



REGIONAL PLAN 2013-2020

UPDATE FEBRUARY 2014

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Chair's Message

On behalf of the Regional Development Australia – Illawarra (RDAI) Board, I am delighted to present this updated Regional Plan for 2014-2020. This iteration of the Plan represents a transition from the style of report presented in the last few years to one which more clearly articulates to the recently inaugurated template for a Plan or Roadmap required by the Australian Government.

This Regional Plan demonstrates RDAI at work leading and facilitating economic, social and environmental development projects, providing a link between community, business and government. It continues to provide advice to government on the Illawarra region's needs and opportunities and contributes to whole-of-government responses.

Our objective is to work with our partners to create the conditions for business and employment growth through strategies, projects and regional engagement. Central to this objective is building community capacity, fostering diversified industry sectors and lobbying for the infrastructure the region needs.

The Plan involves the pursuit of six regional priorities: Broadband / ICT, Green Jobs Illawarra, Education and Skills Development, Transport and Strategic Infrastructure, Equity and Human Services and Tourism, Arts and Culture. Each of these priority areas gives rise to projects and initiatives and is managed by a Sub-Committee Chair or Co-chairs. Stakeholder engagement and planning events ensures continuous review of priorities and projects.

While RDAI draws on many sources of information to inform its activities, it has specifically benefitted from the commissioned study under the Transition Illawarra initiative in 2013. The Illawarra Taskforce / Stakeholder Group, established following the loss of 1,000 BlueScope jobs in August 2011, now has access to a comprehensive regional economic review and has entered the stage of implementing the study's recommendations. Responses to these recommendations will be pursued parallel to current regional priorities.

Special initiatives embraced by RDAI to be further advanced in the near term include implementation of our Regional Digital Economy Strategy, conduct of the Digital Enterprise Program and collaboration for the Energy Efficiency in the Third Age project. Ongoing programs include working with the Clean Technology Illawarra industry cluster, the Leadership Illawarra Program, Wollongong Small Business Club, Social Enterprise Accelerator and social procurement advocacy. Regular forums are also convened for regional tourism coordination and for infrastructure priorities.

The RDA Illawarra Regional Plan 2014-2020 acknowledges the challenges of a regional economy in transition and RDAI is prepared to meet them with the support of its partners. I join the Board members of RDAI in endorsing this Regional Plan update.

Yours sincerely,

Eddy De Gabriele

Chair

EXECUTIVE SUMMARY

Characteristics of the Illawarra

The Illawarra region is contiguous with Sydney's Sutherland Shire and extends from Helensburgh in the north to Gerroa in the south. It includes the three LGAs of Wollongong, Shellharbour and Kiama, with a mix of coastal, rural and urban environments and industrial precincts. It covers an area of 1,124 square kilometres and has a population of approximately 280,000.

A sharp reduction in steel manufacturing jobs in 2011 has provided further impetus to efforts to diversify the economy. Adjustments in the economic structure of the region has seen further innovation and diversification. A still significant manufacturing, mining and engineering sector is joined by finance and business services, health and social assistance (now the largest employment sector), tertiary education, tourism and retail industries. The Port of Port Kembla remains critical to the region's prosperity. There is also considerable current retail development in the cities of Wollongong and Shellharbour.

The Illawarra is a region which has experienced relatively slow economic and population growth for some time. The region recorded average annual population growth over the five years to 2011-12 of 0.6%. That compares to growth of almost 1.2% in New South Wales and almost 1.8% in Australia. The Illawarra's unemployment rate has been higher than the State average since the late 1980s (from when consistent data are available), and its labour force participation has been consistently lower.

In brief, the Illawarra's workforce is comprised of a relatively high share of 'blue collar' occupations such as labourers and technicians, and a lower share of highly skilled occupations such as professionals and managers. The industry with the greatest degree of over-representation in the Illawarra relative to NSW is mining. This is followed by education, given the notable role of the University of Wollongong, and health care, given the region's relatively older demographic. Hospitality and manufacturing are also over-represented within the Illawarra region. IT services, professional services and finance and insurance all have representation well below the State average.

Section 3 provides an analysis of the region in terms of the identified key determinants of long-term regional economic growth:

1. Human Capital
2. Sustainable (economic, environmental and social) communities and population growth
3. Access to international, national and regional markets, and
4. Comparative advantage and business competitiveness

Our Regional Priorities

The Stage One Transition Illawarra Report included a review of previous iterations of this Regional Plan and those of NSW and Local Government agencies and noted a focus on economic development, infrastructure, communities and the environment.

RDA Illawarra has determined its six regional priorities following extensive planning, consultation and continuous review as it pursues the vision of "A prosperous, vibrant and equitable region seizing

its opportunities together". The organisation works with its stakeholders to achieve a diversified, productive and innovative economy. Current priorities and indicative projects for each are:

- Broadband / ICT (Digital Economy Strategy, NBN rollout, Digital Economy Expo, Superfast Broadband Enabling Initiatives, Smart Work Centres, Digital Enterprise Program)
- Green Jobs Illawarra (Green Street, Clean Tech Illawarra, Community Renewable Energy, Low Income Energy Efficiency Program – EE3A)
- Education & Skills Development (Regional Leadership Program, Biz Booster, Wollongong Small Business Club)
- Transport & Strategic Infrastructure (Infrastructure Forum, Maldon Dombarton Rail Link, Intra-regional Transport, Faster Rail Link to/from Sydney, Albion Park Bypass, Wollongong Convention & Exhibition Centre)
- Equity & Human Services (Aboriginal Employment Initiatives, Social Enterprise Accelerator, Illawarra Aboriginal Green Team)
- Tourism, Arts & Culture (Cultural Industry Development, Regional Destination Management Plan, Bald Hill / Grand Pacific Walkway, Bowral Performing Arts & Broadband Broadcast Hub)

Further details of these projects can be found in Appendix C.

In addition to the planning, consultation and collaboration associated with these priority issues, RDA Illawarra is engaging stakeholders in the implementation of twenty-nine recommendations from the Stage One Transition Illawarra report by Deloitte Access Economics. These cover a range of sectors including transport, health and ageing, business and workforce development, housing and tourism.

Strengths, Challenges, Needs and Opportunities (SWOT Analysis)

The results of our regional consultations highlight the key factors relating to our regional assets and to the barriers to our growth. These include:

Assets or Strengths

- Skilled workforce
- High quality technical and higher education facilities
- Excellent physical environment and location
- Local businesses and industries that could be further developed to form the basis of a prosperous future economy
- Skilled and committed community sector
- Strong sense of community still exists in many parts of the region.

Barriers or Challenges

- Poor community and social infrastructure in some suburbs
- Lack of affordable public transport
- Lack of growth in many Illawarra industries
- Lack of investment in strategic infrastructure.

Threats (Potentially) but also Opportunities

The commissioned Stage One Transition Illawarra report from Deloitte Access Economics included a competitive analysis and identified the following five key factors which will have an impact on the Illawarra in coming years:

- The Rise of Asia

- An Ageing Population
- Technological Change
- Business / Industrial Development
- Implications From Future Growth in Sydney

Opportunities

- A number of opportunities exist to support economic development in the Illawarra region. Many of these will continue to revolve around traditional areas of strength for the region in mining, manufacturing and transport.
- But over time the region has also been undergoing structural change, and this is likely to continue to occur, with a greater proportion of activity being devoted to sectors such as health care, education and training, professional services, finance, and hospitality.
- In many cases, growth opportunities are being led by smaller firms rather than established players, many growth opportunities are being enabled by changes in technology (digital disruption), and opportunities are likely to have rising skill requirements over time (hence the importance of tertiary education).
- The Illawarra region's proximity to Sydney is also a defining feature – one which should be embraced for economic development purposes, not shunned.

This plan and ongoing review

This Regional Plan will expand on the role of RDA Illawarra in its regional strategic, political, economic and labour market context. An analysis of the region is provided as a context for collaborative planning. It will demonstrate how priorities are determined in support of the vision. The Plan also provides a regional profile according to key determinants of regional economic growth and a description of the organisation's consultation efforts and partnership building. Appendix C portrays RDAI's current priorities and their attendant projects. Finally, Appendix D records the twenty nine recommendations of the Stage One Transition Illawarra report which will further guide our work as these are implemented in concert with our partners.

1. A Vision for the Illawarra Region

A prosperous, vibrant and equitable region seizing its opportunities together.

This Regional Plan has adopted the time frame 2014 – 2020 in which to realise the vision.

RDA Illawarra promotes a sustainable region with cities and regional centres that offer higher quality of life, socially, economically, and environmentally, through high levels of employment with a highly skilled, adaptable, productive and inclusive community operating in a diverse, vibrant and growing economy.

RDA Illawarra is assisting the region to make the transition to a diversified economy by promoting business and employment across a range of sectors including ICT, clean technologies, human services, tourism and cultural industries. With its regional partners, RDAI is pursuing infrastructure opportunities and developing future leaders.

RDA Illawarra is leading Transition Illawarra through 18 months of engagement and evidence-based activities to identify and promote economic diversification, guided by the Transition Illawarra Stakeholder Group. The Group's focus had been to address the immediate response to employment impacts and industry change following BlueScope's significant downsizing in 2011. However, RDA Illawarra has recognised the opportunity to focus on longer-term regional economic issues, with a view to improving economic opportunities, achieving more inclusive participation and supporting economic resilience.

RDA Illawarra has sought to diversify the labour market through projects that foster Aboriginal employment opportunities, the development of a Social Enterprise Accelerator and promotion of new market opportunities associated with an ageing population profile. It has championed the high speed broadband rollout in the region (developing a regional digital economy strategy) and promoted clean technology enterprise.

RDA Illawarra continues advocacy for transport and infrastructure enhancement in submissions and delegations. The Leadership Illawarra Program was launched to support the development of future leaders.

RDA Illawarra, through the Transition Illawarra Stakeholder Group, is working with key agencies across all levels of government to develop a regional diversification strategy that outlines specific activities and key strategies to encourage economic growth.

RDA Illawarra's vision will be realised by collaborative attention to the drivers of regional economic development, focussing on workforce, management and leadership skills, sustainable communities growing in harmony with the region's unique environment, enhanced access to markets at all levels, and facilitating conditions for business competitiveness (see Appendix A: Regional Profile).

The current status of the region is outlined in Appendix A Regional Profile and in section 3 of this Plan (Analysis of the Region). Elements of the vision expressed here indicate a desired future for the Illawarra and provide the foundation for stakeholder engagement and integrated planning efforts. RDA Illawarra's key priorities (section 4) are consistent with this vision and enabled by its program of Initiatives, Projects and Activities (section 5).

2. Role of RDAI

RDA Illawarra is the consultative organisation for the Illawarra region (Wollongong, Shellharbour and Kiama LGAs), and is part of a national network of 55 committees across Australia. It works with key stakeholders to deliver the objectives of the Regional Plan through engagement by many mediums including website, email, social media, direct consultation with industry sectors, workshops, forums, summits and events.

RDA Illawarra is the region's peak regional development organisation. It is governed by a Board of twelve business, government and community leaders in addition to ex-officio representatives of its three local governments. In providing a link between community, business and governments at all three levels, its role reflects the fifth key determinant of regional economic development identified in the Australian Government's Regional Economic Development Guide (p27):

“Effective cross-sectoral and intergovernmental partnerships (including through place-based approaches) and integrated regional planning”.

RDA Illawarra advises government about needs and opportunities in the region and promotes whole-of-government responses. It leads and facilitates the implementation of economic, social and environmental development projects in accord with its priorities determined through stakeholder engagement. It fosters integrated regional planning as both an initiating lead agency and as a member of forums convened by other parties.

RDA Illawarra provides leadership for a regional economy in transition. It fosters leadership and human capital and coordinates regional planning with its partners. Sustainable regional development is promoted:

- Leading to employment growth, by working with partner organisations to identify and implement strategies and projects;
- To enable economic and business growth in the region;
- To create jobs for the Illawarra's unemployed;
- To facilitate the development of employment generating infrastructure;
- To build community capacity, particularly in disadvantaged suburbs.

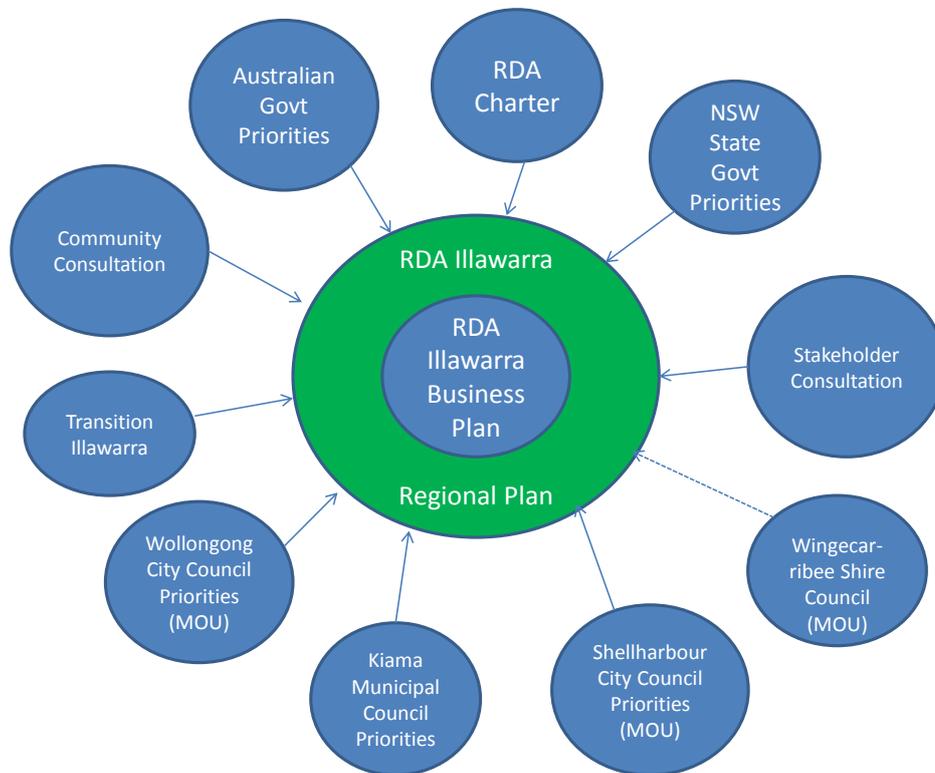
RDA Illawarra's regional plan shares the NSW Government's aims to build a resilient and prosperous community, a well-connected region, a strong and inclusive community, and an environmentally responsive region. (Illawarra / South Coast Regional Action Plan, p1)

RDA Illawarra works with industry sectors and aligns its activities with local, state and federal government policies and initiatives in order to attract private and public sector investment to the region.

Strategic Context (Source: Annual Business Plan 2013/2014)

The RDA Charter clearly articulates the role of RDA Illawarra and the responsibilities to its funding bodies, partners, stakeholders and local communities. As the following diagram shows, RDA Illawarra has carefully reviewed Australian, NSW and local government priorities as part of the process of developing its Regional Plan.

The diagram below demonstrates the relationship between the RDA Illawarra Business Plan and the RDA Charter, government priorities, community needs and Regional Plan. This Business Plan has been informed by all of the prior research, and developed from the priorities and strategies identified in the Regional Plan.



Through its pursuit of Annual Business Plan objectives RDA Illawarra is a catalyst in the region to achieve the long term vision of “a prosperous, vibrant and equitable region seizing its opportunities together”. While RDAI engages its partners and consults regional industry sectors, businesses and communities (refer Appendix B) it also integrates ensuing feedback on regional needs and opportunities with the policy and program settings of national, state and local tiers of government.

3. Analysis of the Region

RDA Illawarra recognises four of the key determinants of long-term regional economic growth as:

1. Human Capital
2. Sustainable communities and population growth
3. Access to international, national and regional markets
4. Comparative advantage and business competitiveness

While a number of regional analyses have been prepared by many organisations, none have thus far used the strict divisions above as outlined in the Regional Economic Development Guide (Department of Regional Australia, Local Government, Arts and Sport, Section 1, pp17-29). However, RDA Illawarra, through its Transition Illawarra initiative, commissioned a report by Deloitte Access Economics which addressed many of the issues represented by those categories. The analysis that follows draws on this work and is augmented by pertinent excerpts from other publications.

A caveat on attempts to describe the dynamics of the Illawarra region is the variation in accepted definitions of what constitutes the region. An example is that the Illawarra Regional Information Service, affiliated with the University of Wollongong, produces a community profile that includes Wingecarribee and Shoalhaven Councils in addition to RDA Illawarra's area of concern bounded by Wollongong, Shellharbour and Kiama LGAs.

The Illawarra's regional plans from RDA Illawarra and NSW Government agencies focus on economic development, infrastructure, communities and the environment. Over time, there has been a shift in emphasis away from business attraction towards a greater focus on attracting people and skills to regions.

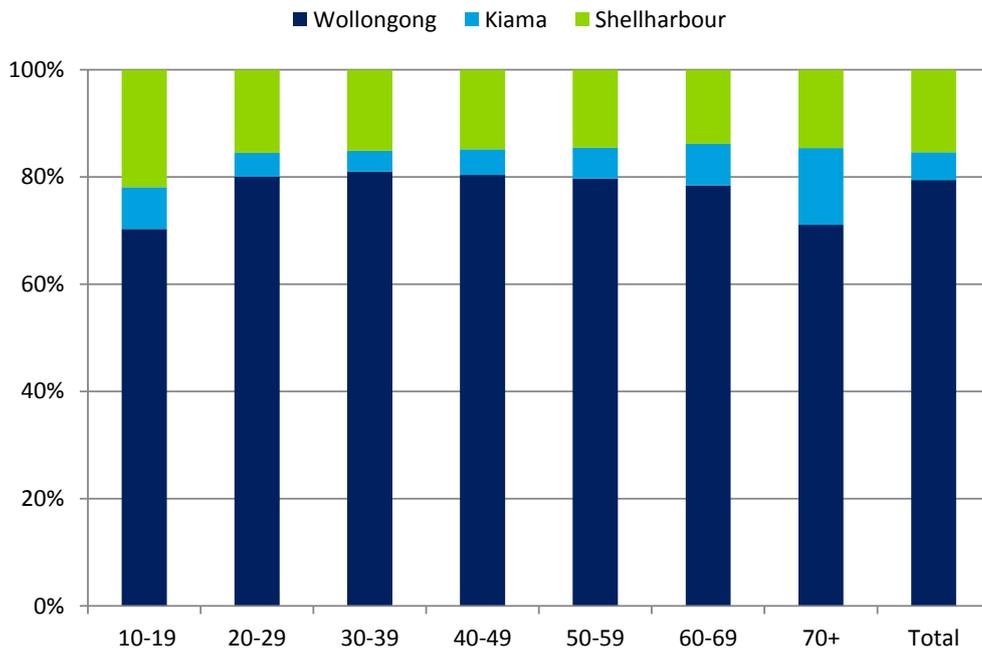
Human Capital

Workforce structure and trends

Within the Illawarra region Wollongong has the majority of workers in all age cohorts, though its dominance tends to be concentrated around the prime working ages, with the younger and older workforces relatively more evenly distributed across the three LGAs. This may reflect an abundance of manufacturing and services jobs in Wollongong relative to Kiama and Shellharbour. The Illawarra's unemployment rate has been higher than the State average since the late 1980s and its labour force participation has been consistently lower.

A key opportunity for the Illawarra region lies in its proximity to Sydney, and the extent to which Sydney workers might opt to reside in the Illawarra and commute to Sydney each day for work. 'Journey to work' is a key facet of the Illawarra's workforce. Some 94% of individuals who work in the Illawarra also reside in the region, but only 72% of Illawarra residents who are employed actually work in the region. In other words, more than one quarter of employed people who reside in the Illawarra travel outside the region for work.

Location of workforce by age group



Source: ABS, 2011 Census

The Illawarra's Future Workforce

Over the next 20 years employment growth in the Illawarra is expected to average 0.5% per annum, compared with 1.0% for New South Wales as a whole. In part these projections have a demographic dimension, with the average age of Illawarra residents expected to increase more rapidly than the State average, limiting the rate of population growth. They also have an industry dimension. The region remains over-represented in the manufacturing and mining sectors, which may see employment declines and only modest growth respectively going forward.

At the turn of the century manufacturing accounted for some 20,000 jobs in the Illawarra region, a figure that has shrunk to around 12,000 (as of June 2013). This decline is expected to continue throughout the projection period, with the manufacturing sector expected to shed around 4,000 jobs over the next twenty years, the equivalent of 3% of the Illawarra's current workforce. That said, the level of manufacturing output is expected to keep rising over time, with that output growth driven largely by productivity gains. It is also likely that there will be some niche areas within manufacturing where employment growth is seen over time.

The fastest growing sector over the next twenty years is expected to be health care, driven primarily by an ageing population, with the sector's workforce expected to grow by the equivalent of nearly 4% of the region's total employment base over the next twenty years. Education and training is also expected to grow strongly, by around 3,000 workers over the next twenty years, driven primarily by continuing strength of the region's vocational and tertiary education offerings.

Strong growth is also expected in the services sectors, with professional and administrative services leading the pack in terms of average annual growth over the projection period. Hospitality employment is also expected to grow reasonably strongly.

Finally, the transport sector is expected to see strong growth over the period, of around 2,000 workers and with an average annual growth rate nearly twice the regional total. Two key trends loom positive for the transport sector over the projection period – first, the expectation of additional coal exports through Port Kembla in the short term, followed by potential longer term switching into containerised trade and other exports.

Sustainable Communities and Population Growth

Snapshot of the Illawarra economy (2011 Census)

- **Population**
 - Total population: 276,006 persons
 - Share of NSW population: 4%
 - Working age population (15-64 years): 178,596 persons
 - Aged dependency ratio: 25%
 - NSW aged dependency ratio: 22%

- **Labour force**
 - Labour force: 128,045 persons
 - Employment: 119,454 persons
 - Unemployment rate: 6.7%
 - Participation rate: 60%

- **Employment composition**
 - Industry share of Illawarra employment
 - Agriculture and mining: 3%
 - Manufacturing: 10%
 - Construction: 6%
 - Utilities: 1%
 - Services: 48%

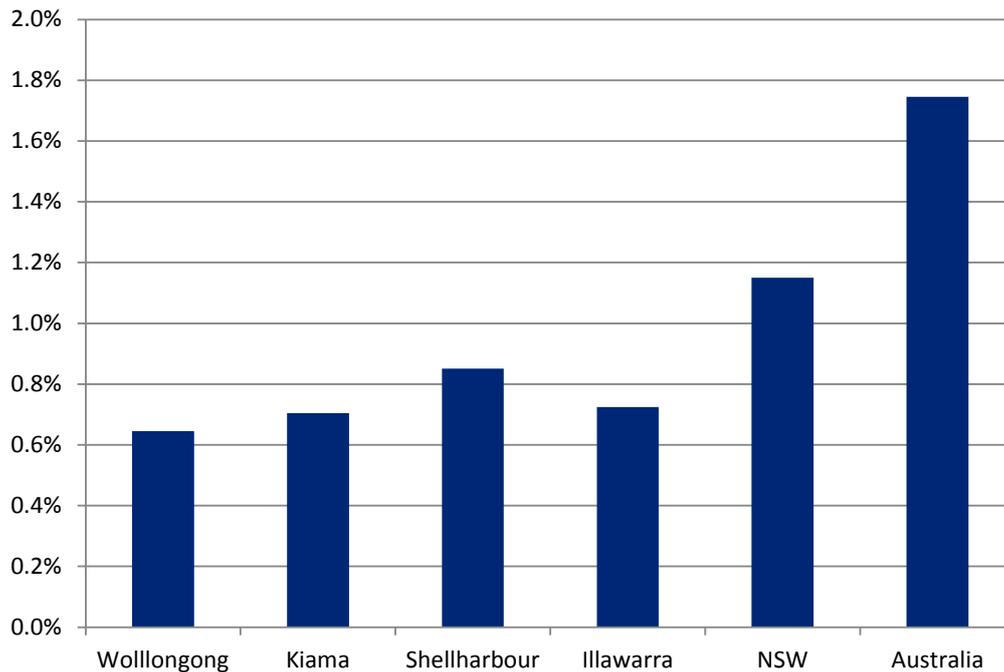
Source: Deloitte Access Economics, Australian Bureau of Statistics

Population structure and trends

At the 2011 Census the Illawarra region had a total population of 276,006 persons, or some 4% of the total New South Wales population. The Illawarra region recorded average annual population growth over the five years to 2011-12 of 0.6%. That compares to growth of almost 1.2% in New South Wales and almost 1.8% in Australia.

Though all areas within the Illawarra recorded population growth below the State average, the fastest growing area was Shellharbour, with average annual growth of 0.9%, followed by Kiama (0.7%) and Wollongong (0.6%).

Population growth by region, 2006-07 to 2011-12



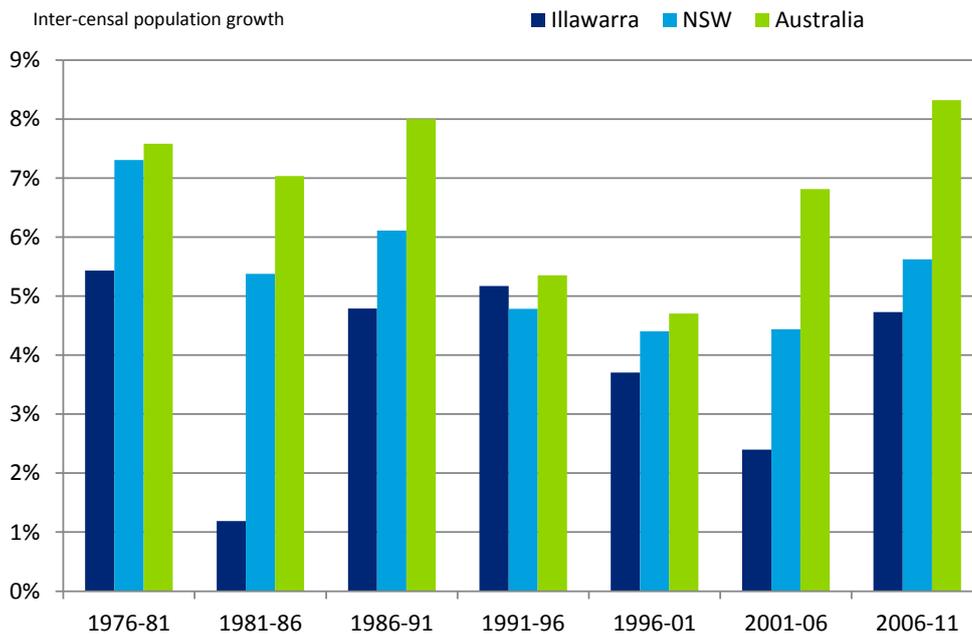
Source: ABS 3218

The following chart compares population growth from 1976 to 2011 in the Illawarra region with the totals for New South Wales and Australia. The chart shows that the Illawarra's relatively slow population growth has been consistent over a long period. In part this reflects the significant structural change the region has experienced over an extended period. Indeed, large scale manufacturing layoffs around Port Kembla happened as early as 1983, which likely explains the very low growth rate recorded between 1981 and 1986. Population growth picked up slightly in the most recent inter-Censal period to almost 5% over the five year period but remains well below both the State and national averages.

Unemployment statistics provided by the Department of Employment (was DEEWR) show a December 2013 profile for Wollongong as follows:

- Working age population (15-64): 197,000
- Employment rate (15-64): 70.3%
- Participation rate (15+): 59.8%
- Unemployment rate (15+): 6.1%
- Youth Unemployment rate (15-24): 16.0%
- Teenage Full-Time Unemployed rate (15-19): 36.4%
- Teenage Full-Time Unemployed to Population ratio (15-19): 7.6%

Population growth through time, Illawarra, NSW and Australia



Source: ABS Census data, 1976-2011

Note: Pre-1996 data are by place of enumeration; 1996-2011 are by place of usual residence

An Ageing Population as a Key Economic Development Driver

Australia's population is ageing at a rapid rate, and that is particularly true for the Illawarra. The Illawarra's dependency ratio (the ratio of population over 65 to working age population aged 15-64 years) is estimated to be 26%, rising to 39% over the next twenty years. NSW's dependency ratio is estimated to be 23%, rising to 32% over the next twenty years.

On average, people on retirement incomes generally have lower incomes than the working-age population, so a higher share of retirees means a lower average income for the Illawarra region looking forward. Those incomes may also be more dependent on factors occurring outside the region, such as decisions on the aged pension, and the performance of superannuation funds and other investments.

But there are also opportunities which open up as a result. As the population grows older, it will demand a greater level and range of health services including hospital and other medical treatment, as well as aged care services such as meals on wheels, community services and residential care (which may be broadly termed 'health care'). Strong employment growth is expected here over the next 20 years, with potential for the region to become a 'centre of excellence' in such service delivery.

With more and more of the future workforce likely to be employed in health care, it follows that education in the health care sector, both tertiary and vocational, represents a key opportunity for the region.

Access to international, national and regional markets

Access to New Markets

Compared with other developed countries Australia has been somewhat slow to embrace online shopping. In 2010-11 online sales accounted for around 4% of total Australian retail spending, compared to around 9% in Britain and 7.5% in the United States (The Economist 2013). This means the challenges (and opportunities) presented by online shopping have been slower to appear in Australia than in other countries. Nevertheless, over the past eight years online retail sales have grown by an average of 22% a year, whereas overall retail sales have grown by an average of just 4% a year. Online retail's share of total retail sales has risen over the period from 1% to 4%.

Of course, one downside of online retail from the traditional retailer's point of view is greater competition. And from a regional retailer's point of view, that competition will come not just from online, but also from other regions. But the reach of the internet and its ability to be used for targeting specific customers make it a unique and powerful platform for advertising, selling and delivering goods and services well beyond traditional markets and geographies. In that sense, businesses in the Illawarra need no longer be confined by their location when choosing who to sell to. Part of the 'economic gardening' program aims to provide participants with coaching in utilising online marketing and social media to grow their businesses. The Digital Enterprise Program also provides group training and one-on-one consultations for Small to Medium Enterprises (SME) and Not For Profit Organisations (NFP) to embrace the digital economy.

Internet sales mean that Illawarra businesses have access to a global marketplace. Now like never before Illawarra firms have the capacity to reach potential customers and clients not just locally but around the globe. For example, the region has built a competitive advantage not just in manufactured products but also in the provision of manufacturing services and know-how.

The digital transformation that has both already occurred and that will occur in coming years will greatly increase the extent to which these competitive advantages can be harnessed. Traditional retailers, while naturally being affected by increased competition, will also benefit from bigger markets. The Economist (2013) notes that physical retailers who expand their online presence can actually be cost competitive against internet only retailers, because strong demand growth has made the cost of online advertising soar.

Export Potential

The export potential of industries is important since it increases the extent to which Illawarra businesses (and thus residents) can benefit from economic growth outside of the region. The top five industries in terms of export potential are: information media and telecommunications, mining, wholesale trade, manufacturing and professional services.

The Rise of Asia as a Future Economic Driver

Looking forward, expectations of the future path for the Illawarra's economy cannot be formed in isolation from the broader economy. Many of the key trends seen across the Australian economy will also be of relevance to the Illawarra, and there is no more significant trend than the continued economic rise of Asia – what has been dubbed the 'Asian century'.

While growth rates may not be achieved evenly over time, it is expected that global economic growth over the next decade will be dominated by China and India, with other emerging Asian markets such as Indonesia, the Philippines and Malaysia also making strong contributions.

But the nature of Asia's economic growth is also changing. As Asia becomes more prosperous, its burgeoning middle class will want better housing, higher quality food, a sound education, more holidays and a better environment. Those new opportunities cover a range of sectors.

The Illawarra region is well positioned to meet these new demands. Port Kembla for example is the State's largest grain exporter and the third largest in Australia, and is well positioned to take advantage of a rising demand for grain. The University of Wollongong is already a major provider of international education, with approximately 40% of its student base being international students. And finally, the region's natural amenity combined with its close proximity to Sydney mean huge opportunities to tap into the growing Asian tourist market.

Important challenges remain. Despite the potential for an expansion of other forms of trade, coal remains the key player, and the outlook for coal demand is clouded with uncertainty. In this regard the Illawarra region also faces intense competition from other ports, with the vast majority of current coal investment being undertaken in Queensland and the Hunter coal fields. Also, uncertainty exists over the profile of China's growth in coming decades.

Comparative Advantage and business competitiveness

Industry structure

In brief, the Illawarra's workforce is comprised of a relatively high share of 'blue collar' occupations such as labourers and technicians, and a lower share of highly skilled occupations such as professionals and managers.

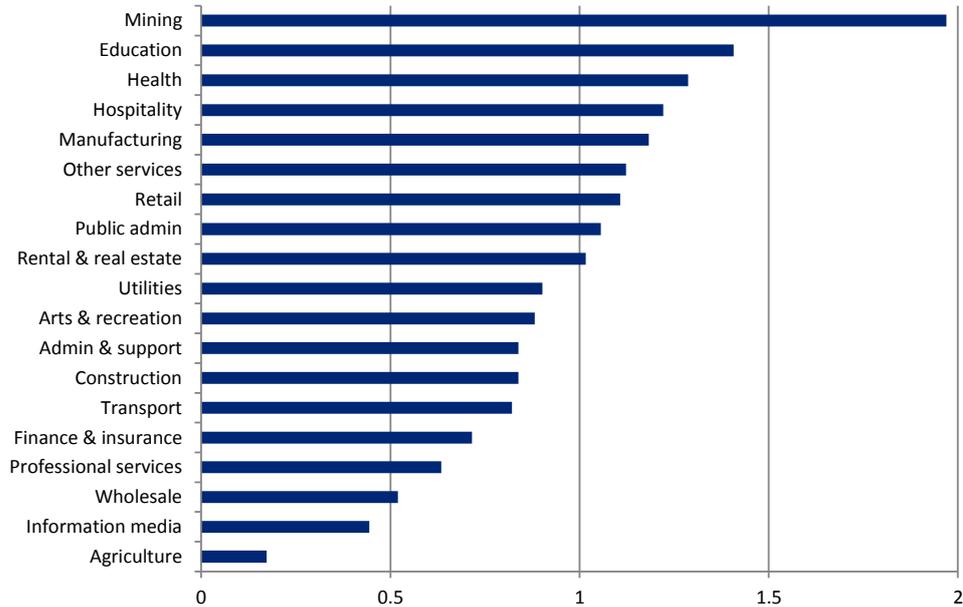
As with most regions throughout Australia, the last twenty years have seen a gradual shift of the Illawarra's workforce away from traditional, 'blue collar' industries such as manufacturing and toward higher skill industries such as services. That said, the Illawarra region remains relatively well represented in regards to traditional industries, and relatively under-represented in regards to service-based industries.

The industry with the greatest degree of over-representation in the Illawarra relative to NSW is mining. This is followed by education, given the notable role of the University of Wollongong, and health care, given the region's relatively older demographic. IT services, professional services and finance and insurance all have representation well below the State average.

Despite the region's traditional and continued reliance on blue collar industries, it is clear that some diversification is beginning to take place, with a greater emphasis on the services sector today relative to 10 years ago, and with that trend looking set to continue.

Industry intensity, Illawarra relative to NSW

Abundance of workers, relative to State (>1 = more abundant)



Source: ABS, 2011 Census

Business / Industrial Development

Despite the region's traditional (and continued) reliance on blue collar industries, it is clear that some diversification is beginning to take place, with a greater emphasis on the services sectors today relative to ten years ago, and with that trend looking set to continue. Facilitation of new business growth is important for a region undergoing structural change, and small businesses will play a key role in this. There are many small business assistance programs, all of which are aimed at alleviating (or if possible, eliminating) one or more of the barriers faced by small businesses in seeking to expand. These barriers can be broadly classified as cost, workforce, information, and funding.

Technological Change as a Future Economic Driver

Failure to adapt to the digital transformation sweeping the economy has the potential to leave businesses both without a customer base and with a higher cost structure. Many of the sectors most likely to drive the Illawarra's economy looking forward are also amongst the sectors most exposed to digital disruption – that is, professional services, health care, education and finance. Adapting to digital transformation is therefore especially important for the Illawarra's economic future.

Heavily regulated sectors such as education, health, utilities and transport also face large amounts of digital disruption, but the regulated nature of these sectors means change will come slower. In line with these trends, IT services are seen as holding key opportunities for the region. The University of Wollongong (UOW) has the fourth largest IT student intake in Australia, but the majority of these students do not remain in the region upon completion of their studies. While the UOW's Innovation Campus offers promise, the Illawarra region faces significant competition from larger and well established IT precincts in Sydney.

Teleworking has the potential to significantly affect the Illawarra region's current business model. By expanding the pool of potential jobs for Illawarra residents, teleworking means that many talented locals no longer need to leave the region in order to find a job. As teleworking becomes more and more commonplace, people will have a greater capacity to find their 'ideal' job, which will ultimately lead to both productivity and workforce participation benefits.

Conclusions from Transition Illawarra on Illawarra's Economic Future

A number of opportunities exist to support economic development in the Illawarra region. Many of these will continue to revolve around traditional areas of strength for the region in mining, manufacturing and transport. But over time the region has also been undergoing structural change, and this is likely to continue to occur, with a greater proportion of activity being devoted to sectors such as health care, education and training, professional services, finance, and hospitality.

In many cases, growth opportunities are being led by smaller firms rather than established players, many growth opportunities are being enabled by changes in technology (digital disruption), and opportunities are likely to have rising skill requirements over time (and hence the importance of tertiary education).

The Illawarra region's proximity to Sydney is also a defining feature – one which should be embraced for economic development purposes, not shunned.

The region's continued economic development can be supported by harnessing the 3Ps of population, participation and productivity – the building blocks of economic growth:

- Encourage **population** movement to the Illawarra region through affordable housing, lower costs for business and good infrastructure.
- Encourage **participation** in the labour force by improving skill levels, providing assistance for redeployment from declining sectors, and providing more opportunities for University alumni to remain in the region.
- Encourage **productivity** growth by harnessing the region's natural advantages via Port Kembla, niche manufacturing, tourism, and excellence in health care driven by the region's demographic profile.

4. Key Regional Priorities for the Illawarra

RDA Illawarra conducts an annual Planning Day each year to consider changes to its regional priorities. The six priorities and their respective projects are included in the Board Sub-Committee structure diagram (Appendix C). Operationally, RDAI is the lead agency for some projects, for others RDAI may provide various forms of direct support to an external lead agency, and for some RDAI facilitates regional engagement and consultation. RDAI also has representation on a number of peak regional coordination agencies and is therefore able to advocate a regional perspective.

Key Priorities

Broadband/ICT

Projects and activities:

- Implementation of the Illawarra Digital Economy Strategy with our three local councils;
- Continue to lobby for the NBN roll out in the region and keep the community informed;
- #IllawarraDigital2013 was held on 24 July 2013, we will continue to utilize the feedback and resources obtained from this event to help implement our Digital Strategy;
- Continue to look for opportunities of innovation using superfast broadband enabling initiatives;
- Work with Kiama Municipal Council in the development of their Smart Work Centre;
- Continue to look for opportunities to create a Smart Hub in Wollongong; and
- deliver the Digital Enterprise Program in Wollongong and Shellharbour.

Green Jobs Illawarra

Funding for the three year GJI project concluded in September 2013. Further funding has been sought to continue the initiative, albeit in a different capacity. In the meantime we will pursue the Green St project, Clean Tech Illawarra initiative, assist in the management of the LIEEP project and continue to progress the development of the Aboriginal Green Team project. Other initiatives will be progressed but this will be determined on a case by case basis depending on the level of funding and resourcing available.

Education & Skills Development

New initiatives will be sought under this priority over the next 12 – 18 months. In the interim however we will continue to oversee the Leadership Illawarra Program that is currently managed by the Sydney Business School. We will play a key role in recruitment of the second cohort and helping with the management and facilitation of this. In addition, we will continue to manage and implement the Wollongong Small Business Club. Ten meetings are generally scheduled per calendar year. One of the meetings will include the delivery of a Digital Enterprise Program training session, funded by the Department of Communications.

Transport & Strategic Infrastructure

RDAI will continue to pursue major strategic infrastructure projects in the region through the Infrastructure Forum that comprises three local councils, the Property Council, Illawarra Business Chamber, Unions and the tourism sector. The majority of projects are transport related and we will

continue to work with State and Federal Governments to raise the profile of these projects and lobby for work to commence/continue.

Equity & Human Services

This priority crosses over into a few other priorities such as Green Jobs Illawarra. Work on this priority will see the continued effort by RDAI and Wollongong City Council to develop a social enterprise accelerator. Previous attempts have been unsuccessful; however we will continue to look for potential funding opportunities. Similarly with the Aboriginal Green Team project, funds are needed to continue work in this area and we will continue to look for appropriate funding avenues to assist in the employment of Aboriginal people.

Tourism, Arts & Culture

This priority is appearing to take a heavier workload in the area of cultural industries, particularly with regard to the NSW Government initiatives and policies. We will continue to work and liaise with the NSW Government on potential cultural industry work and look for project opportunities with key stakeholders such as local government. In addition, we will lobby relevant levels of government to ensure the importance of particular projects are well known such as the Bald Hill/Grand Pacific Walkway.

Transition Illawarra

This year will be very important for the Transition Illawarra project as the results from a comprehensive piece of research, namely a regional economy review by Deloitte Access Economics, has been completed. The preliminary results were presented at our annual Regional Leaders Summit in November 2013. The research included:

- a review of existing research, initiatives and strategies
- a review the regional economy including the industry structure
- a competitive analysis to consider how the economy fits in a national and global perspective
- a review of the workforce futures needs and identification of the skill gaps, over both the short and long term
- a supply chain analysis of the top two emerging and developing sectors
- analysis of the immediate, medium and long term hard and soft infrastructure requirements based on evidence-based growth opportunities
- recommendations and strategies that highlight what level of government, industry, private sector etc, are responsible along with a 2 and 5 year time horizon.

Following stage one completion, the Transition Illawarra Stakeholder Group will review the findings and make recommendations for implementation over the next 2 – 5 years. The results and next steps of the research are expected to shape the future direction and work of RDAI.

Conclusion

Each of these priority areas have been identified through extensive research, partner engagement, stakeholder consultation and liaison with governments and their agencies (see Appendix B) and supports the vision of “a prosperous, vibrant and equitable region seizing its opportunities together”.

5. RDA Illawarra's Program of Initiatives, Projects and Activities

STAKEHOLDER ENGAGEMENT

Annual Regional Leaders Summit

RDA Illawarra has conducted a Regional Leaders Summit each year commencing in 2009 and the event has grown into a major focus for stakeholder engagement and an opportunity to renew plans in pursuit of priorities. The 5th Annual Regional Leaders Summit was held at the Novotel Northbeach, Wollongong on Friday, 15 November 2013. Program highlights included:

- Deloitte Access Economics presented the findings of stage one of the Transition Illawarra initiative – a review and analysis of the region's economy and prospects.
- Café Conversations – the opportunity for delegates to contribute to the Transition Illawarra implementation plan through facilitated breakout sessions.
- Keynote Speaker – ABC's Tony Jones presented the luncheon address 'Public Democracy and the Media'.
- Q & A style panel moderated by Tony Jones and featured a diverse range of stakeholders and thought leaders to discuss, explore and debate the vision for our region. The panel's discussion was driven by questions from the community as well as from the RDA Illawarra website.

#Illawarra Digital 2013 Expo

RDA Illawarra, supported by Wollongong City Council, Shellharbour City Council, Kiama Municipal Council, the then Departments of Regional Australia, Local Government and the Arts and Broadband, Communication and the Digital Economy (DBCDE), and NBN Co, hosted a high-speed broadband and digital economy conference and expo, held at the WIN Entertainment Centre on 24 July 2013 called #IllawarraDigital2013. The event was organised to provide the Illawarra with the latest information and inspiration on all aspects of the new digital landscape and covered topics ranging from e-Health, e-Government, Education to Social Media, Cloud Computing and Teleworking.

The event was originally scheduled for two days, however due to the delays in rolling out the NBN in Wollongong, it was agreed to reduce the event to one day focussing on the opportunities of high-speed broadband and encouraging businesses and residents of the Illawarra to be prepared. The full day event, emceed by the Hon David Bartlett, saw keynotes from the Hon Sharon Bird MP, The Minister of Regional Australia and Minister of Regional Communication, Mike Quigley - CEO, NBN Co, Dr Hugh Bradlow - Chief Technology Officer, Telstra, Eddy De Gabriele - Chair RDA Illawarra and Matt Barrie - CEO, Freelancer.com. Providing the information in the stream sessions was a stellar line-up of speakers from world-leading companies and organisations such as eBay, Google, Microsoft, NBN Co, CSIRO, University of Wollongong, Deloitte Access Economics, DBCDE and more.

Exciting inclusions to the day were the Hackagong Demo Day, allowing the top teams to present and pitch their ideas to the #IllawarraDigital2013 crowd, DBCDE Business Forum, highlighting the benefits of the NBN, the launch of the Digital Strategy, providing a blueprint on the opportunities to the Illawarra in the digital economy and the announcement of the Digital Enterprise Program – to provide small to medium business and not-for-profits free training to improve their knowledge and the way they do business online. The event was well received and provided the region with ideas and knowledge, creating a platform to launch the Illawarra into the next stage of the digital economy.

Infrastructure Forum

Following discussions at the 4th Annual Leaders Summit, held in conjunction with the University of Wollongong, it was decided to bring together regional stakeholders with an interest in Infrastructure issues. February 2013 was the first of what has become a series of forums to address the Illawarra's most pressing infrastructure needs, many of which are related to transport.

The forum identified five main projects for which there was consensus to advocate for their development and to do what can be done locally to make them "shovel-ready". The five preferred projects were:

- Maldon to Dombarton Rail Link (freight to ease road carriage burden)
- Faster Rail Link to Sydney (aim to achieve a one hour rail journey from Wollongong) and faster and safer road links
- Illawarra Regional Airport and industry precinct
- Port of Port Kembla Expansion (now privately leased)
- Wollongong Convention & Exhibition Centre (new site or upgraded WIN Stadium)

Illawarra Social Enterprise Accelerator

A stakeholder visioning workshop for the Illawarra Social Enterprise Accelerator was held on 7th August 2012. Participants included emerging social entrepreneurs and established social enterprises and community initiatives, representatives of Wollongong and Shellharbour Councils and RDA Illawarra. The workshop focused on establishing how the Accelerator could contribute to social enterprise development in the Illawarra region, and determining priority actions in moving the Accelerator forward. To achieve this, facilitator Phil Preston posed four questions:

1. Why does the Accelerator exist?
2. Who benefits from the Accelerator?
3. What will the Accelerator do?
4. How will key stakeholders relate to the Accelerator?

The Accelerator is, essentially, a network. It seeks to connect social enterprises with (rather than duplicate) business-related and social impact support services (training, workplace solutions), markets (supply chains, purchasing), information and peers. Raising the profile of and advocating social enterprise will be central to achieving this, strengthening the sector and amplifying its benefits.

Regional Tourism Collaboration & Management Plan

A range of tourism stakeholders in the region agreed to meet to discuss opportunities to plan for tourism development across the Illawarra (Kiama, Shellharbour and Wollongong). The group will focus on tourism infrastructure projects and access to funding opportunities. It may also provide a forum for advancing the implementation of the several Transition Illawarra recommendations that relate to tourism as follows:

- Work with local councils and key tourism organisations to look at opportunities to explore barriers to Asian tourism in the region.
- Undertake a detailed assessment of the tourism assets required to further support the development of tourism within the region.
- Work with key stakeholders to ensure local organisations have the opportunity to leverage off one another for events occurring in the region.

PROMOTION OF GOVERNMENT FUNDING PROGRAMS AND CONSIDERATION OF PROPOSALS / EXPRESSIONS OF INTEREST

Regional Development Australia Fund (RDAF) Rounds

The RDA Illawarra Board assessed Expressions of Interest for successive rounds of RDAF with successful applications as follows:

Round 1: Youth Off The Streets Limited granted \$2.26m of a \$4.83m project to refurbish an existing youth detention facility to transform it into a modern, environmentally conscious facility providing services based on innovative therapeutic models and rehabilitation for high needs, disengaged young people.

Round 2: Wollongong Crown Street Mall Refurbishment received \$4,976,333 to deliver a high class, safe and vibrant public space into the heart of Wollongong. The revitalised Mall will fulfil its role as the key public space within the Wollongong CBD, supporting business and community activities.

Southern Youth & Family Services granted \$2,579,450 for the Southern Community Hub and Youth Foyer. The project is to reconstruct and refurbish the old Warilla Police Station site into a vibrant Community and Services Hub for community members and families and a supported accommodation and training facility for disadvantaged, homeless young people.

Round 3: \$400,000 was granted to Kiama Municipal Council for Kiama Blowhole Harbourside Works. This project will construct improved and accessible facilities around Kiama Harbour and Blowhole Point Reserve for boating, tourism and community recreation.

Round 4: Expressions of Interest were assessed for this round, and applications advanced, but unfortunately no projects were allocated funding in this round.

Round 5: Funds for local governments according to a formula but this round was not progressed.

New Federal Program: Community Development Grants

The 2013 elected incoming Federal Government announced a Community Development Grants Program to support needed infrastructure that promotes stable, secure and viable local and regional communities. Funding is to commence 2013-2014 and end 30 June 2017.

NSW Re-Start Illawarra Promotion Outcomes

Following conclusion of arrangements to lease the Port of Port Kembla, \$100m was set aside from the sale to be expended on regional infrastructure. An EOI and subsequent application review process was conducted to determine successful projects. These projects are outlined in the Regional Profile at Appendix A.

SECURING EXTERNAL FUNDING TO DRIVE INITIATIVES

Digital Enterprise Program

A Federal Government grant of \$313,231 from the Department of Communications has enabled RDA Illawarra to deliver the Digital Enterprise Program (DEP) in the region.

The Digital Enterprise Program, over an 18 month period, will enable RDA Illawarra along with key stakeholders including TAFE Illawarra, to deliver over 50 group training sessions and 190 individual training sessions for free, to eligible SMEs and NFPs on a range of digital topics. This includes developing and maintaining an online presence, marketing and transaction opportunities, data

privacy and security and more. The DEP will also provide assistance and advice, delivering tailored training depending on the needs of the region.

The DEP complements our Regional Digital Economy Strategy. The Strategy sets out an implementation plan for the region to move into the digital economy and this funding will assist in doing just that by up-skilling the business community to take advantage of high speed broadband and online opportunities. The project commenced in September 2013.

Low Income Energy Efficiency Program

In early 2013, RDA Illawarra was awarded \$2.3m to deliver the Low Income Energy Efficiency Program project. Commencing in June 2013, this project for the Illawarra is titled Energy Efficiency in the Third Age (EE3A): Pathways and initiatives for low income older people to manage energy. Objectives are to trial and evaluate different approaches in various locations that assist low income households to be more energy efficient and also to capture and analyse data and information to inform future energy efficiency policy and program approaches. The project is to be completed by March 2016.

The activity will help owner-occupiers, landlords and tenants of privately owned, rented and aged-care accommodation, to reduce energy consumption through:

- (i) Targeted marketing engagement and behaviour change,
- (ii) Low cost energy efficiency home retrofits; and
- (iii) Installation of low energy hot water systems.

The project will also enhance the adaptive capacity of older people to reduce their energy consumption and surmount barriers facing them in achieving this reduction, especially a lack of financial resources and accurate information on alternatives. The project engages a consortium whose members include:

- RDA Illawarra (RDAI)
- University of Wollongong (UOW)
- Illawarra Retirement Trust (IRT)
- Warrigal Care
- Royal Freemasons' Benevolent Institution
- Illawarra Forum Inc.
- Southern Councils Group – Kiama Municipal Council
- Workers Educational Association Illawarra (WEA)

Illawarra Leaders Program

The Illawarra Leaders Program initial cohort commenced October 2012 as a project under the Education and Skills Priority. It is a collaborative initiative of RDA Illawarra with partners the Sydney Business School and The Illawarra Connection. Each participant is sponsored or self funded at \$8,000. There were 24 in the first cohort and a second group is planned to start in October 2014.

TRANSITION ILLAWARRA INITIATIVE

RDA Illawarra convenes the Illawarra Taskforce, now known as the Transition Illawarra Stakeholder Group, established following BlueScope Steel's announcement in 2011 that it would greatly reduce its workforce as a result of no longer manufacturing steel for export. A collaboration between regional stakeholders has endorsed the Transition Illawarra initiative as a three stage project. Stage One, a comprehensive research project, has been completed by Deloitte Access Economics. Stage

two will prioritise actions to be pursued consistent with recommendations from the stage one report (see Appendix D) and stage three involves implementation of strategies and reporting. Federal funding of \$150,000 was allocated with local governments and RDAI contributing further to this flagship initiative. A dedicated resource will shortly be engaged to pursue this work.

This initiative is to be utilised as a planning tool and a rallying point to engage stakeholders. Gaps in infrastructure and services will be identified and prioritised according to responsibility, timeframe and regional capability. Regional stakeholders and all levels of government will receive a report on research findings and implementation strategies.

CONTRIBUTION TO SUBMISSIONS

RDA Illawarra has contributed to a wide range of submissions in the past including those listed below. We will continue to respond to calls for submissions on an as needs basis depending on regional needs:

- Decade of Decentralisation
- Economic Zones
- Freight & Ports Strategy
- High Speed Rail
- Industry Action Plans (Creative Industries, Digital Economy, Manufacturing)
- Inter-regional transport
- New Planning System for NSW
- NSW Long Term Transport Master Plan
- Utilisation of Rail Corridors Study

PROJECTS PLANNED OR UNDERTAKEN TO ADVANCE REGIONAL PRIORITIES

See Appendix C for projects within each priority area which are identified by stage: implementation, development or concept.

Appendix A: Regional Profile

OVERVIEW:

The Illawarra region includes the three LGAs of Wollongong, Shellharbour and Kiama, and comprises a mixed terrain of coastal, rural and urban environments.

The three LGAs are characterised by:

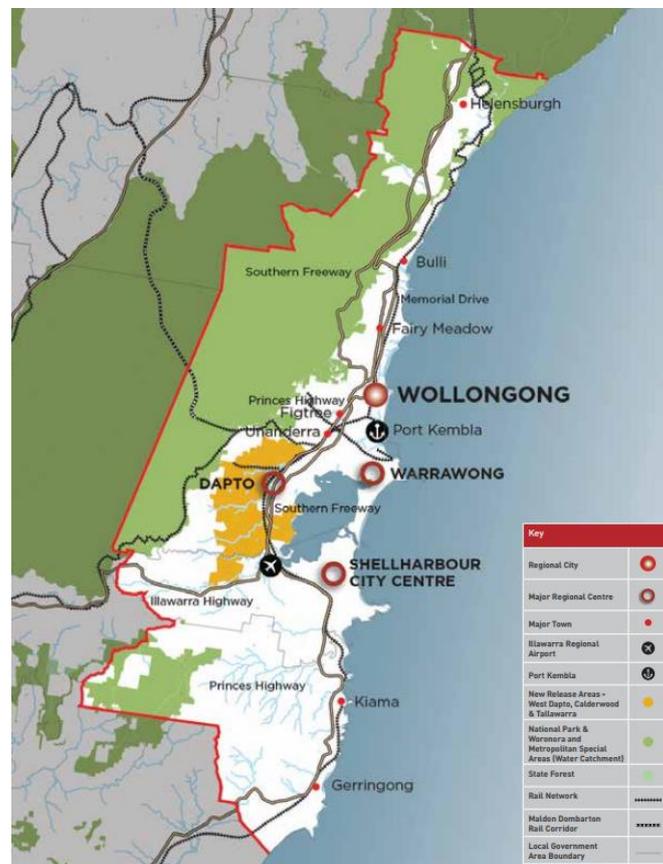
Wollongong – ranges from Helensburgh in the north to Lake Illawarra in the south. Wollongong has a population of approximately 203,025 and covers an area of 715km. Wollongong is the third largest city in New South Wales after Sydney and Newcastle, and the ninth largest city in Australia.

Shellharbour – ranging from Albion Park Rail in the north, west to Macquarie Pass near the escarpment and south to Dunmore near the Minnamurra River. Shellharbour has a population of approximately 66,796 and covers an area of 147km.

Kiama - with the Minnamurra River at its northern border, Knights Hill in the west and its southern border approx. 4 km south of Gerroa. Kiama has a population of approximately 20,827 and covers an area of 258km.

(Source: profile.id, 2014)

Illawarra Map



(source: NSW Now, The Illawarra over the next 20 years – A Discussion Paper, 2013)

The Illawarra region is currently entering a period of transition from a ‘Steel City’ to a ‘City of Innovation’. This is being driven by the region’s shift from a traditional manufacturing and heavy industry base to one embracing new opportunities in the services sectors including Healthcare, Education and Training and ICT.

Through the lease of the Port Kembla Harbour Operations, the \$100m Restart NSW Illawarra Infrastructure Fund has identified 12 joint funded projects to drive economic growth in the region.

An estimated 969 direct jobs, 647 construction jobs along with many more indirect jobs will be generated by the projects. (source: Infrastructure NSW).

Projects Highlights include:

<u>Project</u>	Project Description	Illawarra Restart Funding	Projected Project Funding	Anticipated Benefits
Integrated aged and health care services Kiama hospital site	The development of integrated aged and health care service.	\$8m	\$39.2m	<ul style="list-style-type: none"> • The project generates 69 new ongoing jobs. • Will provide 194 jobs during construction. • Meeting an identified need – Kiama has a significant proportion of older people, with 3.1% of its population over 85, compared to the state average of 2%. By 2026 the population of Kiama is expected to grow by 10% and the above 85 years range is projected to be 4% of the population.
Warrigal Care – Construction of 128 bed aged care facility - Shell Cove	Construction of a state-of-the-art green star rated 128 bed aged care facility and community services hub	\$17.m	\$37.8m	<ul style="list-style-type: none"> • Leading aged care services hub and community centre. • Estimated 128 direct jobs – 20 clinical (nursing) and 80 care services. • Estimated 65 indirect jobs – eg cleaning, allied health and other suppliers. • Will generate 180 estimated jobs during construction.
Early Intervention Family Support Centre	Construction of an Early Intervention Family Support Centre at the UOW – a purpose-designed ‘one stop shop’ for families of children with higher support needs and disabilities	\$1.43m	\$2.9m	<ul style="list-style-type: none"> • Creation of a best practice education • Ongoing employment for up to 50 new staff working at the centre. • Creation of 30 jobs during construction. • Increased opportunities for early childhood service providers to expand their services through the delivery of Noah’s Shoalhaven’s Kids Together program.
Centre of Excellence for Aged Care - Bulli Hospital	Refurbishment of the facilities at Bulli Hospital into Centre of Excellence	\$14.4m	\$16.8m	<ul style="list-style-type: none"> • The 60 beds and transitional care facility would address the gap between general practice and emergency service models of care. • It would lead to the improvement of aged care services and the growth of the skills base in geriatric care for the district as a whole. • It would also reduce pressure on the Wollongong Hospital Emergency department. • The proposal would provide an additional 40 to 60 new jobs in the operation of the new facility..

iAccelerate - University of Wollongong	The construction of a purpose-built facility to deliver the iAccelerate programs and house "startup" business. The building would provide a space for 25+ fast-growth, start-up companies, mentorship, entrepreneurship training and investor matching	\$16.5m	\$20m	<ul style="list-style-type: none"> • Rapidly develop and deliver technology focused businesses into the Illawarra community. • A 3D printing café would be included for use by the community. • In its first five years it is anticipated iAccelerate would create 500 direct jobs and more than 1,000 within the wider economy. • This will attract \$70m in additional investment to the regional and State economies. • Will generate 75 jobs during construction. • The project will further diversify the Illawarra's industrial base, create diverse and sustainable employment opportunities and attract new resources to the Illawarra.
Care and community centre for aged with intellectual disability - Kanahooka	A new purpose built community of 12 homes and on site community centre, site respite centre for the ageing community with intellectual disability	\$2.9m	\$3.9m	<ul style="list-style-type: none"> • Creation of 5 jobs during construction. • Skill and workforce development in the aged care and disability sectors would increase, contributing to the region's economy and future jobs growth. • Additional 3 jobs during operation.
Road link - West Dapto Access	West Dapto Access – provision of a flood reliable route from West Dapto to the F6 Freeway, including a grade separated crossing over the Illawarra Railway line and elevated bridges over the Mullet Creek floodplain	\$22.5m	\$45.4m	<ul style="list-style-type: none"> • Will provide estimated 51 new ongoing jobs in the construction industries. • Will provide 44 jobs during the construction of the roadworks. • The West Dapto Access will provide a key additional access route to West Dapto with a direct connection to the F6 freeway providing a regional link as well as significantly decreasing traffic volumes on Bong Bong Road.
Bald Hills improvement project	Renewal and improvement of the iconic Bald Hill reserve in Stanwell Tops featuring new amenities to improve safety, traffic conditions and tourist amenities.	\$2.9m	\$5.8m	<ul style="list-style-type: none"> • A total of 94 new jobs are estimated for both this project and the Grand Pacific Walk. • Ongoing employment would be generated by proposed food and beverage offerings and potential increased demand in recreational opportunities and overnight stays. • Will provide 7 jobs during construction.
Grand Pacific Walk Stage 1, Royal National Park to Lake Illawarra	Grand Pacific Walk – proposed share-way (pedestrians/cyclists) from Royal National Park to Lake Illawarra following some 60 km of coastline from Wollongong's northern to southern boundaries.	\$5.0m	\$5.75m	<ul style="list-style-type: none"> • The project has the potential to create a new tourism sector in Wollongong • A total of 94 new jobs are estimated for both this project and the Bald Hills improvement project. • The project would also create a sense of connected communities and provide an incentive for a modal shift away from cars towards walking and cycling. • Will provide 7 jobs during construction.

(Source:Infrastructure NSW, Restart NSW Illawarra Infrastructure Fund – Projects confirmed for funding, 2013)

The Illawarra is an attractive investment option and confidence in the region is evident through an increase in private and government investments. Many large scale developments are currently under construction, in addition to those projects funded under Re-Start Illawarra.

Highlights include:

- GPT's Wollongong West Keira Development (approx. \$200m)
- Stockland's Shellharbour upgrade and extension (approx. \$300m)
- Shellharbour Marina (first stage – approx. \$150m)
- Wollongong Hospital Extension (approx. \$186m)
- Wollongong Private Hospital (approx. \$120m)
- Australian Tax Office building – Kembla Street (approx. \$16m)
- Port Kembla Harbour Operation expansion (\$600m)

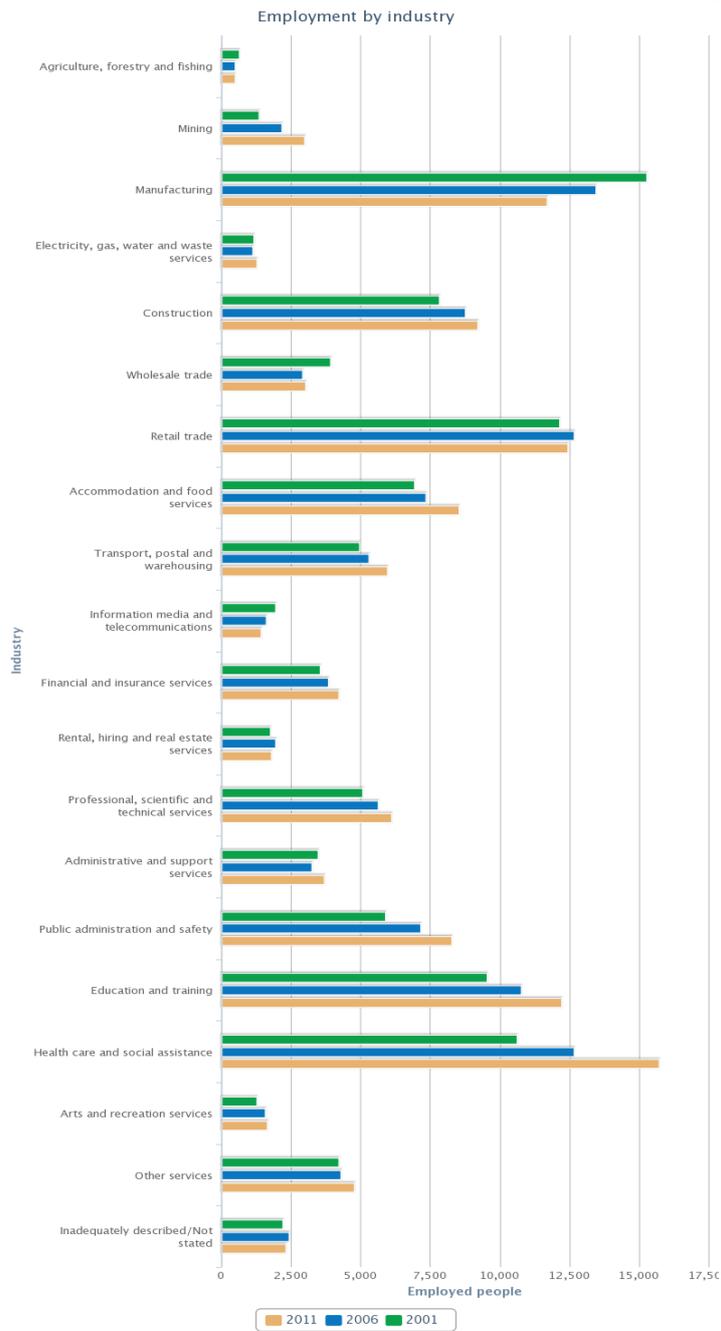
In addition, IRIS' December 2013 Profile Illawarra Investment list records the following activity:

- IRT Tarrawanna (\$18m)
- Metronode (\$27m)
- Port Kembla Soy Bean Processing and Bio-Diesel Plant (\$273m)
- Uniting Care Ageing (lodged for \$119m)
- UOW Early Start Building (\$30.3m)
- UOW Student Accommodation Keiraville (38.4m)
- Gerringong – Princes Highway (\$329m)
- Picton Road (\$50m)

HUMAN CAPITAL

As the Illawarra continues through the 'transition period', the 'human capital' profile of the region is also in transition.

This is most evident in the Employment by Sector data reflecting the year on year decline in the manufacturing/industry based employment sectors versus the year on year increase in service sectors with a particular increase in the Healthcare sector.



(source: myregion.com.au, 2014)

Educational Profile

With the major influences of the University of Wollongong and TAFE Illawarra, 24.4% of the people in the Illawarra region are attending a tertiary or technical institution. When comparing the percentage of people attending University, the Illawarra has 16.3% compared to NSW’s 14.2% and the national rate of 14.3%.

The shifting employment opportunities in the region are also driving the need for higher educated employees. This is reflected in the high attendance percentages in Secondary Education (Government, Private and Catholic) in the region, which is greater than both NSW and the national level.

Illawarra's overall educational profile is represented below:

<u>Education</u>	Illawarra	%	New South Wales	%	Australia	%
Pre-school	5,848	6.8	126,605	5.9	332,844	5.1
Primary - Government	16,387	19.2	372,075	17.4	1,181,787	18.2
Primary - Catholic	4,373	5.1	115,727	5.4	359,062	5.5
Primary - Other Non Government	1,766	2.1	61,544	2.9	214,359	3.3
Secondary - Government	12,516	14.6	271,181	12.7	774,074	11.9
Secondary - Catholic	4,441	5.2	109,409	5.1	307,142	4.7
Secondary - Other Non Government	1,717	2.0	71,341	3.3	254,828	3.9
Technical or further education institution	6,975	8.2	168,004	7.9	473,606	7.3
University or tertiary institution	13,916	16.3	303,070	14.2	932,524	14.3
Other	1,496	1.7	50,619	2.4	161,660	2.5
Not Stated	16,103	18.8	486,539	22.8	1,511,694	23.2

(Source: ABS, 2011 Census)

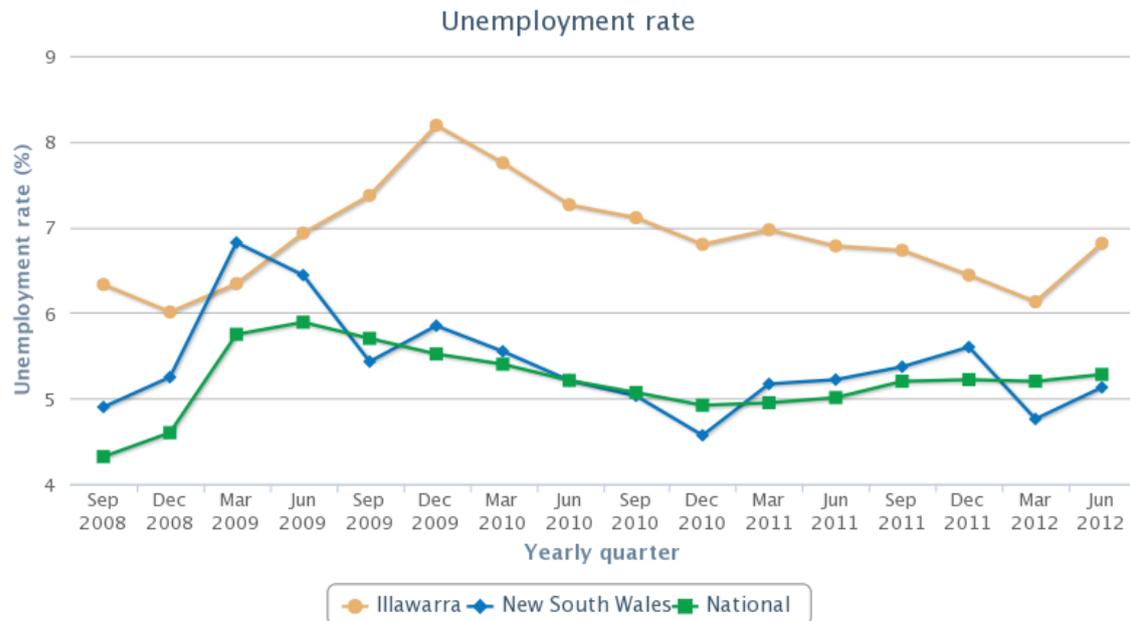
SUSTAINABLE COMMUNITIES AND POPULATION GROWTH

Although subsiding, the Illawarra still has a large percentage of employment attached to the manufacturing industry sectors and as such, susceptible to the volatility of the global markets which is reflected in the unemployment rate data.

The region's population continues to grow and change. The profile of the region has a larger 15-65 year old population than both national and NSW. This is driving the healthcare and service industries and residential housing approval growth which is expected to continue to trend upwards due to a number of projected developments planned including West Dapto and Calderwood. West Dapto is earmarked to accommodate 30,000 homes and nearly 500 hectares of non-residential development by the year 2048 (source: Sydney Water, West Dapto Urban Release Area, 2014) while Lend Lease has planned 4,800 dwellings to be developed in the next 23 years at the Calderwood development (Source: Illawarra Mercury, 2013). Other dwelling opportunities will be provided through the Wollongong City Center revitalisation as more medium density unit complexes continue to be built and approved in the area.

Unemployment Rate

As Australia's opportunities for manufacturing decreases and the global appetite for mining resources subside, these factors continue to have a direct impact on the unemployment rate in the Illawarra. At June 2012 the Illawarra's unemployment rate was 6.81%, over 1.5 points higher than the national average (5.28%). As local companies and industry reacts to these demands, the region can see rapid fluctuation in the employment data occur.

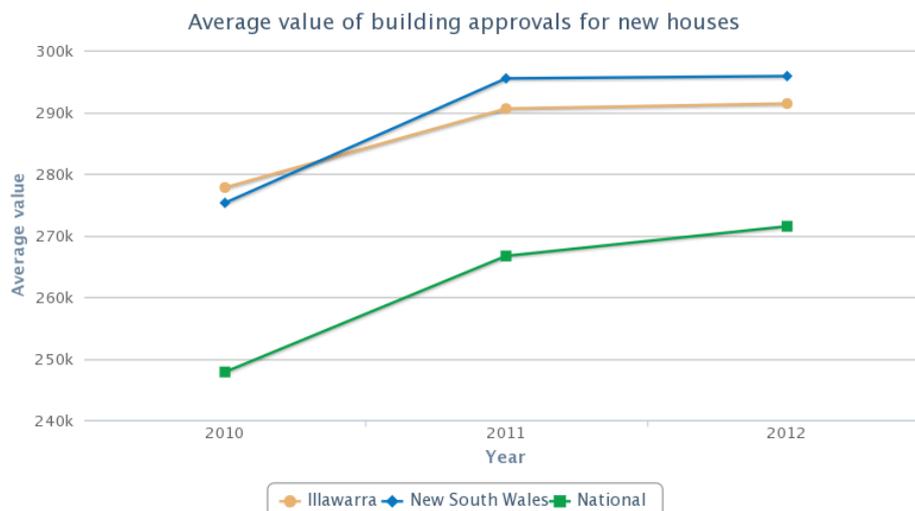


(source: myregion.gov.au, 2014)

House Values and Building Growth

Average value of building approvals for new houses

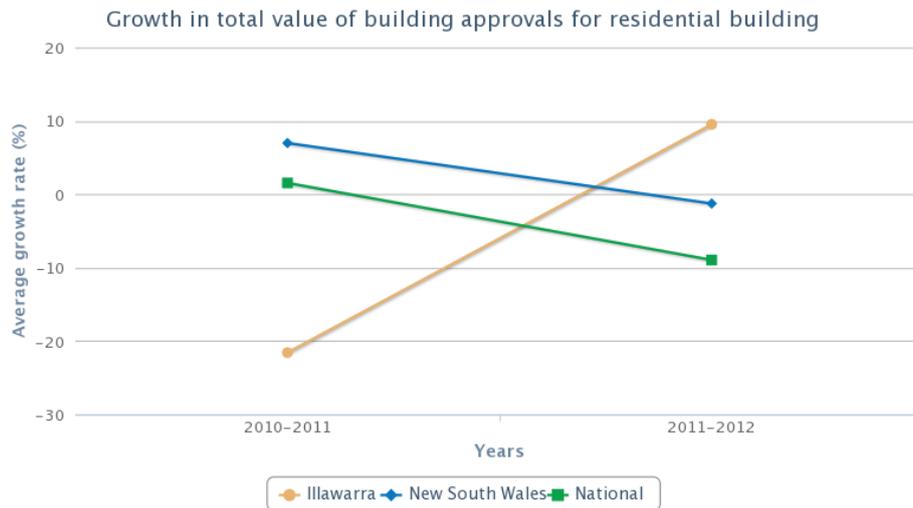
As seen in the graph below, although the Illawarra data is above the national average in 'average value of building approvals for new houses', the Illawarra is below the New South Wales average.



(source: myregion.gov.au, 2014)

Growth in total value of building approvals for residential building

When regarding residential growth, Illawarra reversed a -21.57% decrease in 2010-2011 to produce a 9.53% increase in 2011-2012. This has bucked the downward trend experienced by New South Wales and nationally, which both experienced a negative return in total value of building approvals for residential building. This trend will continue with the release of a number of new housing developments in the region.

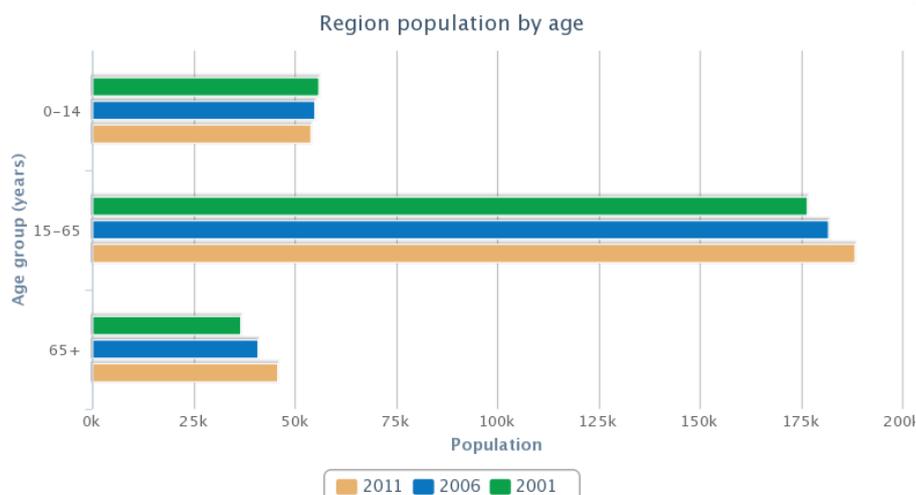


(source: myregion.gov.au, 2014)

Population and Population Growth

Region population by year

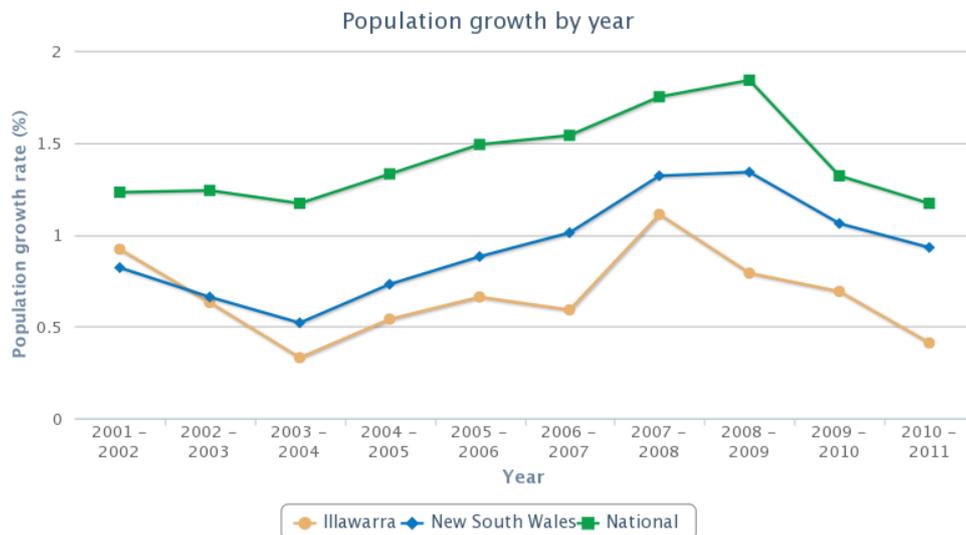
The Illawarra continues to have a larger percentage of the aged population than NSW or the national average. This in turn is continuing to drive the increase in opportunities and investment in the Healthcare sector.



(Source: myregion.gov.au, 2014)

Population growth by year

Although the Illawarra population has a larger percentage of the aged population, the growth rate of the region is considerably less than both the National and NSW average growth.



(Source: myregion.gov.au, 2014)

Cultural diversity

The Illawarra, and particularly the region's major city Wollongong, is undergoing a cultural shift. Through a proactive approach to 'Street Level Investment', Wollongong's CBD has seen increased activity in the street frontages and spaces to encourage a diverse economy. Key to this strategy is a renewed focus on arts, culture and the development of a growing and thriving cosmopolitan scene and night time economy. This includes the approval of 20 liquor licenses in the past 18 months with most of these being small bar operators. This emerging small bar scene is promoting live music, increasing restaurant and café development and generating a more charismatic precinct. By increasing and extended patronage to the CBD this urban renewal strategy is also propelling the investment and development of Wollongong's City Centre through increased Medium Density Unit construction and commercial/retail operations.

The arts and culture in the Illawarra are being supported through a number of initiatives such as Wollongong's Creative Space Strategy and its cultural plan, Shellharbour's Public Art Policy and Kiama's BERT paper (Build, Energise, Reach, Tempt) which all outline the support and strategies for the cultural arts. These policies and initiatives focus on creating a creative and vibrant arts community and public engagement with the arts.

The Illawarra identity continues to be influenced by the multicultural diversity of the region as seen in Wollongong's largest annual cultural festival – Viva La Gong.

As seen in the table below, when comparing 'Father only born overseas' and 'Mother only born overseas' to the NSW and national percent, Illawarra has a considerably higher percentage.

<u>Birthplace of parents, stated responses</u>	Illawarra	%	New South Wales	%	Australia	%
Both parents born overseas	78,617	30.2	2,363,793	36.7	6,876,586	34.3
Father only born overseas	21,966	8.4	433,840	6.7	1,407,270	7.0
Mother only born overseas	15,268	5.9	294,595	4.6	989,220	4.9
Both parents born in Australia	144,677	55.5	3,342,215	51.9	10,757,087	53.7

(source: ABS, 2011 Census)

The most popular second language to be spoken at home in the Illawarra includes (of total population %): Macedonian 2.5%, Italian 1.8%, Spanish 0.9%, Arabic 0.8% and Greek 0.8%.

<u>Language, top responses (other than English)</u>	Illawarra	%	New South Wales	%	Australia	%
Macedonian	6,921	2.5	29,453	0.4	68,849	0.3
Italian	4,874	1.8	83,173	1.2	299,834	1.4
Spanish	2,516	0.9	55,624	0.8	117,498	0.5
Arabic	2,327	0.8	184,251	2.7	287,174	1.3
Greek	2,217	0.8	86,602	1.3	252,217	1.2
English only spoken at home	226,151	81.9	5,013,343	72.5	16,509,291	76.8
Households where two or more languages are spoken	18,133	17.8	604,562	24.5	1,579,949	20.4

(source: ABS, 2011 Census)

ACCESS TO INTERNATIONAL, NATIONAL AND REGIONAL MARKETS

The Illawarra continues to develop its access to regional, national and international markets through highlighting potential opportunities the region can offer. Market spotlights include:

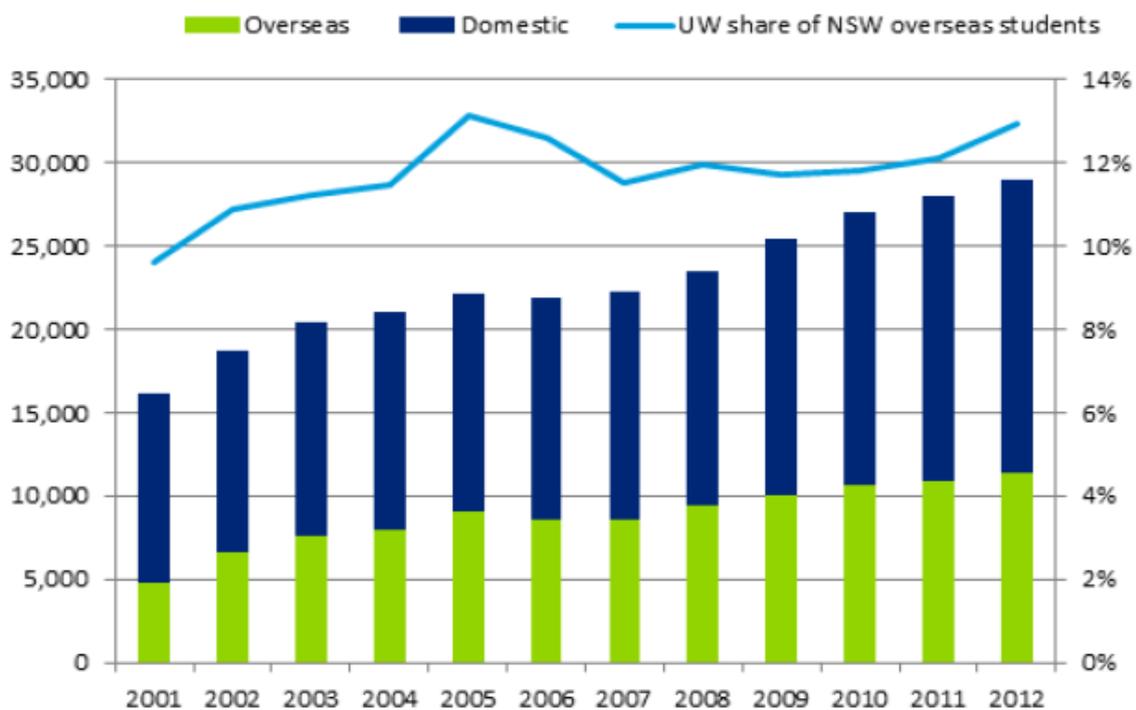
International:

The Illawarra houses the Port Kembla Harbour Operations. The Port of Port Kembla is an important international gateway, being the largest vehicle import hub in Australia and the primary coal facility in NSW. It is also the principal grain export port for producers in Southern and South-Western NSW (Source: kemblaport.com.au, 2014). The Illawarra and the Port of Port Kembla is well positioned to take advantage of the predicted global economic growth over the next decade expected to be led by China, India and other Asian markets.

The Illawarra, particularly Wollongong, has seen an increase in construction development in the city with a large portion driven by international investment. The affordable land costs, potential population growth, proximity to Sydney and the Illawarra landscape provide an attractive investment opportunity to investors.

The UOW continues to access both national and international education markets by delivering world class content through world class facilities. This has been recognised by the release of the 2013 University rankings in which UOW was ranked among the top 2% of universities in the world. The demand for education in both the Asian and World markets continues and is reflected by 11,631 international students, approx. 40% of the student base, covering 134 nationalities being enrolled at UOW in 2013 (Source: uow.com.au).

Chart 3.2: University of Wollongong student enrolments, 2001 - 2012



(Source: Department on Education/Transition Illawarra Report – Deloitte Access Economic)

National:

The Illawarra continues to grow our reputation in the emerging digital economy. This is complemented by the Illawarra region being selected as one of the first installation sites of the national high speed broadband network. These factors have led to a number of market opportunities such as the recent construction of the Metronode Data Centre which will see the NSW Government commit more than \$130m for a 10 year lease as part of their data centre consolidation plan.

As the Illawarra' workforce slowly transitions to a more service/healthcare/education focus, new opportunities and marketing are emerging. This is evident through the recent \$186m Wollongong Hospital expansion and the development of the \$120m Wollongong Private Hospital

(Source: Wollongong City Council, Wollongong Small Business Presentation, 2014).

Local:

The West Dapto development will continue to support the traditional labour market in the region with an estimated 13,126 jobs created through residential and infrastructure development. This population growth will in turn drive the local economy with increased demand in the services and retail sectors. (Source: Wollongong City Council, Wollongong Small Business Presentation, 2014)

Infrastructure:

Investment in transport projects should focus on the long term needs and compliment the identified opportunities in the region. These include:

- accommodating the growth of Port Kembla (including the Maldon-Dombarton rail link)
- providing transport links to future housing estate (projected \$45.4m funding for West Dapto Access road link) and
- Accommodating population growth and growth of commuters (to Sydney).

COMPARATIVE ADVANTAGE AND BUSINESS COMPETITIVENESS

Illawarra is in a unique situation to access both the existing opportunities from the traditional manufacturing and reSource sectors as well as being well placed to take advantage of the Service and Healthcare sectors and emerging digital economy.

The Port Kembla Harbour Operations provide the region with opportunities to develop key international and national trade port infrastructure. Through its multi-million dollar expansion of services, the port has seen a diversification of its trade base to include general and break/bulk cargoes and motor vehicle import berths and will see more opportunities presented in the future. It is well positioned to take advantage of the predicted global economic growth over the next decade expected to be led by China, India and other Asian markets.

As the region transitions from its reliance on traditional employment sectors such as manufacturing and resources industry, structural change will mean a greater proportion of activity being devoted to sectors such as health care, education and training, professional services, finance, and hospitality.

Many opportunities are enabled by changes in technology and will have rising skill requirements for which UOW and TAFE Illawarra can provide. The region's proximity to Sydney is another defining feature – one which should be embraced, not shunned.

One of RDA Illawarra's priorities, Green Jobs Illawarra, is achieving continuing success in developing innovative green enterprises and creating new job opportunities within the renewable energy sector. Through the creation of self-sustaining enterprises such as the Illawarra Aboriginal Green Teams, Clean Tech Illawarra and the Low Income Energy Efficiency Program research project, RDA Illawarra is capitalising on potential new markets through a strategic and holistic approach to the development of new and emerging industries whilst adding value to the existing industries in the region.

Illawarra is fast becoming a major influence in the information and technology landscape, providing new and exciting opportunities for the region. This is highlighted by the Illawarra being selected as

one of the first major regions in Australia to receive the roll-out of the national high-speed broadband network. Understanding and driving this potential is the Regional Digital Economy Strategy ensuring all the LGA's and key stakeholders work towards the promotion and completion of the plan.

The UOW is a key stakeholder with an increasing importance in the ICT sector, currently producing half of all ICT graduates in NSW and one in seven graduates nationally. UOW also houses Australia's largest, and one of the longest running, university-based ICT research institutes, which is recognised as a Centre of Excellence in Telecommunications by the NSW Government.

The Illawarra is also driving the growth of the new digital economy through the next generation of innovators and entrepreneurs. Programs such as UOW's iAccelerate's Start Pad (now badged as iAccelerate Start) and Entrepreneur Club and the Hackagong series, showcases the region's commitment to capitalise on talent and the broadband economy.

Appendix B: Stakeholder Consultation & Partnerships

Stakeholder Engagement and Collaboration (Source: RDAI Annual Business Plan 2013/2014)

RDA Illawarra will continue to build and sustain relationships with all key stakeholders. RDAI considers its relationships as one of the strongest assets we have that helps us make a difference in the region and achieve results for the community. Each and every day involves some level of relationship management from all staff.

RDA Illawarra will seek to work with our key stakeholders in delivering the objectives of our Regional Plan and will continue to engage with stakeholders through our website, email, direct consultation, workshops, forums, an annual summit and events.

The major stakeholders are listed below and we will continue to work with them to achieve regional outcomes. However, many other small businesses are also integral to our role particularly with the Wollongong Small Business Club and the delivery of the DEP over the next 18 months. A full list of small businesses has not been provided below. Key stakeholders include, but are not limited to:

- Wollongong City Council (MOU);
- Kiama Municipal Council (MOU pending);
- Shellharbour City Council (MOU);
- Wingecarribee Shire Council (MOU);
- A range of State and Federal government agencies, including NBN Co, AusIndustry;
- Enterprise Connect;
- Local Employment Coordinator (Department of Employment);
- Labour organisations (Trade Unions and South Coast Labour Council)
- Department of Broadband, Communications and the Digital Economy (DBCDE);
- Private sector organisations;
- Port Kembla Port Corporation;
- Community organisations eg. Access Community Group, Illawarra Forum;
- Aboriginal organisations;
- Chambers of Commerce;
- Illawarra Business Chamber;
- Small Businesses directly through Small Business Clubs and Digital Enterprise workshops;
- Sydney Business School;
- The Illawarra Connection;
- Property Council of Australia (Illawarra Chapter);
- The University of Wollongong and The Innovation Campus;
- Illawarra iTEC;
- Industry Sector Networks / Clusters eg. I3net, ICTI;
- TAFE Illawarra Institute; and
- Workers Education Association (WEA) Illawarra.

(Source: RDAI Regional Plan 2010-2015 September 2012 Update)

In addition to research, the RDA Illawarra team gathered local knowledge and ideas for the Plan through a range of consultations including:

- Face to face consultation workshops conducted at several locations throughout the region. Workshop participants included representatives of community organisations, local chambers of commerce, businesspeople, local, state and federal government workers and other community

members.

- Meetings with peak organisations including local tourism organisations, the Illawarra Business Chamber, Property Council of Australia, Australian Industry Group, South Coast Labour Council, University of Wollongong and Illawarra Forum.
- Online consultation surveys designed to seek ideas and information from a broad range of community members, which were hosted on the RDA Illawarra website and promoted throughout our networks and via advertisements in the local media.
- RDA Illawarra will continue to work with its counterparts, including the Far South Coast, Southern Inland, ACT, Sydney, Central Coast and Hunter RDAs, on strategic infrastructure projects such as the rollout of high speed broadband, Maldon-Dombarton Rail link, High Speed Rail Link and our Green Jobs initiatives, to ensure that all cross-regional opportunities are considered in order to maximise each project's national productivity enhancement potential.

Each and every one of our stakeholders plays a key role in helping RDAI to achieve our KPIs. It is important to note however that different groups pertain to different priorities and they are consulted on that basis.

Activities Associated with Stakeholder Engagement and Consultation

(Source: RDAI Annual Business Plan 2013/2014)

Evidence that the RDAI Board has maintained and nurtured a constructive relationship with its regional community in a manner that has assisted development of a widely-supported vision and strategy for the region is demonstrated by engagements with:

#IllawarraDigital2013 Expo
Wollongong Small Business Club
Clean Technology Illawarra Events
Annual State of the Illawarra Regional Leaders Summit
Transition Illawarra Initiative
Infrastructure Forum
Community Services Forum
Digital Enterprise Program
Lower Income Energy Efficiency Program

Feature Event: 5th Annual State of the Illawarra Regional Leaders Summit November 15 2014

RDAI conducted the fifth annual Regional Leaders Summit on Friday, 15 November 2013. Key features of the event included:

1. Feedback from, and facilitated café conversations about, commissioned work presented by Deloitte Access Economics, undertaken as stage one of the Transition Illawarra Initiative. The café conversations provided attendees with the opportunity to contribute their ideas and provide input into the recommendations.
2. The region's own Q&A with Tony Jones from the ABC program by that name. Tony's moderation of the Q&A was preceded by a luncheon occasional address that he also delivered. His presence attracted considerable media interest and provided an opportunity to showcase the region. His address covered political and media perspectives on regional Australia and the Illawarra in

particular; the Q&A exploring our future prospects under the new Federal government and the congruence between policy and vision for our region.

As intended, the messages at the conference were simple and few but key to the region's transitioning economy and industry profile. Many current issues were not explicitly addressed on this occasion but may be dealt with more thoroughly at separate forums. These include, for example, clean technology, social inclusion and employment initiatives, tourism and cultural industry development.

CEO Report to the Fifth Annual Regional Leaders Summit Reviewed Initiatives Which Engaged Stakeholders and Built Partnerships

Between the Summits of 2012 and 2013 a number of regional matters were raised and we have:

- Launched Clean Tech Illawarra - to help identify and promote business opportunities in the region. We are working with NSW Trade & Investment, NSW Office of Environment & Heritage, i3net, AiGroup and Enterprise Connect in bringing more opportunities and raising awareness of the types of work available in this sector.
- We have established an Infrastructure Forum to address major projects in the region. The unique aspect of this Forum is that it includes key stakeholders already working in this area and we have all agreed on key activities to work towards achieving a desired outcome. We believe this type of collaboration is key to raising awareness and getting projects off the ground as it demonstrates full support and we are all speaking with one voice. It is likely that this group will reconvene shortly as part of the Implementation Plan for Transition Illawarra.
- We have also launched our Illawarra Digital Strategy that sets the scene and the tasks involved in ensuring we are early adopters of high speed broadband in those areas that have or are about to receive it. We are working alongside our three local councils and will be publishing the implementation plan shortly.
- We received some \$330k in Federal Government funding to run the Illawarra Digital Enterprise Program that will see over 50 group training sessions run in the Wollongong and Shellharbour Local Government Areas, and some 190 one-on-one sessions on various topics that help SMEs and Not for Profits move into the digital space. This free program caters to all levels of need with 2014 seeing the introduction of select, niche, hi-tech digital training being rolled out.
- We were also delighted to receive over \$2.3m in Federal Government funding for the Energy Efficiency in the Third Age project that will see over 500 lower income, older person households surveyed on their behaviour towards energy efficiency in their own homes. Following this, some 200 households will be selected to have their premises retrofitted. All of this will be incorporated into a behavioural study by the University of Wollongong, one member of a large consortium of nine regional organisations.
- Through the assistance of the Sydney Business School and The Illawarra Connection, the first year of the Leadership Illawarra Program has been completed with 24 aspiring regional leaders completing subject matters in Governance & Ethics, Challenges for the Illawarra and Community Engagement and Social Responsibility to name a few, along with strategic site visits around the region and mentoring from current leaders. The second year cohort is

being recruited to commence in October 2014.

- Significant progress on the Aboriginal Green Teams project has been made. Business planning, corporate structure and marketing collateral have been developed for Berrim Nuru Environmental Services to help establish the business as a stand-alone entity. However, we recognise that more work needs to be done on securing long term contracts to ensure its sustainability.
- The long running Wollongong Small Business Club brought ten keynote speakers to the region catering to small business needs. These events continue to be well attended and demonstrate a need for business support services in the region. Similar to the Digital Enterprise Program, attendance at the Small Business Club is free thanks to our partners – ITEC, Wave FM, IMB and Wollongong City Council.
- We also saw just over \$10m come to the region through the Regional Development Australia Fund leveraging some \$27m worth of projects. The bulk of this went to the revitalisation of the mall for which work is currently underway.

In addition to the key projects mentioned above, we have been working on the Transition Illawarra initiative for nearly 18 months. This project stems from the Prime Minister's Illawarra Taskforce's work in 2011 following the downsizing of BlueScope and the \$30m Illawarra Regional Innovation and Investment Fund (IRIIF) program.

The Transition Illawarra initiative:

- recognises that we are a region in transition and seeks ways to identify and promote economic diversification in the Illawarra.
- Is a multi-stakeholder project that currently comprises the previous Illawarra Taskforce members, that is all levels of government, the University, Unions and industry. We are hoping to recruit other organisations to assist in the implementation of particular aspects of the Transition Illawarra report and recommendations.

It is a three stage project, with Stage One being a comprehensive research component covering:

- A review of the regional economy
- What is working well and what isn't working well
- Commuting statistics to show end route destination by job level
- A competitive analysis
- A review of workforce futures and needs, and identification of skills gaps
- Supply chain analysis
- And more, with the key results in the form of recommendations now being pursued
- We are very keen to get further input and feedback into the recommendations, particularly to help us establish and set an implementation plan, which will comprise stage two of the project, and to make sure we are aware of all the current activities going on in the region and how we can work with those activities rather than duplicate, and also to look for new areas to work in.
- A portal on our website was available to provide comment for a period of two weeks. The report will also be subsequently released to the public.
- The final stage, stage three, is the implementation stage. We will be recruiting a dedicated reSource to implement the recommendations in 2014.

Informed and Integrated Regional Planning

Transition Illawarra Initiative and Annual Leaders Summit: Multiple stakeholders engaged from government, business and community (see above). In addition, RDA Illawarra conducts a number of sector specific consultation forums to inform planning.

Engagement with Regional Stakeholders By Means of Marketing Strategies

(Source: Annual Business Plan 2013/2014)

Overview

RDA Illawarra creates and is involved with a large volume of content, projects and outcomes for the Illawarra. Many of these projects are not promoted widely enough to ensure a greater understanding of our role in the region and outcomes achieved. RDA Illawarra's marketing strategy will be directed by the following theme, 'Capture, Collaborate, Create', endeavouring to obtain a wider reach and audience. We will do this through a dedicated Marketing, Communications & Project Officer.

Capture

A concerted effort will be made to capture content. This will involve integrating marketing into projects during the planning phase to scope the possible marketing and public relationship opportunities, create a timeline for each project and execute on the opportunities. This will include print, social media and visual formats such as video and photos.

Collaborate & Create

From the content captured, RDA Illawarra will use its marketing channels to promote and distribute the content. These channels will include Social Media (Twitter, Facebook), Web (RDA Illawarra website), Video (Youtube), Newsletter and other Sources. An example of an integrated collaboration of content would be from the recent #IllawarraDigital2013 expo:

- Pre Event: Newsletter, Web, Social Media, Public Relations and Press Release to promote the event
- Event: Video Capture, Live tweeting, Photos, Facebook posts, interviews
- Post Event: Newsletter and Social media linking to reviews, photos and video hosted on the RDA Illawarra website. Press Release notification and links to various media reports.

A review of all six priorities will also be investigated for any opportunities to proactively promote and create content for the RDA Illawarra channels. Other content marketing concepts that will be reviewed will include thought leadership articles, blog posts, interviews and research-based content to feed into the RDA Illawarra marketing channels.

The strategy of engaging content through multiple channels will ensure a wider distribution of information to various audiences, a stronger and greater frequency in content delivery and building a growing and more engaged audience. This will overall strengthen the RDA Illawarra brand.

RDA Illawarra Marketing Elements

RDA Illawarra Website

As at 2013/14, the RDA Illawarra website needs a refresh. The current website is designed to house information in a static format. The website will evolve into one of a dynamic, interactive destination site. The refresh will include placing the latest news on the front page, creating a reason for reoccurring visitors (eg new, fresh content vs static content) and the possible re-introduction of a blog portal to enable conversations to continue after the projects, events or themes have ended or create new conversations about various topics. This refresh will create the tools to allow RDA Illawarra to gauge interest and 'read the temperature' of the community on various subjects. Another priority of the RDA Illawarra site is search engine optimization to allow content to be discovered by internet search engines.

Social Media

RDA Illawarra will continue to grow and engage in the social media channels such as Facebook and Twitter. The outcome will be to create a large interactive audience which will help distribute information, create calls to action (eg register for information on upcoming events or projects) and engage in conversation. Content to 'feed' these channels will be Sourced from the six priorities of RDA Illawarra, key events and topics and captured content (as described above). Followers on all social media channels have improved considerably and we will work towards continuing this trend.

RDA Illawarra will also expand its social media reach by activating new channels, in particular LinkedIn. LinkedIn will not only provide another point of contact (weighted more towards the professional/business segment) but allow RDA Illawarra to create niche discussion groups to bring interested key stakeholders and thought leaders to a themed conversation. Groups could include broad themes such as the six RDA Illawarra priorities or more granular themes such as the local Ageing Regional Economy or an Illawarra Social Inclusion Group.

Other merging social media channels such as Instagram, Vine, Tumblr, Flickr, Podcasts, etc will be constantly monitored and evaluated and based on reSources (when appropriate), will be considered to be introduced into the RDA Illawarra marketing mix.

Newsletter

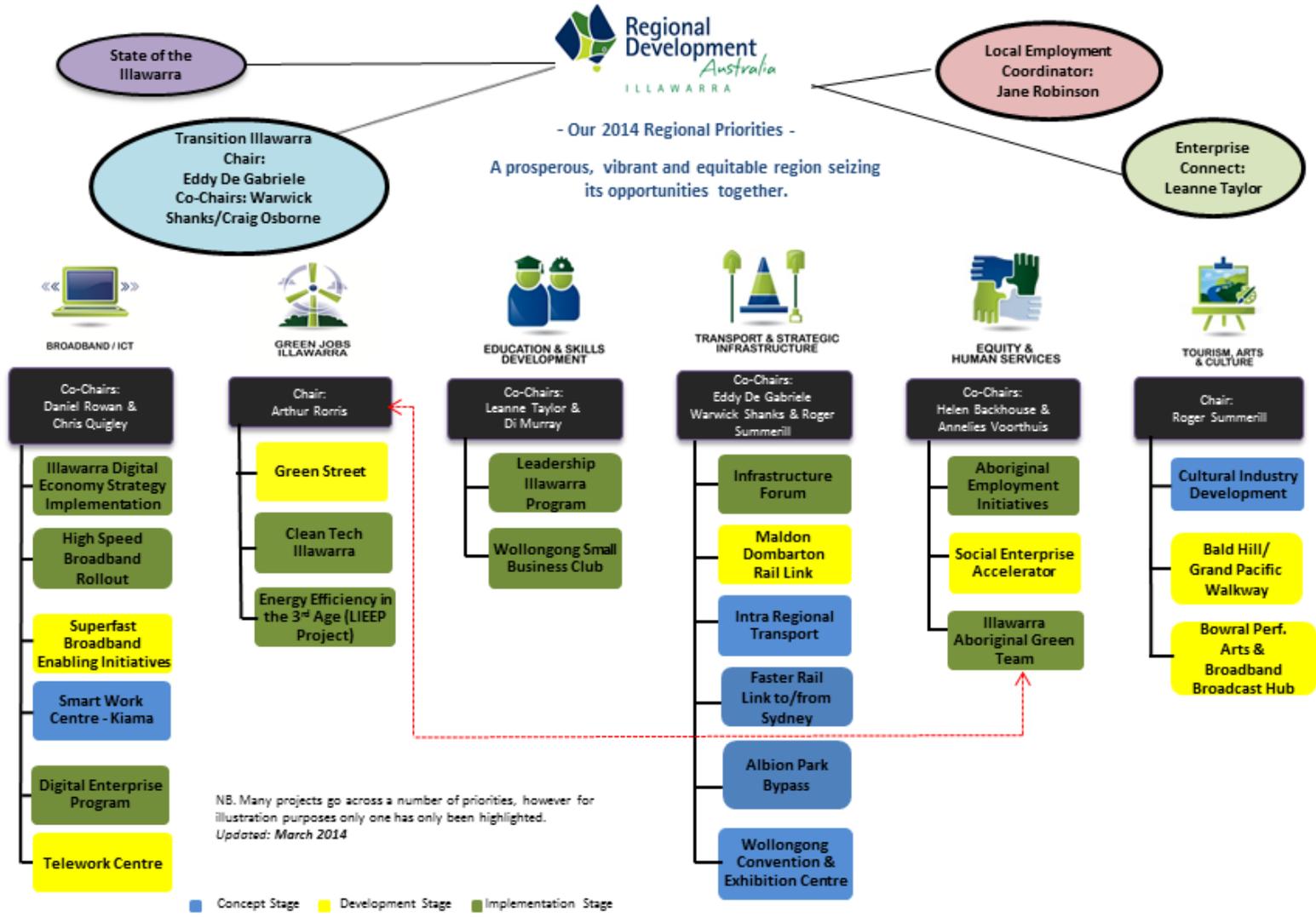
Within budgetary constraints, RDA Illawarra will make a focused effort to re-launch the monthly newsletter and build the newsletter database. The value of the newsletter database should not be ignored and the recent activity of using the newsletter database to promote an event with the call to action of registering yielded positive results. RDA Illawarra should have as strong a database as other comparable organisations to distribute information. The refresh will incorporate a new layout, information (upcoming events) and possible inclusion of interactive items eg polls.

Media Opportunities

RDA Illawarra will continue to distribute press releases for all important events and newsworthy activities through the local media. A concerted effort will be made to build a strong relationship with the individual media organisations and their representatives.

Through the growth of the social media channels, RDA Illawarra will also create a portal for journalists to monitor RDA Illawarra activities as well as create a large distribution platform for self-distribution of media content eg press release, when traditional media outlets do not 'pick-up' a particular release.

Appendix C: Regional Priorities



PROJECTS PLANNED OR UNDERTAKEN TO ADVANCE REGIONAL PRIORITIES

Priority: Broadband / ICT

Implementation:

Illawarra Digital Economy Strategy & Implementation

A Regional Digital Economy Strategy has been developed, which, like the National Digital Economy Strategy (NDES) sets out a vision for the Illawarra to realise the benefits of the National Broadband Network (NBN) and position the Illawarra to be part of the leading digital economy by 2020. To inform the strategy formation community consultations were conducted in each of three LGAs and roundtable opportunities provided for the following six industry sector clusters:

- Tourism, Arts, Culture and Media
- Health, Social Services and Aged Care
- Government and Administration
- Education
- ICT, Business Services, Retail and Telecommuting
- Construction, Manufacturing, Mining and Engineering

High Speed Broadband Rollout

A comprehensive, integrated and regional plan to facilitate the NBN rollout process through the rest of Kiama LGA, and through the Shellharbour and Wollongong LGAs. To lobby for the inclusion of the rest of the Illawarra and to prepare the way for NBN Co by ensuring we have the right systems, processes and approvals in place for a seamless rollout to the rest of the region. Scope includes planning and infrastructure, communication and administration, and community engagement and uptake.

Digital Enterprise Program

This program provides free group training and face-to-face support for small-to-medium enterprises and not-for-profit organisations to help improve the way they do business and deliver services online. The \$313,000 program will assist them to be digital-ready when key parts of the region are connected to the National Broadband Network. 50 group training and 190 mentoring sessions are to be delivered.

Development:

Superfast Broadband Enabling Initiatives

Although the environment has altered regarding the roll-out of a high speed broadband network, RDAI continues to prepare and undertake initiatives to enable the Illawarra to maximise broadband opportunities. These initiatives dovetail into other current projects and priorities such as the Telework Centre Initiative, Illawarra Digital Enterprise Program and the Illawarra Digital Economy Strategy.

Telework Centre

Grant funding has been offered by the NSW Government, through NSW Trade & Investment (the Department) for the Smart Work Hub Pilot Program (“the Pilot Program”). The objective of the Pilot Program is to examine if Smart Work Hubs can:

- increase business productivity and revenue
- decrease infrastructure costs
- promote regional economic development
- introduce new technology and skills to NSW
- enhance development capacity through cross fertilisation of industries.

The Pilot Program also aims to understand if successful operating models and market demand can be established that can attract further private sector investment in future Hubs. RDAI's February 2014 EOI was unsuccessful but further funding opportunities will be explored.

Concept:

Smart Work Centre – Kiama

A proposal to develop a Smart Work (Telework) Centre in Kiama.

Green Jobs Illawarra

Implementation:

Clean Tech Illawarra

CleanTech Illawarra (CTI) is a regionally based project established by Green Jobs Illawarra (GJI), in partnership with Enterprise Connect. It brings together regional manufacturing and engineering businesses to explore, network and learn about the growing clean technology market and opportunities in the Illawarra.

Energy Efficiency in the Third Age (LIEEP)

RDAI became the recipient on behalf of a consortium for an Australian Government grant through the Department of Industry to fund a project under the Low Income Energy Efficiency Program (LIEEP). The project is referred to as Energy Efficiency in the Third Age (EE3A) and will trial approaches to reduce barriers to energy efficiency.

This project focuses on reducing energy consumption amongst low income older people (60+ years) whilst maintaining quality of life/comfort across Independent Living Unit (ILU) residences, owner-occupied and private rental households. It will enhance the adaptive capacity of older people and the barriers facing them, especially the lack of financial resources and accurate information on alternatives.

The project will be based in the LGAs of Wollongong, Shellharbour, Kiama, Shoalhaven and Wingecarribee. All deliverables for the project are to be completed by 1 March 2016.

Development:

Green Street

The Green Street Project is a partnership between the NSW State Government and Green Jobs Illawarra. The project explores the potential growth in green technologies and materials in the

construction industry, and the capacity of that innovation to create new and relevant employment within the Illawarra region. It is included in the Green Jobs Illawarra Action Plan.

Education & Skills Development

Implementation:

Leadership Illawarra Program

This project aims to bring clarity to the role of leadership in the Illawarra, enhance leadership as a driver of economic growth, employment and community wellbeing, expanding Regional leaders' knowledge of the key issues, opportunities and challenges that face the region, build relationships and trust between regional stakeholders and governments; and develop leadership skills to support emerging leaders.

Wollongong Small Business Club

A monthly networking event for people running a small business, the project aims to assist local business operators to develop their business and keep up to date with issues affecting the small business sector.

Transport & Strategic Infrastructure

Implementation:

Infrastructure Forum

The forum is an ongoing collaboration between regional stakeholders to ensure that major infrastructure projects remain on the agenda of governments and private investors. Of particular concern to the forum is that the preconditions and feasibility studies necessary for major projects to proceed are completed in order to advance those projects as "shovel-ready". Transport infrastructure is prominent among priority projects being advocated. Opportunity for expert opinion and community consultation is provided.

Development:

Maldon Dombarton Rail Link

RDAI participated in a working party for the feasibility study, and continues its advocacy for the completion of the link, ensuring it remains high on the agenda of regional infrastructure needs. The development will ease the freight burden on the region's roads and enable further expansion of economic activity at the Port of Port Kembla. \$25.5 million in Federal funding has been directed to the pre-construction design and engineering study.

Concept:

Intra-Regional Transport

A project is being developed to consider the specific needs for inter-connected transport routes and capacity within the region, particularly affordable public transport to service multiple destinations in disadvantaged areas.

Faster Rail Link to/from Sydney

A preference expressed by Infrastructure NSW for the Illawarra region, this project seeks to lobby State and Federal Governments to achieve a one hour journey between Sydney and Wollongong.

Albion Park Bypass

Long regarded as a key to relieving traffic congestion at the Albion Park Rail traffic node and to service residential and employment lands, this infrastructure priority has NSW Government funding of \$1m committed to prepare for the Bypass design, with ground surveys being carried out at time of writing. The project is for an extension of the M1 Princes Motorway between Yallah and Oak Flats to provide the bypass.

Wollongong Convention & Exhibition Centre

This project provides support to a proposal to upgrade the WIN Entertainment Centre to enhance its capacity as a National / International Convention and Exhibition venue. It would include multi-storey car parking and provide a link between the CBD Mall and Blue Mile beach precinct.

Equity & Human Services

Implementation:

Aboriginal Employment Initiatives

A range of initiatives aiming at increasing employment outcomes among the Illawarra Aboriginal community.

Illawarra Aboriginal Green Teams

This project seeks to identify potential Green projects that Illawarra Aboriginal Green Teams could undertake. For each initiative, a SWOT analysis will be undertaken as well as conduct of a competitive market analysis and recommendations made that include:

- existing structure for Green Teams, and the existing volume and variability of their work;
- workforce requirements;
- equipment required;
- management practices;
- profitability;
- training opportunities; and
- marketing;
- Develop a business plan for the Illawarra Aboriginal Green Teams project;
- Conduct information sessions and hold relevant community consultation with the Aboriginal community and relevant stakeholders;
- Develop a comprehensive plan on how all the work activities will inter-relate to each other;
- Make recommendations for the business structure and model; and
- Establish a model of policies and procedures, including an occupational health and safety (OH&S) and quality assurance system.

Development:

Social Enterprise Accelerator

The project proposes a regional Hub to act as a reSource, referral and information centre to support the formation and operation of local Social Enterprises and to ultimately build the capacity of socially disadvantaged members of the Illawarra community and contribute to local economic development.

Tourism, Arts & Culture

Development:

Bald Hill / Grand Pacific Walkway

Renewal and improvement of iconic Bald Hill Reserve in Stanwell Tops featuring new amenities to improve safety, traffic conditions and tourist amenities. Grand Pacific Walk is a proposed shareway (pedestrians / cyclists) from Royal National Park to Lake Illawarra following 60km of coastline from Wollongong's northern to southern boundaries. Restart Illawarra funding has been received for the twin related initiatives of \$2.9m and \$5m respectively. A collective estimate of 94 new jobs is forecast.

Bowral Performing Arts & Broadband Broadcast Hub

A development proposed by our MOU partners Wingecarribee Shire Council.

Concept:

Cultural Industry Development

The Cultural Industries Development Project is based on three key strategies.

1. Employment and Youth Work Experience

- Annual creative employment fair
- Mentored work experience and volunteering
- Grow events and arts programs

2. Business and Organisational Development

- Increase capacity in arts businesses and non-profit organisations
- Support the development of facilities and infrastructure

3. Promoting Arts & Culture in Illawarra

- Establish an independent Arts Board
- Reactivate and manage Create Illawarra website
- Develop sponsorship and philanthropy
- Initiate Cultural Ambassador programs

Appendix D: TRANSITION ILLAWARRA RECOMMENDATIONS

This document outlines recommendations and strategies, developed as part of the Transition Illawarra project, which could be promoted by RDA Illawarra or the region's three local councils. Many of the recommendations suggest further analysis be undertaken in key areas of need.

The recommendations are based on research and areas of focus within the current project (undertaken by Deloitte Access Economics and commissioned by RDA Illawarra). They are focused on promoting economic development and welfare, and are necessarily at a rather broad level.

It is recognised that a lot of work has already been done in many of these areas, and collaboration between RDA Illawarra and relevant stakeholders can maximise the value of work already conducted. The current report is not meant to replace other research – it is intended to highlight areas of opportunity and challenges that the Illawarra region faces both now and into the future.

To be truly effective, a firm commitment from key stakeholders, including all levels of government and the private sector, is required in implementation.

Finally, the current report is the first stage of a three stage process in the Transition Illawarra initiative. Stage two will comprise the prioritisation of recommendations and a comprehensive implementation plan outlining responsibilities, timeframes and key actions.

General

1. **Establish an implementation plan by RDA Illawarra and the Transition Illawarra Stakeholder Group** that highlights responsibilities, timeframes and key actions in relation to the implementation and prioritisation of the recommendations presented below.

Transport links

2. **Continue to support the relevant government agencies in ensuring cost benefit analysis is undertaken on major transport infrastructure projects within the region.** Projects include:
 - the construction of the Maldon to Dombarton rail link;
 - improvements to commuter rail travel time on both the Illawarra (suburban) line and the South Coast (intercity) line;
 - the construction of the Albion Park Bypass from Yallah to Oak Flats;
 - improvements to a number of interchanges with the M1 motorway and internal transport links within the Illawarra;
 - the extension of the F6 (now M1) motorway north to Sydney from Waterfall to Alexandria; and
 - the duplication of Picton Road.

Prioritisation should be based on the highest benefit-cost ratio (BCR). Only some of the projects above have been the subject of cost benefit analysis – notably the duplication of Picton Road (Meyrick 2008), the extension of the F6 (ACG 2002), and the Maldon to Dombarton rail freight link (ACIL Tasman 2011).

3. **Continue to work with key agencies in improving rail travel times throughout the Illawarra region** and explore potential options to achieve a 60 minute travel time from Wollongong to the Sydney CBD as recommended in the State Infrastructure Strategy (Infrastructure NSW 2012). Also play a role in encouraging the development of residential and commercial centres

at major railway stations and exploring the potential for value capture options to assist in funding improvements to travel times.

4. **Play an active role in working with local councils and other key stakeholders to support these infrastructure projects** and work with Infrastructure New South Wales to ensure there is a clear delivery timeframe for the projects.
5. **Investigate alternative funding Sources to reduce the need for government funding** of key infrastructure projects, in particular the potential for private funding (e.g. through Australian/international pension/superannuation funds) of rail freight upgrades such as Maldon to Dombarton (while recognising that a lot of these discussions will occur on a commercial in confidence basis and that some funding for these projects will need to be provided by local, State and Federal governments).

Health and ageing

6. **Support initiatives such as the creation of a Centre for Excellence in Aged Care** and work with the University of Wollongong to support initiatives to enhance aged care provision and research. This will assist in promoting the region as a retirement destination, supporting businesses that operate in the sector (both existing and potential), and transforming the region into a nationally recognised 'base' for the provision of excellence in aged care services more broadly.
7. **Review existing assessments of the region's health and aged care needs both now and into the future.**
 - In relation to health care, consideration should be made of the extent to which the region's current health services are sufficient to support an ageing population. RDA Illawarra and local councils should work with the Illawarra-Shoalhaven Health District to ensure that the delivery of new medical facilities is co-ordinated with opportunities to accommodate additional aged care places in the region.
 - In relation to aged care, analysis should be conducted into the extent to which elderly citizens' care needs are being met. This will give an indication of whether certain types of care (for example, residential versus community care) are needed more urgently than others. Using this information RDA Illawarra should work with State and Federal authorities to ensure any areas of unmet need are addressed as a priority.
8. **Undertake an audit of the region's aged care workforce needs now and into the future.** In addition to assessing workforce needs, the audit should consider the barriers that might exist in attracting workers to the aged care sector (as well as strategies for addressing those barriers), and a comparison with other sectors' abilities to attract and retain appropriately qualified staff.
9. **Work with local councils and the NSW Department of Planning & Infrastructure** to ensure that an integrated approach is taken to strategic and land use planning to ensure sufficient land is allocated for health and aged care needs now and in the future.
10. **Support the development of more research, courses and curriculum at the University of Wollongong (including the IHMRI), TAFE Illawarra, Healthy Cities Illawarra, the Illawarra-Shoalhaven Medicare Local, and other training providers to place greater focus on the provision of education in health care and related disciplines** to help support the region's ageing demographic, and to ultimately expand the availability of 'home grown' health and aged care professionals.

11. **Identify entrepreneurial opportunities associated with the health and aged care sector**, and support local businesses seeking to harness the business opportunities that might flow from an ageing population

Business development

12. **Work with key agencies and current initiatives (such as Advantage Wollongong) to actively market the region both to prospective businesses and residents.** The Illawarra's proximity to Sydney presents a considerable opportunity to diversify the economy. Over the longer term, the more Sydney based workers that decide to live in the region, the more attractive and feasible it will become for businesses to open offices in the region.
13. **Coordinate a telework campaign for the Illawarra region** that encourages teleworking, and recognises the benefits of teleworking, both to individual firms and employees, as well as the broader economy. A similar recommendation was made in the Illawarra Digital Strategy (Explor Consulting 2013), and could include:
 - making public submissions and participating in telework forums etc. to help 'brand' Illawarra as being a telework region; and
 - supporting current and proposed telework hubs in the region – whereby multiple businesses can be located in shared offices and investigate with State and Federal government departments the possibility of them being the anchor tenants for future facilities. For example, the Digital Strategy notes the possibility of residents in, say, Kiama or Shellharbour commuting to a 'telework centre' in Wollongong which would allow them to connect remotely to their job in Sydney, or alternatively commute to 'Smart Hubs' in Kiama where high speed broadband currently exists.
14. **Work with NSW Trade & Investment to create a more favourable environment for businesses to relocate to the Illawarra** or establish secondary or support facilities there. Further, local councils should continue to monitor the supply of different grades of industrial and commercial real estate within the region, and ensure the planning framework supports the expansion of professional services over time.
15. **Explore and prioritise ways to enhance the manufacturing sector's capacity to adapt to changing economic times, and provide support for relevant organisations to work together more effectively.** For example, collaboration between facilities such as the UOW's Innovation Campus or SMART Infrastructure Facility, AllIM, AiGroup, i3net, Clean Tech Illawarra, and manufacturing employers might facilitate a switch in focus toward 'advanced manufactures' or manufacturing services.
16. **Work with landholders and relevant stakeholders to identify strategic land use opportunities to meet business demands.** This may include both public and private land.
17. **Maximise the opportunities available at the UOW Innovation Campus**, with a particular focus on encouraging further related IT and professional services employment. For example, despite the UOW being the State's largest provider of IT graduates, IT accounted for only 1% of the region's workforce at the 2011 Census.
18. **Work with key stakeholders to further develop and promote the region's IT sector.** This should include support and promotion of existing assets (e.g. new data centre), investigating the potential for future investment in IT related assets, and facilitating collaboration between the UOW's IT faculty and the region's nascent IT workforce.
19. **Undertake an audit of existing business support and entrepreneurial programs available to SMEs** as a means of nurturing that sector and providing them with a better understanding of what is available in the region, for example, the Wollongong Small Business Club. The audit

should include a review of business engagement levels and challenges to determine whether any changes need to be made, and the results of the audit should be made publicly available and promoted appropriately.

Workforce development

20. **Encourage local training providers to focus on training needs identified in key demand areas**, noting an expected increase in demand for post-school qualifications, particularly in health care and social assistance.
21. **Work with key stakeholders and industry to develop more opportunities for long term disadvantaged employment seekers.** This should, as far as practicable, identify entry level positions in key growth sectors and highlight any preparatory needs of job seekers to take up those opportunities.
22. **Work with State and Federal agencies to ensure that adequate reSources are available to assist where possible those affected by a changing economic environment**, and maximise the use of current programs to up-skill existing workers. This is especially given the long term shift towards a more service oriented workforce. Such assistance could involve, for example, the provision of interview training or assistance with job seeking for retrenched workers, or assistance in reskilling/upskilling existing workers to ensure they remain competitive in a changing labour market.
23. **Identify and collate case studies on successful approaches to help older workers (45+) to remain in and, if necessary, re-enter the workforce following retrenchment.** The latter recognises in particular the increasing difficulty that older workers face, particularly in regional areas, when re-entering the workforce following a job loss.
24. **Work with key stakeholders to further build on the region's strengths in the education sector** to find opportunities to export education and to attract overseas students to the region. Particular opportunities may be found in government programs.
25. **Work with local councils and the NSW Government to highlight the opportunities available through a greater and more consistent approach to social procurement.** While considerable effort has gone into developing guides and parameters around social procurement, practical implementation has been slower than anticipated.

Housing

26. **Work with local Councils and the NSW Department of Planning and Infrastructure to ensure the region is able to accommodate future housing needs.** While sufficient land exists in new housing release areas to meet likely greenfield demand over the next 20 years, it will also be important to ensure that adequate leading infrastructure is provided to support the development of these sites as well as infill areas. This will ensure adequate release of land for residential housing so that the region can continue to provide affordable housing for first home buyers.

Tourism

27. **Work with local councils and key tourism organisations to look at opportunities to explore barriers to Asian tourism in the region.** Despite its proximity to Sydney Airport, the Illawarra region has remained largely unaffected by the huge growth in tourism from developing Asia, with the majority of its international visitors coming from 'traditional' Sources such as the UK, the United States or New Zealand.

28. **Undertake a detailed assessment of the tourism assets required to further support the development of tourism within the region,** including expanded tourism facilities near the region's beaches.
29. **Work with key stakeholders to ensure local organisations have the opportunity to leverage off one another for events occurring in the region.** For example, conferences held at UOW provide an excellent opportunity to promote the region as a destination for recreational, academic and business related tourism.

Sources

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