

**State Plan Priority P6**  
**Regional Business Growth Plan - Capital Region**  
**July 2008**

**1. The region**

The Capital Region includes the major centres of Canberra (in the ACT), Goulburn, Queanbeyan, Cooma, Bega and Batemans Bay. As at June 2007 the region had a population of 549,135 (the majority of which is located in the ACT) which grew by 5.8 per cent between June 2002 and June 2007<sup>1</sup>. The region has a diverse industry base dominated by the services sector and agriculture, and has seen recent business development in the areas of Bega (cheese processing), Goulburn (distribution hub development), Bombala (proposed \$60 million timber mill), Batemans Bay (Ariadne Marina proposal), Bermagui (Fish Co-operative redevelopment), Eden (new port for defence and commercial uses) and the Marine Discovery Centre development. Future industry growth possibilities include: softwood industries; clean energy development; creative industries; tourism and port/marine development; vineyard and boutique wineries; the logistics industry and defence.

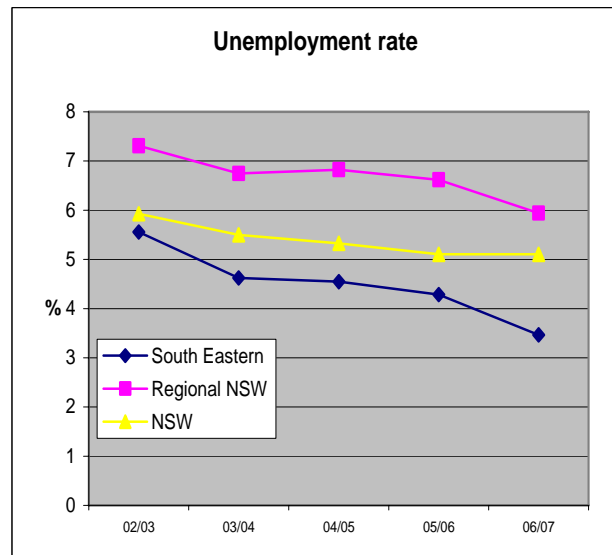
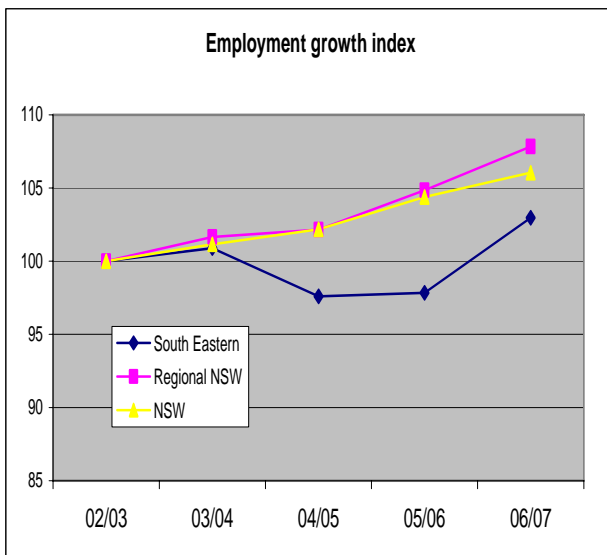
**2. Regional opportunities and challenges**

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
<b>Industry development</b>	<ul style="list-style-type: none"> <li>• Softwood industry</li> <li>• Creative industries (including film)</li> <li>• Agriculture, in particular vineyards and certified organic farming</li> <li>• Logistics industry (major logistics business parks proposal in Goulburn)</li> <li>• Opportunities arising from defence. e.g. Joint Defence Headquarter at Bungendore</li> <li>• Increased non winter tourism visitation to the Alpine area</li> <li>• Tourism arising from recreational boating in port areas.</li> <li>• Leveraging critical mass of Canberra as a business opportunity for surrounding locations</li> <li>• ICT industry (leverage off Canberra)</li> <li>• Exploration and development of minerals and petroleum</li> </ul>	<ul style="list-style-type: none"> <li>• Some communities dependent on vulnerable manufacturing sectors</li> <li>• Identifying key primary production lands</li> <li>• Vulnerability of the Alpine tourism industry as well as some agricultural enterprises arising from climate change concerns</li> <li>• Safe all weather port access and limits to marina developments</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Clean energy development: especially wind energy and co-generation from biomass</li> <li>• Growth of Canberra Airport can provide flow-on opportunities for NSW</li> <li>• Opportunities for development contributions to enable the provision of infrastructure necessary to respond to changing demands</li> </ul>	<ul style="list-style-type: none"> <li>• Water security for existing and future industry development</li> <li>• Availability of appropriately zoned and located lands in the lower part of the Sydney-Canberra Corridor</li> <li>• Balancing development contributions to ensure housing and employment lands affordability and delivering appropriate community infrastructure</li> </ul>

<sup>1</sup> Source: ABS, Cat No. 3218.0, Regional Population Growth, Australia, 2006-07.

TYPE OF ISSUE	OPPORTUNITIES	CHALLENGES
<b>Land use/Planning</b>	<ul style="list-style-type: none"> <li>Regional Strategy in place for the South Coast and draft Strategy exhibited for Sydney-Canberra Corridor Region</li> <li>Each council in the region is reviewing and modernising its land use planning framework as part of the Standard LEP</li> <li>Planning reforms will improve operation of planning system by providing: streamlined approach to rezoning; transparent assessment of major proposals; faster assessment of routine developments; and improved accountability and affordability of development contributions</li> <li>Recent gazettal of the Rural Lands SEPP provides greater certainty about resolving rural land use conflict</li> </ul>	<ul style="list-style-type: none"> <li>Alignment of NSW and ACT government planning and infrastructure priorities through a <i>Joint Cross Border Settlement Strategy</i></li> <li>Overcoming business perceptions about the responsiveness of planning processes</li> <li>A high proportion of the region is in public lands, requiring careful balancing with the region's business needs</li> </ul>
<b>Skills &amp; Employment</b>	<ul style="list-style-type: none"> <li>Employment opportunities in: public administration; defence; education; community services; ICT and hospitality</li> </ul>	<ul style="list-style-type: none"> <li>Technical and professional skills shortages</li> </ul>

### 3. Regional indicators and measures

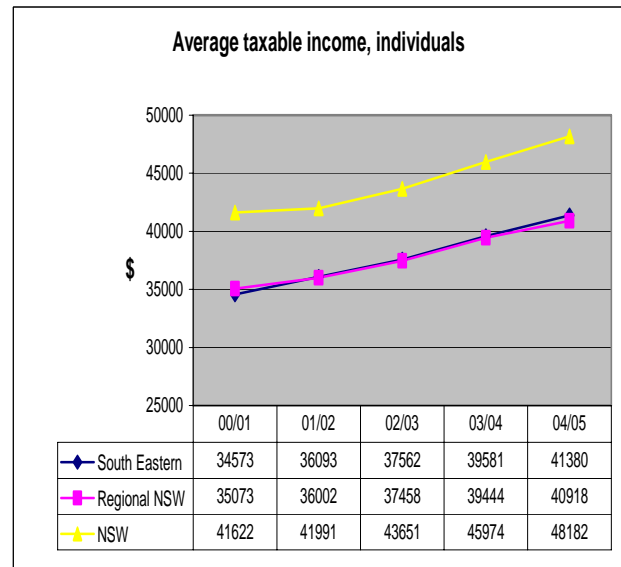
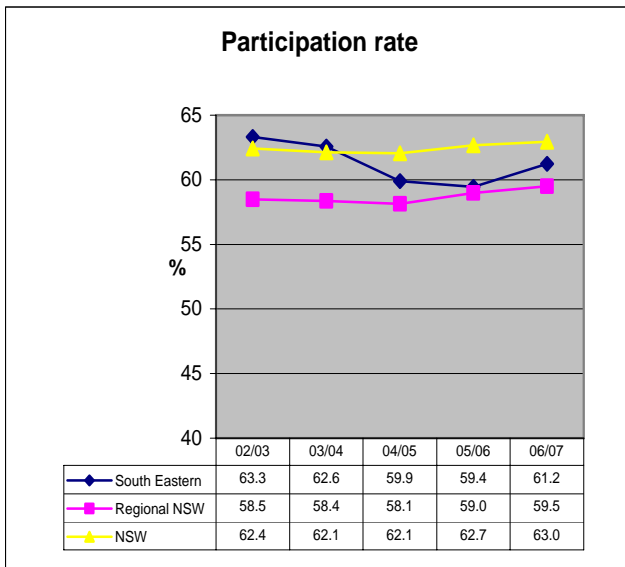


**Total Employment, (000's)**

	02/03	03/04	04/05	05/06	06/07
South Eastern	93	94	91	91	96
Regional NSW	1186	1206	1212	1243	1279
NSW	3118	3154	3187	3255	3307

**Total Unemployment (000's)**

	02/03	03/04	04/05	05/06	06/07
South Eastern	5.6	4.6	4.5	4.3	3.5
Regional NSW	93.6	87.2	88.7	88.2	80.7
NSW	196.6	183.6	179.3	175.0	177.8



**Notes:** (1) ABS Labour Force regions approximate DSRD regions. (2) Labour force data for the financial year is based on the average of four quarters at August, November, February and May. (3) Taxable income for regions has been based on the postal area – statistical division concordance based on ABS Cat No 2905.0.55.001, ABS Postal Area Classifications, Aug 2006. The concordance as at 2006 has been applied to previous years. As a result, changes in postal areas or additions and deletions of postal areas in previous years have not been considered. Sources: Labour Force data sources from ABS Cat No 6291.0.00.003 and unpublished ABS data. Taxable income data sourced from the Australian Tax Office at [www.ato.gov.au](http://www.ato.gov.au).

#### 4. High priority and high impact strategies to address barriers to business investment

##### Strategy 1 Harmonise cross border (NSW, ACT and Commonwealth) business infrastructure and planning needs

Different NSW, ACT and Commonwealth legislation and regulations control major infrastructure on both sides of the NSW/ACT border. This has resulted in various levels of ‘cross border’ reliance upon each government for continued business operations. Improvements to coordinated planning and infrastructure provisions through a *Joint Cross Border Settlement Strategy* will boost business confidence to invest in NSW. The ACT Government is already advanced in their planning work for the Majura corridor/Symonston/Hume area.

##### High Priority and High Impact Initiatives

###### *Road infrastructure*

- Consideration of key road infrastructure needs including upgrades to Majura Road and the Barton Highway as a mechanism to open up economic opportunities to the region.
- Improvements to the Barton Highway (from south of Yass to the ACT border including the Murrumbateman by-pass).

###### *Port infrastructure*

- The Ports of Batemans Bay, Bermagui and Eden have potential to provide a greater range of commercial opportunities.
- Safe Port and berth works will promote increased recreational boating and visitation.

### *Planning*

- Better alignment of NSW and ACT border developments (Department of Planning, ACT Planning, and Queanbeyan City Council) will be assisted through the NSW and the ACT Governments *Joint Cross Border Settlement Strategy* which will provide a platform for the discussion of infrastructure (primarily water and transport) needs. The ACT Government is investigating the development potential of 2,500 hectares of land for employment purposes in the Symonston area (between Canberra Airport and Hume). One hundred and thirty (130) hectares of greenfield industrial land has been identified in Queanbeyan which is waiting on the *Joint Cross Border Settlement Strategy* to be resolved before it can be rezoned.
- A Memorandum of Understanding (MOU) was signed in March 2006 between the ACT, NSW and Commonwealth Governments to share water resources. This will be underpinned by the *Joint Cross Border Settlement Strategy* which is close to being agreed.
- The *Sydney Canberra Corridor Regional Strategy* identifies the need for an additional 130 hectares of employment land in Queanbeyan and at least 10 hectares in Yass-Palerang. These numbers will increase in the finalisation of the Regional Strategy following consideration of council submissions. Rezoning proposals for the first stages of employment lands at South Tralee and for 40 hectares of employment land at Yass are now being formulated. The Strategy is expected to be released late June/early July 2008.

### Impacts

- Improving the road infrastructure will open up the industrial area of Tralee and provide better links for the Sydney and ACT corridor. The *Queanbeyan Residential Economic Strategy 2031* estimates that the Tralee Industrial Estate development could generate up to 2,500 jobs.
- Harmonising cross border planning and infrastructure issues will help to lock in investor commitments to projects.

### Resources

#### *Road infrastructure*

- The Majura Road upgrade is part of the ACT Roads Masterplan due to commence 2009/10, with an estimated 15 year timeframe.
- The Commonwealth Government has committed funding to upgrade Lanyon Drive to the Monaro Highway with contributions also required from the ACT and NSW Governments. The NSW Government has committed funds to complete the section in NSW by 2010.
- Improvements to the Barton Highway - the Australian Government has provided funding in the 2008/09 Federal Budget. A package of safety and traffic works is being considered to obtain early benefits.

#### *Rail infrastructure*

- The proposed Southern Distribution Business Park in Goulburn has indicated it will look to use existing unutilised rail infrastructure in Goulburn, and the proposed Eureka Development north of Goulburn is looking at the capacity to establish a spur link to the main Southern Rail line.
- There are no current known proposals seeking use of freight rail for the Tralee area, although the opportunities presented by the rail line will be incorporated into the detailed land use planning for the area.

## **Strategy 2 Finalise Local Environmental Plans (LEPs) in the region and other cross border areas to provide future certainty to investors**

In February 2004, the 16 LGAs in South East NSW were restructured into 13 LGAs. Local councils affected by the restructure, as well as neighbouring councils with border changes, were required to undertake a major review of their LEPs to standardise planning and zoning requirements within their new areas. The first LEP

at Goulburn-Mulwaree has been exhibited, with the remaining LEPs to be exhibited and finalised over the next 2-4 years.

#### High Priority and High Impact Initiatives

- Finalising the review of the LEPs and introduce standardised planning and zoning framework for the new LGAs.
- Ensuring that industry development, tourism and employment land needs are factored into these new LEPs. Input on business needs will be co-ordinated by the Department of State and Regional Development (DSRD) with advice also sought through local councils and business groups on employment land needs.
- Examine the potential for Tralee Industrial Estate as a strategic location to attract business investment.

#### Impacts

- Finalisation of the review of the LEPs will improve investor certainty and avoid delays in development of new subdivisions.
- Delays in new subdivisions being approved. For example, the delay in the finalisation of the *Joint Cross Border Settlement Strategy* and the consequential supply of water by the ACT delayed the release of the revised *Sydney Canberra Corridor Strategy* (expected to be released in late June/early July 2008) and the rezoning of lands at Tralee.

#### Resources

- Resources will be allocated through DSRD to ensure industry and employment land needs are factored into planning processes.

### **Strategy 3      Develop initiatives to secure water, including re-use and recycling**

The current drought has impacted rural and town water supplies as well as highlighted the need for future change in water management and use. Water restrictions in local towns have been prevalent over recent years because of limited water availability.

#### High Priority and High Impact Initiatives

- DSRD will use its programs to assist businesses identify ways of saving water through engaging consultants to undertake water efficiency audits.
- On a project by project basis, pursue opportunities for shared infrastructure for business to accommodate future water needs.
- Educational programs for business to tap into water saving expertise.
- Major infrastructure improvements by local water utilities (e.g. dam wall raising, connecting pipelines augmentation) to capture future water and help “drought proof” vulnerable communities. New subdivisions will be supplied with dual water supplies – potable and recycled.

#### Impacts

- Reduction in water usage by business and industry, generating both environmental and cost benefits.
- Maintenance of an industry base which otherwise is vulnerable.

#### Resources

- Access to NSW Climate Change and Commonwealth funds by business (on case by case basis) for water saving projects.
- On a case by case basis, consideration of infrastructure funding for clusters of businesses to utilise water resources more efficiently.

- Educational programs for business to tap into water saving expertise.
- Major infrastructure issues also need to be looked at in the context of the *State Infrastructure Strategy*, for example the Wingecarribee to Goulburn pipeline is estimated to cost \$50 million. The NSW Government has committed up to \$20 million with matching funding expected from the Commonwealth Government.

#### **Strategy 4 Assist the manufacturing sector with introduction of innovation to increase productivity and global competitiveness**

The manufacturing sector has seen a sizeable shift in local production to items being manufactured in overseas facilities.

##### High Priority and High Impact Initiatives

- Implementing Lean Manufacturing Program.
- In cooperation with other Government agencies formulating quick response strategies to sudden job losses in the manufacturing sector due to business or industry restructures/closures.
- Facilitation of the development of business clusters and networks in local manufacturing sector.
- Working with the Global Opportunities Division of the Commonwealth Department of Innovation, Industry, Science and Research (formerly Invest Australia) to attract overseas investment prospects for the local manufacturing sector where the region demonstrates a competitive advantage.
- Promoting distribution hub opportunities to assist manufacturing businesses with cost effective solutions when deciding on expansion or establishment of operations in the region.

##### Impacts

- Retention of existing manufacturing plants. The region has lost close to 300 job losses due to closures and/or downsizing e.g. closure of the Supertex factory at Goulburn.

##### Resources

- Subject to demand, DSRD will fund Lean Awareness workshops during 2008 from existing DSRD regional business development programs.
- Other initiatives will be funded from within existing DSRD regional program funds

#### **Strategy 5 Develop initiatives to bring skills to the region and to retrain the existing workforce**

The region is experiencing a shortage of skilled and qualified people in many occupations, including engineering, trade, technical and professional skills.

##### High Priority and High Impact Initiatives

- The Capital Region Development Board has received funding from DSRD to provide skilled migration services. The Board will continue to report on its skilled migration attraction programs.
- NSW TAFE has major regional responsibility for increased skilling of the existing workforce. DSRD works closely with TAFE NSW in meeting this objective. TAFE NSW is currently undertaking a State-wide review of its face-to-face teaching needs to meet emerging industry needs.
- The Board will deliver a leadership program to build skills of industry and community leaders.

##### Impacts

Lack of skilled labour force results in:

- Local businesses restricted in their growth potential. A number of local businesses have advised that they have been unable to attract skilled production employees, skilled engineers and scientists.

- Local businesses/industries not maintaining operations in the region, including off-shoring of their operations.

#### Resources

- Funds have been provided to the Capital Region Development Board to provide services to attract skilled migrants and provide a leadership program.
- DSRD will work with the Illawarra Institute of TAFE, the Department of Education and Training, industry associations and where relevant the Canberra Institute of Technology to look to anticipate skills needs and improve flexibility in training/skills development. This engagement process will be managed with existing resources.

### **Strategy 6      Develop initiatives to attract potential investment in minerals and petroleum**

The Capital region has good potential for minerals. Data coverage is relatively good in the northern half of the region however much of the region remains under explored.

#### High priority and high impact initiatives

- Mapping of the 'Goulburn 1:250 000 sheet' located in the northern part of the region has recently been completed. A 3D mapping project is currently underway on the 'Braidwood 1:100 000 sheet' also in the northern part of the region.
- During 2009-10 a high density gravity survey is proposed for the southern half of the region.
- The acquisition of high resolution airborne magnetics and radiometrics is also proposed for the southern part of the region in 2009-2010.

#### Impact

- The new data and information are designed to attract both minerals exploration investment into the region, support area selection and guide exploration strategies.

#### Resources

- The NSW Government has committed \$16.5 million to the New Frontiers exploration initiative across NSW over the next three years.
- This is expected to be supplemented by additional funding from industry and the Commonwealth Government.

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