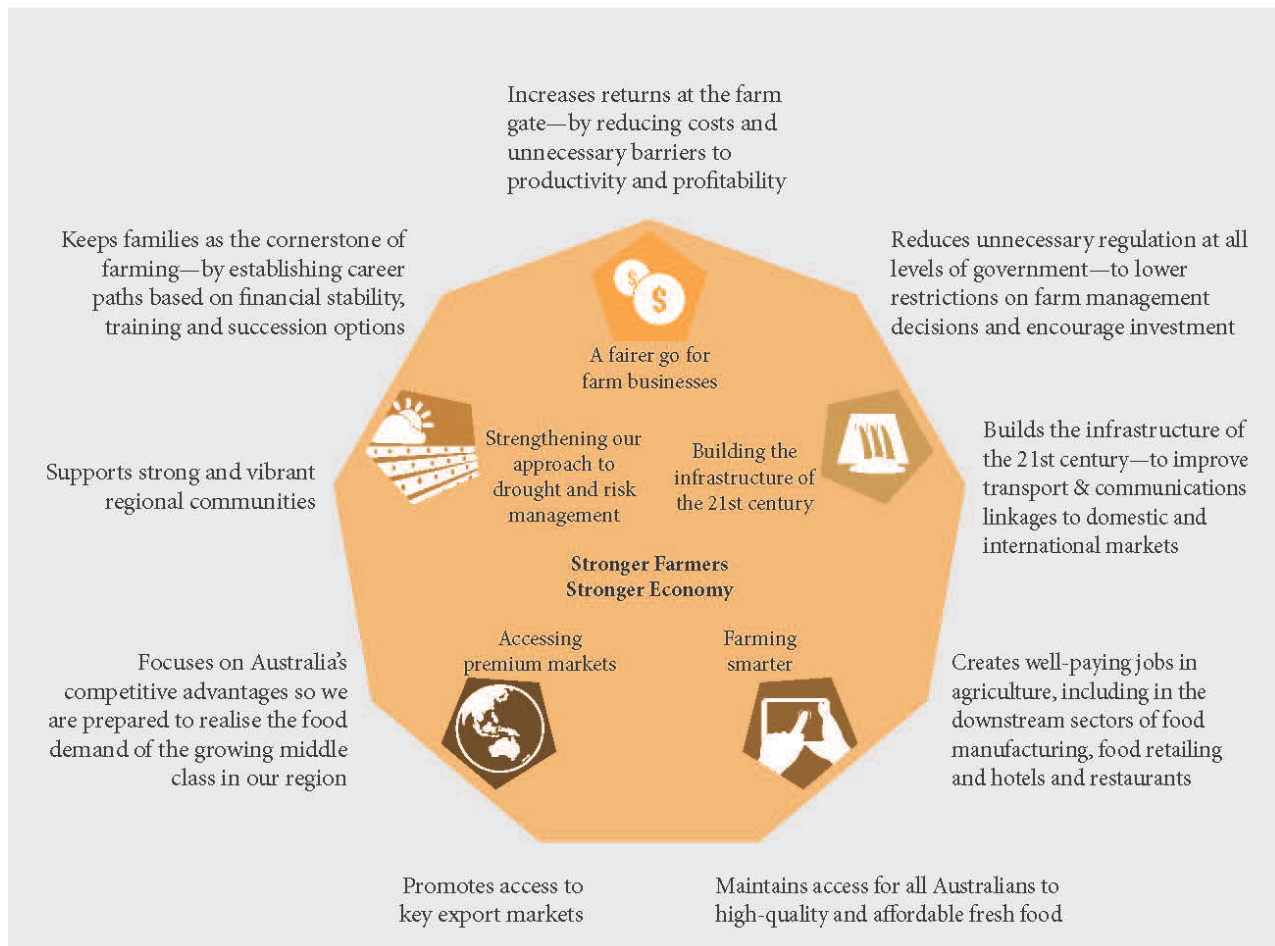
Population growth, increasing prosperity in our region and changing consumer diets and preferences are creating consumer demand for food and fibre. Worldwide, demand for food is projected to rise by around 75 per cent in the first half of this century, with three quarters of this growth in Asia (ABARES 2013a). Australian agricultural production will need to expand significantly to take advantage of these opportunities. This is likely to require opening up new areas of agricultural production, including in northern Australia, with the possibility of doubling production by 2050.

A vibrant, innovative and competitive agriculture sector will create jobs, encourage investment and help build stronger rural and regional communities, and, in turn, a stronger Australia. Australia cannot afford not to have vibrant rural and remote townships and a vibrant, healthy and profitable agricultural sector.

The following schematic has been extracted from the Federal Government's Agricultural White Paper <http://agwhitepaper.agriculture.gov.au/> and mentions that Agriculture is at the heart of the Australian identity. Our history and economy was 'built on the sheep's back'.

Today agriculture continues to play a pivotal role in building the wealth of Australia; this is why the sector is one of the five pillars of the Australian economy and why the Federal Government has made agriculture a priority:

Figure 1 Australian Government agriculture policy principles and priorities



The 2016 Australian Infrastructure Plan <http://infrastructureaustralia.gov.au/policy-publications/publications/Australian-Infrastructure-Plan.aspx> mentions that Australia's regions contribute substantially to the nation's growth and prosperity. Regional Australia produces many of our key exports – such as minerals, energy, agriculture and tourism. It is also home to around a quarter of our population.

The booming economies of south-east Asia and China will boost demand for our resources, services, produce and tourism. Efficient and reliable regional infrastructure will help us take advantage of this opportunity for growth.

The Bland Shire's history is deeply engrained in agriculture production which continues through to today. Agriculture is the major economic driver in the Murray-Murrumbidgee and Central West and Orana regions.

The following table provides the 2011 Gross Value of Agricultural Production (GVAP) from the Murray-Murrumbidgee (MM) <http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Riverina-Murray/Resources>, and Central West and Orana (CW&O) regions <http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Central-West-and-Orana/Resources>, with the Bland Shire being the most productive with a GVAP of \$328 million:

<b>LGA</b>	<b>Area sq KM</b>	<b>2011 Census</b>	<b>GVAP Millions</b>	<b>Region</b>
<b>Bland</b>	8,560	5,865	328	Murray-Murrumbidgee
<b>Griffith</b>	1,640	24,364	281	Murray-Murrumbidgee
<b>Carrathool</b>	18,933	2,587	276	Murray-Murrumbidgee
<b>Lachlan</b>	14,965	6,476	260	Central West & Orana
<b>Narromine</b>	5,260	6,585	216	Central West & Orana
<b>Greater Hume</b>	5,749	9,815	194	Murray-Murrumbidgee
<b>Berrigan</b>	2,066	8,066	187	Murray-Murrumbidgee
<b>Cabonne</b>	6,024	12,821	178	Central West & Orana
<b>Parkes</b>	5,955	14,592	173	Central West & Orana
<b>Forbes</b>	4,718	9,170	172	Central West & Orana
<b>Narrandera</b>	4,116	5,902	169	Murray-Murrumbidgee
<b>Wakool</b>	7,521	3,692	164	Murray-Murrumbidgee
<b>Corowa</b>	2,329	11,000	161	Murray-Murrumbidgee
<b>Coonamble</b>	9,916	4,030	152	Central West & Orana
<b>Wagga Wagga</b>	4,826	59,458	150	Murray-Murrumbidgee
<b>Warren</b>	10,754	2,758	149	Central West & Orana
<b>Temora</b>	2,802	5,776	147	Murray-Murrumbidgee
<b>Weddin</b>	3,409	3,665	134	Central West & Orana
<b>Coolamon</b>	2,431	4,099	126	Murray-Murrumbidgee
<b>Lockhart</b>	2,896	2,998	120	Murray-Murrumbidgee
<b>Urana</b>	3,356	1,159	115	Murray-Murrumbidgee
<b>Warrumbungle</b>	12,371	9,588	113	Central West & Orana
<b>Jerilderie</b>	3,373	1,496	112	Murray-Murrumbidgee
<b>Murray</b>	4,344	6,957	104	Murray-Murrumbidgee
<b>Conargo</b>	8,738	1,540	102	Murray-Murrumbidgee
<b>Murrumbidgee</b>	3,507	2,261	99	Murray-Murrumbidgee
<b>June</b>	2,030	5,878	95	Murray-Murrumbidgee
<b>Bogan</b>	14,601	2,900	94	Central West & Orana
<b>Leeton</b>	1,167	11,037	91	Murray-Murrumbidgee
<b>Cowra</b>	2,809	12,147	86	Central West & Orana
<b>Gilgandra</b>	4,832	4,368	86	Central West & Orana
<b>Hay</b>	11,326	2,956	84	Murray-Murrumbidgee
<b>Tumut</b>	4,567	10,934	80	Murray-Murrumbidgee
<b>Wellington</b>	4,110	8,493	72	Central West & Orana
<b>Mid Western</b>	8,753	22,318	63	Central West & Orana
<b>Cootamundra</b>	1,524	7,334	61	Murray-Murrumbidgee
<b>Bathurst</b>	3,816	38,519	56	Central West & Orana
<b>Tumbarumba</b>	4,393	3,358	55	Murray-Murrumbidgee
<b>Dubbo</b>	3,426	38,805	54	Central West & Orana
<b>Gundagai</b>	2,457	3,662	42	Murray-Murrumbidgee
<b>Deniliquin</b>	143	7,120	39	Murray-Murrumbidgee

<b>LGA</b>	<b>Area sq KM</b>	<b>2011 Census</b>	<b>GVAP Millions</b>	<b>Region</b>
<b>Blayney</b>	1,525	6,985	38	Central West & Orana
<b>Oberon</b>	3,627	5,040	31	Central West & Orana
<b>Lithgow</b>	4,512	20,160	19	Central West & Orana
<b>Orange</b>	284	38,057	16	Central West & Orana
<b>Albury City</b>	306	47,810	5	Murray-Murrumbidgee

Source: Australian Bureau of Statistics (ABS). ABS undertake an Agricultural Census of farm businesses every five years and an Agricultural Survey in the interim years reporting estimates for Statistical Local Areas (SLA's), the smallest spatial unit of the Australian Standard Geographic Classification (ASGC 2006). The 2011 Census data and 2012 and 2013 surveys were collated by Statistical Area Level 2 (SA2). SLA and SA2 boundaries do not line up exactly but for most parts of the region they are close enough to generate meaningful time series data sets.

Bland Shire Council recognises the significant importance of the agricultural sector and the Bland Shire is one of New South Wales largest cereal-growing areas producing wheat, barley, oats, triticale, cereal rye, chickpeas, field peas, lupins, canola and sorghum.

As can be seen in the following table, the 2011 ABS Census data shows that in the Bland Shire, Agriculture, forestry and fishing industry by occupation is the largest employment sector employing 762 or 28.3% of the Bland Shire's workforce followed by mining at 252 and 9.3%. At the time of preparing this submission the 2016 ABS Industry by Occupation figures had not been released.

<b>ABS 2011 Census Industry By Occupation</b>	<b>Total</b>	<b>%</b>
Agriculture, forestry and fishing	762	28.3
Mining	252	9.3
Retail trade	243	9.0
Education and training	188	7.0
Accommodation and food services	163	6.0
Health care and social assistance	161	6.0
Transport, postal and warehousing	151	5.6
Public administration and safety	147	5.5
Construction	111	4.1
Manufacturing	93	3.4
Other services	93	3.4
Wholesale trade	85	3.2
Professional, scientific and technical services	63	2.3
Administrative and support services	37	1.4
Financial and insurance services	27	1.0
Electricity, gas, water and waste services	19	0.7
Arts and recreation services	14	0.5
Information media and telecommunications	10	0.4
Rental, hiring and real estate services	9	0.3
Inadequately described/Not stated	68	2.5
<b>Total</b>	<b>2,696</b>	

A vibrant and progressive rural community is vital to support the agricultural sector where they can have access to educational facilities, purchase supplies, access services including banking,



mechanical, engineering, medical and allied health, agricultural machinery companies, car dealers, tyre and exhaust services etc.

There is a rationale for investing in slower growing regions based on social reasons or to unlock potential opportunities. Our slower growing regions should have access to vital services such as schools, hospitals, transport and other community facilities. Such regions will still be great places to live, and may score more highly than larger cities on measures of well-being and social connection. Over the longer term, as regional hubs expand and technology continues to connect our regions, these areas could become even more attractive places to live and work.

Bland Shire Council is working with Plains Water on agricultural projects that have the potential to generate 557 FTEs.

### Eucalyptus Oil Production

Eucalyptus oil production started in 1907 and the West Wyalong area has become one of the major world exporters of Eucalyptus oil in Australia <http://www.grdavis.com.au/>.

### Recent investments in the Bland Shire

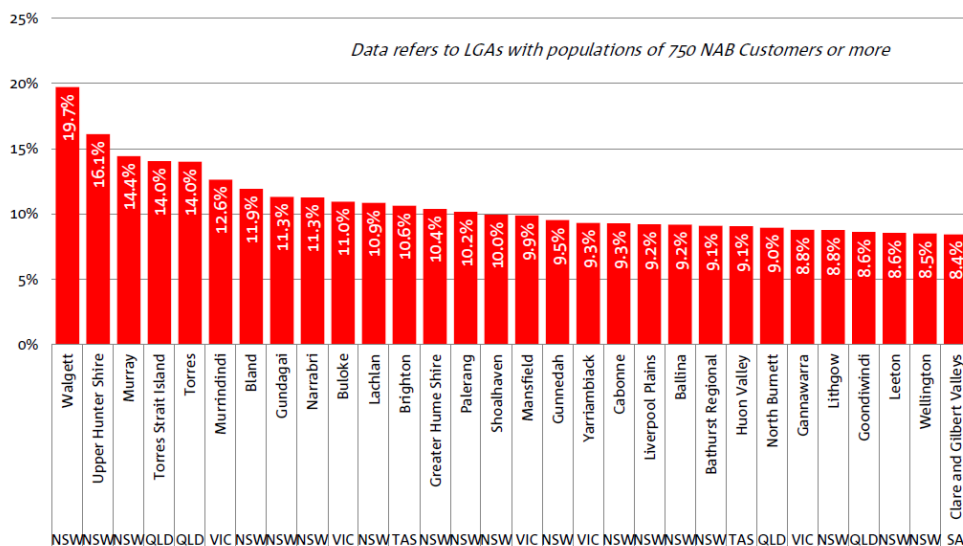
Recent investments in the Bland Shire include:

- Evolution Mining \$694 million
- GrainCorp \$14 million
- Royal Freemasons Benevolent Institution (RFBI) Masonic Village \$9 million refurbishment
- Sandfire Resources \$8.5 million
- GrainFlow \$4 million
- Hanlon Enterprises \$1.1 million

### NAB Customer Spending Report

In a recent NAB Customer Spending report <http://business.nab.com.au/nab-customer-spending-behaviours-q4-2016-22578/>, the Bland Shire was the 7<sup>th</sup> fastest growing Local Government Area (LGA) in regional Australia:

### TOP 30 FASTEST GROWING AUSTRALIAN REGIONAL LGA'S



## The Visitor Economy

The visitor economy sector is also extremely important to the Bland Shire as it is centrally located in regional New South Wales at the junction of the Newell and Mid Western Highways and Goldfields Way. Bland Shire Council would like to see more international visitors disperse into the regional NSW. Statistics show that approximately 88% of visitors to regional areas drive and approximately 7% fly. More funding needs to be allocated to the NSW regional road network.

## **Submission**

From the scope of this research study, Bland Shire Council has elected not to address each of the terms of reference individually in favour of providing an overview of the following factors that is affecting and will affect the Bland Shire from transitioning from the resource boom.

## **Mining and Exploration**

As mentioned in the background information, the mining and exploration companies that are currently undertaking activities in the Bland Shire include:

- Evolution Mining - <http://evolutionmining.com.au/>
- Argent Minerals - <http://www.argentminerals.com.au/>
- Thomson Resources - <https://www.thomsonresources.com.au/>
- Sandfire Resources - <http://www.sandfire.com.au/>
- St Barbara Limited - <http://www.stbarbara.com.au/>

Should these exploration activities prove to be successful, the projects will create substantial employment opportunities and these projects will require additional social and community infrastructure including:

- Gas
- Water
- Electricity
- Roads
- Staff
- Housing
- Community & social infrastructure – Cultural & Community Centre
- Industrial Land
- Residential Land
- Telecommunications
- Policing
- Education
- Health
- Emergency Services

## **Regional Telecommunications**

Good telecommunications infrastructure and services are fundamental to regional economies. Many rural areas including the Bland Shire do not have access to the mobile phone and internet services that are taken for granted in urban Australia. Access to reliable mobile phone and internet coverage is critical for the future growth of Australia's agriculture and resource sector. Today's trading environment requires real-time access to, and sharing of, information. Enhancing mobile coverage in regional and remote areas also has clear social, economic and safety benefits.

Improved services have the potential to revolutionise agriculture in Australia. The use of information technology has evolved from basic GPS to precision farming. The next frontier is ‘big data’—or data-enabled agriculture, which will provide information to assist better decision making through real time delivery of relevant and specific knowledge. The potential for productivity gains through increasing yields, reducing costs and reducing agricultural risks is progressing through initiatives currently underway. These include Sense-T in Tasmania and the GrainGrowers ProductionWise programme. Farm machinery companies have developed applications that not only warn farmers of the need for maintenance, but also use data collected to facilitate real time benchmarking, further driving productivity gains. Today’s farmers need access to mobile phone coverage and broadband internet to run their businesses efficiently. Those farmers that have access to these services are able to run their businesses from the stockyard, from their tractor or while they are harvesting. But communication services are often not available, or are unreliable or expensive.

While mobile carriers claim to provide coverage to 99 per cent of Australia’s population, around 70 per cent of Australia’s landmass does not have terrestrial mobile coverage (Commonwealth of Australia 2015j).

Traditionally, analogue phone services to regional Australia were funded via the Universal Service Obligation levy, however, these traditional policy responses need to be updated so that internet connectivity can be funded as an essential service.

Expanding mobile coverage to areas where it is currently inadequate or non-existent has clear economic, social and safety benefits. A study commissioned by the Australian Communications and Media Authority found that in the seven years to 2013, mobile broadband contributed 2.1 per cent of productivity gains in the agriculture sector (CIE 2014). Due to comparatively higher costs and lower levels of revenue, mobile network operators are reluctant to invest in extending coverage into regional areas on a commercial basis. To help address this, the Australian Government established the \$100 million Mobile Black Spot Programme.

Inadequate mobile phone coverage is a significant issue especially in regional and remote communities. This includes portions of major highways and transport routes, popular seasonal tourist locations, locations at high risk of natural disasters, and key mining and agricultural areas.

Mobile phone blackspots, extensive grey and shadow spots and mobile phone coverage failures adversely affect community resilience and increase the vulnerability of communities when the need for mobile communications is heightened.

Inadequate mobile phone coverage disadvantages individual communities and the wider national economy. Lives can quite literally depend on access to mobile phone coverage.

It is accepted that the Australian population is increasingly reliant on mobile services as a convenient utility for safety and emergency purposes. However, mobile phone blackspots, extensive grey and shadow spots and mobile phone coverage failures exist in regional and remote areas of Australia meaning mobile telephones services cannot be relied upon or do not exist in some areas.

The majority of the land mass and roads in the Bland Shire have numerous black spots, extensive grey and shadow spots and mobile phone coverage failures. This not only proves difficult and frustrating for the businesses, residents, motorists and visitors, but also represents a specific risk during disaster and emergency conditions. In the case of farmers, often working alone on their properties, this is also an unacceptable health and safety risk.

The mobile phone coverage along the major transport routes, in small communities and in locations prone to experiencing motor vehicle accidents or natural disasters must be improved in the Bland Shire. The Newell and Mid Western Highways and Goldfields Way that traverse the Bland Shire all have black spots, extensive grey and shadow spots and mobile phone coverage failures. One suggestion would be to leverage off the rollout of the wireless National Broadband Network (NBN) to improve mobile coverage.

Federal and State Government funding must be given to mobile phone network providers who are prepared to expand the coverage and quality of their mobile networks into regional and remote areas that lack sufficient coverage. There are some locations where the economic viability of expanding the existing network may be marginal, but modest government financial support may tip the balance.

The regional and remote communities and the Bland Shire businesses, farmers, residents, ratepayers, motorists and visitors must have access to wider and more reliable mobile phone and internet coverage, and should have the same or if not better levels of telecommunications services as our urban counterparts. There are concerns that regional and remote communities and the Bland Shire businesses, farmers, residents, ratepayers, motorists and visitors will have a competitive disadvantage in the future if the Bland Shire and regional and remote communities can't offer a basic level of service or if not better levels of telecommunications services as our urban counterparts.

The Bland Shire also receives a large flow-through of population along our vast road network and highways as we are based centrally from most capital cities and are a large distance from other towns. More and more visitors and travellers are also accessing information from their smartphones and or mobile devices and when they stop they often make use of the opportunity to phone friends and family, make accommodation and tour bookings and use their tablets and computers that consequently puts added pressure on the telecommunication infrastructure. The lack of consistent reliable mobile phone coverage reception has obvious safety consequences for not only the visitors to the Bland Shire but also the farmers and residents.

The Bland Shire is one of the largest winter cereal cropping districts in NSW and subsequently has a large number of contractors visiting the area to grow and harvest these crops who need consistent reliable mobile phone coverage.

As a result of the above the Bland Shire experiences substantial peaks in visitation which significantly impacts the capacity of the mobile networks, resulting in backhaul issues.

### **Rate Pegging**

The imposition of a 1.5% rate peg announced by the Independent Pricing and Regulatory Tribunal (IPART) for 2017/18 will push NSW Councils further behind the financial eight-ball, and effectively preventing councils from becoming financially sustainable and addressing Councils infrastructure renewal and backlog.

IPART came to the 1.5% figure despite an increase of 2.3% in employee benefits and on-costs, and an increase of 2.7% in non-residential building construction costs. IPART said that these price rises were partly offset by decreases in gas and fuel prices. This is not the case as energy prices have increased and are projected to increase further.

IPART has failed to recognise the ongoing squeeze on councils that comes from the combination of

rate-pegging, cost-shifting, deteriorating infrastructure and the Federal Government's decision to pause the indexation of the Financial Assistance Grants (FAGs) for the next three years.

The latest figures show cost shifting by the NSW Government and the Australian Government in the financial year 2013/14 totalled around \$670 million - almost 7% of local government's total income before capital amounts.

The reality is that rates have not kept pace with the cost of services and infrastructure that Local Government is expected to deliver and the rate peg has forced many Councils to seek special rate variations to provide infrastructure and services.

## **Grants**

The amount of information required to apply for and acquit State and Federal Government Grants is extremely demanding, time consuming and costly if you are required to prepare a cost benefit analysis. The grants are usually way over subscribed and appear to be targeted towards the larger regional centres. The lead time given to apply for some grants is also very short.

There also appears to be little consultation between the Government Departments and Councils in relation to what grants are needed in regional NSW and the resources available to apply for and acquit the grants. Two examples that come to mind is the Back to Business Week and the Future Towns grants.

Bland Shire Council would like to see grants to include the refurbishment and improvement of existing assets and facilities including picnic or playground areas, local parks, barbeques, meeting facilities and regional and town entry features instead of building new assets and facilities.

## **Resources for the Regions**

The Resources for Regions program is sourced from Restart NSW, the NSW Government's fund for infrastructure to support economic growth and productivity and aims to support regional and rural NSW communities affected by mining by addressing infrastructure constraints.

Since 2012, \$208 million has been allocated to 32 infrastructure projects in mining affected communities. These projects make a significant contribution to local communities. They include infrastructure across the health, water, road, education, tourism sectors and investment in CBD renewals to increase attractiveness as a place to live and do business. Some of the projects funded where State Government responsibilities and should have not been funded from the Resources for the Regions program.

The Bland Shire has a long history with gold and tin mining that commenced in 1893 and continues today with the Evolution Mining Lake Cowal Gold Mine and other exploration activities as mentioned previously, yet the Bland Shire has been unsuccessful with the Resources for the Regions Grant application process

Bland Shire Council would like to see a percentage of the royalties derived from the local government areas to be put back into the communities from where they came.

## **RMS – Block Grants and Roads Maintenance Council Contract**

Bland Shire Council would like to see a simpler road funding model similar to the Road Funding Block Grants.



## **Bland Shire Council Road Network**

As mentioned in the introduction, the Bland Shire Council has one of the largest New South Wales Local Government road networks of 3,248 kilometres which is made up of 879 kilometres of sealed roads, 2,369 kilometres of unsealed roads.

Also mentioned in the introduction, the Bland Shire is one of New South Wales largest cereal growing areas in NSW. The large quantities of grain produced from the farms in the Bland Shire is transported to the grain receival facilities or direct to port or between the grain receival facilities by road. The tonnages of grain and the number of trucks involved in this operation places a huge toll on the sealed and unsealed Bland Shire road network.

The LGA's that surround the Bland Shire also produce large quantities of grain and due to the large and efficient grain receival facilities in the Bland Shire, the preference by these grain producing operations is to deliver the grain to the facilities in the Bland Shire which adds to the tonnages and truck movements into and out of the Bland Shire and on the Bland Shire sealed and unsealed road network.

In 2012 and 2016 NSW and the Bland Shire were subjected to extreme wet weather events that created multi-million dollar repair bills and a long wait for works to be done that caused extensive damage to the Bland Shire and NSW road network. The extreme wet weather events disrupted the National Freight Task by the flooding of the Newell Highway for six weeks and the towns and villages of the Bland Shire.

There has got to be a way we can streamline and improve the recovery and assistance to Councils following extreme weather events to reduce the amount of disruption for the towns and villages of the Bland Shire. There has to be a better and timelier process as with roads, to get NSW Government funding, the bureaucratic red tape means that we can't start on the road works or get the funding until the RMS has inspected the damaged roads.

To improve the efficiency and productivity of these grain receival and storage facilities, investment will be required in the local (Bland Shire), regional and state road network to accommodate Higher Mass Limits (HML) and High Productivity Vehicles (HPV). The following Bland Shire local roads have been identified as the best routes for HML's and HPV's but are currently substandard and require investigation and investment to accommodate the HML's and HPV's:

- Ungarie to Naradhan
- Rankins Springs to Lake Cargelligo
- Dundas
- Crown Camp Road
- Kolkilbertoo
- West Wyalong to Lake Cargelligo
- West Wyalong to Condobolin
- Blow Clear
- Clear Ridge
- Wamboyne
- Quandialla
- Mary Gilmore Way
- Tallimba
- Boreamble
- Girral

## **Alignment of NSW Government Departments and Boundaries**

The Bland Shire is located on the northern border of the Riverina and the Southern Border of the Central West region and our preferred location is the Riverina. In the past the Bland Shire was in the Central West Area for some Government Departments and the Riverina for others, but it is good to see that there has been some improvement on the alignment of NSW Government Departments and Boundaries. A recent example of this was that until January 2017 the Bland Shire was in the Central West Business Enterprise region instead of the Riverina.

## **County Councils Water and Distribution**

Bland Shire Council would also like to comment on the cost of infrastructure head works charges that are being imposed by the County Councils to new residential and industrial developments. The exorbitant charges are restricting residential and industrial investment.

## **Tourism Australia and Destination New South Wales Sector Development**

Tourism Australia and Destination NSW's sector development or main activities are concentrated around Aboriginal Tourism, Youth, Food & Wine, Cruise and Regional Conferencing. Bland Shire Council believes that this sector development is extremely limited and there is more to regional NSW than these sectors. One sector that is overlooked by Destination NSW is the caravanning and camping sector which is extremely important to regional NSW.

## **Native Title and Aboriginal Land Claims**

Through the *NSW Aboriginal Land Rights Act 1983*, Crown land not lawfully used or occupied, or required for an essential public purpose, or for residential land, is returned to Aboriginal people.

Aboriginal land rights aim to redress past injustices when Aboriginal people were dispossessed of their land by colonisation. This dispossession led to many social, economic and physical problems for Aboriginal people. The Department of Industry - Lands investigates and assesses Aboriginal Land Claims across the State.

Native title is the name Australian law gives to the traditional ownership of land and waters that have always belonged to Aboriginal people according to their traditions, laws and customs. These rights are different to and separate from the statutory right of Aboriginal Land Councils to make claims for land under the *NSW Aboriginal Land Rights Act 1983*.

The changes to the Native Title Act and Land Claims are stifling development in regional communities with delays, costs and red tape.

## **Population**

I mentioned earlier that the Bland Shire has seen a decline in employment in agriculture driven by the efficiencies, technology innovation and corporate farming leading to growth in production using less labour. At the same time the Bland Shire has experienced a pattern of consolidation from the towns and villages in the Bland Shire to the larger regional centres, which is affecting the social fabric of these towns and villages and engendering a feeling of being left behind as Australia prospers more generally.

The following table contains Australian Bureau of Statistics (ABS) Census population figures for the Local Government Areas (LGAs) in the Riverina, and surrounding LGAs:

LGA	Area sq KM	2001 Census	2006 Census	2011 Census	2001- 2011 Change	2001-2011 Avg Yearly Population Change	2001-2011 Avg % Yearly Population
Wakool	7,521	4,806	4,362	3,692	-1,114	-111	-3.0
Carrathool	18,933	3,320	2,820	2,587	-733	-73	-2.8
Balranald	21,700	2,770	2,440	2,283	-487	-49	-2.1
Hay	11,326	3,574	3,383	2,956	-618	-62	-2.1
Jerilderie	3,373	1,790	1,640	1,496	-294	-29	-2.0
Urana	3,356	1,332	1,260	1,159	-173	-17	-1.5
Lockhart	2,896	3,397	3,179	2,998	-399	-40	-1.3
Murrumbidgee	3,507	2,519	2,501	2,261	-258	-26	-1.1
Lachlan	14,965	7,188	6,670	6,476	-712	-71	-1.1
Narrandera	4,116	6,486	6,013	5,902	-584	-58	-1.0
Bland	8,560	6,439	6,102	5,865	-574	-57	-1.0
Deniliquin	143	7,786	7,429	7,120	-666	-67	-0.9
Forbes	4,718	9,707	9,360	9,170	-537	-54	-0.6
Tumbarumba	4,393	3,551	3,533	3,358	-193	-19	-0.6
Wentworth	26,257	6,984	6,780	6,609	-375	-38	-0.6
Leeton	1,167	11,469	11,112	11,037	-432	-43	-0.4
Temora	2,802	5,972	5,857	5,776	-196	-20	-0.3
Tumut	4,567	11,228	10,801	10,934	-294	-29	-0.3
Cowra	2,809	12,462	12,474	12,147	-315	-32	-0.3
Gundagai	2,457	3,726	3,692	3,662	-64	-6	-0.2
Weddin	3,409	3,656	3,641	3,665	9	1	0.0
Harden	1,869	3,574	3,581	3,584	10	1	0.0
Parkes	5,955	14,455	14,280	14,592	137	14	0.1
Greater Hume	5,749	N/A	9,731	9,815	84	17	0.2
Griffith	1,640	23,805	23,800	24,364	559	56	0.2
Boorowa	2,578	2,333	2,296	2,399	66	7	0.3
Cootamundra	1,524	7,132	7,313	7,334	202	20	0.3
Berrigan	2,066	7,709	7,994	8,066	357	36	0.4
Coolamon	2,431	3,911	4,026	4,099	188	19	0.5
Junee	2,030	5,585	5,779	5,878	293	29	0.5
Wagga Wagga	4,826	55,056	57,015	59,458	4,402	440	0.7
Young	2,693	11,300	11,985	12,236	936	94	0.8
Conargo	8,738	1,417	1,673	1,540	123	12	0.8
Albury City	306	42,458	46,281	47,810	5,352	535	1.1
Murray	4,344	5,907	6,417	6,957	1,050	105	1.5
Corowa	2,329	8,257	10,975	11,000	2,743	274	2.5
Yass Valley	3,998	9,708	13,135	15,020	5,312	531	3.5

Yellow – Bland Shire surrounding LGA's

Source: Australian Bureau of Statistics

From the 2001 to 2011 census periods the Bland Shire experienced a -1.0% average decrease in population. The population decreased by 574 residents from 6,439 in 2001 to 5,865 in 2011. The 2016 census saw the Bland Shire population increase to 5,995 that can be mainly attributed to an

expansionary phase of the Evolution Cowal Mine and the employees living in the Bland Shire. At the time of preparing this submission the ABS had not released all of the 2016 census data and the information in the table on the previous page has been updated.

The reduction in population from 2001 to 2011 had a major impact on the Bland Shire and with a reducing residential and rural rate base, it is more difficult for Councils to provide and maintain the facilities and services for the agricultural sector in the rural and remote townships. Some of the flow on effects are:

- Reduced services, less competition and increased costs;
- Reduced labour pool;
- Ageing population;
- Ageing infrastructure;
- Maintenance of roads;
- Increased costs;
- Reduction of retail outlets;
- Leakage to larger centres etc.

This reduction in the Bland Shire population has seen the withdrawal of our aerial regular passenger transport (RPT) services to West Wyalong, and it is without doubt that by West Wyalong not having a regular RPT service has a major negative economic impact on the Bland Shire, and the value of having a regular and reliable RPT service cannot be overstated. The Bland Shire is 491km or 5hr 41min from Sydney by road and is not on a direct passenger train service. West Wyalong is serviced by a nine hour XPT train from Sydney to Cootamundra, then a Country Link bus from Cootamundra to West Wyalong. The XPT departs Sydney at 7:32am and arrives in Cootamundra at 12:46pm, with the Country Link bus arriving in West Wyalong at 4:40pm.

Government, businesses and residents of the Bland Shire have to travel to the following centres to access RPT services:

Griffith:	154km, 1hr 52min
Wagga Wagga:	155km, 1 hr 58min
Parkes:	138km, 1hr 43min
Leeton / Narrandera:	143km, 1hr 42min

The additional time and costs to existing businesses in connecting to these RPT services is quite substantial and adds to the bottom line of conducting a business in the Bland Shire. Research has also shown that whilst accessing these RPT services, there is a lot of revenue leakage from the Bland Shire as a result of these businesses taking the advantage of accessing services and supplies at these locations.

Past studies have shown that a location with a regular and reliable RPT service will grow faster than a location that does not have a regular and reliable RPT service. Past studies have also showed that the likelihood of sustaining or attracting new enterprises, services or business without a regular and reliable RPT service is dramatically reduced.

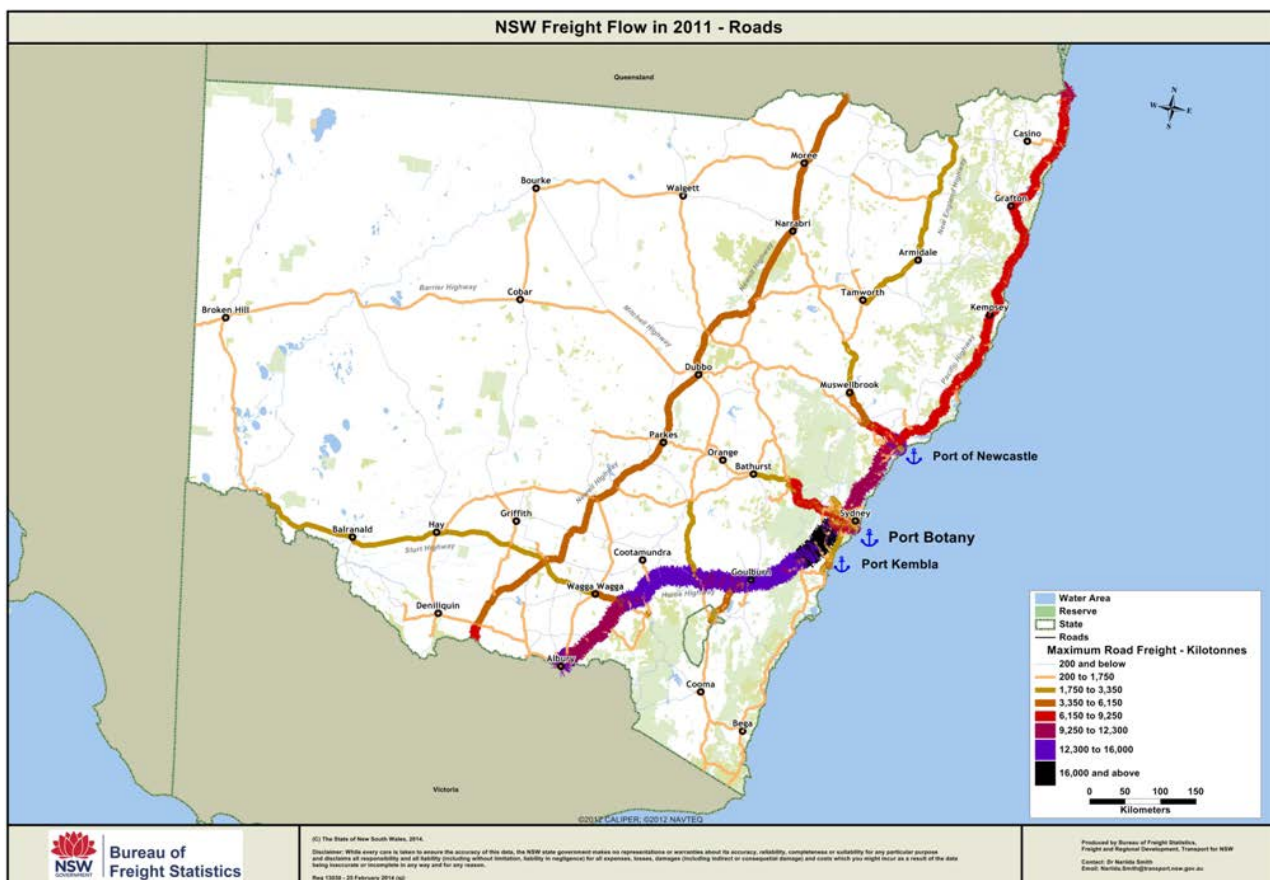
It is also noted that there is a significant disparity between airfares inter-capital and airfares into the regional NSW. This generates disincentives for air travel to regional NSW. Besides the economic impacts, airports and RPT services also play an important social role in connecting individuals, families and communities with the rest of the state, country and indeed the world.

## TAFE NSW

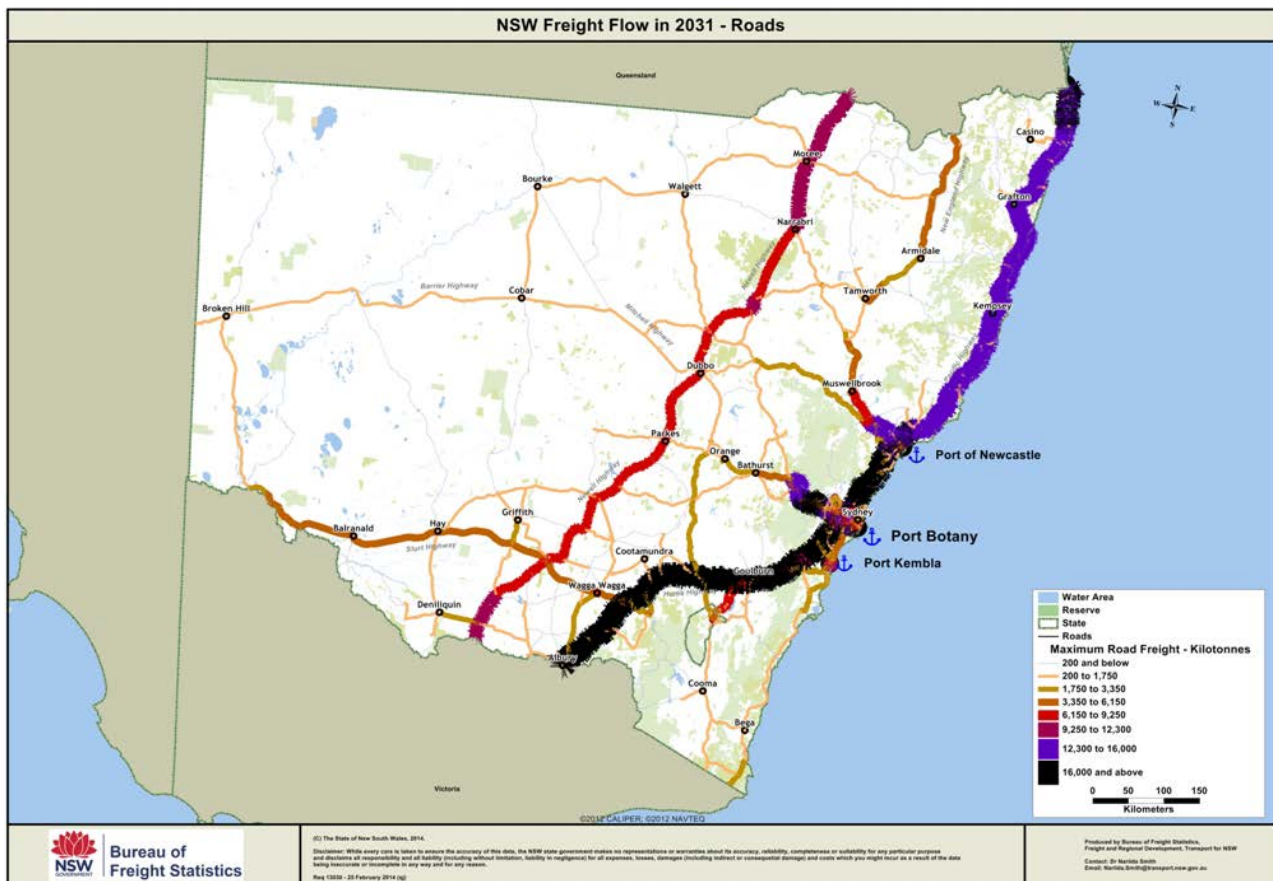
With the amount of the current and future agriculture and mining investment that has taken place or is planned for the Bland Shire, it would be beneficial for the West Wyalong TAFE NSW Campus to be equipped and staffed to offer training for the expected minimum 557 agricultural FTEs and at this stage unknown number of mining staff.

## Newell Highway

The Newell Highway is the premier inland touring route in NSW and the third largest freight corridor in New South Wales as is evidenced by the following New South Wales Government Bureau of Freight Statistics 2011 and 2031 schematics:







Bland Shire Council would like to see additional funding allocated for the Newell Highway for:

- Improve the road pavement
- Additional overtaking lanes
- Additional rest stops
- Installation of the wide centre line treatment
- More appropriate and modern signage
- Flood proofing the Newell Highway
- More and regular cleaning of the Newell Highway Corridor

### Relocation of Public Sector Jobs

Relocating government agencies has the dual objectives of bringing government decision-making to local communities and stimulating growth and long-term job generation in regional NSW. The NSW Government already contributes significantly to regional employment.

Bland Shire Council believes there are further opportunities to relocate public sector jobs and government business units to regional NSW and not just to the Western Suburbs of Sydney or to the coastal or larger regional cities and communities i.e. Wagga Wagga, Bathurst, Griffith, Albury, Dubbo, Queanbeyan, Orange, Newcastle, Wollongong, Goulburn, Tamworth, Armidale, Gosford, Coffs Harbour, Tweed Heads, and Port Macquarie etc.

## **Energy Prices**

Electricity and gas prices for manufacturing, agricultural and resource businesses and households have increased sharply in recent years and indications are that prices will continue to increase. Some businesses have foreshadowed the impact of the rising forward prices for electricity by changing their outlook on investment and staffing levels.

## **Cost Shifting**

Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset or regulatory function are 'shifted' from a higher level of government on to a lower level of government without providing corresponding funding or the conferral of corresponding and adequate revenue raising capacity.

Cost shifting by the NSW Government and the Australian Government on to Local Government in NSW in the financial year 2013/14 is estimated to amount to \$670 million or 6.96% of Local Government's total income before capital amounts – about \$88 million higher than the result for 2011/12 of \$582 million.

The Local Government NSW survey results <https://www.lgnsw.org.au/policy/cost-shifting-survey> confirm that cost shifting continues to place a significant burden on councils' financial situation. Despite the recognition of cost shifting and its adverse impacts on NSW local government, cost shifting remains at a high level (around 6 per cent of councils' total income before capital amounts).

## **Amalgamations**

The number of local councils across Australia has declined steadily over the past century. This decline is principally the result of amalgamations forced or strongly promoted by State – and to some extent – federal governments, usually after some sort of review or inquiry.

Amalgamations have usually been initiated by State governments in the belief that larger local government units will be more efficient and effective, better suited to the needs of a modern economy, and better able to deliver services and provide sound governance.

The number of councils in NSW has reduced by 53% from 324 councils in 1910 to 152 councils in 2014.

In the recent NSW Government Fit for the Future program <http://www.fitforthefuture.nsw.gov.au/>, Bland Shire Council was deemed to be 'not fit' by IPART because Bland Shire Council did not meet the criteria for 'scale and capacity' and it was suggested that Bland Shire Council merge with Temora and/or Coolamon Shire Councils. This 'not fit' determination excludes Bland Shire Council from to access the TCorp borrowing facility.

Council amalgamations in rural areas will have a long term devastating effect on the viability of small towns such as West Wyalong and towns and villages in the Bland Shire. By forcing council amalgamations in rural areas the NSW Government will be perpetuating the decline of rural NSW.

There have been no identifiable advantages provided by either IPART or the NSW State Government that Bland Shire Council and its communities will be better off economically or socially as a result of council amalgamations. In IPART's own words "We do not have sufficient evidence to evaluate the costs and benefits of the merger option prepared to the stand alone proposal".

## **Voluntary Planning Agreements**

Bland Shire Council would like to see that Voluntary Planning Agreements (VPA's) be included in the assessment and the granting of mining approvals.

## **Social and Community Infrastructure**

The commencement of a mining project may result in an influx of people and businesses into a community that places pressures on the social and community infrastructure. When the mining project ceases to operate, there is an exodus of people and businesses. Bland Shire Council would like the social and community infrastructure included in the assessment to assist in retaining and attracting employees and businesses for the mining projects. Examples include:

- Policing
- Hospital and medical services
- Schooling
- Child care facilities
- Adequate and appropriate housing
- Adequate and appropriate industrial and residential land
- Recreation amenities and facilities including theatres, art galleries, sports, events etc
- Variety of shopping, eating establishments and banking facilities
- Airport facilities
- Road infrastructure
- Telecommunications
- Rural Fire Services
- Post mining operations businesses and employment etc

The type, location and the lifespan (extensions) of a mine also has an effect on the social impacts. The Evolution Mining Cowal Gold Operations has a suburban mine workforce as the staff are at home with their families every night and day and are able to participate more in the community in which they live i.e. schools, sport, community organisations and events.

## **The Acquisition, Dispersal and Rehabilitation of Land**

Bland Shire Council would like to see the impacts that the acquisition of land for the mining project(s) has on the communities and how the property is dispersed after the mining operations have finished operation and the rehabilitation of the mine and this may include tourism activities.

## **Mine Ownership and Management**

The change of mine ownership and management may have an impact on the social impacts of a mine on a community.

The change of mine ownership and management may also have an impact on the procurement strategies and businesses in a community.

## **Mine Maintenance Shutdowns**

Mine maintenance shutdowns should also be included in the social impact assessment as when the Evolution Mining Cowal Gold Operations closes for maintenance, which occurs on a regular basis an extra 200 people are contracted to carry out the maintenance.

Once again Bland Shire Council thanks you for the opportunity to provide a submission to the Productivity Commission with regards to the study into the geographic impacts of the transition of the Australian economy following the resources investment boom.

Bland Shire Council would welcome further discussions with the Productivity Commission regarding other potential solutions to assist the region to adapt to economic change following the resources boom and extends an invitation for you to visit the Bland Shire and to see firsthand the agricultural, mining and exploration activities that are occurring in the Bland Shire.

Should you require additional information then please do not hesitate to contact either Ray Smith or Jeff Stien

Yours sincerely

Ray Smith  
General Manager

Jeff Stien  
Senior Economic Development & Tourism Advisor