

## **INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY**

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UNIVERSITY  
OF WOLLONGONG  
AUSTRALIA

# Inquiry into Regional Development and a Global Sydney

**NSW LEGISLATIVE COUNCIL, STANDING COMMITTEE ON STATE DEVELOPMENT**

**SUBMISSION FROM THE UNIVERSITY OF WOLLONGONG**

**JUNE 2017**

# Introduction

The University of Wollongong (UOW) welcomes this opportunity to provide input into the Legislative Council's Inquiry into 'Regional development and a global Sydney'. The economic and social resilience of NSW's regions is critical to competitiveness and growth of NSW as a whole. It is appropriate for the NSW Government to consider how it can best leverage the growth and global strength of Sydney to support the development of regional NSW.

This brief submission highlights the strong role Universities play in driving economic activity, community engagement and acquisition of human capital in regional areas. It also summarises the important role the NSW Government can play in supporting collaboration across government, education and non-government sectors, and investing in improving transport connectivity between regional areas and Sydney in an effort to unlock greater economic growth across the state.

The close proximity of the Illawarra to Sydney means that it is uniquely placed to help support Sydney's growth through the flow of labour, capital, goods and services. The Illawarra's expertise in manufacturing and steel production, Port of Port Kembla, UOW, more affordable housing, and attractive natural and ecological assets means there are already well-established interlinkages between the two cities. Greater investment by the NSW Government to improve transport connectivity and collaboration between the Illawarra and Sydney would boost these pre-existing links and increase the agglomeration benefits across both cities. A more holistic city region approach could help to redirect population growth from Sydney to the Illawarra and other peri-metropolitan regions, thereby mitigating the mounting costs of infrastructure and congestion in Sydney, whilst also maximising the economic outcomes for NSW.

## ABOUT THE UNIVERSITY OF WOLLONGONG

UOW is a research intensive University that has built a strong international reputation for world-class research and exceptional teaching quality, and is ranked amongst the top 2% of Universities worldwide. In 2016 UOW had over 33,900 total student enrolments across its global campus network and more than 2,400 staff (FTE).

The University offers more than 400 undergraduate/postgraduate courses and research degrees across a wide range of disciplines through the five broad faculties of:

- Business
- Engineering and Information Sciences
- Law, Humanities and the Arts
- Science, Medicine and Health
- Social Sciences

Since gaining independence from UNSW in 1975, UOW has undergone massive expansion growing from around 12,700 student enrolments in 1998 to 33,900 in 2016 (onshore and offshore combined), which represents around 8.4% average annual growth over this period. UOW is now an international multi-campus university, with three Sydney campuses (at Loftus, Liverpool and Sydney CBD), Wollongong, Shoalhaven, Batemans Bay, Bega, and the Southern Highlands. The University also has campuses in Hong Kong and Dubai. Our most recent facility is the new South West Sydney Campus in the Liverpool City Centre. This campus started operations in February 2017, to better service the rapidly expanding population of South West Sydney and growing demand for higher education in the region.

UOW has developed the Innovation Campus in Wollongong (with assistance from the NSW Government) which is an education, research and related business precinct. This state of the art facility provides strong linkages between business and research, and complements the University's leading research and innovation institutes, which include:

- iAccelerate (an incubator for new business start-ups)
- Sustainable Buildings Research Centre (which focuses on retrofit technologies)
- Australian Institute for Innovative Materials (a key national laboratory for medical and energy materials)





- Illawarra Health and Medical Research Institute (a joint venture with the Illawarra=Shoalhaven Local Health District)
- SMART Infrastructure Facility (a key national laboratory for research on infrastructure)
- Early Start (focusing on early childhood development)

## Universities and regional development

Universities in regional areas are a driving force in developing human capital, economic activity, and community and cultural assets. Through its research and teaching, employment of staff and commercial enterprises, UOW has been instrumental in the diversification of the Illawarra regional economy from one focused on manufacturing and steel production, to a diverse, highly skilled and globally competitive region. Regional universities generally are demonstrably contributing to the transformation of regional communities in response to the impacts and opportunities presented by globalising forces of change.

A recent economic impact assessment, estimated the total value-add contribution of UOW to Australia's Gross Domestic Product in 2015 was \$1.2 billion, with \$815 million in value add to the local Illawarra economy, as summarised in Table 1 below. The total direct, indirect and induced job creation for the Illawarra region is 7,195 FTE<sup>1</sup>, which increases to 7,794 across NSW.

UOW also generated \$557.9 million in research and innovation income between 2006 and 2015, and has incubated over 65 start-up businesses through its iAccelerate facility since 2012.

**Table 1: UOW total economic contribution (2015)**

	ILLAWARRA	NSW	AUSTRALIA
<b>GROSS OUTPUT</b>	<b>\$1,393M</b>	<b>\$1,545M</b>	<b>\$2,161M</b>
<b>VALUE ADDED</b>	<b>\$815M</b>	<b>\$886M</b>	<b>\$1,210M</b>
<b>JOBS (FTE)</b>	<b>7,195</b>	<b>7,794</b>	<b>10,169</b>

Note: Totals quoted include direct, indirect and induced impacts

Source: Branigan, J., Harvie, C., Michalas, G., Ramezani, F. (2016) *Leading Locally, Competing Globally: Measuring the University of Wollongong's Economic and Social Contribution to the Illawarra and Beyond*. University of Wollongong, p.48.

It is important that the NSW Government continues to recognise and support the role of regional Universities in developing highly skilled university graduates who can connect regional Australia with the global, innovative economy. Given predictions that 40 per cent of Australian jobs that exist today may disappear as technology reshapes entire industries, professions and work practices<sup>2</sup>, the future competitiveness of NSW will depend upon the development of highly skilled university graduates who are better prepared to be creative, entrepreneurial and flexible to meet future job challenges.

Large scale potential labour market changes will have a larger impact on regional areas due to the higher rate of low skilled jobs and education attainment levels. Therefore it is vital that the NSW Government provides regional areas with adequate support to see increases in Year 12 completion and university participation.

Collaboration with universities should be at the forefront in the effort to address some of the major issues facing our communities, such as policy and health care responses required to meet the needs of the rapidly ageing population. Rapid changes to the cost base and demands on health care provision will be felt strongly within regional areas. Collaboration with and across government, not for profits, health boards, universities, and business will be necessary to meet these challenges. UOW is actively working in this space, and has established a Health and Wellbeing Strategy, which is looking at different models of preventative, and integrated health care delivery with an emphasis on patient centred care and social equity of access.

<sup>1</sup> Full time equivalent

<sup>2</sup> Committee for Economic Development Australia 2015, *Australia's future workforce?* June 2015.





## RESEARCH AND INNOVATION

In addition to supporting the link between schools and universities in regional areas, the NSW Government should also find ways to support collaboration between business and government with the research and development activities of universities. Economic and social development is increasingly global, as is the knowledge exchange environment. High-quality research and knowledge exchange are essential to ensure Australia's place in the global knowledge economy.

The challenge in effectively linking research engagement with industry is considerable, particularly in regional areas where there can be less capital for investment and a lower appetite for entrepreneurial risk. In response to this challenge, UOW has developed the iAccelerate business incubator program which provides entrepreneurs with a robust educational program, formalised business acceleration monitoring and one-to-one mentoring. Access to seed funding has recently been secured for incubation businesses via the \$10 million iAccelerate Seed Fund.

UOW is also encouraging innovation and creativity amongst students through the establishment of a 'maker space' on campus. A maker space provides a creative environment where people collaborate to design, create and learn through the use of tools and technology. One has recently been opened in the library at the UOW Wollongong campus and contains 3D printers, multi-media space, virtual reality zone, carving, soldering and sewing stations. UOW supports increasing access to technology to encourage innovation through maker spaces, and is considering how this access can be expanded.

The NSW Government has a vested interest in seeing successful collaboration and commercialisation of research and innovation as a vehicle to drive innovation in regional NSW. The NSW Government could play a greater role in facilitating research and innovation networks in specific areas to help build the capacity for research and commercialisation across NSW. There could be merit in investigating how the NSW Government could further support the introduction of innovative models to fund activities in research and knowledge exchange. This could give NSW universities a competitive edge to develop long-term, sustainable relationships with external partners in a variety of sectors and increase academic capabilities to work with knowledge exchange partners.

UOW are active in promoting greater collaboration, with the new NUW Alliance, announced on 30 May 2017, which will see the University of Newcastle (UON), University of New South Wales (UNSW) and UOW work together to create new partnerships with community, business and industry groups to deliver enhanced social, health and economic outcomes, improve equality of opportunity and generate new jobs. This alliance is the first grouping of its kind in Australia. Similar alliances across the world have delivered significant value for their communities through collaboration between independent, research-intensive universities that are co-located in a geographic region, to leverage complementary strengths for public benefit.

The NSW Government should recognise the benefit of greater collaboration between universities across NSW, as a way to leverage the economic benefits the research and innovation work across the sector, and seek to support and enhance this collaboration through its strategic policy and programs wherever possible.

## Transport connectivity

One of the main ways that the NSW Government can include regional areas in the benefits of the expansion of international trade, infrastructure, employment, tourism, innovation and research in the greater Sydney area is to invest in transport infrastructure that improves the connectivity between Sydney and surrounding regional areas. Streamlined spatial integration between economic hubs is critical for the efficient movement of goods, services and people in an increasingly globalised economy.

Improving the connectivity between NSW's network of cities from Newcastle, Central Coast, Sydney and Wollongong should be a major priority for the NSW Government. Together these cities are home to the vast majority of NSW residents (6 million of 7.8 million) and produce the majority of Gross State Product. A holistic approach to city and regional planning should not only deliver improved linkages across Sydney, as is





being completed by the Greater Sydney Commission's District Planning for Sydney, but should also encompass the wider conurbation and related corridor regions.

The potential for enhanced infrastructure-led development, through providing faster linkages between and across these cities, is being examined by a new task group recently convened by the Committee for Sydney. This work is focused on the social and economic potential of the Newcastle-Gosford-Sydney-Wollongong city-region developing closer relationships through policy settings, integrating jobs and housing markets and constructing high speed rail connections. Improved connectivity across this network of cities would help to drive greater economic growth and productivity across NSW, benefiting both the regional cities as well as global Sydney (as well as help greater Sydney compete with other emerging city clusters around the world).

The NSW Government has a key role to play in ensuring that the current record-breaking investment in infrastructure across Sydney provides a joined up approach to improving connectivity to Wollongong and Newcastle. Central to this is potential future freight and passenger rail connections and resolution of the proposed M9 'Outer Orbital' alignment, including its northwards connection to the Central Coast/Newcastle and southwards to the Illawarra and Sydney-Canberra Corridor.

Around 30% of the students attending the UOW Wollongong (Main) Campus reside in Metropolitan Sydney (pop. 4.7 million) mostly in the southern and south-western suburbs. These students together with staff, visitors and service providers mostly travel by private vehicle south from Sydney along the M1 and from south-western Sydney via Appin Road and Picton Road.

The M1 Motorway is the main gateway entry to the city of Wollongong from the north and as such provides an important connection to Sydney and south-western Sydney. This traffic is funnelled into Wollongong via Mount Ousley Road (now part of the M1), traversing a steep gradient down the escarpment. The UOW Wollongong Campus is located at the foot of this descent. With the expansion and diversification of the Port of Port Kembla over recent decades, particularly as the NSW port of entry for vehicle imports, a large number of truck movements occur along the Motorway which has presented increasing capacity and safety issues together with a rising tide of general traffic use. Given this heavy demand on road links to Sydney, UOW welcomes the NSW Government's recent commitment to the upgrade of the M1/Mount Ousley Road which will involve a major new grade separated interchange at the base of Mount Ousley.

In an effort to increase the connectivity of the Illawarra and Shoalhaven with Sydney CBD and South Western Sydney, UOW would welcome further investment in the South Coast rail line and road links (Appin Road and Picton Road), via the proposed M9 orbital road to South Western Sydney and the future Western Sydney Airport at Badgerys Creek.

UOW notes the stated goal of the NSW Government, through the *State Infrastructure Strategy 2012-2032*, to reduce inter-city express commuting times between Sydney Central and Wollongong Station from the current 80 minutes (approx.) to 60 minutes. We understand this will involve a series of capital works and facility upgrades to be progressively implemented over time but achieving this level of service with appropriate frequency is important for both UOW and the Illawarra and therefore the NSW Government is encouraged to stay committed to this task.

## **COLLABORATION AND CITY DEALS**

Another way in which the NSW Government could further support the Illawarra's growth and development (including to support the growth of greater Sydney), is by advocating for a City Deal for the Illawarra. Introduced by the Federal Government in 2016 based on a model in the UK, City Deals are negotiated agreements between a government(s) and a city that give the city the means to:

- take charge and responsibility for decisions that affect its area;
- take action to help businesses to grow;
- create economic growth; and
- decide how public money should be spent.

City Deals are an agreed set of coordinated actions across governments and other key local players. They are focused on growth and development outcomes, and come with the resources needed to drive these ambitions.





A City Deal for the Illawarra could provide the mechanism to see effective collaboration between the Commonwealth, NSW Government, local government and local stakeholders to invest in improving the transport connectivity between the Illawarra and Sydney to further unlock the economic potential of these connected cities. Focusing a City Deal in a regional centre with pre-existing assets such as the Port Kembla, UOW, and strong interlinkages with Sydney, would provide a firm foundation to leverage strong economic returns from greater collaboration, empowered local decision making and increased infrastructure investment.

Metropolitan Wollongong has initiated a working group, facilitated by RDA Illawarra, including a number of leading stakeholders which is articulating the objectives, economic narrative and list of potential projects and programs. Engagement with the NSW Government to support a potential Illawarra City Deal would be welcome.

## Summary

The University of Wollongong encourages the NSW Government to consider ways in which it can assist regional areas to benefit from the growth and expansion of Sydney. In summary, the main points from this submission to consider are as follows:

The NSW Government should continue to:

- recognise and further support the role of regional universities in developing highly skilled university graduates who can connect regional Australia with the global, innovative economy.
- provide regional areas with adequate support to see increases in Year 12 completion and university participation rates.
- explore ways to further support collaboration between business and government with the research and development activities of universities, such as playing a greater role in facilitating research and innovation networks in specific areas to help build the capacity for research and commercialisation across NSW.
- improve the connectivity between NSW's central network of cities comprised of Newcastle, Gosford, Sydney and Wollongong should as a major ongoing priority. This would involve augmenting existing transport infrastructure and services, potential future freight and passenger rail connections, construction of SouthConnex and resolution of the proposed M9 'Outer Orbital' alignment (including its northwards connection to the Central Coast/Newcastle and southwards to the Illawarra and Sydney-Canberra Corridor).

## FURTHER INFORMATION

The University would welcome further opportunity to elaborate upon, or further clarify, the matters raised within this submission, as may be required by the Committee. Please do not hesitate to contact the UOW Director, Government Relations (Mr Canio Fierravanti)

