

# Submission to Senate Standing Committee on Economics Inquiry into the indicators of and impact of regional inequality in Australia

Illawarra Business Chamber and Regional Development Australia Illawarra



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## 1. Introduction

The Standing Committee on Economics has established an inquiry into the indicators of and impact of regional inequality in Australia. The Terms of Reference for this inquiry are:

- a) fiscal policies at federal, state and local government levels;
- b) improved co-ordination of federal, state and local government policies;
- c) regional development policies;
- d) infrastructure;
- e) education;
- f) building human capital;
- g) enhancing local workforce skills;
- h) employment arrangements;
- i) decentralisation policies;
- j) innovation;
- k) manufacturing; and
- l) any other related matters.

## 2. Background

### 2.1 Illawarra Business Chamber/Illawarra First

The Illawarra Business Chamber (the Chamber) is the Illawarra Region's peak business organisation and is dedicated to helping businesses of all sizes maximise their potential. Through initiatives such as Illawarra First, the Chamber is promoting the economic development of the Illawarra through evidence-based policies and targeted advocacy.

### 2.2 Regional Development Australia Illawarra (RDAI)

RDAI is the peak regional development consultative organisation for areas within the Illawarra region (as defined under its Charter to be Wollongong, Shellharbour and Kiama local government areas). RDAI is one of the 55 regional RDAs across Australia commissioned by the Government to support rural, regional, remote and urban communities across Australia.

### 2.3 Overview of the Illawarra

The Illawarra, as defined by the five Local Government Areas (LGAs) of Wollongong, Shellharbour, Kiama, Shoalhaven and Wingecarribee, is NSW's third most populous area, home to over 455,000 people and an expected population of about 525,000 by 2036.<sup>1</sup> The region is the New South Wales' third largest economy, contributing \$25.6 billion to the State's economy in 2017.<sup>2</sup>

The region is home to the University of Wollongong (UOW), one of Australia's top 10 universities, a prominent international trading port and comprises a landscape of significant biodiversity value making it a region of national significance.

The region is ideally located given its proximity to Sydney and Canberra, as well as its global connections through Port Kembla, which directly and indirectly supports over 5,200 jobs and is estimated to contribute around \$760 million annually to the regional economy.<sup>3</sup> The Naval Air

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<sup>1</sup> NSW Department of Planning Population Projections

<sup>2</sup> REMPLAN

<sup>3</sup> NSW Department of Planning and Environment, Illawarra-Shoalhaven Regional Plan, 2015, page 20.

Station (HMAS Albatross) near Nowra also supports over 2,500 jobs and contributes some \$295 million annually to the regional economy.<sup>4</sup>

### 3. Need for creation of Regional Economic Centres

This submission demonstrates that adopting regional economic centres will not only support the growth of the Illawarra, but more importantly mitigate the growing pains of Sydney and maximise the economic outcomes for NSW and Australia.

Sydney's population will double between 2018 and 2056. The population growth pressure on Sydney will amplify the need for a broader city-region view to be taken. The Illawarra region is now considered a satellite suburb of Sydney and is well positioned to support global Sydney's growth through effective connectivity and collaboration.

Regional capitals, such as Wollongong, should be embraced for the opportunities they provide to support global Sydney's growth through a combination of:

- Enhanced transport connectivity and integration with Greater Sydney
- Recognition of the economic contribution and human capital of the region
- Commitment to creation of Regional Economic Centres as part of long-term planning

The growing pains of Sydney can be mitigated if a five cities approach is taken to Sydney's growth trajectory (ie. the current three cities approach put forward by the Greater Sydney Commission needs to be extended to be a five cities approach including Wollongong, as the metropolitan capital of the Illawarra, and Newcastle, as the metropolitan capital of the Hunter.

Better coordination of infrastructure projects across the three tiers of government could be achieved through a commitment to the development of City Deals in Australia's top 21 cities in line with the National Cities Performance Framework.

### 4. Approaches to Regional Development

#### 4.1 Best practice in regional development

In recent years, there has been a growing awareness of the need and potential value of regional development, as Australia wrestles with the high cost of addressing affordability in our major cities and as businesses struggle to boost productivity and manage ever increasing costs.

A cost effective way to achieve regional development is to invest in measures that link our capital cities with immediate proximate regions and locating government activities and functions to areas that can deliver a cost benefit to government and tangible employment and economic outcomes to regional areas.

Global and structural changes also favour regions that are well-connected internally and to an increasingly globalised international economy. Linkages to a major international city or economic hub are particularly important.

A fundamental principle in regional economic development is integration among regions through the movement of goods, services and people. The proximity to Sydney, particularly the growth area of Western Sydney, provides the Illawarra with a real competitive advantage. The importance of cities has long been understood in urban studies.

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<sup>4</sup> NSW Department of Planning and Environment, Illawarra-Shoalhaven Regional Plan, 2015, page 25.

The role of government in economic development has also changed since, at least, the 1990s, as policy has moved away from the highly interventionist and protectionist strategies of the past, to one based on strategic planning and collaboration between government, business and the community. However, the support of government in the development of hard infrastructure (roads, ports, fibre-optics, etc), and soft (sometimes termed 'smart') infrastructure (related to skills development, R&D, education, health, or environmental improvements) remains critical, particularly where regions are facing structural adjustment to external forces beyond their control.

Regionally-located universities play important social and economic roles in the economic and social development of the areas in which they are located. In addition to delivery of its programs, UOW regional campuses undertake a range of activities and initiatives aimed at working with students in regional and remote parts of NSW and Australia aimed at raising the aspirations, awareness and attainment of individuals from underrepresented backgrounds in higher education.

Regional collaborations and partnerships across governments, not for profits, universities and business can generate innovative approaches to economic development. In the Illawarra, we have worked collaboratively with the UOW and regional stakeholders to create economic opportunities. For example, iAccelerate – which has created 385 new jobs, 124 products launched and the 77 start-ups in 2017 alone have delivered for their 1.6 million customers.

#### **4.2 Focus on Competitive Advantages**

The transition of the Illawarra economy presents an important opportunity for the NSW and Australian economies. The strategic assets, such as Port Kembla, are critical components of a region's future prosperity. Port Kembla is Australia's largest motor vehicle import hub, the largest grain export terminal and the second largest coal export facility in the state.

The region has a strong record of providing innovative defence technology and services to the Australian and global defence industries. Importantly, the region is also endowed with a skilled advanced manufacturing labour force, supported by the research and education activities of UOW.

The continuance of this economic transition, however, is largely dependent on investment that provides improved transport connectivity between the Illawarra region, Sydney and Greater Sydney. As the development of Sydney continues, many industry sectors will see benefits in relocating to the Illawarra. This is especially relevant for manufacturing and logistics businesses.

Increased operating costs, increased land values and congestion pressures will require many businesses to look at relocation options if their operations are to remain profitable. The Illawarra, located just 85 kilometres from the Sydney CBD, provides an ideal relocation option for many of these businesses. To realise the potential of the region and its capacity to provide the productivity uplift and lower cost base sought by businesses, it is vital that improved transport connectivity in the form of improved upgraded road and rail infrastructure is delivered in a timely manner.

#### **4.3 Realising benefits of proximity to Sydney**

The Illawarra region is becoming increasingly integrated with the Sydney CBD and the Greater Sydney area:

- On average, 42,300 passenger and freight vehicles per day travel between the Illawarra and Greater Sydney on the M1 Princes Motorway, the main road corridor between the

Illawarra and Sydney.<sup>5</sup> This makes the corridor one of Australia's busiest inter-city road corridors.<sup>6</sup> However, congestion on the existing rail and roads between the Illawarra and Sydney are actively discouraging further investment and employment growth.

- Sydney is a key market for the UOW and a diverse range of professional and technical service providers are based in the Illawarra. The existence of professional and technical service providers, combined with the capacity of the UOW and TAFE network, supports the suitability of the region to accommodate decentralised government operations.
- Illawarra's proximity to the current Sydney airport and the new Western Sydney airport at Badgerys Creek should facilitate opportunities domestically and internationally. However, inadequate connecting transport infrastructure limits the potential benefits.

The requirement for improved connecting infrastructure between Greater Sydney and the Illawarra is identified in the NSW State Infrastructure Strategy:

*'The Illawarra and the Hunter Regions are increasingly becoming integrated with the economy of the Greater Sydney Region. Many residents commute by rail and many more make the journey by road to work in Sydney every day. As Newcastle and Wollongong grow in size and importance to the New South Wales economy, they need faster and more efficient links to Sydney.'*<sup>7</sup>

## 5. Importance of transport connectivity to regional economies

To provide continued and sustainable growth for the Illawarra, the Chamber, Illawarra First and RDAI have called for a greater focus from the NSW and Australian Governments on transport connectivity as an enabler for this growth.

A report prepared by PricewaterhouseCoopers (PwC) at the request of the Chamber entitled, *'Linking the Illawarra: Improving the region's transport connectivity'* assessed transport connectivity within the Illawarra and between the region and Sydney. In comparison to three comparative regional areas (Central Coast (New South Wales), Geelong (Victoria) and Gold Coast (Queensland)), the report concludes the Illawarra has the lowest overall transport connectivity score of the Australian regional cities and areas.<sup>8</sup> Each of the comparator locations are a similar distance from a major metropolitan city and have similar population numbers and socio demographic characteristics.

The Illawarra's score is 25-30 per cent lower than the scores in the Australian benchmark regions and nearly 50 per cent lower than the international comparator, Lille in France.<sup>9</sup> The key factors contributing to this performance were the region's poor rail connectivity and comparatively poor road speed for passenger vehicles, freight services and public transport (some bus services but mainly the South Coast Line).

Global and structural changes favour regions that are well-connected internally, and to an increasingly globalised economy. Linkages to a major international city or economic hub are

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<sup>5</sup> NSW Roads and Maritime Services, Average Daily Traffic Volumes, V1.0, updated 25/3/2014, <http://www.rms.nsw.gov.au/about/corporate-publications/statistics/traffic-volumes>, accessed 5 September, 2014.

<sup>6</sup> BITRE, Australian transport statistics Yearbook 2009 [http://www.bitre.gov.au/publications/2009/stats\\_001.aspx](http://www.bitre.gov.au/publications/2009/stats_001.aspx)

<sup>7</sup> Infrastructure NSW, State Infrastructure Strategy, 2012, page 69

<sup>8</sup> Linking the Illawarra: Improving the region's transport connectivity, PricewaterhouseCoopers, 2014.

<sup>9</sup> note 8.

important. Further, a fundamental principle in regional economic development is that of spatial integration among regions through the movement of goods, services and people.

Approximately 17 percent or 30,600 Illawarra residents (incorporating the 5 LGAs) travel to Greater Sydney for work. Of these, 14,600 travelled north to Sydney CBD and surrounds and 9,450 travelled to the west and south west Sydney. A further 15,500 travel from outside the region to jobs in the Illawarra. Of the trips between Sydney and the Illawarra, 80 per cent are by road and 20 per cent by rail. For Western Sydney, the corresponding figures are 90 per cent and 10 per cent.

Growth in travel to the west is growing faster than the growth in travel to the north and this is expected to continue with the increasing levels of economic activity in Western Sydney. This increasing demand for travel to work indicates that there is a definite need for better and more efficient east-west transport connections.

### **5.1 Road connectivity**

The M1 Princes Motorway and the A1 Princes Highway at its northern extension beyond Waterfall, is the primary north-south corridor for traffic between Wollongong and Sydney. This stretch of road has been identified as one of Australia's busiest inter-urban road corridors for many years. Today, traffic volumes are higher, congestion is worse and the journey time takes increasingly longer. To the north of Wollongong, on Mount Ousley, where freight vehicles account for about 15 per cent of the traffic and the road is steep and winding, the corridor is prone to traffic accidents and other incidents that can cause lengthy delays.

Mount Ousley currently provides the only suitable access route for Higher Mass Limit (HML) vehicles into the Illawarra and it forms the main freight, commuter and tourist route for both north-south and east-west corridors leading to the Illawarra. The route is affected by the steep and geologically unstable Illawarra escarpment. The grades along some parts of this road corridor have a significant negative impact on travel speeds and heavy vehicle operations.

Assessments of Picton Road, the predominant east-west corridor, identify significant increases in traffic volumes in recent years (around 7-8 per cent per annum). Heavy vehicles comprise 25 per cent of traffic numbers.

Anticipated increases in vehicle movements due to population and economic growth will place further constraints on existing road infrastructure that are likely to manifest in longer delays and reduced safety.

Major changes, including a reduction in travel times to Sydney, such as through the construction of the M1, north of Waterfall and incremental improvements, including additional lanes and improved intersections, need to be prioritised.

The Chamber, in collaboration with the NRMA, is planning to release later this month a road study titled *Upgrading road connectivity between the Illawarra and Greater Sydney*. Among the key findings from the study are:

- A number of key road projects need to be delivered within the next 10 years in order to match the expected increase in traffic demand to Greater Sydney.
- Transport connectivity is the key to the continuing growth of the Illawarra region as it provides access to the major centres in Greater Sydney and opens up substantial employment and business opportunities.
- Increased logistical movements require investment in road infrastructure to accommodate heavy vehicles which support local businesses and industries and key assets such as Port Kembla.

- Picton Road is the primary east-west corridor from the Illawarra and is expected to reach capacity by the mid-2020s. The Illawarra's economic growth opportunities will be restricted by limited access to the growing areas in Sydney's west and south west. Picton Road should be a high priority for upgrading.
- A significant increase in usage of the Illawarra road network is expected due to developments within the Illawarra and surrounding regions. The pressures associated with population growth, residential and commercial developments, increased movements at Port Kembla and the attractiveness of the region as a place to live and visit will directly impact on the roads.
- Investment in other transport modes, including rail and public transport options such as Park and Ride facilities will assist with reducing congestion on the roads and encourage mode shift.

The three priority regional road projects recommended from the study are:

### **Mount Ousley Interchange and Widening**

*Recommended delivery: Completed by 2025*

The interchange component of this project has been committed to by the NSW Government and the preliminary planning phase has commenced. The environmental assessment for the interchange component is now complete and the Submissions Report was published in April 2018. Timing and funding for construction of the interchange upgrade is still to be confirmed. Based on the findings of this study, it is recommended the project be completed by 2025 given this road is expected to reach its estimated peak hour capacity in 2024 and daily capacity in 2026. In conjunction with the upgrade of the intersection at the base of Mount Ousley, the study proposes an investigation into the feasibility of adding a third lane on the southbound section halfway down Mount Ousley.

### **Picton Road Upgrade**

*Recommended delivery: Completed by 2025*

RMS has made improvements to Picton Road in recent years providing much needed safety enhancements with further works planned. However, as the main east-west road corridor to and from the Illawarra, it is critical this road is upgraded to a four-lane divided highway (with provision to include an upgrade to six-lanes). Based on the study findings, it is recommended the project be completed by 2025 given this road will reach its anticipated peak hour capacity in 2022 and daily capacity in 2025.

### **Princes Motorway Upgrade Stage 3**

*Recommended delivery: Completed by 2030*

RMS is planning enhancements to the Princes Motorway between Picton Road and Bulli Tops, aiming to provide a safer and more efficient trip for vehicles. The works would reduce the curvature of the bends in the road and widen the road to provide easier passing and less risk of crashes caused by slow moving vehicles. This work is planned over two stages. There is an additional 2.5 kms of road along the southbound carriageway which this study is recommending be considered for upgrading as Stage 3. This is an 80 km/h section on the southbound roadway and has a number of entry and exit points including Appin Road, Princes Highway and Bulli Pass. It is an inherently dangerous junction.

This project would also complement any future improvements or upgrades to Appin Road.

## 5.2 Rail connectivity

Passenger rail services between the Illawarra and the metropolitan hub of Sydney currently rely on the South Coast Line. Commuting times between the Illawarra and Sydney are in excess of an hour and a half each way. In recent years, the efficiency of the South Coast Line has also been impacted by increased congestion with passenger and freight trains competing for scarce slots. Given current freight projections out of Port Kembla, the demand for freight services is expected to grow by 25 per cent over the next 40 years. At the same time, the expected growth in passenger demand is expected to limit the scope for expanding freight services.

In the State Investment Strategy 2018-2038, Infrastructure NSW notes “forecasts suggest that, by around 2030, freight movements will be displaced entirely from the rail network between Sydney and the Illawarra to make way for passenger services. It is strategically critical to maintain long-term rail freight connectivity between Sydney and Illawarra.

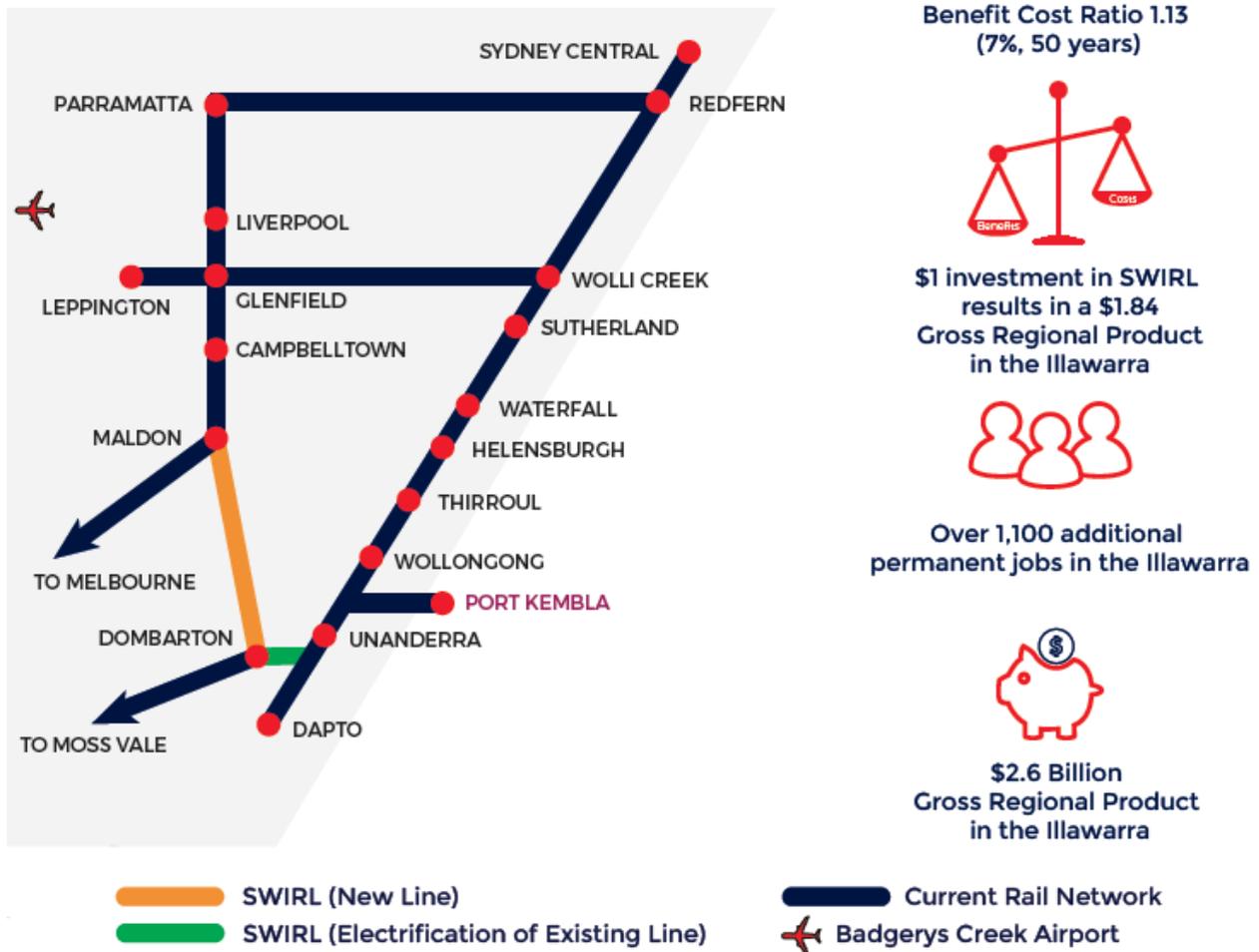
Illawarra First commissioned the SMART Infrastructure Facility (UOW) to investigate options to improve the speed and reliability of passenger and freight rail transport services between the Illawarra and Sydney. The final report from the study was completed in August 2017 and is available at:

<https://www.nswbusinesschamber.com.au/NSWBCWebsite/media/Regional/Illawarra/Media%20Releases/Master-Final-Report-Rail-Research-July-2017.pdf>.

The findings of this study demonstrate that Wollongong and the Illawarra are constrained by the capacity and standard of passenger and rail freight access to the region. The study points to a number of long-term economic benefits, including regional investment, employment creation, improved safety and enhanced freight and labour productivity. The considerable growth in Western Sydney, including the decision to build the Western Sydney Airport, underscores the importance of future investment in connecting rail infrastructure.

The report proposes the construction of the South West Illawarra Rail Link (SWIRL) as a critical passenger and freight line, creating a vital rail transport connection. The report proposes an electrified dual-track line between Maldon (near Picton) and the South Coast Line (near Unanderra), covering a distance of 42 kilometres. The two major bridges and the 4 km tunnel near Dombarton would be single track. The estimated cost to construct the SWIRL is \$1.7 billion, delivering a benefit-cost ratio of 1.13 (mid-range) using a 7 per cent discount rate over 50 years and a 1.56 benefit-cost ratio using a 4 per cent discount rate. The estimate did not take into account the new Western Sydney Airport (which was not approved at the time of the report) and any value uplift or associated tax revenue derived from subsequent development. A conservative assessment of the economic impact of completing the SWIRL estimates a \$2.6 billion increase in Gross Regional Product.

## Completing South West Illawarra Rail Link (SWIRL)



As part of its \$10 billion National Rail Program announced in the 2017-18 Budget, the Australian Government released *The National Rail Program: Investing in rail networks for our cities and regions* document, which lists key benefits to cities and regions from improving rail connectivity. The document on this program notes the benefits of faster rail links to major regional centres and identifies the rail lines between Sydney and Wollongong and Sydney and the Southern Highlands as key strategic passenger rail corridors.<sup>10</sup> Despite the strategic importance of these rail lines, the Australian Government makes specific reference to the constraints of these lines and notes the average speed on the line between Sydney and Wollongong is 56 km/h over an 82 km long track.

### 6. Job creation must be a priority in regional areas

In 2013, manufacturing was the largest contributor to regional output, contributing \$1.9 billion (11.5 per cent) and employing nearly 10 per cent of local jobs.<sup>11</sup> Over the next 20 years, the manufacturing sector is expected to shed around 4,000 jobs, the equivalent of 3 per cent of the Illawarra's current workforce. Despite this, it is likely that there will be some niche areas within manufacturing where employment growth is seen over time. To support this growth, we recommend new government initiatives to enhance the manufacturing sector's

<sup>10</sup> The National Rail Program: Investing in rail networks for our cities and regions, Australian Government, May 2017.

<sup>11</sup> NSW Department of Planning and Environment, Illawarra-Shoalhaven Regional Plan, 2015, page 15.

capacity to adapt to changing economic times and support for 'advanced manufactures' or manufacturing services.

Youth unemployment is a major concern for the Illawarra region with the youth unemployment rate in some areas across the region exceeding 25 per cent. Again, improving transport connectivity between Sydney, and especially Western Sydney, and the Illawarra and the decentralisation of government entities, functions and activities provides new and more accessible sources of employment for a generation who are at risk of being permanently unemployed.

## 7. Need for decentralisation of government administration

The Illawarra Business Chamber, Illawarra First and RDAI have called for a greater focus from the New South Wales and Australian Governments on the relocation of government bodies to regions like the Illawarra. The relocation of government administration to regional areas over time may provide substantial cost savings for government and improve labour force participation and unemployment in regional centres.

The relocation of government administrative services also presents an opportunity to assist in ameliorating cost of living pressures faced by government employees living in major urban centres.

The capacity of regions to provide substantial productivity gains, a reduced cost base, access to a skilled labour force, improved social equity outcomes and the capacity to alleviate many of the congestion pressures faced by major urban centres are worthy and appropriate areas of focus for this inquiry.

Regional centres offer many benefits in the delivery of government services, including lower costs of providing services and reduced congestion in the CBD. The Illawarra's access to the NBN provides a technological advantage for government operations requiring access to high speed internet infrastructure.

Further to the obvious employment benefits to regions from the decentralisation of government activities and functions, are the potential operational cost savings for government. The relocation of government administration to regional areas over time may provide substantial cost savings for government in the form of reduced operational costs (eg. office accommodation) and employee churn, as well as improved labour force participation and reduced unemployment in regional centres.

The relocation of government administrative services and associated functions also presents an opportunity to assist in ameliorating cost of living pressures faced by government employees living in major urban centres.

### **7.1 Decentralised activities that could be supported in the Illawarra**

There are a range of government activities that could be relocated from Canberra and Sydney that would benefit from the competitive advantages offered by the Illawarra region. The region, through the UOW and supporting business and institutions, has a strong focus on research and innovation and activities which support a range of industries including advanced manufacturing sector, defence industry, health policy and administration and government support services.

#### **7.1.1. Science and Health Services**

The Australian Nuclear Science and Technology Organisation has existing operations in the region and a continued focus on science which incorporates the important work and the

significant capacity of the UOW, particularly in the area of health sciences, making the Illawarra an ideal location for the relocation of health science and related research. The relocation of these activities is compatible with existing activities and would leverage the significant investment already made by the Australian and NSW governments and the private sector.

The region has also leading providers of health, aged care and related services. The relocation of elements of the Department of Health may potentially improve service delivery and reduce administrative expenses.

### **7.1.2 Defence Industry**

The Illawarra has a vast range of manufacturers, engineering service providers and industrial businesses supporting the Australian Defence Force in both the building of new equipment and its through-life maintenance and support.

The Defence White Paper identifies an investment of some \$198 Billion over the coming 20 years and the capacity and expertise of the region is expected to contribute significantly to the delivery of new capability. Major equipment to be procured for the Royal Australian Navy and Australian Army in particular, are expected to see significant involvement of businesses in the region. Given the percentage of local content, it is appropriate for a regional office of the Capability Acquisition and Sustainment Group (CASG) to be located in the Illawarra to assist in the coordination of delivery and liaison with local businesses.

### **7.1.3 Government Administration and related services**

The Illawarra is home to a number of private sector and existing government operations that provide a range of government administrative services. The region offers a lower operational cost base than Sydney and Canberra, National Broadband Network infrastructure and a professional labour force which already supports the activities and operations of the Australian Taxation Office and number of health insurance and superannuation administration centres. Employers in the region note a lower employee turnover rate than other capital cities and personnel find the region offers improved housing affordability and a lower cost of living, making the region an ideal location for additional government administration and related services.

## **8. Need for more frequent updates of indicators of regional inequality**

Monitoring and measuring regional inequality across Australia is critical to ensuring appropriate allocations of government funding to address these issues. Currently, the main index used to compare regional advantage/disadvantage is the Index of Relative Socioeconomic Advantage and Disadvantage (IRSAD). This measure is based on census data that summarises the economic and social conditions of people and households within an area. The IRSAD combines figures on income, mortgage, profession and other variables into a single figure that measures advantage and disadvantage across Australia. The Australian Bureau of Statistics (ABS) broadly defines relative socioeconomic advantage and disadvantage in terms of people's access to material and social resources, and their ability to participate in society.

This index is recommended in situations where the user:

- wants a general measure of advantage and disadvantage in their particular analysis
- is not looking at only disadvantage and lack of disadvantage
- wants advantage to offset disadvantage in their analysis.

Measuring regional inequality between census years is critical and therefore there is perhaps a need to provide additional funding to the ABS for it to do this.

## 9. Enhanced productivity through regional development

It is essential that governments look at the potential of regions to drive state and national productivity. The capacity of regions to provide substantial productivity gains, a reduced cost base, access to a skilled labour force, improved social equity outcomes and the capacity to alleviate many of the congestion pressures faced by major urban centres are worthy and appropriate areas of focus for this inquiry.

Regional Economic Centres/Satellite Cities like the Illawarra offer a lower cost base and present productivity benefits that many businesses operating in high cost locations. The competitive advantages of these centres need to be harnessed to provide the next wave of investment and jobs growth.

Greater commitment to regional economic centres is critical to boosting productivity and addressing a number of key socio-economic challenges, including housing affordability, youth unemployment, urban congestion and labour force participation.

Job creation, reducing congestion in major cities, creating more youth employment opportunities and support for local business are just some of the benefits from investing in regions and should be a priority for all levels of government.

## 10. Recommendations

1. Expansion of the National Rail Program to consider further business cases related to rail connectivity. It is contended that the SWIRL initiative would have a positive BCR and therefore would be eligible for government and/or private sector funding. There also needs to be greater transparency around the projects selected to get funded under the NRP with their business cases made publicly available.
2. Projects in regional areas may be much needed and yet not have a positive BCR. Consideration needs to be given to other measures to assess the benefits of infrastructure in regional areas.
3. There should be a focus on closer coordination between NSW Government and Federal governments on infrastructure projects. Infrastructure NSW and Infrastructure Australia should be better aligned and grant applications for both NSW Government and Federal Government programs should be allowed concurrent consideration and also be allowed to be concurrently co-funded by both state and federal governments.
4. Better coordination of infrastructure projects across the three tiers of government could also be achieved through a commitment to the development of City Deals in Australia's top 21 cities in line with the National Cities Performance Framework.
5. Development of an Illawarra Development Fund and the creation of a dedicated management team. This would assist with providing potential private sector investors with a one-stop shop point of contact for information about the area and to provide the necessary liaison point with the myriad of local, state and federal government agencies.
6. Provide additional funding for the ABS to undertake more regular updates of the Index of Relative Socioeconomic Advantage and Disadvantage (IRSAD) which is currently only updated every five years in line with the Census.

We thank the Committee for the opportunity to provide this submission.

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