

**Submission  
No 37**

## **ESTABLISHMENT OF SPECIAL ECONOMIC ZONES**

**Organisation:** RDA Mid North Coast  
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**Date Received:** 13/04/2012

13th April 2012



The Chair, Mr David Elliot MP  
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### **Inquiry into the establishment of special economic zones in New South Wales**

On behalf of Regional Development Australia (RDA) Mid North Coast, I submit the following as a submission for consideration by the NSW Parliament Legislative Assembly Committee on Economic Development.

The RDA Mid North Coast region includes the local government areas of Greater Taree; Port Macquarie-Hastings; Kempsey; Nambucca; Coffs Harbour; Bellingen and Lord Howe Island. The total population of the region represents 3.6% of New South Wales's. RDA Mid North Coast completed our Regional Plan in 2010, which comprises the following primary objectives:

#### ***Connecting our people, coast and valleys***

Priority needs: soft infrastructure (high speed broadband; skilled and educated regional workforce; aged care services; culture and recreation) and hard infrastructure (Pacific Highway and Roads; Local bridges; Transport including air and rail services; Energy and Water; Public buildings for health, education and culture; marine facilities).

#### ***Connecting our region to our neighbours and our country***

Priority needs: Tertiary education infrastructure and student places; Sustained support for place-based initiatives to 'Close the Gap'; Ensure skills and secondary education growth is linked to employment to systematically address the region's low workforce participation rate.

#### ***Connecting our products, services and capacity to our neighbours, our country and the world***

Priority needs: Development of innovative ways to capitalize on the region's national and international capacity; recognition of the NSW Mid North Coast position in the Sydney to Brisbane corridor being a 'region of state and national significance', given demographic growth trends.



An Australian Government Initiative



A NSW Government Initiative

The key regional industries (based on economic output) of the Mid North Coast region include:

- Manufacturing \$3.8b (1.9% of NSW's)
- Retail Trade \$1.2b (3.9% of NSW's)
- Health Care and Social Assistance \$1.1b (3.7% of NSW's)
- Agriculture \$0.9b (4.9% of NSW's)
- Tourism \$1b (3.8% of NSW's)
- Construction \$1.97b (2.5% of NSW's)

The key challenges and opportunities for the region include:

- Managing high population growth (1.3% p.a. 2006 to 2011) with supporting infrastructure and employment opportunities.
- Increasing employment participation rate (as at March 2012 quarter, 53.3% for the region compared with a NSW rate of 63.5%).
- Attracting larger industries to the region – currently 84% of businesses in the region employ less than 5 people.
- Maximising opportunities through high speed broadband. Construction for the NBN has already commenced in Coffs Harbour, expanding to nearby Sawtell and Boambee, and Taree will commence from June 2012.
- High average annual rainfall in the region (1217 mm p.a. average 2001 to 2010, compared with NSW state average of 515 mm) which can support increased agricultural production, employment and value-added.
- Increasing the level of Gross Regional Product per capita and per worker in the region to converge with state figures. The RDA Mid North Coast has GRP per capita of \$45,047 and GRP per worker of \$140,447, which compares with the NSW result of \$66,948 and \$161,529 (financial year ending June 2011).

RDA Mid North Coast believes that in any investigation into special economic zones in New South Wales, there needs to be a concentration on non-mining/high population growth regions. That is, a recognition that people equal productivity.

As part of the State Governments commitment to increase the share of jobs in regional NSW and drive economic growth in regional NSW, a special economic zone which includes the Mid North Coast region has the potential to:

- Increase the level of output, employment and average incomes of the region and hence the state.
- Increase the regions contribution to GSP.
- Stimulate local innovation.
- Be a catalyst for upgrading the skills of the workforce in the region.
- Attract investment into the region which increases employment opportunities.

The Mid North Coast is geographically placed in the linear coastal corridor linking Sydney to Brisbane – incorporating the RDA's of Central Coast; Hunter; Mid North Coast, and Northern Rivers. Currently, 1.53 million people reside in this corridor – representing 52% of the state's population outside of Sydney, and 6.8% of the national population. The population in this coastal corridor is forecast to grow by an additional 300,000 people by 2031. This coastal corridor contributed \$73.7 billion (or 16.8%) to Gross State Product in the year ending June 2011 and received 23% of NSW's tourism expenditure.

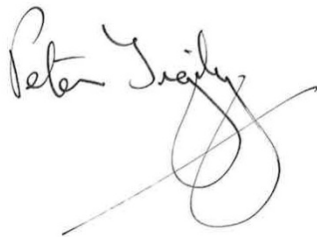
The capital cities of Sydney and Brisbane are growing rapidly in population, with projected forecasts for 2031 of 5.29 million and 4.39 million respectively. There is a need for highly productive regions neighbouring these capitals. Government investment in infrastructure is required in these neighbouring regions to make business more affordable and attractive, in addition to any financial incentives made available through special economic zones.

RDA Mid North Coast would welcome consideration of our region, or the broader coastal corridor region, to be included in any special economic zones, which could include the following:

- Financial incentives for decentralisation of businesses and industries to the region.
- Relocation incentives (expanding on the current relocation grants).
- Investigation, feasibility studies and establishment of clusters.
- Streamlining development approval processes.
- Tax incentives for job creation and industrial investment.

If you require any additional information, please contact myself on 02 6583 5647.

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Tregilgas". The signature is written in a cursive style with a large, sweeping flourish at the end.

Peter Tregilgas

Executive Officer, RDA Mid North Coast