

2026 POLICY PAPER

# ENABLING JOBS OUR ENERGY FUTURE

Illawarra, Shoalhaven & Southern Highlands

**BUSINESS  
ILLAWARRA**



## ACKNOWLEDGMENT OF COUNTRY

Business Illawarra acknowledges and pays respect to the Traditional Custodians of the lands on which we live and work. We pay respect to their Elders past, present and emerging. We acknowledge and respect the continuing connection to land, sea and sky and celebrate the stories, culture and traditions of all Aboriginal and Torres Strait Islander people who work and live on this land.

# ABOUT BUSINESS ILLAWARRA

Business Illawarra supports businesses across the South Coast and Highlands region, covering the local government areas of Wollongong, Shellharbour, Kiama, Shoalhaven, and Wingecarribee. On behalf of our members, we develop policy, advocate to all levels of government on issues affecting businesses, undertake research to guide greater public and private sector investment in economic infrastructure, and support the development of workforce capacity and skills in our region.

Business Illawarra is owned and supported by Business NSW, the state's leading advocacy voice for business. Of the few enduring, independent, not-for-profit organisations in Australia, Business NSW is the only one focused on the wellbeing of the business community. Our purpose has always been to provide a strong, clear voice for businesses on the issues important to their livelihood.

This guide outlines clear and coordinated asks compiled in consultation with regional chambers, peak bodies and government agencies to articulate the strategic investment, this region needs to transform into one of Australia's most dynamic and future ready economic hubs in clean energy.

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# FOREWARD

*This region is transforming + clean energy jobs are at the heart.*

The Illawarra, Shoalhaven and Southern Highlands region has a combined GDP exceeding \$13.16 billion and is home to more than 300,000 jobs, more than 700,000 working adults within a one-hour drive and close to 40,000 businesses. As a recognised growing powerhouse region, the South Coast & Highlands leads nationally in advanced manufacturing and clean energy, underpinned by a highly skilled workforce with strong education and research institutions. Each sector within the region plays a vital role in driving sustainable economic activity and regional prosperity.

Being strategically positioned between three international airports (Sydney, Canberra and forthcoming Western Sydney), a regional airport in Shellharbour and a large commercial port in Port Kembla, the region represents a powerful case for investment. Ripe for growth investment in major infrastructure projects provides a clear pathway to unlocking new opportunities. With the right strategic investment, this region is not just growing but transforming into one of Australia's most dynamic and future-ready economic clean energy hubs.



*Coralie McCarthy*

**Coralie McCarthy**  
Director, Business Illawarra

\*ABS Regional Summary Data (LGA) (jobs data last available 2021, businesses 2024 - 349545 and 37222 respectively)

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# QUICK FACTS

90 mins from Sydney + Western Sydney;  
120 min from Canberra; logistics  
connectivity for domestic supply and  
export.



**Industrial Legacy:** Home to BlueScope Steel; 10,000+ local manufacturing jobs; deep skills in heavy industry and energy.



**Strategic Infrastructure:** Deepwater port, 200ha of industrial land (incl. 35ha at port), road and rail links, expanding airport, within 2 hours' drive of 3 international airports, Canberra, Sydney and Western Sydney.



**First Urban Renewable Energy Zone:** NSW backed energy region leveraging existing industrial strength, a skilled workforce and major energy and transport infrastructure. This REZ will support new low-carbon industries including hydrogen, green steel and advanced manufacturing.



**Offshore Renewable Energy Zone:** The Australian Government has strengthened the region's role in energy by declaring a 1,022km<sup>2</sup> offshore wind zone off the Illawarra coast.



**Education & Workforce Development:** University of Wollongong and TAFE Illawarra ready to scale clean energy skills pipeline.



**Clean Tech Leadership:** Regional innovators and an innovation campus, including Hysata (hydrogen), Sicona (batteries), Green Gravity (storage).

The Clean Energy

# ROAD MAP

Business Illawarra commissioned the University of Wollongong to create the Clean Energy Roadmap. An evidence-based strategy to transform the region from a traditional industrial economy to a low-carbon, high-tech export economy. Extensive collaboration with industry, government, education providers, and community stakeholders underpins the roadmap's findings.

## Challenge

The region has significant potential to become a national leader in affordable, clean energy and its supporting industries of advanced manufacturing, technology, and supply chain development. Without clear, coordinated commitments from all levels of government, the region risks missing this opportunity.

## Opportunity

The region is ready to lead Australia's clean energy transition, with the potential to generate 10,000-15,000 jobs and inject \$10 billion into the NSW economy over the next two decades.

## Our Reports



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CLEAN ENERGY  
ROADMAP**

# SUMMARY OF KEY ENABLERS

Accelerating the region's clean-energy transformation will require unified government commitment and close industry partnership.



## INVEST IN THE HYDROGEN HUB

Hydrogen export from Illawarra.

enabling heavy-industry decarbonisation, zero-emission transport, new jobs, and large-scale green-hydrogen production, driving regional growth and meeting state clean-energy targets.



## NETWORK UPGRADES

Support growth and transition.

Electrification is essential to competitiveness and emissions reduction, but the transition is costly. Government support helps businesses manage high upfront grid-upgrade costs and accelerate their shift to cleaner, modern operations.



## CUT RED TAPE

Appoint Clean Energy Commissioner

Business continues to raise significant concerns over conflicting legislation across government levels and geographical areas.



## ENERGY FUTURES NETWORK

Illawarra Clean Energy Precinct

The Illawarra Clean Energy Precinct will bring the whole region together to work in a coordinated way, drive new ideas, and build strong community support for the clean-energy transition.



## SUPPORT INVESTMENT ATTRACTION

Partner with business.

Clean Energy Roadmap identifies regional coordination, supply-chain development and stronger branding as critical to unlocking the Illawarra's clean-energy opportunity and ensuring local businesses can compete and benefit long term, ensuring jobs of the future.



## CRITICAL TRANSPORT UPGRADES

Connect the region to the world.

A coordinated, long-term pipeline for cross-government investigation and strategic investment in transformative transport infrastructure across road, rail and air to drive regional progress.



## FAST TRACK REZ

New business opportunities.

REZ Zones provide a critical growth opportunity for the region and progression is critical to the regions future.

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# HYDROGEN HUB VISION

Government investment accelerates Port Kembla's hydrogen hub, enabling heavy-industry decarbonisation, zero-emission transport, new jobs, and large-scale green-hydrogen production, driving regional growth and meeting state clean-energy targets.

## Challenge

A key piece of enabling infrastructure is a dedicated 40km hydrogen pipeline, needed to act as a large storage medium, connecting multiple production sites and large-scale hydrogen users. A range of studies need to be undertaken to assess the technical feasibility of the proposed project.

## Opportunity

Port Kembla has the opportunity and potential to become Australia's first 5GW+ green hydrogen hub to service domestic and export markets by 2030.

## Reports



**PORT KEMBLA  
HYDROGEN HUB  
INVESTMENT  
PROSPECTUS**

# REGIONAL ENABLERS



## CUT RED TAPE

Appoint an Illawarra Clean Energy Commissioner

The Clean Energy Road Map identified significant concerns over conflicting legislation across government levels and geographical areas.

### GOV SHOULD

Appoint an Illawarra Clean Energy Commissioner to:

- Work with state and federal investment, streamlining red tape, progress approvals, and supporting local manufacturing of clean energy infrastructure. e.g. large scale energy projects are cross government by nature.
- To identify and secure advanced manufacturing investment opportunities for wind, hydrogen, and battery sectors.



## SUPPORT INVESTMENT ATTRACTION

Partner with business to promote the region to the world.

Clean Energy Roadmap identifies regional coordination, supply-chain development and stronger branding as critical to unlocking the Illawarra's clean-energy opportunity and ensuring local businesses can compete and benefit long term, ensuring jobs of the future.

### GOV SHOULD

Partner with business to build a regional profile in the clean energy international economy, attracting investment - funding ask \$500,000 over 2 years.

- Build a strong regional clean-energy brand through targeted campaigns, showcasing capability, opportunities and success stories to attract investors and partners.
- Grow the local supply chain by mapping capability, filling gaps, supporting SMEs to transition or diversify, and connecting them with major project proponents.
- Strengthen collaboration and readiness by coordinating industry preparing the region to capitalise on upcoming clean-energy projects and attracting investment into a strong ecosystem.

# REGIONAL ENABLERS



## **FAST TRACK REZ**

New business opportunities.

REZ Zones provide a critical growth opportunity for the region and progression is critical to the regions future.

### **GOV SHOULD**

- Prioritise delivery of projects and investment into Illawarra Renewable Energy Zones, supporting jobs growth and investment attraction into the region.
- Support REZ critical enabling infrastructure



## **NETWORK UPGRADES**

New business opportunities.

Electrification is essential to competitiveness and emissions reduction, but the transition is costly. Government support helps businesses manage high upfront grid-upgrade costs and accelerate their shift to cleaner, modern operations.

### **NSW SHOULD**

- Government co-investment or capex recovery schemes for network upgrades tied to electrification projects to enable businesses to transition.

# REGIONAL ENABLERS



## ENERGY FUTURES NETWORK

Illawarra Clean Energy Precinct

The Illawarra Clean Energy Precinct will bring the whole region together to work in a coordinated way, drive new ideas, and build strong community support for the clean-energy transition.

It will grow the region's clean-energy sector, encourage collaboration, and ensure everyone benefits from the economic, social and environmental opportunities ahead.

### GOV SHOULD

Invest in business case development to establish the Community Energy Hub and public asset nodes.

- Total project budget = \$16,515,599
- Total funding request = \$4,844,599

**A RPPP GRANT  
APPLICATION  
HAS BEEN  
SUBMITTED  
FOR THIS  
PROJECT**

By connecting industry, government, community groups and researchers, the project will create a masterplan and business case, strengthen the region's ability to adapt, and help people better understand and access clean-energy opportunities.

# TRANSPORT

The region is growing, connection is now urgent + critical.

## Challenge

Reliable transport infrastructure is critical for regional economic growth, freight, workforce mobility and the visitor economy. However, outdated and disconnected road, rail, and air networks limit business opportunities and regional development.

## Opportunity

A coordinated, long-term pipeline for cross-government investigation and strategic investment in transformative transport infrastructure across road, rail and air to drive regional progress.

# CRITICAL TRANSPORT PROJECTS

Planning for our economic future, today.

## 1. PICTON ROAD

**Link to Western Sydney** - progress stage one completion of Picton Road dual carriageway and continuing to facilitate the advancement of Picton Road upgrades, \$600mil.

## 2. DAPTO PRINCESS HIGHWAY

**Worker Travel in Illawarra** - Princess Highway congestion issues at Dapto and Figtree causing delays for workers.

## 3. MACQUARIE PASS

**Link to Western Sydney** - upgrade Macquarie Pass to ensure safe and reliable connectivity between the Illawarra and Southern Highlands.

## 4. JAMBEROO MOUNTAIN

**Support Critical Infrastructure** - reclassify Jamberoo Mountain as a state road to be managed by TfNSW. Closures to Macquarie Pass are significantly impacting this critical infrastructure.

## 5. NOWRA ENZA & BYPASS

**South Coast Critical Road** - commit ongoing funding to deliver the Nowra Bypass project long term and allocate funding towards completion of East Nowra Sub Arterial (ENSA) to ease congestion in Nowra CBD caused by increasing commuter demand and reducing delays between Nowra to Sydney.

## 6. HAMPTON BRIDGE, KANGAROO VALLEY

**Freight Critical Infrastructure** - link to Illawarra Highway: Prioritise the planning and delivery of a new Kangaroo River crossing, replacing the use of Hampden Bridge for freight vehicles.

## 7. MAIN ROAD 92

**Freight link to Canberra** - a new heavy vehicle freight route to eliminate 15t weight limit on Main Road 92 'East West Freight Link'. Improving safety and enable an alternative route across the Illawarra Escarpment, linking Nowra to the Hume Highway.

## 8. RAIL LINK TO WESTERN SYDNEY

**Freight and Passenger** - Fund a business case and progress detailed design and delivery for a rail link 'SWIRL' from Illawarra to Western Sydney. Extending the existing rail link from the highlands line connection through Wilton and Western Sydney, boosting freight capacity, passenger services, connecting the coast and industry through to the Port and International Airports.

## 9. ELECTRIFY KIAMA - BOMADERRY

**Reliable Rail** - Electrify the rail line from Kiama to Bomaderry to enhance commuter transport.

## 10. SOUTHERN HIGHLANDS - CITY

**Connection to Sydney** - Amplification of the existing rail network to integrate the Southern Highlands with the Sydney network.

## 11. HIGH SPEED RAIL

**Connect the region to the world** - begin work on identifying a high-speed rail corridor between Sydney and Canberra, with a confirmed transit stop in Moss Vale and connection to 'SWIRL' rail link.

## 12. SHELLHARBOUR AIRPORT

**Implement the Shellharbour Airport Master Plan** with a funding request of \$20 million, to support regional economic development, tourism and employment. The Master Plan outlines infrastructure upgrades including; expanded aircraft parking, enhanced runway lighting, and runway overlays.

## 13. MITON - ULLADULLA BYPASS

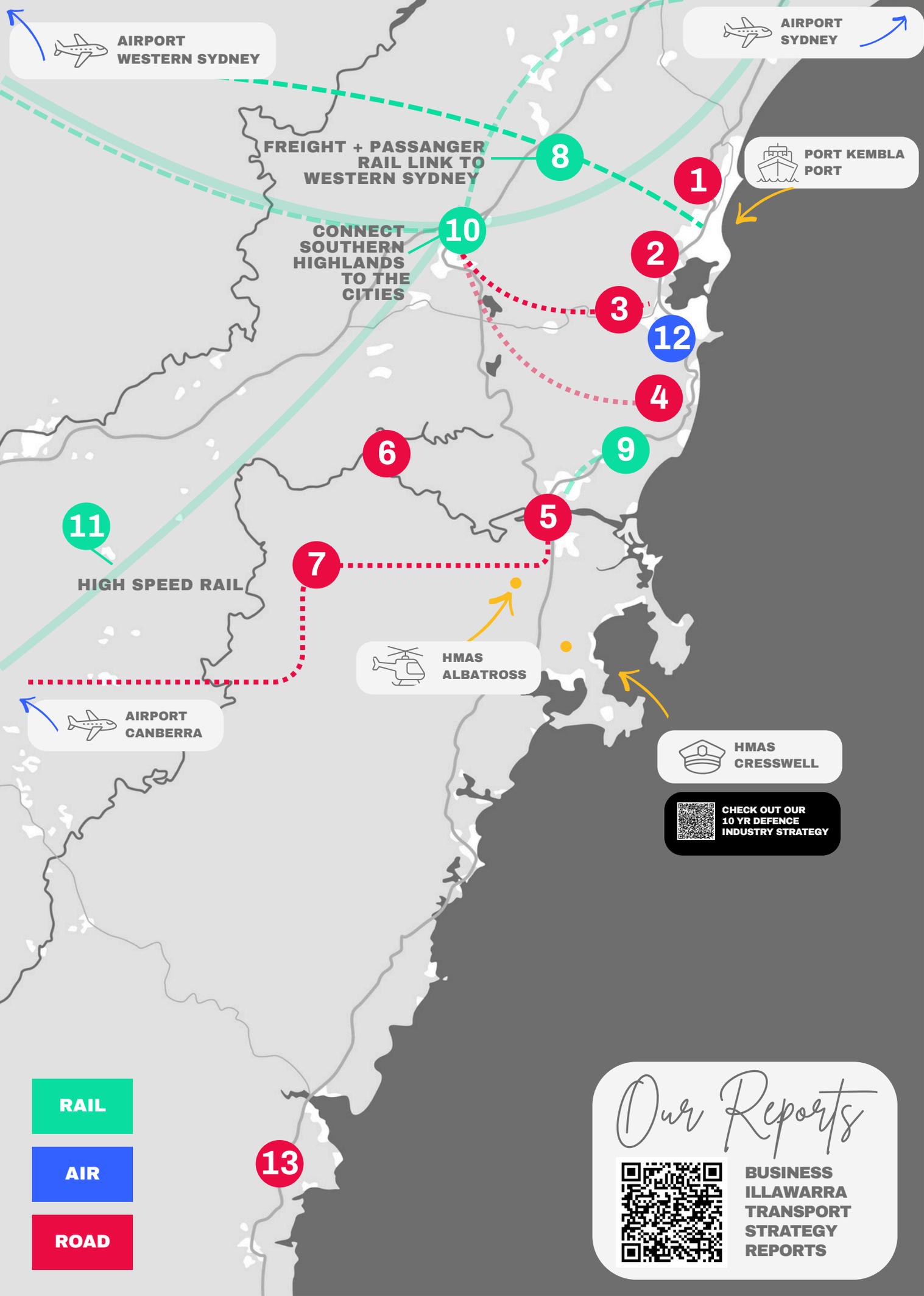
**South Coast Critical Road** - commit ongoing funding to deliver the Nowra Bypass project.

### MAP KEY

RAIL

AIR

ROAD



 **AIRPORT WESTERN SYDNEY**

 **AIRPORT SYDNEY**

**FREIGHT + PASSENGER RAIL LINK TO WESTERN SYDNEY**

 **PORT KEMBLA PORT**

**CONNECT SOUTHERN HIGHLANDS TO THE CITIES**

 **HMAS ALBATROSS**

 **HMAS CRESSWELL**

 **CHECK OUT OUR 10 YR DEFENCE INDUSTRY STRATEGY**

**RAIL**

**AIR**

**ROAD**

*Our Reports*

 **BUSINESS ILLAWARRA TRANSPORT STRATEGY REPORTS**



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