

ECONOMIC DEVELOPMENT STRATEGY (DRAFT) 2019 - 2029

A Submission by Regional Development Australia (RDA) Illawarra



Submitted by:
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Executive Summary

Regional Development Australia (RDA) Illawarra welcomes the opportunity to provide feedback on Wollongong City Council's Economic Development Strategy (draft) 2019-2029 (ED Strategy).

RDA Illawarra strongly supports the three key strategic objectives outlined in the ED Strategy:

- **Jobs target** – generate 10,500 new jobs in the next decade to reduce the jobs deficit
- **Lifting median incomes** – focusing on industries that are higher-paying and have a greater share of full-time jobs and are expected to grow in the future
- **Targeted sectors** that align with talent pool, including those of commuters and graduates of UOW.

The ED Strategy is a sound approach to the next 10 years of economic development for Wollongong is well considered, analysed, researched and evidence based.

However, given the aspirational economic trajectories sought for the next 10 years, we encourage Wollongong City Council to:

- take timely actions which will change this trajectory, in partnership with Illawarra regional stakeholders, the private sector and other levels of government;
- develop a systematic approach for working with stakeholders to implement the strategy and provide regular updates on progress either through a new Advisory Board or existing forum such as the Peak Bodies; and
- to adequately resource (or seek additional partnerships) to ensure that investment attraction work is supported and the job outcomes are achieved.

Introduction

Regional Development Australia (RDA) Illawarra welcomes the opportunity to provide feedback on Wollongong City Council's Economic Development Strategy (draft) 2019-2029 and acknowledges that the draft Strategy has been developed using feedback from 130 key stakeholders, 300 businesses surveyed, economic modelling and desktop research.

RDA Illawarra has an active and facilitative role in the Illawarra region, with a clear focus on growing a strong and confident regional economy that harnesses competitive advantages, seizes on economic opportunities and attracts investment. The RDA Illawarra Board and staff are neutral brokers and collaborators across all levels of government, community, business and stakeholders for the growth of the Illawarra's economy (including Wollongong, Shellharbour and Kiama LGAs).

The Illawarra has a population of 305,050 (2016) and is projected to grow to 362,000 people by 2036. Wollongong is the third largest city in New South Wales and the tenth largest city in Australia. As the regional capital of the Illawarra, Wollongong has the opportunity to be our powerhouse for economic development.

The CEO of RDA Illawarra, Debra Murphy, was an active member of the Wollongong Economic Development Strategy Reference Group. This involvement has enabled us to be a part of the development of this strategy and to influence it's future focus and direction.

We would like to congratulate Wollongong City Council for publishing a solid evidence-based draft strategy, and we commend the hard work of the Wollongong Economic Development team - Mark Grimson, Louise Southall and Ryan Cook.

The *Economic Development Strategy Draft 2019 – 2029* (ED Strategy) sets out an aspirational economic development strategy for the next 10 years which goes above and beyond business as usual. Given the desire of the ED strategy to 'alter the trajectory of employment growth and improve the jobs outcomes above a business as usual trend', this will no doubt present challenges in how the strategy is implemented.

We note that Council acknowledges that 'collaboration is vital for success' of the ED Strategy, however, the final ED Strategy could be strengthened by defining the major collaborators, key stakeholders, and the methodology for working together, especially in Part 3, Action Plan. In other words, all partners should be defined/named in the Action Plan, and a way for us to systematically support the ED Strategy implementation also articulated. We suggest that the ED Strategy implementation could be supported through either a new Advisory Board being established by Council, or through an existing regular forum such as the Peak Bodies collaboration, facilitated by RDA Illawarra.

Jobs target, high paid jobs and target industry sectors

RDA Illawarra strongly agrees with the ED Strategy jobs target of 10,500 new jobs over the next ten years, and note that this is almost double the amount achieved over the past decade, ie 4,998 net new jobs created up to 2019. With the jobs target will be a key measure of success for the ED Strategy, an interventionist, collaborative, focussed and well-resourced implementation plan will be vital.

In addition, RDA Illawarra agrees with the rationale of the ED Strategy to target industry sectors that have high paid jobs, and we support the target industry sectors identified of:

- ICT/Tech
- Financial and Insurance Services
- Professional, Scientific and Technical Services
- Public Administration and Safety
- Electricity, Gas, Water and Waste Services.

We note that the above target industry sectors are aligned with the RDA Illawarra strategy. We would be pleased to work with Wollongong City Council on any direct initiatives in targeting Decentralisation of public or private sector jobs, especially those in relation to the Federal Government. The [RDA Charter](#) by the Minister for Regional Development specifically requests that RDA's facilitate Decentralisation.

We are keen to collaborate for the success of the Illawarra region's long term economic growth. The Decentralisation approach is just one way in which RDA Illawarra can collaborate with Wollongong City Council to achieve optimal outcomes for our region.

Matching job opportunities to the talent pool

There is currently a jobs deficit, or as the ED Strategy points out, for every 100 employed residents in Wollongong there are only 94 local jobs available. The ED Strategy identifies alignment of two large pools of skilled workers, ie the commuter pool and UOW graduates, with growth industry sectors as an opportunity. This is part of the solution for Wollongong, however as a region, the Illawarra economies are intertwined, with 12,747 people or 43% of Shellharbour and 23% of Kiama working residents relying on Wollongong LGA to provide them with jobs.

In future, with population and strong residential growth, particularly in the Shellharbour LGA, the challenge for Wollongong is deeper than merely servicing the local residents of Wollongong. As the regional capital, Wollongong also provides significant job opportunities for residents of neighbouring LGA's.

Encourage new local businesses

We encourage Wollongong City Council to apply additional resources to further encouraging more local residents to start a business, or supporting existing businesses to expand. Unfortunately, Wollongong is lagging behind other LGAs in supporting entrepreneurship, with the Regional Australia Institute finding that Wollongong has lower levels of business owner-managers, at 12.1% versus 15.9% for regional Australia.

We encourage Wollongong City Council to look above and beyond their current initiatives of 'Business Support and Development' outlined on page 68 of the ED Strategy. While these initiatives certainly kick goals, especially the long term Economic Gardening Program, as well as the iAccelerate incubator, both have been in place now for some time.

With the extra stimulus required to deliver the doubling jobs target over the next 10 years, we believe there is more investment that could be made to encourage our residents to start new businesses and to be supported to grow our existing businesses long term sustainability.

What will change to achieve the new economic trajectory?

We reiterate that the aspirational economic trajectory outlined in the ED Strategy will require not only resourcing, collaboration and focus, but also requires us to act differently. Over the past 10 years we have achieved half the target of new jobs. We therefore ask the following two questions in relation to the implementation of the ED Strategy:

- ➔ what will change for us to achieve the job outcomes sought?
- ➔ how will we achieve solid investment attraction outcomes?

The ED Strategy is a well-evidenced and researched approach, and provides a solid methodology for the targeted industry sector approach. It further notes ten 'game-changing' projects, some of which are already well underway, such as the '*Australian Industrial Gas Energy Terminal Project*', and others which have been advocated for significant time, such as '*reducing the travel time between Wollongong and Sydney*'.

We note specifically the following 'game-changing' projects, which all form part of the RDA Illawarra current strategic advocacy projects and we are keen to continue to work with Wollongong City Council on:

- *'Capitalising on the growth of Western Sydney and development of the Aerotropolis'*, including the recent Western Sydney Action Plan project. However, we note that there is no mention on how the Illawarra Regional Airport could be leveraged for further economic outcomes, which is a strategic economic asset of the region, located in the Shellharbour LGA
- *'Attracting major events and tourism infrastructure'*, including supporting the growth of our accommodation stock, as well as the concept planning work by Venues NSW for the Wollongong Entertainment Centre
- *'Delivery of the Port Kembla container terminal project'*, which could be accelerated
- *'Further evolving as a Smart City'*, including our partnership with ISJO on the Illawarra Shoalhaven Smart Region Strategy
- *'Improving the effectiveness of our advocacy'* and collaborating for success, especially in areas such as a potential Wollongong City Deal.

While the ED Strategy outlines the policy levers that Wollongong City Council can directly change to increase the city's employment generating capacity, and at Part 3 outlines an Action Plan, it is less clear where the ED Strategy intersects with other stakeholder's initiatives and how we will in practice change the aspirational trajectory and achieve the job outcomes sought.

We support the Wollongong City Council commitment of an additional \$600,000 investment over 3 years in the activities of Advantage Wollongong. A commitment to this partnership is worthwhile and can assist in achieving the job outcomes sought. The competitive advantages of Wollongong as a superior business location are well known and evidenced, and the work of Advantage Wollongong on promoting these is welcomed and results in some positive outcomes. However, the challenge of overcoming the perceptions of Wollongong still remains, and could need significant additional support and resources from the partners.

In short, the question remains → what will we do differently to achieve the aspirational economic trajectories sought in the ED Strategy?

Recommendations

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However, with the aspirational economic trajectories sought for the next 10 years, we encourage Wollongong City Council to:

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