



360

ILLAWARRA

SHOALHAVEN ECONOMIC OUTLOOK



Foreword

The Illawarra-Shoalhaven is a fantastic region. Home to a skilled and agile workforce, pristine natural environment, world-class university and thriving manufacturing and service-based sectors, it's a great place to live, work and do business.

Representing the third largest regional economy in New South Wales, the Illawarra-Shoalhaven is also one of the best connected locations in Australia.

The region's proximity to Australia's largest city Sydney, the rapidly expanding Western Sydney area and the nation's capital Canberra means it is strategically positioned to connect to some of the fastest growing labour markets and economies in the country.

Leveraging this locational advantage is critical if the region is to continue diversifying, innovating and driving economic growth in New South Wales.

It is important that the region looks outward to see how it can build on its existing strengths and capabilities by connecting with the immense economic activity that is occurring in its immediate surrounds.

The 360 Illawarra-Shoalhaven Economic Outlook has been developed with this objective in mind.

The Outlook provides a snapshot of developments and economic opportunities in surrounding regions including Western Sydney, South East NSW and ACT, Metropolitan Sydney and through the Port Kembla International Trade Gateway.

Importantly, this snapshot highlights opportunities that can enhance the economic growth of the Illawarra-Shoalhaven due to their alignment with the region's existing skills base, economic assets and industry capabilities.

From the construction of Sydney's second international airport at Badgerys Creek, to increased tourism opportunities emerging from the development of the cruise ship industry at Port Kembla, the Outlook highlights how connecting to external opportunities can help the Illawarra-Shoalhaven to grow jobs and diversify.

By better understanding the opportunities that exist around us and the steps required to connect with them we can ensure that the Illawarra-Shoalhaven continues to prosper into the future.

Lord Mayor Councillor Gordon Bradbery OAM
Chair - Illawarra Shoalhaven Joint Organisation

Gareth Ward MP
Parliamentary Secretary for the Illawarra and South Coast

Professor Paul Wellings, CBE
Vice-Chancellor
University of Wollongong

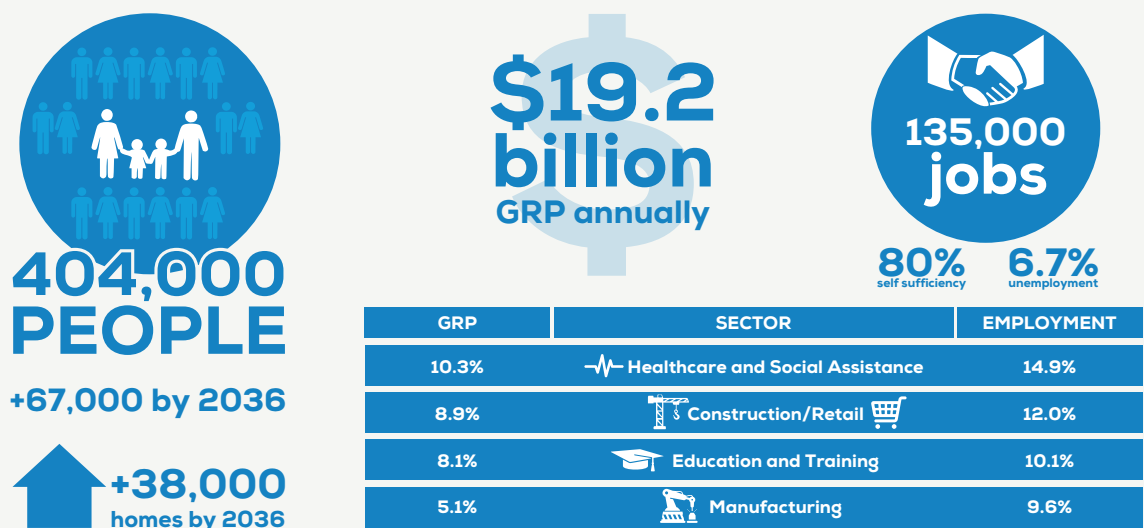


Economic Profile

The Illawarra-Shoalhaven region is 45 kilometres south of Sydney and extends a further 242 kilometres south along the coast of the South Pacific Ocean. It is divided from the western hinterland by the spectacular rise of the Illawarra and Cambewarra escarpments and incorporates the Local Government areas of Kiama, Shellharbour, Shoalhaven and Wollongong.

Currently a central hub of employment, the identified local infrastructure, property and industry development investments, as well as the surrounding major regional projects present significant potential for sustained growth in the Illawarra-Shoalhaven region.

The Illawarra-Shoalhaven economy is transitioning and expanding toward new and emerging industries, a change from its traditional manufacturing and mining past to health care, tourism, education and training, advanced manufacturing, construction and knowledge services as detailed below.



A coordinated approach to identifying and activating critical economic growth opportunities is required to realise the full potential of jobs and economic growth of the region and its surrounds.

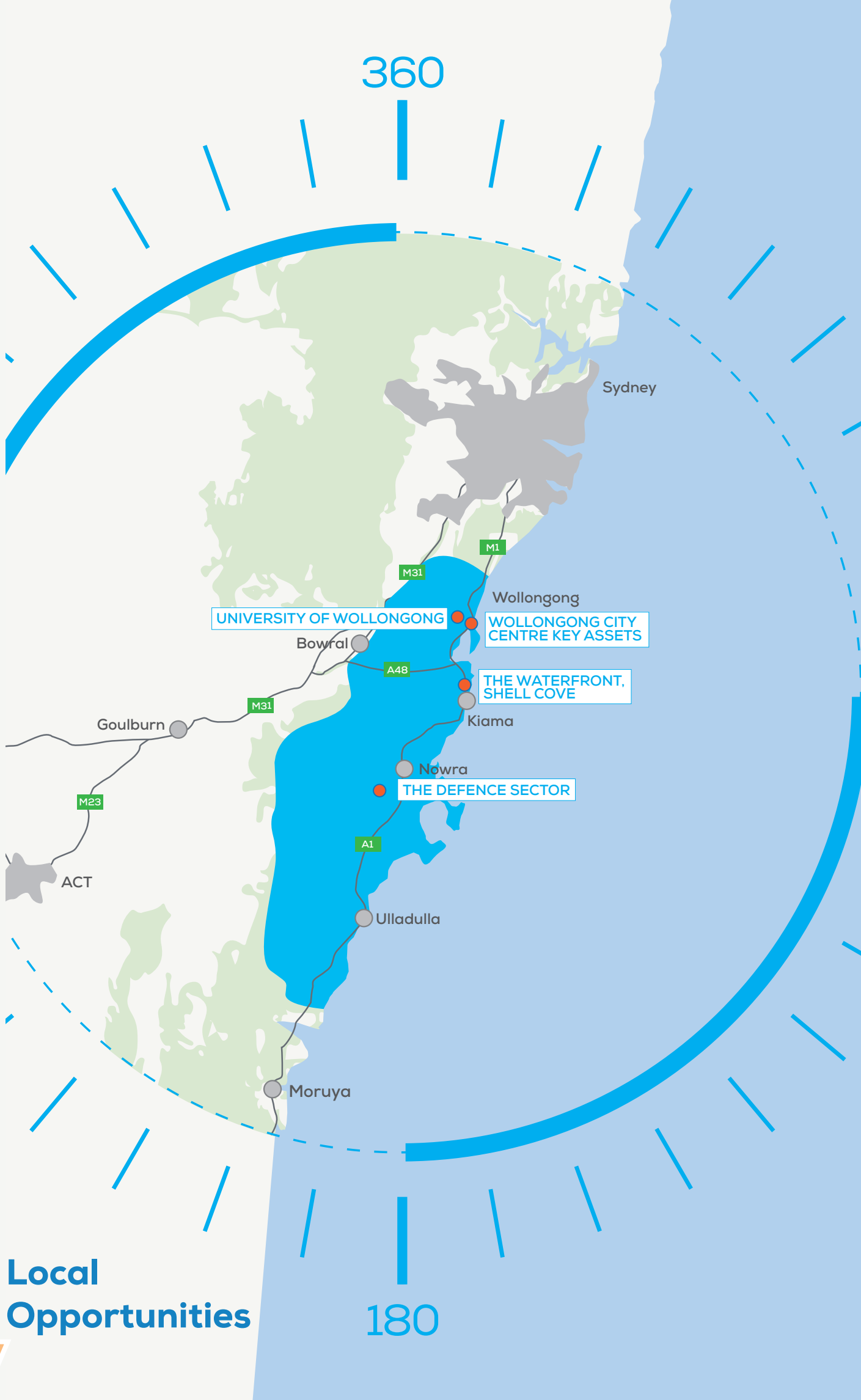
A benefit assessment framework was adopted to identify and qualify the top economic opportunities in and surrounding the Illawarra-Shoalhaven that have the potential to enhance the economic growth of the region's existing skills base, economic assets and industries.

Connecting to economic opportunities in the surrounding regions of Metropolitan Sydney, Western Sydney, ACT and South East NSW has the capacity to deliver jobs and economic growth for the local area. Additionally, there is capacity for the region to strengthen its links to export markets and new industries through the Port Kembla International Trade Gateway.

Within the Illawarra-Shoalhaven region, the Waterfront Shell Cove development, transformation of the Wollongong City Centre, expansion of the University of Wollongong and supporting the emerging Defence industry cluster all represent significant economic drivers for the region now and into the future.



ILLAWARRA SHOALHAVEN ECONOMIC OUTLOOK



Local
Opportunities

Local Opportunities

THE WATERFRONT, SHELL COVE

The Waterfront, located south of Shellharbour Village at Shell Cove, is being developed as a boating, tourism and lifestyle destination. This major residential and marine based tourism development will drive significant opportunities in the region and across Southern NSW.

The Waterfront will deliver over \$500 million to the local economy from construction as well as increased household and tourism visitor spending. The final development will include a 300 berth marina, a mix of retail and entertainment, a local shopping centre and a range of recreational open space walkways and cycleways.

The precinct is expected to generate up to 2,000 long term jobs and become a critical employment precinct for the region. It will also open up the area to new marine-based tourism opportunities along the South Coast.

To realise the potential economic benefits of The Waterfront, it is critical that government, industry and research organisations:

- Develop strategies to leverage the marine development to create new industries and tourist markets along the South Coast. These strategies should also consider the increased focus on the cruise ship industry in Eden and Port Kembla.
- Establish and maximise training opportunities linked to the needs of new and existing industries that will establish in the area, including cruise ships and yachting, hospitality and marine-based services.
- Explore opportunities to develop employment precincts aligned with new industries in the area.

UNIVERSITY OF WOLLONGONG

The University of Wollongong (UOW) is one of the top 20 modern universities and is renowned for its focus on innovation. A key feature of the University is the Innovation Campus, an award-winning research, technology and commercial precinct set on 33 hectares. The campus encourages innovative organisations from around the world to co-locate with the 1,500 campus workers.

The iAccelerate Centre is region's first purpose-built business incubator and home for 280 entrepreneurs. The centre is the first of its kind in Australia, being both a business incubator and accelerator.

The University's new South Western Sydney Campus in Liverpool will meet demand of the Great South West. From 2020, the highly regarded UOW Bachelor of Nursing will be offered through the new and co-located Western Sydney Nursing Education and Research Centre.

Student accommodation is a priority with approximately 1,000 additional beds coming online at the University's main campus.

The key economic opportunities that can be leveraged from the University's skilled graduate pool, research programs and focus on innovation include:

- Harnessing and building upon the collective talent across the University and its partners to deliver innovative and quality healthcare as well as improved physical and mental wellbeing for our communities.
- Catering for the employment needs of new and emerging industries within the Illawarra-Shoalhaven and its surrounds, including Western Sydney.
- Ongoing collaboration between the University and industry that drives a highly innovative and entrepreneurial business environment in the region
- Expansion of the Innovation Campus linked to growing economic and industry opportunities across the region, including intelligent materials and the blue economy.

WOLLONGONG CITY CENTRE

The Wollongong City Centre is the employment hub of the region, providing employment for over 20,000 people and over 3,000 businesses. It is the region's business and administrative centre with strengths in emerging industries including knowledge service businesses in ICT, financial services and shared services.

The City Centre has recently seen over \$1.3 billion in investment across major private and public development projects, with a further \$300 million in the pipeline. One third of the region's future employment growth is estimated to be accommodated in the Wollongong City Centre, supporting an additional 10,000 jobs by 2031.

The economic benefit of this redevelopment will be best maximised by:

- Proactive and pre-emptive planning to ensure a number of new office accommodation and major mixed use residential developments will result in a population increase in the CBD of 150% in the next 3 years.
- Repositioning the city's profile and reputation as a diverse economic base with a mix of employment options.
- Proactively marketing the competitive advantages of doing business in Wollongong to the knowledge services sector.
- Delivering vocational training programs that support the skills needs of emerging and growing sectors such as shared services.
- Developing new tourism experiences and products, including cycling tourism trails and infrastructure, coastal walks, bushwalks and nature experiences.

DEFENCE SECTOR

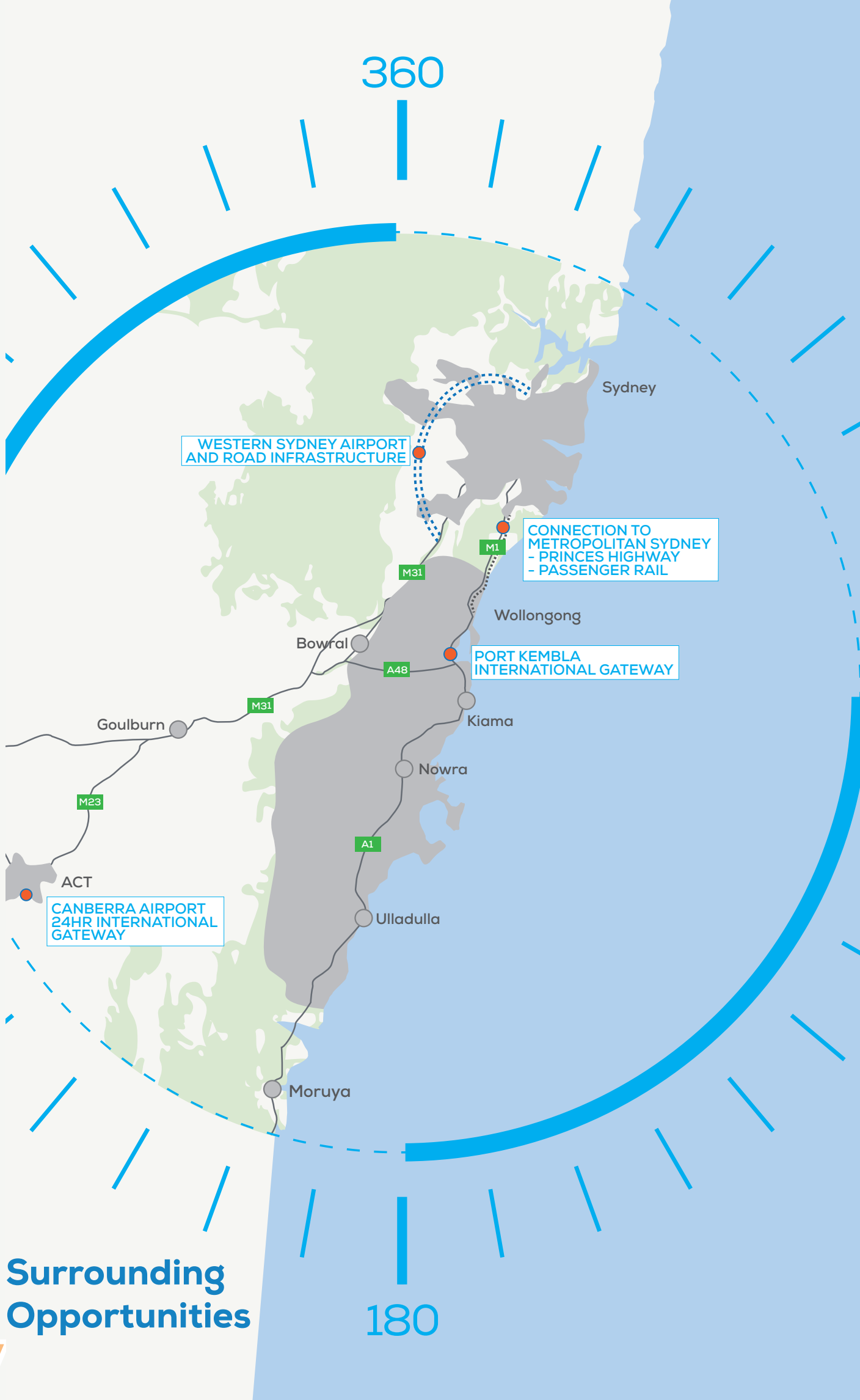
The emerging defence sector in the Shoalhaven features two naval bases, HMAS Albatross and HMAS Creswell, as well as a growing defence industry cluster. Other military facilities in the area support the bases and together employ more than 2,500 people and provide a significant direct and flow on contribution to the local economy.

The Albatross Aviation Technology Park is being developed adjacent to HMAS Albatross. The Park houses more than 10 defence and defence-related companies and is expected to generate over 500 jobs.

The defence sector presents a significant opportunity to support and leverage economic growth for the region. Key catalysts and requirements to support economic growth around the defence sector include:

- The Australian Government's plan to invest \$195 billion in defence capability to 2025/26, presenting the opportunity to promote and build local capability through the supply chain.
- Promotion of the region's capabilities in this sector at key industry events, which can attract new investment and businesses into the region.
- Assisting businesses to connect with industry associations that facilitate industry relocation and expansion activities, such as the Shoalhaven Defence Industry Group and Defence NSW.
- Connecting the University of Wollongong to innovative opportunities being driven out of the defence sector and more specifically businesses based in the Technology Park. This also generates opportunities related to workforce development.
- Encouraging economic diversification and attraction of industries that support the defence sector and the supply chain linked to the Technology Park.

ILLAWARRA SHOALHAVEN ECONOMIC OUTLOOK



Surrounding
Opportunities

Surrounding Opportunities

WESTERN SYDNEY

Western Sydney Airport

Sydney's second international airport will be located at Badgerys Creek and operational in 2026. Servicing both the domestic and international markets, the need for the Western Sydney Airport has been driven by growth in demand and physical constraints at Sydney Airport.

The Western Sydney Airport will provide long term economic and employment opportunities and accelerate the development of critical infrastructure and urban development. The construction and operation of the Airport has the potential to generate opportunities for Illawarra-Shoalhaven based businesses and workers in freight and logistics, tourism and construction sectors.

Increased flights and services coming into Western Sydney mean the Illawarra-Shoalhaven will become even more accessible to domestic and international visitors. It will also make the Illawarra-Shoalhaven a more attractive place to live and establish business operations due to its proximity to Badgerys Creek.

Options to improve road and rail connectivity between Western Sydney and the Illawarra-Shoalhaven must be considered to assist the region capitalising on the potential economic benefits of the Western Sydney Airport development.

Western Sydney Road Infrastructure

A number of major road infrastructure projects will relieve congestion and improve connectivity between Western Sydney and its surrounds. These infrastructure projects are expected to benefit the Illawarra-Shoalhaven by improving access to jobs, education and services in both areas.

Key projects being delivered to relieve congestion in Western Sydney and the broader Sydney road network include WestConnex and the Western Harbour Tunnel. The proposed M9 Outer Orbital will connect the Central Coast and the Illawarra-Shoalhaven, which will have a positive impact on visitor numbers and open up both regions to new markets.

PORT KEMBLA INTERNATIONAL TRADE GATEWAY

Port Kembla is one of NSW's most significant industrial and manufacturing precincts and a major contributor to the Illawarra-Shoalhaven economy. It is currently the primary port in NSW for motor vehicle imports and is likely to continue to support export trade across a number of sectors. Since 2016 Port Kembla has hosted a number of cruise ship visits, which represents a new market for the region's visitor economy.

The Port Kembla Outer Harbour development will provide additional land and berthing facilities to cater for future trade, manufacturing and heavy industry job growth for the region. The NSW freight task is expected to nearly double by 2031 and as such the integration of long-term transport infrastructure and land use planning at Port Kembla is critical.

Investigations on how to best activate surplus industrial land in Port Kembla and surrounds will provide the ability to enhance the economic diversification of the region by supporting the development of port-related activities in and around Port Kembla. Future activation of these lands will also help the region grow jobs in advanced manufacturing and related industries and attract businesses from areas where industrial land is limited or highly constrained.

To further enable the development of the Port and associated industries, road safety, transport efficiency and asset maintenance issues along the Princes Highway should be considered.

CONNECTION TO METROPOLITAN SYDNEY

Improving the connections between Metropolitan Sydney and Wollongong, particularly public transport links, is a critical to enhancing employment options, business opportunities and liveability for residents in both the Illawarra-Shoalhaven and Sydney regions.

Approximately 15% of the Illawarra-Shoalhaven's working population commute outside of the region for work. Most travel by car, however over 20% of these trips are by rail. It currently takes approximately 1.5 hours for passenger rail transport between Sydney and Wollongong and a similar time by car.

Improved transport infrastructure and services have a direct impact on accessibility, employment and population growth. Road projects linking the Illawarra-Shoalhaven to Metropolitan Sydney have the capacity to provide residents in both regions with access to greater employment, lifestyle and housing choice.

There is an extensive list of road projects relating to the Princes Highway that will support connectivity and improve regional growth when completed. These include:

- The F6 extension from Loftus to Alexandria will enhance connections to Sydney and is expected to be a major driver of visitation, employment opportunities and population growth.
- Additional climbing lanes at Mount Ousley will increase reliability of access in and out of Wollongong.
- Proposed duplication of Picton Road, will support improved connections between the broader Sydney region and the Illawarra-Shoalhaven.

Upgrading the Princes Highway will also ensure that additional freight tonnage can be handled by the region.

Improving passenger rail connections between Sydney and Wollongong is also critical to achieving population, tourist visitation and employment goals. Proposed upgrades to the South Coast line will provide the following benefits:

- Reducing travel time to 60 minutes and integrating bus and train timetables will result in an annual travel cost and time saving to commuters.
- Increase accessibility for both visitors and work commuters, making the Illawarra-Shoalhaven a more attractive and accessible place to live, visit and work.

CANBERRA AIRPORT 24HR INTERNATIONAL GATEWAY

Canberra Airport is planning on expanding to increase the number of international and low cost carriers to carry more than 9 million passengers by 2034. Connecting the Nation's Capital and surrounding regions to international markets will open doors for businesses in the tourism and agricultural sectors. The only 24-hour, no-curfew airport will be a competitive advantage for the area, handling additional freight tonnage and complementing the expected growth at Port Kembla.

Given its close proximity to the Airport, producers in the Illawarra-Shoalhaven and broader South Coast region have the capacity to expand their customer base by utilising Canberra Airport to connect to global markets including Asia and the Middle East. Increased international tourist visitation through the Airport also presents an opportunity for tourism operators in Southern NSW to expand their customer base.

For the Illawarra-Shoalhaven, the economic benefit of the Airport expansion will be best maximised by:

- Government and industry working together to ensure that producers and tourism operators are aware of the potential markets that can be accessed through the Airport.
- Industry working together to effectively market their products and services to target markets.



360

ILLAWARRA

SHOALHAVEN
ECONOMIC OUTLOOK