

**Submission
No 16**

ESTABLISHMENT OF SPECIAL ECONOMIC ZONES

Organisation: Albury City
Name: Mr Michael Keys
Position: Acting General Manager
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22 March 2012

Attention: Mr David Elliott MP (Chair)
Legislative Assembly Committee on Economic Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

By email: economicdevelopment@parliament.nsw.gov.au

Dear Mr Elliott

Submission to *Inquiry into the establishment of special economic zones*

AlburyCity welcomes the *Inquiry into the establishment of special economic zones* and the opportunity to make a submission.

Located on the border of NSW, Albury faces constant competition from and comparison with Wodonga (VIC), particularly by business and industry when considering relocation or business expansion.

Independent analysis has shown that NSW applies higher rates to a range of business stamp duties and taxes than its Victorian counterparts. This includes but is not limited to payroll tax, land tax, stamp duty on motor vehicles and stamp duty applied to land and business transfers.

The economic climate of recent years has forced many firms to reduce margins and improve financial performance in order to maintain their employment base and sustain business operations over the long term. Accordingly as businesses consider locating in this region, or expansion of their existing operations and relocation to new premises, most are giving careful consideration to the comparative cost of operating in each State.

A review of the most up to date Gross Regional Product data reveals that economic activity in Wodonga LGA has increased at a greater rate than that occurring in the Albury LGA in recent times.

As at February 2012 the Albury Wodonga combined Gross Regional Product was estimated at \$5.67B, an increase of \$380M from September 2011. Of this growth \$170M occurred in the Albury LGA and \$210M occurred in Wodonga LGA.

It is recognised that the Wodonga LGA benefits significantly from the flow on effect of economic activity generated by the Public Administration and Safety ANZIC sector, primarily through the presence of Defence and numerous Victorian State Agency offices. While it could be argued that

some of this growth may be being derived from their presence, there is clearly a disparity between GRP growth based on the number of businesses operating in each City.

Based on the most recent data available (2009) Albury had 4338 registered businesses, with 1995 of those employing staff. For the same period Wodonga had 2751 registered businesses with 1230 employing staff. With almost 62% of employing businesses operating in the Albury Wodonga region being based in Albury it would be reasonable to expect that the majority of economic growth would be occurring in this City. Clearly this is not the case.

AlburyCity is working hard to proactively contribute to the growth and development of the City's economy. The current environment is such that Victoria is "The Place to Be" when comparing State Tax and Stamp Duty rates, which is significantly impacting on our ability to compete with Wodonga in attracting new investment and retaining our existing businesses.

The establishment of an economic zone for Albury-Wodonga would be most welcome to ensure parity and to enable the City of Albury to regain its competitiveness as an investment destination. It would also protect existing business and industry from the additional costs associated with cross border business operation. In this regard we lend our support to the submission prepared and presented by NSW Business Chamber.

For your interest, the NSW Victorian Planning Minister, Matthew Guy, recently visited Wodonga to launch the release of a large tract of vacant railway land in the central business district. During the course of his visit he suggested to the media and those in attendance at the launch that Wodonga would eventually overtake Albury as the regions shopping destination. It is apparent that Victoria is eager to draw investment and business activity away from NSW and that it is actively working to do so.

We would welcome the opportunity to present to the Committee should the opportunity arise. Should you have any queries in relation to our submission please contact Ms Tracey Squire, Director Economic Development [REDACTED]

Yours faithfully

A handwritten signature in black ink, appearing to read "Michael Keys", enclosed within a large, hand-drawn circular scribble.

Michael Keys
Acting General Manager

Wodonga to overtake Albury: Guy

BY DAVID JOHNSTON

WODONGA would usurp Albury as the "centre" of the twin cities when former railway land was redeveloped, Victorian Planning Minister Matthew Guy said yesterday.

Mr Guy said the land could generate at least \$350 million of economic activity involving 1300 jobs by 2025.

That would go a long way to reversing the flow of money to Albury — Wodonga Council research suggests about 65 per cent of the city's retail spending is done across the river.

Mr Guy said the 10-hectare railway site and nearby Mann shopping centre would generate great opportunities.

"We will work to make this the greatest urban renewal op-

portunity in regional Australia," he said in Wodonga yesterday.

He said tenders would be called for the removal of old railway infrastructure and the first of four "pop-up" cinema screenings on the project would be held on the site on March 17.

"This redevelopment will see Wodonga change from a centre with Albury to the centre of the Border," he said.

"It will be a great period in this city's history."

Mr Guy said the early stages of such a large project were often the most difficult, but the foundations had been set with the recent zoning changes and the establishment of a Places Victoria office in South Street.

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" This redevelopment will see Wodonga change from a centre with Albury to the centre of the Border. "

MATTHEW GUY



35° TODAY Sunny

31° TOMORROW Shower

30° MONDAY Showers

26° TUESDAY Rain easing

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Editorial

The Border Mail

Heard words, want action

VICTORIAN Planning Minister Matthew Guy came to Wodonga yesterday and left no one in any doubt what he thought about its potential.

In particular, he spoke of the benefits the redevelopment of the former railway land can bring to Wodonga.

He quoted impressive figures of more than \$350 million of additional development and 1300 more jobs by 2025.

Mr Guy raised some eyebrows when he mentioned Wodonga would one day overtake Albury as a shopping destination.

Given what is on offer in Albury as far as entertainment and retail go compared to Wodonga, there is a massive gap to be made up on the southern side of the Murray River.

We appreciate the sentiments and reassurances but, Mr Guy, we want to see action.

Until Wodonga people see bulldozers on site and buildings coming out of the ground, scepticism will remain.

The reality is years of unfulfilled promises have conditioned Wodonga residents to feel that way.

The challenge remains to secure the private investment to make it happen.

That is the role of Places Victoria and we hope it can land that big fish soon to start some crucial momentum.

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● Places Victoria chief Sam Sangster, left and state Planning Minister Matthew Guy have grand plans for the redevelopment of Wodonga's 10 hectares of railway land. Picture: KYLIE ESLER

City ready for a growth spurt

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Places Victoria will manage the sale of five lots of land stretching from High Street to Watson Street.

"It won't happen immediately, it won't happen in two weeks, it might not happen in two years," Mr Guy said.

"But the place will

be built over a period that will see Wodonga change for the better.

"The state government has real faith and confidence in this city."

Mr Guy's confidence Wodonga will become the centre of the Border, is based on predictions the city's population will surge to 50,000 people in a decade.

"This will happen very quickly relative to other urban renewal sites," he said.

"Let me say with absolute confidence and reassurance, the fact this site has been zoned, the fact the precincts have been drawn up, the fact we are here calling for tenders for removal of old infrastructure is

testament to the fact we are getting on with the job.

"We need central Wodonga to grow and we need the urban renewal opportunities to begin."

Wodonga mayor Mark Byatt said the council was well resourced with planning staff to do the initial work and ensure the project did not stall.