

**Submission  
No 31**

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

**Name:** Wollongong City Council

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The Hon Greg Pearce MLC  
Chair  
Standing Committee on State Development  
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Dear Mr Pearce

## **SUBMISSION TO THE STANDING COMMITTEE ON STATE DEVELOPMENT: REGIONAL DEVELOPMENT A GLOBAL SYDNEY**

Wollongong City Council welcomes the opportunity to make a submission to the Standing Committee on State Development's *Inquiry into Regional Development and a Global Sydney*. Regional cities, which are home to around 3 million people or around 41% of NSW's population<sup>1</sup>, are vitally important to the NSW economy. Sydney's prominence as a global city has direct flow on benefits to regional cities such as Wollongong.

Wollongong is NSW's 3<sup>rd</sup> largest city, approximately 80km south of Sydney. Wollongong is strategically located just over one hour south of Sydney's International Airport, just over 2 hours drive from Canberra and has global connections through the port of Port Kembla. The Sydney-Wollongong commuter corridor is one of the busiest in Australia, with some 20,000 people travelling daily between the two locations.

Wollongong is the regional capital of the Illawarra region, contributing around 61% of the Illawarra's \$20B economy. The Wollongong economy is diversifying, with the 5 top sectors (by employment) including: Health, Manufacturing, Education, Retail and Food/Hotels. The Wollongong City Centre or 'Metro Wollongong' plays an important role as an administrative centre for the Illawarra region, with over 20,000 people employed in the city centre. The importance of Metro Wollongong was further recognised in the NSW Government's Illawarra Shoalhaven Regional Plan, which stated that: "*at the economic and cultural heart of the region is Metro Wollongong – a nationally significant city. Much of the future prosperity of the region will be built on the potential to generate jobs from the integration of education, healthcare, business and tourism precincts in Metro Wollongong*".

The Infrastructure NSW State Infrastructure Strategy (2012) identified that the Illawarra and the Hunter regions are increasingly becoming integrated with the economy of the Greater Sydney Region. Wollongong's close proximity – just over an hour's drive from Sydney means it is well placed to benefit from the continued growth of Sydney. Sydney is suffering from a number of issues, including congestion, high rental costs for businesses and a lack of available affordable housing for workers. Wollongong can assist in overcoming these challenges, through offering workers an affordable and high quality alternative to living in Sydney and lower rental costs for businesses often found in capital cities. However, to ensure that Wollongong is able to continue to grow as NSW's 3<sup>rd</sup> largest city, governments both at a state and federal level need to invest in increased infrastructure and enhance connectivity for workers. This will allow for regions such as the Illawarra to become an extension of Sydney and help the NSW Government to overcome many of the issues currently being faced by Sydney workers.

Wollongong and the broader Illawarra region are increasingly becoming more integrated with Sydney and its surrounds. Wollongong is benefiting from the expansion of trade, infrastructure, employment, tourism, innovation and research in the greater Sydney region. Wollongong's close proximity to Sydney and Canberra, its desirable lifestyle, affordable housing and lack of congestion mean it is able to benefit and capitalise on Sydney's growth, high cost of living and housing costs.

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<sup>1</sup> Economic Profile Illawarra, NSW Department of Industry.

Wollongong has many attributes to offer including superb liveability, a supportive business environment, global connectivity and a world class university. A recent study by Deloitte (2015) found that Wollongong offers a competitive alternative to Sydney, with 15% lower salary costs; 50% lower rents and a 95% staff retention rate (compared to 75% in Sydney). This creates a stable, reliable and efficient working environment with significant savings in recruitment and improved retention of corporate knowledge.

It is vital that the NSW Government better understands the benefits that regional cities, such as Wollongong bring to the NSW economy to increase productivity. A more detailed response to each of the Terms of Reference is at Attachment A for your reference. Overall, Wollongong City Council's submission calls for:

- a review of the NSW Government's *Decade of Decentralisation* policy and targets, ensuring that regional NSW, including Wollongong is able to benefit from the relocation of public service jobs from Sydney to the regions. This policy has been a disappointment for Wollongong, who is well placed to house government agencies, given its extensive workforce and commuter population. To date the policy has largely been confined to the movement of 5,000 jobs from the Sydney CBD to Western Sydney;
- increased investment in Wollongong-Sydney road and rail infrastructure to enhance transport connectivity and boost productivity, reduce freight costs, improve safety and reduce congestion; and
- ensure consistency in the NSW Government's definition of 'regional' in regards to eligibility for programs and funding applications to remove confusion and ensure a consistent treatment of both.

The Committee should also note the work of Advantage Wollongong, a partnership between the NSW Department of Premier and Cabinet, University of Wollongong and Wollongong City Council. Advantage Wollongong represents a long term strategic approach to creating sustainable new jobs and productive investment for Wollongong. This is achieved through facilitating new business investment projects and the expansion of existing business operations. This collaboration aims to promote Wollongong on a national scale and take advantage of its close proximity to Sydney and its global position. Advantage Wollongong has demonstrated success in facilitating jobs for the Wollongong economy. To date, Advantage Wollongong has facilitated over 2,200 new jobs for Wollongong through assisting in 81 business attraction and expansion projects. One of Advantage Wollongong's most recent major achievements was attracting NEC to Wollongong to set up a new corporate office. This \$25M investment in Wollongong has seen an additional 130 FTE jobs for Wollongong, which REPLAN modelling estimates has added \$59M to the local economy per annum.

A copy of the recently released Wollongong Investor Prospectus is attached for your information. Please contact [redacted] should you require further information.

**Yours faithfully**

**David Farmer**  
**General Manager**  
Wollongong City Council