

**Submission
No 5**

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: Bathurst Regional Council

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The Director
Standing Committee on State Development
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir/Madam

Regional development and a global Sydney

Thank you for the opportunity for Bathurst Regional Council to provide a submission regarding how Sydney's growing prominence as a global city can enhance regional development in New South Wales.

Bathurst overview

The Bathurst region is located in the Central tablelands of NSW and covers an area of 3,818km². Bathurst represents the best of both worlds with easy access to Sydney (2.5 hour drive) and Canberra (3.5 hours) with an idyllic regional lifestyle, supported by the continual development of city infrastructure. For this reason, Bathurst experiences strong population and economic growth, presenting exciting new business and investment opportunities. Bathurst is the largest LGA in the region and represents one-fifth (20%) of the total Central West economy.

As a demographically young city with the median age being 37, Bathurst is recognised as the 'Education Hub' of the Central West with over 60 institutions employing over 2,000 residents. These institutions not only provide excellent education, but also many of their students reinvest their skills into the local economy, providing the city with some of the best skills on offer. Bathurst is the home of Charles Sturt University, with more than 14,000 domestic and international students studying through the Bathurst campus alone. Industrial land and commercial office space is readily available, including the strategically located Bathurst Services and Trade Centre and the Kelso Industrial Estate. A strong and diverse economy underpins the Bathurst community with Education, Food Manufacturing, Health Care, Government Administration and Construction being the main industries in terms of employment and economic contribution. Bathurst has over 3,200 GST registered businesses (source: ABS 2015).

Bathurst has a strong public administration presence being home to many state and regional Government offices. Government administration is the fifth largest employer in the Bathurst region, accounting for 1,536 local jobs (8.3% of total employment) and \$171.5M in value-add to the local economy (ID Economic Profile 2015). Additionally, the public administration sector continues to grow with a 14% increase in value-add contribution to the local economy and employment growth of 8.2%, or 69 new jobs, from 2010 to 2015.

Bathurst is currently adding approximately 500 new residents each year on average, and requires continuous business growth, relocation and start-ups to provide employment diversity for a growing population.

Ensuring regional benefit from economic expansion in Greater Sydney

The Bathurst region is potentially well placed to benefit from the current economic expansion in the greater Sydney region. However, this benefit is contingent upon both increasing the accessibility to Sydney's export and trade market and in the NSW Government providing practical incentives to Sydney based businesses and individuals to relocate to Regional NSW.

To make regional areas, such as Bathurst, able to compete in and benefit from the expansion of international trade in the greater Sydney region requires sustained targeted investment in infrastructure and in reducing transport/freight costs from regional centres to Sydney, particularly to export terminal hubs such as Port Botany. Bathurst's location provides excellent logistical opportunities, being situated on the Great Western Highway and the Main Western rail line. Improvements to these transport links are considered highly important in order to support continuing growth in the region and to provide and maintain a genuine connection between regional primary production and industry and the international marketplace of greater Sydney. Investment in this area will reduce the cost of doing business for regional producers and manufacturing, amongst other business groups, and facilitate regional business clustering and better collaborative endeavours.

For regional areas, such as Bathurst, to evenly benefit from the 21st Century competitive advantage of the greater Sydney area it is imperative that communications infrastructure and connectivity are at parity. The availability of high speed internet and reliable communications services is a key consideration to prospective business relocation, and the deficiencies and unreliability of such services has been a historical impediment to such relocation.

Regional development requires sustainable population increase coupled with rising opportunities. The example of Bathurst demonstrates that this is a practical aspiration with the most recent ABS statistics showing Bathurst's population growing by 1.86% in 2016, whilst simultaneously the unemployment rate has fallen from 4.04% to 3.85%. In considering how best to maximise economic benefit to regional areas, it is not practical to direct investment without a practical possibility of return, therefore priority for service infrastructure and funding should be directed preferentially towards growth regions, such as Bathurst, where investment will accelerate growth already underway.

Sectors of the economy providing greatest opportunities for regional development

1. Agribusiness

Agriculture remains the backbone of the economic fabric of the Central NSW Region. Bathurst provides an agricultural haven for the agricultural services sector,

with established export infrastructure (air, road freight and rail intermodal terminals) and supply chain. This sector will retain its relevance and provides strong opportunities for development and growth particularly if infrastructure improvements, as discussed above, facilitate more efficient access to Sydney and international markets.

2. Education

Bathurst is a central education hub with more than 60 educational providers including the head campus for Charles Sturt University. The education sector employs approximately 2,300 people and is the largest employer in the region. Regional education hubs provide strong potential for growth, particularly regarding the attraction of international students.

3. Tourism

Regional NSW has failed to adequately benefit from the recent surge in international tourist arrivals to Sydney, particularly from the burgeoning Chinese market. However, the range of world class natural and cultural attractions in regional NSW offer immense potential including significant jobs growth.

4. Technology/Innovation

Bathurst is an emerging Smart City with the impending activation of the NBN in mid-2017 and the emergence of Australian-first regional technology hubs such as Gunthers Lane www.guntherslane.com.au and globally recognised app development businesses. The attraction of innovative start-ups including regional seed funding schemes may encourage the flow of the most talented individual to regional areas and create an emergent cultural and economic shift.

5. Health

Charles Sturt University is increasing its profile as a health training & development hub with the relocation of a specialty medical training centre to its Bathurst campus. In addition the University has invested in a **Bathurst** Clinical Simulation Centre and a new dental school. Additionally, the Bathurst and Orange Hospitals have undergone over \$350 million in capital works in recent years and are major medical Hubs for Regional NSW. Further investment in regional health hubs as research and/or training facilities would constitute an investment that will generate self-sustaining growth.

6. Energy

Development of capacity energy generation infrastructure, most particularly renewable based, in regional NSW will generate increased regional employment whilst providing for the future requirements of the State including the greater Sydney area.

Collaboration between levels of government, non-government and private sector

Any incentive for public/private partnerships in the development of regional infrastructure is to be encouraged. Such arrangements have historically produced

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results, particularly in the development of regional intermodal terminals such as that in Bathurst.

Bathurst Regional Council also supports and welcomes the possible decentralisation of Government departments to regional centres such as Bathurst. Council's view is that decentralisation significantly contributes to employment growth, diversity and the growth of the local skills base. The relocation of individuals to regional centres through decentralisation also results in the relocation of households, whereby population increases result in increased demand for schools, hospitals, shopping centres and further expansion within the community.

Thank you again for the opportunity for Council to provide a submission regarding how Sydney's growing prominence as a global city can enhance regional development in New South Wales. Please feel free to contact me directly should you require any further detail regarding Council's submission.

Yours faithfully

D J Sherley
GENERAL MANAGER