



PROGRESSING THE NSW ECONOMIC DEVELOPMENT FRAMEWORK

PRIORITIES FOR GOVERNMENT FOCUS IN 2014

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To: Georgia Wallace
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Thank you for the opportunity to make a submission to the NSW Government's Economic Development Framework Priority Settings for 2014.

We are pleased to see that the Framework makes specific reference of Western Sydney in its list of priorities as it is our belief that most of the opportunities and benefits for economic investment are in the Western Sydney region.

With over 1.9 million people in the Greater Western Sydney region – and a further 1 million expected over the next 20 years, it is vital that the economic framework is designed in a way which will ensure there are sufficient jobs and business to cater for demands of both present and future populations.

As a region we currently have a jobs deficit of around 180,000, which, unless urgently addressed, will increase to around 290,000 by 2030.

Public transport – and the lack of it - is a significant barrier to investment and growth, and needs to be improved if residents and employees are to be able to move freely around the region. The Western Sydney light rail proposal is critical to connecting Western Sydney with the facilities in the rest of the city, and to create the urgently needed north-south links between our major urban centres.

However, as a relatively undeveloped region we can also offer a wider range of investment opportunities and potential growth areas which other regions of Sydney and NSW do not have.

Despite limited public transport and a significant backlog in infrastructure provision, our economy nevertheless generates around \$90 billion annually – of which 94 per cent is produced by local small and medium enterprises. This shows that the potential to capitalise on the energy, initiative innovation and determination of our population is almost boundless, and is a major reason why we believe much of the Government's incentives and programs to boost economic growth should be targeted at the Western Sydney region.

WSROC has long advocated on the need for a designated Western Sydney Economic Development Authority – a body dedicated to auspicing and facilitating economic growth through linking and promoting existing businesses and industry and identifying opportunities for new enterprises and innovations. Establishing this Authority could be a key

initiative of the Economic Development Framework – especially in meeting its goals relating to Western Sydney.

WSROC supports the Framework's emphasis on partnerships. Our councils are already working with a variety of stakeholders and members of our local and business communities to achieve on-the-ground initiatives and project innovations. We look forward to working with the NSW Government to further progress these initiatives and share our experiences.

In the past there has been a lack of clear engagement between NSW Trade and Invest and local government, although we welcome the new spirit of consultation and co-operation as outlined in the Framework.

However we would like to see more concrete support for key initiatives being developed by local government in Western Sydney such as a greater willingness and clear commitment to relocate State Government departments to Western Sydney and more detail regarding how and in what form this will be achieved.

We are also concerned that while many of these initiatives sound promising, there is very little detail concerning whether there are adequate (or indeed, any) resources, in terms of funding, regulatory support or agency commitment, to achieving these goals.

Comments and suggestions for Potential Priority Actions for 2014

DEMONSTRATE LEADERSHIP

- Support the needs of major industries.

Despite its well-publicised decline in recent decades, manufacturing still contributes \$13.3 billion and around 17 per cent of jobs to our region's economy. Greater support for this sector should include programs to introduce new and updated technology, and to identify opportunities to upgrade and modify production to take advantage of new opportunities in green skills and technology. Connecting industry with research is crucial, and local Western Sydney industries need to be connected with leading education and research institutions such as the Green Skills Hub at Nirimba TAFE in order to leverage the ground-breaking work being carried out in these fields.

- Leverage multicultural assets

With over 100 different ethnic and cultural communities speaking over 140 different languages, Western Sydney provides a great resource for building links between our resident multicultural communities to attract investment and expertise from overseas. Local councils are well placed to develop these links and social assets through their grass roots leadership and community programs. Many of these programs and the experiences gained from them can provide the groundwork for similar programs which can be rolled out across

a broader area, such as Fairfield Council's small business support program which has already proven to be a success and can easily be applied to other areas.

- Support international student attraction

Many international students are deterred from coming to study in Sydney because of perceived housing shortages and high cost of living. Greater promotion of Western Sydney as an affordable and highly liveable alternative to the CBD and harbour suburbs will greatly improve the range of options available to these students, and by providing links with community groups of their native cultures, will broaden their support networks and opportunities for employment.

The Government should also consider encouraging overseas students to be employed as foreign language tour guides which, according to the studies being carried out as part of the Sydney Tourism Employment Plan, are in very short supply. Setting up a program via the universities and private colleges to link overseas students in need of part time employment with tour companies in need of foreign-language guides would provide a number of benefits – not least of which would be improving the employment and the tourism experience for both students and visitors alike. The positive word-of-mouth reports which this program could generate in countries of origin would serve to attract both more visitors and students.

Attracting International Students through StudyNSW is important but it is also worth looking at the possible long term benefits of channelling a pipeline of Australian students (where existing Australian Universities invest in entrepreneurial programs) that can be used to target certain international Universities. The aim would be to foster innovation and provide a new way of breaking into emerging markets and securing trade.

MAKE IT EASIER TO DO BUSINESS

- Promote the sustainability and growth of small business.

Western Sydney's economy is worth \$90 billion annually and around 94% is generated from small to medium enterprises (SMEs). Many of these have been created by new migrant communities, so there is an opportunity to further capitalise on our diverse multicultural population by providing training and targeted advisory services in a range of languages. Small business red tape is often raised as a major barrier to local SMEs so a review of the rules and requirements for setting up and running a small business, together with identification of the major obstacles could help to update and streamline processes.

- Help industry and business meet skills shortages

WSROC believes there is an opportunity to overcome current and future skills shortages by building better links to school education. We would support a concerted effort towards

early intervention within the education system for the purpose of career pathway development. Trade and Investment could help to drive the employer-led "work inspiration" program (using original British Telecom model) to instil the right mind set in our youth earlier.

COLLABORATE TO DRIVE INNOVATION AND COMPETITIVENESS

- Drive jobs and business growth in Western Sydney

WSROC strongly believes Western Sydney needs its own dedicated Economic Development Authority to oversee, co-ordinate and facilitate economic growth and investment in the region. This could be a key initiative of the 2014 priorities.

The Federal Government's innovation precinct approach received several strong applications from council/industry partnerships in the Western Sydney region. Greater support for, and partnership in these initiatives from the State Government can help promote the region and show across-the-board support for building centres of excellence around existing industries. These include the waste innovation precinct at Rooty Hill/Mt Druitt and the premium automotive precinct around Eastern Creek.

Providing local industries with access to world leading technology is especially important in Western Sydney where old-style industries such as manufacturing are struggling in the face of new technologies and cheaper production costs overseas.

We would support more programs to build closer relationships between the TAFEs and the University research departments through Expos and Industry Events so that local businesses can easily access information about new technologies and techniques, such as those developed through the Green Skills Hub at Nirimba TAFE, and gain understanding and advice on how they could be applied to their own enterprises and production processes.

- Investigate drivers and barriers for business investment in Western Sydney.

Distance, commuting, red tape and labour skills availability are all key contributors – better co-ordination between industry, Schools, VET, Universities and local and international business demands will assist in encouraging investment.

The introduction of Enterprise Zones as part of the Planning reform process will create much needed flexibility in approving new commercial entities. It is hoped that this new zoning will recognise that commercial and industrial enterprise are not always mutually exclusive, thereby allowing many of our industries to move their head offices to the same location as their production base.

INVEST IN CRITICAL INFRASTRUCTURE

- Increase the availability of alternate workplaces

Smart Work Hubs

WSROC, the RDA and some of our member councils have been promoting Smart Work Hubs as a practical long term solution to some of the congestion challenges faced in Western Sydney. We are also interested in pursuing "maker hubs" as a means of facilitating industry clusters where there are identified comparative advantages.

The smart work hubs project is currently preparing an analysis of usage demand and potential scenarios for Smart Work Hubs in Blacktown and Liverpool (LGAs), and liaising with Penrith Council on the feasibility of a smart work hub there. Networks are important and this proposal would link the three major town centres of the outer west.

Key to their success will be selecting a location close to transport, sufficiently distanced from the Sydney CBD to be relatively outside the peak hour congestion ring, and with a significant catchment population both residing locally and travelling through. It is important that the pilot Hub be more than just a telework centre but provides co-working opportunities, as well as other possible facilities such as business support, education, research, child care etc. That is, a vibrant Hub that is designed around the demands and opportunities of the particular locale, and which meets the needs of its tenants.

The NSW Government could support this initiative by committing to anchor tenant space for State Government employees to use as a work space. Federal Government departments and corporates could also be anchor tenants. Other potential resource inputs from State Government would need to be assessed.

Both State and Federal Governments need to show commitment and leadership in this by providing early tenancy commitments to allow for certainty and economic viability in the early stages as well as inspire confidence in the private sector to take up these opportunities.

Councils recognise there are numerous advantages and benefits of establishing smart work hubs. Not only does it significantly reduce the commuting times for employees, they will also provide flow-on effects in revitalising town centres and local businesses which benefit from increased patronage, resulting in a greater sense of community around town centres.

- Rollout of digital initiatives

These will need to be supported with multi-language information and training sessions for SMEs to advise and encourage them to use digital technology to improve their businesses.

RAISE THE GLOBAL PROFILE OF SYDNEY AND NSW

As mentioned earlier, there is a great opportunity to promote Western Sydney globally to international students and multicultural enterprises to take advantage of the affordability, liveability and employment opportunities available in our region.

There are also opportunities to attract overseas professionals to the region to address urgent skills shortages such as medical services. WSROC is currently looking at Federal Government initiatives which make it easier to attract high quality service professionals such as doctors to areas of need such as Western Sydney by streamlining visa requirements and providing incentives to work outside of the CBD and inner-metropolitan area. We would welcome support from the NSW Government to facilitate these changes.

Conclusion

The NSW Government's commitment to driving industry and economic growth through a co-ordinated and planned Economic Development Framework is to be commended. We believe the Western Sydney region is the state's greatest untapped resource and the WSROC councils look forward to working closely in partnership with both the NSW and Federal Government to ensure the region is able to meet its full potential.



Clr Tony Hadchiti

WSROC President

WSROC
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