

Rebuilding NSW Discussion Paper September 2014



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

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Rebuilding NSW
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Re: Rebuilding NSW Discussion Paper

Central NSW Councils (Centroc) represents over 220,000 people covering an area of more than 64,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Oberon, Orange, Parkes, Upper Lachlan, Weddin, Young and Central Tablelands Water.

Centroc's vision is to be recognised as vital to the sustainable future of NSW and Australia.

Its mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional cooperation and sharing of knowledge, expertise and resources.

Centroc has two objectives:

Regional Sustainability - Encourage and nurture suitable investment and infrastructure development throughout the region and support members in their action to seek from Governments financial assistance, legislative and/or policy changes and additional resources required by the Region.

Regional Cooperation and Resource Sharing – Contribute to measurable improvement in the operational efficiency and effectiveness of Member Councils through facilitation of the sharing of knowledge, expertise and resources and, where appropriate, the aggregation of demand and buying power.

The Centroc Board is made up of the 30 Mayors and General Managers of its member Councils who determine priority for the region. These priorities are then progressed via sponsoring Councils.

For more advice on Centroc programming and priorities, please go to our website and download our annual report at <http://www.centroc.com.au/resources/centroc-publications/>

Centroc members are keen to ensure that any increases in funding for infrastructure give consideration to the following:

Regarding the long term lease of the poles and wires, Centroc members are keen for the State Government to give consideration to using this process as an opportunity to review the structure of street-lighting. The current arrangements where the distributor maintains the gifted infrastructure and charges network and maintenance charges accordingly is not seen as ideal as:

- Street-lighting is such a small component of the distributors overall business that it does not get the requisite attention.
- The structure of having distributor managing streetlights is more than unusual by international standards thereby leaving it as a neglected activity, evidenced by the poor uptake of LED and recent Essential Energy (EE) submission on OPEX costs. Please see the attached submission to the Australian Energy Regulator on the EE claim for future price increases.
- There is no contractual arrangements in place to ensure Councils get a level of service or recourse for Councils to take when dissatisfied with this service. Our members would argue that the existing voluntary Streetlighting Code is also not being followed by Essential Energy. Please see the attached submission for further advice.

Centroc's responses to the questions raised in the discussion paper are below.

a. How can the Government help communities and businesses to better plan for the opportunities made available as a result of new infrastructure investment?

Local Government is well into the work of identifying and delivering priority infrastructure for their local government area. Planning the work to identify infrastructure needs on a regional and cross regional basis in many regions of NSW is still in its infancy. Centroc is in this space and has done national award winning work around water security. The Centroc Water security Study has been identified in the Regional Action Plan for Central NSW. Some of the emergency infrastructure has been implemented and a regional demand management program has been rolled out. The balance of the work identified in this Study is yet to be key to the development of infrastructure priorities is engagement with stakeholders in communities.

The State could use support in engaging with Local Government and it is hoped that this will be achieved through the Local Government reform process. There are significant opportunities for the State to benefit from the Community Strategic Planning process.

Further, there are some significant opportunities for better strategic work to be undertaken in consultation with the State. Regional Action Plans and Regional Growth Plans are two cases in point. Consultation with stakeholders and ensuring appropriate resource are both highly recommended.

The Centroc Board welcomes the more integrated approach being mooted for our region but retains concerns that there will need to be corollary resourcing.

b. Which potential projects would create the greatest benefit in terms of economic growth, productivity and quality of life?

As an agricultural production area with 25 mines either operational or slated for operation in the next 25 years, road and rail freight transport is a significant priority.

The following projects have been identified in the Centroc Management Plan for this financial year:

- i. Support Bells Line Of Expressway Group with a focus on sequestering the corridor

- ii. Develop lobbying support information as requested in the areas of road deficiencies, rail infrastructure and intermodal facilities. This is to include the Blayney/Demondrille Line.
- iii. Provide advocacy material to ensure the policy of members is being addressed in the ongoing roll out of the \$5m Federal spend on transport studies for Central NSW.
- iv. Provide regional based engineering advice to the Board as requested including for submissions.
- v. Maintain support for Centroc weight of loads group.
- vi. Maintain the Centroc Policy for responding to issues relating to regional services remaining at Kingsford Smith Airport (KSA).
- vii. Support the current services to Parkes, Orange and Bathurst and encourage any future expansion of the service.
- viii. Scope the feasibility of a Regional Roads Group as identified in the Local Government Reform process.
- ix. Airports – consider regional plan for airports.
- x. Support upgrades to the Lachlan Valley Way and main road 92.

Centroc also has undertaken a significant body of work with regard to water security which is currently under review. This work identifies the need for water storage and reticulation throughout the region. Please go to the Centroc website for more advice <http://www.centroc.com.au/>

c. Are there other ways to leverage NSW Government investment to expand infrastructure services across the State (eg: deliver more infrastructure for the same amount of Government funding)?

Both Victoria and Western Australia are leveraging the Federal Mobile Black Spout program, this is a significant program that the State could engage in to make a profound difference for NSW.

This raises the issue of opportunities for the Government to leverage opportunities which may firstly involve aligning funding program delivery with federal funding program delivery. Often Councils may have a key strategic project in mind, such as a water security project, however State and Federal funding programs do not align in timing which could be leveraged off each other.

There may be additional opportunities to derive savings through joint or coordinated procurement where similar projects are to be undertaken across the State.

d. In addition to asset recycling, what other avenues are available to the Government to bring forward significant capital expenditure on infrastructure? Any proposal should discuss the consequences on State finances

The Government has widely touted the success of the Local Infrastructure Renewal Scheme (LIRS). Rather than develop programs that require a 50% funding contribution from Local Government, the state Government could consider providing low interest loans to provide greater incentive for local Councils to invest in Infrastructure in Partnership projects. Large scale infrastructure projects such as sewerage plant augmentations are often beyond the capacity of Councils to fund and should the Government consider providing 50% grants, they should also consider loan funding for the additional component expected to be funded by local government.

e. Please provide examples of specific infrastructure projects in regional NSW that would contribute to the productive capacity of the economy.

See above, though it should be noted that for the rail freight task to be achieved such that it delivers international competitiveness, significant work will have to be undertaken in metropolitan areas

f. How can regional communities share in the benefits of Rebuilding NSW, including economic productivity and jobs creation?

This is a significant question. Where this region is highly supportive of the decade of decentralization and is undertaking a significant suite of strategic work to inform the priority for regional infrastructure, there also needs to be thought given to non-infrastructure expenditure that can foster growth.

Alignment through all levels of government then into the education sector and industry needs to occur with regard to agriculture. Again Centroc is at work in this space where investment and engagement from other levels of government would be welcomed. Given the Free Trade Agreements, NSW should be pursuing this type of opportunity.

g. How much scope is there for consumers to benefit from greater efficiency in NSW electricity networks?

No comment.

h. Are there any other matters that the Government should consider in ensuring network businesses comply with service and reliability standards?

See streetlighting advice above.

i. Considering existing service standard protections for customers will remain in place, what concerns remain about service standards and public safety? Is there any reason why the Government should consider any further conditions, and why?

See streetlighting advice above.

j. Taking into account the Government's employment guarantee condition on the proposed transaction, are there other relevant considerations regarding jobs?

This region is concerned to ensure that Essential Energy staff continue to be trained regionally, in Parkes. Anecdotal feedback has been received that training is not happening at anywhere near the same rate and this raises both concerns around safety and for the Parkes and wider regional economy.

k. What is the appropriate balance between providing security to employees in the transition and keeping downward pressure on the cost of providing network services?

No comment

I. How can all businesses be encouraged to invest appropriately in skills development, regardless of ownership?

No comment

Please contact Executive Office Jenny Bennett on 0428 690 935, via email on jenny.bennett@centroc.com.au

Yours sincerely,



Cr Ken Keith OAM

Chair

Central NSW Councils (Centroc)