



STATE PLAN:

SUPPORTING BUSINESS AND JOBS
ILLAWARRA/SOUTH COAST REGION –
REGIONAL BUSINESS GROWTH PLAN

AUGUST 2010



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1. THE REGION

The Illawarra/South Coast region includes the major centres of Wollongong, Shellharbour, Kiama, Nowra, Batemans Bay and Bega. As at June 2009 the region had a population of 455,719 which grew by 4.5 per cent between June 2005 and June 2009. The main industries include: steel production; manufacturing; mining; business and financial services; defence/aviation; education; and tourism. Growth industries include: knowledge-based industries in ICT, business and financial services; manufacturing; education; and logistics.

2. REGIONAL OPPORTUNITIES AND CHALLENGES

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
Industry development	<ul style="list-style-type: none"> • Logistics and port-related industries linked to Port Kembla expansion • Manufacturing sector due to proximity to Sydney and existing supply chain opportunities • Knowledge-based industries in business and financial services including shared services, ICT, funds administration with Wollongong as key hub • Collaborative research and business development opportunities with University of Wollongong and its Innovation Campus • Tourism investment as result of opening of Sea Cliff Bridge, marketing of Grand Pacific Drive and 'Food and Wine Trail' related activities • Defence industry especially in rotary wing areas generated by the growth of HMAS Albatross and the Albatross Aviation Technology Park at Nowra • Light aeronautics • Seafood industry cluster based at Eden • Value-added niche food and beverage products in conjunction with South Coast Producers Association • Pursue opportunities in the Regional Innovation Strategy including the <i>Innovation Initiatives</i> 	<ul style="list-style-type: none"> • Local economy to a certain degree still dependent on the steel industry • Vulnerable manufacturing sector due to offshore competition
Infrastructure	<ul style="list-style-type: none"> • TRUenergy gas fired power station at Tallawarra and planned Delta Energy gas fired power station at Nowra • Revitalisation of Wollongong City Centre • Upgraded port of Port Kembla with increased capacity • Upgrade of Gerringong to Nowra section of the Princess Highway to dual carriageway • Continued development of the Illawarra Regional Airport, Moruya and Merimbula airports and associated tourism development • Extension of Snug Cove Wharf and marine precinct at Eden 	<ul style="list-style-type: none"> • Alignment of freight transport links southward with business growth opportunities.

TYPE OF ISSUE

OPPORTUNITIES

CHALLENGES

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
Land use/Planning	<ul style="list-style-type: none"> • Supply of industrial land at Nowra attracting footloose industries • Development of the Tallawarra Business Park • Planning reforms will improve operation of planning system by providing: streamlined approach to rezoning; transparent assessment of major proposals; faster assessment of routine developments; improved accountability and affordability of development contributions • <i>Regional Strategy</i> in place for the South Coast and Illawarra Regions – strong focus on the identification and protection of employment lands • Identification of significant land release for residential and employment lands at West Dapto • Wollongong City Centre LEP completed to provide substantial boost to the development capacity of Wollongong accompanied by a local infrastructure plan for civic improvement • Significant areas of land at Kembla Grange have been rezoned for employment purposes • Recent gazettal of the Rural Lands SEPP provides greater certainty about resolving rural land use conflict • Re-development of Wollongong Harbour 	<ul style="list-style-type: none"> • Limited broadacre employment lands, in particular large lot industrial land and land with suitable access to Port Kembla • Retention of land for food and wine production
Skills & Employment	<ul style="list-style-type: none"> • Strong capacity of the University of Wollongong and TAFE NSW - Illawarra Institute to develop highly skilled workforce • New trade schools in Wollongong, Shellharbour, Bega and Eden • Wollongong Teaching Hospital in collaboration with the University of Wollongong and Graduate School of Medicine 	<ul style="list-style-type: none"> • Pockets of economic disadvantage • High youth unemployment • Large number of commuters to Sydney due to lack of suitable local jobs • Skills shortages in some sectors • Alignment of transport with workplace and training needs



3. HIGH PRIORITY AND HIGH IMPACT ACTIVITIES

Strategy 1

Business Attraction & Expansion

- Build Productive Capacity

High Priority and High Impact Initiatives

- Promote the region through the State Government's international office network and leverage off international promotional events where possible
- *Advantage Wollongong Business Attraction Strategy* is a new marketing approach to attract business investment to Wollongong targeting key growth sectors: financial services; business services; ICT; manufacturing; logistics and mining technology and services. (The Strategy is a joint initiative between Industry and Investment NSW (I&I NSW), Wollongong City Council, University of Wollongong and the Port Kembla Port Corporation).
- Implementation of the *Innovation Campus Business Attraction Strategy* involving a range of joint promotional activities, in both key domestic and international markets, with the University of Wollongong and its Innovation Campus to promote the \$500 million Innovation Campus in Wollongong as a regional hub for knowledge-based industries.
- I&I NSW is working closely with Kiama Municipal Council and other key local stakeholders to implement aspects of the *Promote Kiama Strategy* which seeks to exploit the opportunities for business and investment in the tourism, retail, professional services and niche agribusiness sectors.
- The *Shoalhaven Enterprising Alternative* initiative involves the production of new marketing materials and website aimed at promoting the key strengths of the Shoalhaven local government area (LGA).
- Develop business attraction initiatives in the Eurobodalla and Bega Valley local government areas.
- Work with Regional Development Australia-Illawarra and Regional Development Australia-Far South Coast to help market the region as a place to do business and invest. Activities to be linked with the LGA-based initiatives and consistent with the destination-based marketing activities of the South Coast Regional Tourism Organisation and Tourism NSW.
- Professional facilitation of business attraction and expansion enquiries based on individual projects needs. Provision of decision support material to help business make informed location selection decisions.

- Where appropriate, provide tailored financial incentives for eligible business attraction and expansion projects. Assistance through the Illawarra Advantage Fund (ILAF) or Regional Business Development Scheme (RBDS) based upon project location.
- The Illawarra and South Coast State Training Services Centre in the Department of Education and Training (DET) offers a range of programs and services that can help build the skills base to support business attraction and job generation strategies.

Impacts

- Increased recognition of the region as place to do business and invest. Improved linkages between destination-based marketing activities to attract visitors/tourists and business attraction activities with a more consistent approach to regional branding.
- Increased jobs and investment in the region through the effective facilitation of "footloose" business investment projects in terms of relocations, establishments and the expansion of existing businesses.

Resources

- LGA based and regional initiatives will be partner-funded through existing I&I NSW programs.
- Assistance on a project by project basis will be provided for eligible business investment projects through the Illawarra Advantage Fund, Regional Business Development Scheme or the Regional Business Employment Fund, depending upon the project location.

Strategy 2

Business Development: Help business Start, Run & Grow

High Priority and High Impact Initiatives

- I&I NSW will partner with local councils, tourism organisations, Austrade, AusIndustry and Enterprise Connect to implement the *Illawarra/South Coast Business Development Strategy*. The Strategy consists of the following initiatives:
- Business Advisory Service (BAS) – assistance for people considering starting a business provided through BAS service across the Illawarra/South Coast region.

- Smallbiz Website (www.smallbiz.nsw.gov.au) – launch of a revamped website featuring a range of online tools and self help resources for business
- Illawarra/South Coast Update – revised monthly electronic newsletter to keep the business community informed of upcoming seminars and activities.
- Seminar Program – regular business seminars, workshops and events on key business development issues and topics.
- Business Club Sponsorship – additional support provided for local government area based business clubs that target start-up and early stage companies in Wollongong, Shellharbour, Kiama, Nowra, Ulladulla and Bega Valley. Consider options for establishing a business club in the Eurobodalla local government area.
- Business Mentoring – build on the success of the Economic Gardening program by considering options for delivery across the Illawarra region.
- Facilitation and development of business clusters and networks in key sectors such as Illawarra ICT Cluster, i3net, Shoalhaven defence industry network and the Eden seafood industry cluster. Support group marketing opportunities and other collaborative activities, including attendance at industry events such as CeBIT that can help boost the sales of local companies.
- I&I NSW business growth services and programs for target businesses that are committed to growing their business beyond local markets and engage additional staff. Programs include the Business Growth Program and Innovation Pathways Program delivered by I&I NSW Business Development Managers.
- Export Growth - Help business go global through tailored advice and programs delivered by the I&I NSW Export Advisor.
- The State Training Services Centre in DET offers a range of programs and services that can help build the skills base to support business development strategies for small business.
- Rapid response strategy for sudden job losses primarily in the manufacturing sector due to business or industry restructures and/or closures.

Impacts

- Improved support for local start-up, early stage and growth businesses through a more integrated delivery of business development services across the region between local, State and Federal government service providers.
- Improved sustainability of small businesses through targeted assistance.

Resources

- Illawarra and South Coast Business Advisory Services
- Initiatives will be funded from within existing I&I NSW regional program funds.
- Support innovation and efficiency through the expansion of Department of Environment, Climate Change and Water's (DECCW) Sustainability Advantage Program.
- Energy Efficiency for Small Business Program provides subsidised energy efficiency assessments for businesses using up to about \$20,000 in electricity per annum or employing up to approximately 10 staff, and matched rebates of up to \$5,000 for energy efficiency improvements.

Strategy 3

Innovation Initiatives: Industry Development **– Build Key Growth Sectors**

This strategy focuses on the following key growth sectors:

1. Manufacturing
2. Defence & Aviation
3. Food & Wine
4. Logistics & Port Related Industries
5. Tourism
6. Mining Technology & Services (MTS)
7. Knowledge Services
8. Renewable Energy



High Priority and High Impact Initiatives

1. Manufacturing

- *Advantage Wollongong Manufacturing Strategy* – development of a manufacturing strategy to build on the substantial manufacturing base of the region. Strategy to focus on the promotion of industrial capability through the production of a range of hardcopy and on-line resources.
- Business Attraction & Expansion - continue to work with Councils, property owners, land developers and other key stakeholders to attract new manufacturing capacity to the region.
- Production of the *Industrial Property Report* as an important tool to facilitate business enquiries.
- Industrial Capability - support the Industry Capability Network (ICN) and Illawarra Innovative Industries Network (i3net) to help promote the industrial capability of the region through industry briefings and at selected industry events such as National Manufacturing Week held in May 2010.
- Lean Manufacturing - promote the use of Lean Manufacturing techniques by business and support the uptake of the national Competitive Manufacturing qualifications.
- Closures - formulate quick responses to sudden job losses in the manufacturing sector due to business or industry restructures and/or closures.

2. Defence & Aviation

- Shoalhaven Defence Industry Hub -work with Regional Development Australia-Far South Coast, Shoalhaven City Council and industry to develop initiatives that support the growth of the defence industry based on capabilities associated with HMAS Albatross and local industry, consistent with the NSW Defence Industry Plan.
- Business Attraction & Expansion - promote the defence industry capabilities of the region at key industry events such as Avalon Airshow 2011, Pacific Maritime 2012 and D+I Conference/Expo 2011 to attract new business to the region.
- Albatross Aviation Technology Park - support continued development of the Technology Park as a centre of excellence for defence related industries in the region.
- Business Development - continue to facilitate defence related briefings in the region to ensure local businesses are aware of opportunities that exist in the defence industry.

Help upskill local business with tendering workshops to improve ability to secure defence industry contracts.

- Airport Development - work with each of the respective Councils to develop plans to assess options for the future development of the Illawarra Regional Airport at Albion Park Rail and the airports at Moruya and Merimbula.

3. Food & Wine

- Implement activities associated with the *Illawarra/South Coast Food and Wine Strategy*.
- Food Directory - development of an electronic Food Directory linked to a dedicated website that lists local food and beverage producers, wholesalers, restaurants, events and cooking schools in the region.
- Food Trade Strategy - promote the use of local food and beverage products at local venues such as restaurants and events.
- Food & Wine Trails - develop and market a series of Food and Wine Trails across the Illawarra/South Coast region based on products identified in the Food Directory.
- Food Groups - provide support for local food groups such as the South Coast Producers Association to ensure that they are linked into the *Food & Wine Strategy*.

4. Logistics & Port Related Industries

- Business Attraction & Expansion - continue to work with Port Kembla Port Corporation, Wollongong City Council and other key stakeholders to attract new logistics industry capacity to the region.
- Port Kembla - support continued expansion of the Port of Port Kembla, Outer Harbour development and associated logistics related projects.
- Port of Eden - with Bega Valley Shire Council and the Land & Property Management Authority, assess options for the continued development of the Port of Eden and Snug Cove Wharf precinct.

5. Tourism

- Food & Wine Trails - development and marketing of a series of Food and Wine Trails across the Illawarra/South Coast region.
- Southern Gateway Centre - opening of the Southern Gateway Centre in September 2009 at Bulli Tops at the northern entrance to the region including an innovative new digital system for handling enquiries.

- Conventions - feasibility study for convention and exhibition space in Wollongong.
- International Tourism Bureau - implementation of Stage 2 of the International Tourism Bureau to continue the growth in attracting international visitors to the region.
- Merimbula Airport - consider options for the upgrade of the Merimbula Airport as a key tourism asset and gateway for the South Coast.
- Cruise Ships - help build on the early success of the cruise ships visits to Batemans Bay and Eden and assess options for Wollongong and Jervis Bay.
- Business Development - stage business development workshops and seminars on key tourism sector issues across the region as part of the Illawarra/South Coast Business Development Strategy.
- Product development – partner with local tourism organisations to assess options for the development of new attractions.

6. Mining Technology & Services

- Promote the Mining Technology & Services (MTS) capabilities of the region at major industry exhibitions such as Coal 2010.
- Develop a MTS Industry Directory to showcase local industry capability.
- Stage a series of Industry Briefings to ensure local industry is aware of MTS opportunities with major domestic mining projects.

7. Knowledge Services

- The *Advantage Wollongong Knowledge Services Strategy* represents a key action of the Wollongong City Centre Revitalisation Plan. Implementation activities include;
- Business Attraction and Expansion - marketing activities to raise awareness of Wollongong as a key hub for knowledge based industries. Professional facilitation of business enquiries including provision of decision support material and incentives where appropriate.
- ICTI - Illawarra ICT Cluster, launched in May 2009, to support the continued development of the ICT sector in Wollongong.
- Data Centre - assess options for the establishment of a Data Centre in Wollongong to support the continued development of data intensive industries as part of the *Knowledge Services Strategy*.

- Innovation Campus - continued development of the Innovation Campus in Wollongong as a centre of excellence for knowledge-based industries in the Illawarra/South Coast region.

8. Renewable Energy

- Green Jobs Illawarra - the *Green Jobs Illawarra* initiative represents a strategic approach to develop, promote and create green jobs and industries in the Illawarra/South Coast Region. Phase 1 of the project involved the development of a *Green Jobs Illawarra Action Plan*. This Plan provides a roadmap of how to better position the region to take advantage of emerging opportunities.
- Project Officer - Regional Development Australia-Illawarra to employ a Green Jobs Illawarra Project Officer to help implement the recommendations of the *Green Jobs Illawarra Action Plan*.
- Renewable Energy Precinct - development of a Renewable Energy Precinct in the region to facilitate development of wind farms.
- Biofuels – continued development of biofuels hub in the region centred on ethanol production at Nowra and planned biodiesel production at Port Kembla.

Impacts

- Increased profile for Wollongong as an important hub for knowledge-based industries in Australia.
- Improved sustainability of small businesses in the food and beverages sector.
- Tourism is a significant contributor to the economies along the route of the Grand Pacific Drive. In the 12 months to March 2009, domestic and international overnight visitors alone spent \$623 million in the Illawarra, sustaining around 6,510 jobs or 5.3 per cent of total employment in the region.
- Significant investment in tourism infrastructure and product has occurred or is planned in the region. This includes: the establishment of IBIS, Mercure, Medina, Best Western and Parkview Hotels in Wollongong; Shellharbour Marina and Wollongong Harbour redevelopment; 'Illawarra Fly' treetop walk at Robertson; and the expansion of the Jamberoo Recreational Park at Jamberoo.
- Greener more sustainable residential and commercial buildings.

- Greater recognition of the role and impact of green industries on the regional economy.
- Increased utilisation of the region's existing research and manufacturing capabilities in alternative, renewable energy production area such as solar, wind and wave technologies.
- Improved training pathways into green skilled areas.

Resources

- I&I NSW will continue working closely with Councils, the South Coast Regional Tourism Organisation, Tourism Wollongong and other local tourism bodies to implement these initiatives.
- I&I NSW is working closely with Wollongong City Council and the University of Wollongong/Innovation Campus to implement aspects of the *Knowledge Services Strategy*.
- Support for the Illawarra ICT Cluster is provided by I&I NSW and the University of Wollongong.
- The NSW Government provided \$250,000 in mid 2009 to commence Phase 1 of the Green Jobs Illawarra initiative.
- Implementation of initiatives detailed in the *Green Jobs Illawarra Action Plan* that cover a broad range of activities from training and skills development, industry development and demonstration projects.
- Support toward the Renewable Energy Precinct including dedicated coordination staff and Precinct Advisory Committee for three years.
- Commonwealth Government's Enterprise Connect Innovation Facilitator.

Strategy 4

Business Infrastructure – Key Business Enabler

High Priority and High Impact Initiatives

- Improve the development readiness of employment lands through a strategic long term approach being undertaken by the *Illawarra Employment Lands Taskforce* (ILETF).
- Promote and implement the Department of Planning's (DoP) *Illawarra Regional Strategy* and the *South Coast Regional Strategy* which have identified opportunities in West Dapto, Port of Port Kembla expansion, Kembla Grange, land surrounding Illawarra Regional Airport, Innovation Campus, Tallawarra Employment Lands, and Shell Cove Marina.

- Based on the findings of Stages 1 to 4 of the *Illawarra Employment Lands Strategy*, a total of 12 regionally significant employment land precincts have been identified.
- In conjunction with Wollongong City Council and DoP, undertake a review of and the availability of 'brownfield' and NSW Government owned sites in the Wollongong Local Government Area (LGA) as potential sources of employment land supply.
- The *Employment Land Investment Prospectus* promotes the 12 regionally significant employment land precincts identified by the ILETf to prospective developers and business users. Launched in October 2009, the Prospectus is updated annually.
- The *Industrial Property Report*, lists both greenfield land and existing buildings available for either sale and lease in the region. Launched in October 2009, it is updated biannually.
- Research Capability – support the continued development of world-class research flagships at the University of Wollongong (UOW) and Innovation Campus. Facilitate collaborative research partnerships with industry as part of business attraction and business development initiatives.
- Regional Airports - support the continued upgrading of the Illawarra Regional Airport, Moruya Airport and Merrimbla Airport.
- Port Kembla Port – continued development of Port Kembla by the State Government in partnership with industry.
- Eden Harbour – with Bega Valley Shire Council and Department Lands assess options for the continued development of Snug Cove Wharf and marine industry precinct at Eden.
- Telecommunications – establishment of a Data Centre in Wollongong to support the continued growth of data intensive industries in the region.
- Develop Illawarra Regional Transport Strategy.

Impacts

- Take up of available land at Port Kembla has been strong. The limited stock of available industrial land close to Port Kembla means that other options to leverage off the relocation of the NSW car importation business from Sydney to Port Kembla need to be pursued. The challenge is to consider relocating non-essential port activities to other sites and promote key linkages between the Port and new employment land opportunities (e.g. at Tallawarra).
- Increase supply of useable industrial land (subject to addressing contamination issues on some sites) and resolve key issues with regard to development readiness of employment land through IELT.

Resources

- The Illawarra Employment Lands Taskforce (IELT), through DOP, is working with each of the local councils to improve the usability of the Employment Land Database developed as part of the *Illawarra Employment Lands Strategy*. The project improves the effective monitoring and identification of existing employment lands in the region.
- Work is underway by the Land & Property Management Authority to quantify development opportunities on Crown lands.
- I&I NSW will continue working with the respective Councils to undertake further planning studies for the regional airports.
- I&I NSW will work with Bega Valley Shire Council to update the masterplan for the Snug Cove marine precinct development.

4. LABOUR FORCE AND POPULATION STATISTICS

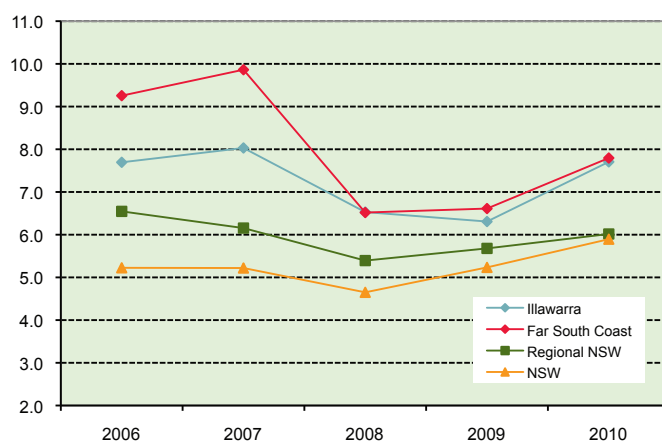
Total unemployment (000's)

	05/06	06/07	07/08	08/09	09/10
Illawarra	14.9	14.4	13.3	12.3	12.8
South Eastern	4.2	4.0	3.1	5.7	6.2
Regional NSW	88.6	79.1	75.0	81.9	82.0
NSW	178.4	173.7	163.4	203.8	205.9

Unemployment rate % (year to March)

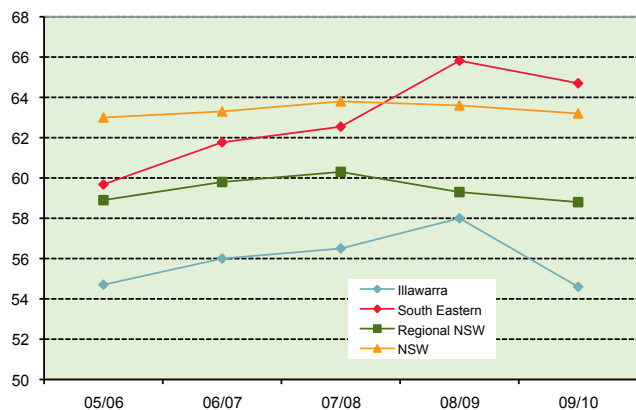
	2006	2007	2008	2009	2010
Illawarra	7.7	8.0	6.5	6.3	7.7
Far South Coast	9.3	9.9	6.5	6.6	7.8
Regional NSW	6.5	6.2	5.4	5.7	6.0
NSW	5.2	5.2	4.7	5.2	5.9

Unemployment rate % (year to March)



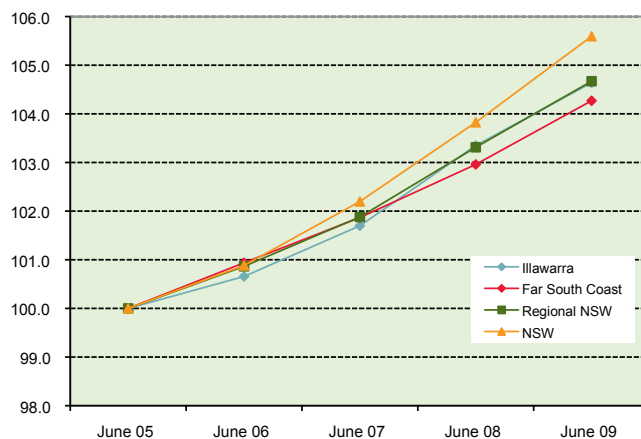
Participation rate %

	05/06	06/07	07/08	08/09	09/10
Illawarra	54.7	56.0	56.5	58.0	54.6
South Eastern	59.7	61.8	62.5	65.8	64.7
Regional NSW	58.9	59.8	60.3	59.3	58.8
NSW	63.0	63.3	63.8	63.6	63.2

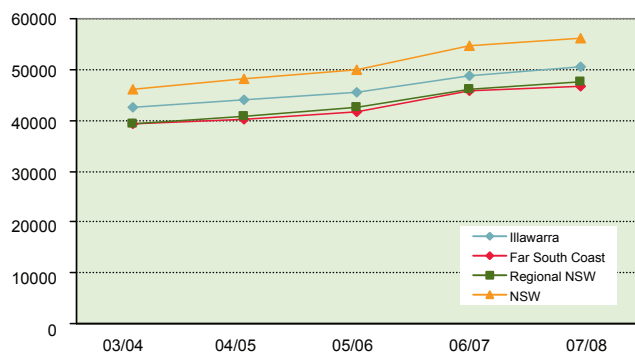


Population growth index (year to June)

	2005	2006	2007	2008	2009
Illawarra	100.0	100.7	101.7	103.3	104.6
Far South Coast	100.0	100.9	101.9	103.0	104.3
Regional NSW	100.0	100.9	101.9	103.3	104.7
NSW	100.0	100.9	102.2	103.8	105.6



Average taxable income, individuals \$



	03/04	04/05	05/06	06/07	07/08
Illawarra	42,698	44,101	45,535	48,836	50,541
Far South Coast	39,175	40,259	41,734	45,696	46,840
Regional NSW	39,436	40,908	42,417	46,057	47,520
NSW	45,974	48,182	49,833	54,746	56,301

Population (year to June)

	2005	2006	2007	2008	2009
Illawarra	276,171	277,984	280,861	285,419	288,984
Far South Coast	159,908	161,408	162,894	164,641	166,735
Regional NSW	2,814,510	2,838,843	2,867,403	2,907,724	2,945,960
NSW	6,756,457	6,816,087	6,904,942	7,014,887	7,134,421

Change June 05 – June 09

Illawarra = 4.6%
 Far South Coast = 4.3%
 Regional NSW = 4.7%
 NSW = 5.6%

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

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

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

(4) Taxable income for regions has been based on the postal area - statistical division concordance based on the ABS Cat. No. 2905.0.55.001, ABS Postal Area Classification, Aug 2006. The concordance as at 2006 has been applied to previous years. As a result, changes in postal areas or additions and deletions of postal areas in previous years have not been considered.

Sources: Labour Force data sourced from ABS Cat. No. 6291.0.55.001 and unpublished ABS data. Data for unemployment rates sourced from DEEWR Small Area Labour Markets. Taxable income data sourced from the Australian Taxation Office at www.ato.gov.au.



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