

- *Check against delivery* -

The Hon Andrew Stoner MP, Deputy Premier for NSW

**CEDA - Infrastructure Integration and Economic Development in the South  
East Corridor  
Leveraging the Regions' Unique Competitive Advantage**

Pre-conference gathering

Thursday 10 May - 6.30 – 8.00pm

Norton Rose, Level 6, 60 Marcus Clarke Street, Canberra

**“The importance of the region to state and national economies  
and attracting future investment.”**

### **Acknowledgements**

- Thank-you **Suzanne** [Dr **Suzanne Rickard** (State Director NSW/ACT CEDA)]
- **Noni Shannon** [Chair – Special Counsel, Norton Rose]
- Mr **Andrew Cappie-Wood** [Chief Executive, ACT Chief Minister’s Department]
- Representatives of RDAs and ROCs
- Ladies and Gentlemen

### **Introductory remarks**

For any politician involved in the daily challenges of implementing significant macro and microeconomic reform, it’s always useful to address an interstate audience such as the one here tonight.

Those of you who live and work in the ACT won’t be as familiar with the achievements of the NSW Liberals & Nationals Government over the past 12 months as are those of you who live and work in NSW.

This evening’s event provides me with an opportunity to cut through the ‘white noise’ of the daily media chatter in Sydney and outline more broadly how we are ‘getting on with the job’ of rebuilding the NSW economy, returning quality services and renovating our infrastructure.

And - most importantly - what these reforms mean for the economic development of the South East Corridor.

### **Broader economic context**

Of course, any regional initiatives must necessarily be informed by the broader economic environment, so I want to spend a couple of minutes talking about the situation we inherited just over 12 months ago and some of the key economic reforms we have since initiated.

On the day we were sworn in after our history-making election win in March last year, Barry O’Farrell and I were briefed by senior Treasury officials on the state of the finances.

The headline figure of a \$5.2 billion deficit over the forward estimates understated the true impact of 16 years of underinvestment in the basic tenets of good government.

To address this, one of the first things we did was set up a commission of audit into public sector management.

That report, when handed down earlier this year, found systemic weaknesses in basic public sector asset, financial and people management which, in simple terms, limited the overall effectiveness of our government.

For example, my own department of Trade and Investment is the amalgamation of a number of different agencies, meaning we inherited six different payroll, ICT and finance systems and no common email platforms, intranets, websites or document tracking systems.

Fixing this mess – and fix it we will – is never going to attract loud applause from the press gallery or those calling for big, brash gestures, but it will provide the platform for good government into the 21<sup>st</sup> century.

Other investments in good government include:

- Establishing Infrastructure NSW to provide independent advice on infrastructure priorities
- Establishing the Restart NSW infrastructure fund and committing 30% of Restart NSW to projects in regional NSW
- Starting development of the Long Term Transport Masterplan and reducing the number of transport agencies from ten to four by establishing the State's first integrated transport agency, Transport for NSW
- Establishing the Local Infrastructure Renewal Scheme to unlock \$1 billion in funds for councils to upgrade local infrastructure
- Conducting a council-by-council audit to identify council infrastructure backlogs

We have started what we plan to be a Decade of Decentralisation by investing in regional infrastructure and services including:

- A record regional roads spend including the awarding of the contract for Stage 1 construction of the Princes Highway upgrade from Gerringong to Bomaderry.
- Commencing a \$4.7 billion infrastructure program to rebuild our hospitals, including the appointment of the project manager, architects and cost manager for the \$170m South East Regional Hospital at Bega.

## NSW 2021 and Regional Action Plans

We have also spent considerable time and effort articulating the State's strategic priorities with the development and release of NSW 2021: A Plan to Make NSW Number One.

This strategic plan is now in the process of being broken down into regional plans.

Over the past couple of months my colleagues and I have been all across regional NSW listening to communities and identifying regional priorities.

Community meetings were held in Batemans Bay, Wollongong, Nowra, Mittagong and Queanbeyan representing the Illawarra, South East and Southern Highlands/Tablelands. These meetings were well attended with over 600 community members and regional stakeholders present.

There were four common themes across these consultations that I'd like to share with you tonight.

There were four common themes across the consultations that occurred in Batemans Bay, Wollongong and Mittagong representing the Illawarra, South East and Southern Highlands/Tablelands regions of the state that I'd like to share with you tonight.

They were:

1. The need **to improve local infrastructure and support local communities** – with better access to health care, transport, aged care services, family and community services.
2. The importance of **revitalising the economy of the regions** – providing support for new industries and access to more skills training and higher education.
3. **Safeguarding the environment** – including protection of the Southern Highlands escarpment, working with the community to develop solutions to local issues including coal seam gas and the impact on the water supply, and preserving sustainable agricultural production.
4. Finally, **rebuilding public transport and roads** – improving access and existing infrastructure; providing more services throughout the day; developing a long-term freight strategy; and improving the connections with Sydney, Wollongong and Canberra through better coordination and integration of buses and trains.

I note in passing that this last priority is also a focus for SEROC – the South East Regional Organisation of Councils, who have developed a proposal for an integrated regional transport study which is currently before the Government.

Broadly speaking these priorities will surprise no one here this evening, and are generally consistent with those from other regions around the state.

A final Regional Action Plan for each region will be released in the middle of the year, with a final comprehensive framework, setting out the recommended measures that industry and Government can take to increase competitiveness of the sector through to 2021, due for completion in September this year.

The Regional Action Plan will sit alongside the Long-Term Transport Master Plan and the State Infrastructure Strategy and provide a 20-year-road map for the economic development for the south east and other regions

I should take a moment to acknowledge the involvement of the Illawarra, Southern Inland and Far South Coast Regional Development Australia (RDA) committees in the consultation process.

We're currently working on developing a new leadership forum to ensure better alignment between the strategic regional plans of RDAs and ROCs with the priorities identified in the Regional Action Plans and the state infrastructure plans.

This means that for the first time in NSW history, local and regional infrastructure priorities will be part of the state's long-term infrastructure plan, providing greater certainty for communities and, of course, increasing the likelihood of attracting public and private funding.

And at tomorrow's workshop, Kerry Doyle, Executive Director at my Department of Trade & Investment, will update the workshop on our Industry Action Plans and also seek feedback on specific examples of blockages to economic growth – these will also be fed back into the policy making process.

### **Supporting regional NSW**

A key part of NSW 2021, is the recognition of the value of our regions and their immense contribution to the economy.

A commitment of NSW 2021 is the Government's Jobs Action Plan, which aims to create 100,000 new jobs in NSW – including 40,000 in the regions.

The 2011-12 State Budget got the ball rolling on this commitment by dedicating \$130 million to attract industry and investment and develop businesses in NSW through the State Investment Action Scheme (SIAS).

Part of that funding included more than \$53 million towards the Regional Industries Investment Fund (RIIF).

RIIF been established to drive economic growth in regional NSW as well as enhance the attractiveness of regional areas.

Financial assistance is available under this Fund for eligible projects across regional NSW that result in economic outcomes for the State.

Another target of NSW 2021 is to increase the population of regional NSW by almost 500,000 people by 2036, to invigorate regional economies and relieve congestion in Sydney.

### **Regional Relocation Grant**

To help foster population growth in the regions we are presently offering a Regional Relocation Grant, which provides \$7000 for families who relocate from the city to regional NSW.

This includes people who decide to build new homes in the regions.

There has been a healthy amount of interest in the grant since its introduction in July 2011 and a recent promotional push saw almost 20,000 hits on a dedicated website in three weeks, with visitors spending an average of three minutes on site.

All this points to increased awareness and interest in what NSW regions have to offer.

### **Cross-Border Commissioner**

Other challenges for NSW communities relate to their proximity to the ACT and the associated effect that different regulation has on business and the economy.

That is why I appointed the State's first Cross-Border Commissioner in March this year.

One of the first things Steve Toms did was to undertake a regional tour of border communities to hear firsthand the range of locations specific issues that impact on border communities.

I joined Steve during several parts of that tour.

In Queanbeyan, along with local MP John Barilaro, we were given examples of issues that have a big impact on the lives of communities and businesses that live and work on both sides of the NSW/ACT border.

As Canberra's economic footprint continues to grow it's important we have the proper forums to address these issues, which is why I welcome the news that the ACT has joined SEROC to better participate in these discussions.

Some of the issues identified at our Queanbeyan forum would appear reasonably easy to solve.

For example, school terms between NSW and the ACT are not aligned, causing great aggravation for parents of the many NSW school children who use ACT schools.

Other issues will take more time to resolve.

For example, I understand that some NSW apprentice qualifications aren't recognised by the ACT, which certainly would impede the free flow of labour and limit economic growth.

ACT Chief Minister Katy Gallagher is due to meet Steve Toms in the coming weeks and we look forward to developing a long and productive working relationship to resolve these and many other issues.

The appointment of the Cross-Border Commissioner comes after the ACT and NSW Memorandum of Understanding for Regional Collaboration which was signed by the Premier and the Chief Minister on 2 December 2011.

The MoU aims to strengthen collaboration between the two jurisdictions to optimise regional outcomes and service delivery to the people of the ACT and surrounding region.

Priority actions currently being progressed are collaboration on health and education service delivery, landuse and infrastructure planning, and transport and emergency services.

### **Small Business Commissioner**

We've also appointed the first ever Small Business Commissioner to support small businesses throughout the State by:

- providing low-cost dispute resolution services
- advising on ways to further cut red tape; and
- identifying ways in which Government can create a climate in which the small business sector can flourish.

### **Conclusion**

The key messages I'd like to leave you with tonight are that the NSW Government is committed to regional growth and is developing new policy and fiscal tools to achieve this.

Working closely with the ACT Government, ROCs, RDAs and local government we will work towards maximising the economic advantages of each region and we are certainly optimistic for the South East Corridor.

*[...ends]*