

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: Albury City
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The Legislative Council Standing Committee
on State Development
Parliament House
6 Macquarie Street
SYDNEY NSW 2000

Via email: state.development@parliament.nsw.gov.au


Dear Honourable Committee Members,

Inquiry into Regional Development and a Global Sydney

AlburyCity is pleased to lodge a submission to the Standing Committee on State Development Inquiry into ***Regional Development and a Global Sydney***. It is the assertion of AlburyCity that the NSW State Government has an obligation to ensure the entire state, particularly regions geographically removed from Sydney, share in the benefits of the advancing position of Sydney in the global market. Outer metro and peri-urban areas such as Newcastle, the Central Coast and Wollongong are naturally placed to take advantage of Sydney's growth, regardless of the presence of strategies targeted at maximising the positive flow-on impact of economic growth across the state. Geographic proximity, fast and efficient passenger and freight train networks and commutable travel times mean there will be a natural increase in economic advantage in these localities. For this reason, we suggest primary policy development should focus on further outlying regional areas, where no proximity advantage exists.

It is also clear that the economic prosperity and growth of Sydney is creating an escalating metropolitan population challenge and associated housing affordability crisis. The cost to the state of meeting the infrastructure demands in the metropolitan area will absorb an ever increasing percentage of the state budget unless successful decentralisation strategies are implemented. The substantial growth of Sydney, coupled with sizeable one-off revenues from asset sales, is providing an economic boon for the state, and an associated opportunity to drive change. It is critical that this prosperity is shared across the state with equitable investment in infrastructure, jobs and services, with specific focus on enhancing the viability and liveability of regional NSW cities.

As a regional NSW city located at the southern extremity of the state, Albury is a vibrant community situated on the Hume Freeway some 550km from Sydney and 310km from Melbourne. With a population of 52,000 people, Albury is an essential regional capital city providing infrastructure, health



and professional services, business, employment, education, culture, sports and recreation to a broader regional catchment of approximately 180,000 people.

The city's liveability and strategic location is evidenced by the presence of many national and multi-national businesses from a variety of sectors; some of which have established head offices in the city. A growing number of businesses service regional, national and international markets and the local economy estimated at \$3.2 billion annually, fuelled by approximately 4,000 businesses – demonstrating the importance of the city to the NSW state economy.

Located in a naturally advantageous position in the heart of a major agricultural production and manufacturing hotspot, Albury is at the centre of the Sydney – Melbourne – Adelaide triangle, home to 75% of Australia's population. These markets are directly accessible via the Hume Freeway and the main inland rail corridor which pass through the city carrying freight to and from Melbourne, Sydney and Brisbane within 24 hours.


With an established Intermodal Freight terminal, an award winning airport and recently developed premium heavy and light industrial land selling for as little as \$30 per square metre, Albury is primed to play its part in supporting and growing the rapidly evolving NSW economy as a specialist decentralisation hub for manufacturing, industry and logistics in NSW.

It is important to note that Albury is a significant contributor to the NSW economy, attracting more than 63% of its 2.4 million domestic day and overnight visitors from locations outside of NSW, with nearly half of Albury's annual tourist visitation numbers emanating from Victoria. Annual non-NSW visitor expenditure in Albury totals in excess of \$200 million, with more than \$140 million of this coming from Victoria annually.

As the highest order regional and commercial centre for North East Victoria and Southern NSW, the independently compiled Albury Retail Sector Development Strategy 2015-2025 recently identified more than \$764 million of annual retail expenditure coming to Albury from NE Victoria. As a result, in terms of retail and visitor expenditure alone, Albury brings almost \$1 billion dollars of annual interstate expenditure from Victoria into NSW.

In response to the ever-changing forces of globalisation and the tight financial circumstances in which regional NSW cities must operate, facilitating new investment through the provision of quality infrastructure, renewal of existing assets, attraction and retention of skilled workers and creating supply chain efficiencies for businesses, remains a consistent challenge.

In order for regional cities to share in the positive outcomes flowing from Sydney's position as a global city, it is essential that the NSW Government provides the best possible support for new and



expanding businesses to establish or relocate to a regional centre such as Albury. Specifically, the most efficacious form of NSW Government support would incorporate:

- a) Infrastructure spending on roads, utilities and public infrastructure to further enhance the cost effectiveness, lifestyle and business advantages of Albury as a NSW investment destination;
- b) Incentives, support and promotion for businesses to decentralise and/or relocate to a thriving regional location such as Albury;
- c) Specific support for key regional industry sectors such as manufacturing, transport and logistics, and health industries, incorporating Albury as a key regional NSW city for investment and growth in State promotions;
- d) Recognition that Albury's position on the state border is advantageous to NSW, in that a thriving Albury is a net positive contributor to the state's economy, and that supporting Albury as a NSW investment destination will limit, and in some instances, reverse investment leakage to Victoria.


Albury's geographic location on the border of NSW and Victoria presents both opportunities and challenges with respect to investment attraction. With both border cities providing a similar investment offer, implementation of the Victorian Government's aggressive regional investment policy has seen potential investment forfeited to Wodonga, representing a major loss not just to Albury, but the state of NSW.

Recent examples of significant Victorian Government investment in Wodonga, have resulted in an intermodal rail operator (SCT) establishing operations in Victoria in direct competition to the existing Albury Rail Hub; a timber product manufacturer (50 new jobs and \$25 million investment) locate to Wodonga; and another Albury based manufacturer currently considering relocating to Victoria due to the lack of NSW funding support for a major expansion which will double their current employment numbers, adding 125 new jobs in a \$30-\$40 million investment.

The playing field is potentially set to further favour Victoria, with the planned introduction of new regional Payroll Tax reductions by the Victorian Government.

As a result, the abovementioned recommendations are of particular importance to Albury, providing an opportunity for the State Government to develop and implement a regional investment policy, investment incentives, and adequate infrastructure support for the region so that the city's growth potential may be realised.

The current State policy which discounts the economic benefits of NSW projects in the proximity of a state border due to the possibility that jobs or investment may be derived by interstate residents or business operators must be removed. Fair and equitable investment policy should be applied across all NSW communities without fear or favour, as the current policy severely impacts the potential for state support for viable and revenue positive projects in Albury and elsewhere on the state border.



The growth and support of regional cities in NSW is critical to decentralisation strategies aimed at dispersing growth outside of Sydney. The provision of hard and soft infrastructure to increase productivity and build regional economies will ensure that regional living is an attractive alternative for capital city dwellers. The availability of high quality services and facilities sets cities such as Albury apart and encourages relocation, and the State Government has an important role to play in ensuring adequate funding is provided to support increased population growth.

The NSW Government has an opportunity to capitalise on the economy, environment and lifestyle available in Albury. In addition to its potential for growth, it also plays a vital role in strengthening the appeal and sustainability of the surrounding towns and villages. And unlike some of its coastal counterparts, Albury is actively seeking population increases to support growth in its economy.

It is timely that the NSW Government considers opportunities to distribute the burgeoning prosperity and growth of Sydney as a global city through the entirety of the state. Supporting regional cities such as Albury through extended infrastructure investment, business incentives for expansion and relocation as well as recognition of its unique border location will provide authentic positive impacts. There remains significant unrealised capacity in Albury's economy for growth, and considerable benefits for NSW can be attained with policy settings that promote regional development.

Please direct any enquiries in relation to this submission to our Team Leader Economic Development, Andrew Cottrill

Yours faithfully,

Frank Zaknich
General Manager