

ECONOMIC DEVELOPMENT STRATEGY FOR REGIONAL NSW

JANUARY 2015



The new state
of business



MESSAGE FROM

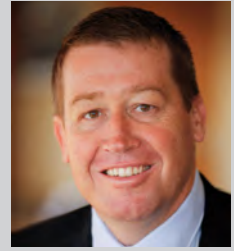
THE DEPUTY PREMIER

Rebuilding the economy has been our number one objective since coming to Government. Our efforts are starting to reap rewards, with NSW regaining the number one position in Australia for economic performance.

To date, we have allocated over \$13 billion to support vital regional infrastructure and supported the creation of an estimated 39,000 jobs in Regional NSW.

We are building on our record of achievement, partnering with industry and the regional community, to deliver a dynamic and globally competitive regional economy.

I welcome this new strategy which will strengthen Government efforts on real and effective measures to help our regions prosper, further unlocking the economic potential of Regional NSW.



TROY GRANT

DEPUTY PREMIER
MINISTER FOR TRADE & INVESTMENT
MINISTER FOR REGIONAL INFRASTRUCTURE & SERVICES
MINISTER FOR TOURISM & MAJOR EVENTS
MINISTER FOR HOSPITALITY, GAMING & RACING
MINISTER FOR THE ARTS

ECONOMIC DEVELOPMENT STRATEGY FOR REGIONAL NSW

Five goals to enable regional economic development

Goal



Promote

key regional sectors and regional competitiveness

Goal



Drive

regional employment and regional business growth

Goal



Invest

in economic infrastructure and connectivity

Goal



Maximise

government efficiency and enhance regional governance

Goal



Improve

information sharing and build the evidence base

A PLATFORM FOR GROWTH

Regional NSW is the largest and most diverse regional economy in Australia. It is home to about 2.9 million people, representing 41% of the NSW population and contributes around \$138 billion (almost one third) to Gross State Product. Spanning 790,355 square kilometres, it covers most (98.7%) of NSW's geographically diverse and spectacular landscapes.

To advance the NSW Government's priority to rebuild the economy, NSW Trade & Investment - the Government's lead economic development agency - developed the NSW Economic Development Framework, which provides a road map for

driving growth in key industries in the NSW economy.

The Economic Development Strategy for Regional NSW further focuses actions to address challenges and opportunities in Regional NSW.

The Strategy identifies five goals to enable regional economic growth. These goals are underpinned by research that shows the importance of building human capital and skills, innovation, infrastructure, and connectivity to markets and jobs for economic growth.

Goal

1



Promote

key regional sectors and regional competitiveness

Focused actions on key industries and enhancing private sector capabilities will support the development of a globally competitive, innovative and productive Regional NSW economy.

Priorities

Increase the value of NSW's agricultural sector and exports

by developing an Industry Action Plan and Agriculture Export Strategy.

Increase the value of NSW's mineral industry and energy sector

by developing a Minerals Industry Action Plan and a Statewide Energy Strategy.

Increase the value of the visitor economy

by investing in tourism infrastructure and supporting industry growth through the Regional Visitor Economy Fund and Destination Management Plans.

Support the overall development and competitiveness of the manufacturing sector

by promoting export growth, design-led innovation, and key sub-sectors with global competitive potential like food processing.

Support regional resilience

by encouraging industry diversification where major structural change is anticipated through engagement with business, local government and the community.

Attract foreign investment

through the International Engagement Strategy, leveraging NSW Trade & Investment's presence in 10 priority overseas markets and facilitating the Business Innovation and Investment Visa program.

Encourage regional entrepreneurialism

by developing entrepreneurial skills and networks, connecting regional businesses to opportunities and continuing support for innovation and research.



Photo credit: Paul Foley

\$136.7m



for programs to grow the Regional NSW visitor economy

\$110 million through the Regional Tourism Infrastructure Fund, \$21.6 million committed to the Regional Visitor Economy Fund and \$5.1 million to the Regional Flagship Events Program.

8



Industry Action Plans

to capitalise on new opportunities and address barriers to growth in key industries.

10



priority overseas markets

Growing international trade and investment with offices established in China, India, the UAE, Japan, the USA, Republic of Korea and plans to expand into Singapore, Indonesia, Malaysia and the UK.

Goal

2



Drive

regional employment
and regional business
growth

Actions to support business growth, job creation and to build the skills base in Regional NSW are key aims of the Government.

Priorities

Promote job creation

by supporting the private sector to create jobs through initiatives like the Jobs Action Plan payroll tax incentive scheme and the Regional Industries Investment Fund.

Grow retail trade jobs

by exploring targeted retail assistance to support merchandising and business skills and to leverage regional tourism.

Support business growth

by building business capacity and competitiveness through programs like the NSW Export Accelerator and the Supply Chain Accelerator Pilot and support through the Regional Industries Investment Fund and State Investment Attraction Scheme.

Increase regional skills base

through the Smart and Skilled and Apprenticeship and Traineeship Training programs as well as helping to deliver skilled, business and investor migrants through the NSW Skilled and Business Migration Policy.

Improve Aboriginal employment and business outcomes

by implementing the OCHRE: Aboriginal Affairs Plan and developing the NSW Aboriginal Economic Development Framework.

39,000



regional jobs

Over 39,000 new jobs created in Regional NSW including over 24,500 jobs under the Jobs Action plan and more than 2,000 new nurses, teachers and police officers.

\$40.2m



**for regional
training and skills**

Subsidising the cost of training, including for apprenticeships and traineeships, and brokering links to job opportunities in Regional NSW.

\$92m



**provided through the Regional
Industries Investment Fund
and the State Investment
Attraction Scheme**

From 2011 through 2014 these programs and the services provided by NSW Trade & Investment have helped projects expected to generate around \$4 billion in private investment and 12,500 jobs in Regional NSW.



Photo credit: Courtesy of Alkane Resources Ltd

Goal

3



Invest in economic infrastructure and connectivity

Investing in regional infrastructure and connectivity is critical to enabling economic activity and will raise the State's productivity and competitiveness.

Priorities

Deliver economic infrastructure

by funding high priority infrastructure projects in Regional NSW, including ports, roads, rail and tailored regional programs under the multi-billion dollar Restart NSW fund.

Improve regional connectivity

by enhancing physical connectivity through delivery of infrastructure and programs under the Regional Transport Plans and the NSW Freight and Ports Strategy and promoting virtual connectivity through the Digital Excellence and Digital Engagement Programs.

Support strategic and integrated planning of economic infrastructure

through the State Infrastructure Strategy, statewide planning reforms including delivery of the Regional Growth and Infrastructure Plans and through the transport and freight plans.

Examine options to leverage economic infrastructure

by enabling local business to participate in, and capitalise on, infrastructure development.

\$13b



worth of regional infrastructure projects for better roads, hospitals and schools

Including \$1.1 billion for Princes Highway and \$2 billion for Pacific Highway upgrades, \$277 million to refurbish the State's grain rail lines, \$50 million to improve Western NSW freight productivity, \$70 million for upgraded and new education facilities, \$132 million for fire, police and ambulance station projects and \$1.7 billion in rural and regional health infrastructure.



Photo credit: Eddie Bernard

30%



allocation of the multi-billion dollar Restart NSW Fund

Programs include: Resources for Regions (\$217m), Fixing Country Roads (\$37.5m), Water Security for Regions (\$366m), Bridges for the Bush (\$135m), Illawarra Infrastructure Fund (\$100m), Cobbora Transition Fund (\$20m), Regional Tourism Infrastructure Fund (\$110). Other road funding: Pacific Highway (\$403m); Foxground and Berry Bypass (\$170m) and the Bells Line of Road (\$28m).

\$1b



in local infrastructure

Unlocked about \$1 billion for shovel-ready projects across NSW, through local infrastructure renewal subsidies to councils.

Goal

4



Maximise

government efficiency and enhance regional governance

Maximising government efficiency and enhancing regional governance increases returns to public investment, improves planning outcomes, and reduces barriers to business.

Priorities

Change the way Government does business

by continuing procurement reforms, implementing the NSW ICT Strategy, and rolling out Service NSW one-stop-shop service centres to make it easier for people and business to work with Government.

Reduce regulatory costs and barriers to business

by cutting red tape with the "one on, two off" policy for new regulations.

Reduce cross border regulatory barriers to business

by providing advocacy through the NSW Cross Border Commissioner and pursuing consistency in national standards and regulations.

Improve integration, coordination and alignment of policies and programs

by embedding the Economic Development Strategy for Regional NSW across State plans, developing new Regional Growth & Infrastructure Plans and continuing the Strategic Centre Initiative to clarify roles of central agencies.

Increase visibility, transparency and accessibility of regional program data

through the Financial Management Transformation program, publishing program information as part of the Strategy, and exploring further ways to improve information sharing.

Support local decision making

through varied initiatives across government including those under the Decade of Decentralisation policy and Local Decision making under OCHRE: Aboriginal Affairs Plan.

\$750m

target for reduced regulation

Includes the Quality Regulatory Services Initiative to make it easier for business and individuals to engage with NSW regulators and the 'one on, two off' policy.

\$5.4b

identified capital and operating cost savings

Electricity network reform identified capital and operating savings that will be passed on to consumers through lower prices.

\$1b

state-wide for local government reform

The Fit for the Future program supports NSW councils to become more sustainable and provide the services and infrastructure communities need - includes up to \$100 million available for regional councils who wish to merge.



Photo credit: Tom Wang

Goal

5



Improve information sharing and build the evidence base

Building a robust evidence base and improving the availability and supply of quality information is critical to supporting Government and private sector decision making.

Priorities

Increase information sharing, consistency and open access to data

by developing consistent regional economic data and profiles for each region and leveraging the NSW Government's Open Data Dashboard, which encourages open access to data and supports improved decision making.

Improve data collection and evidence base on regions

by developing a dashboard of regional economic indicators and monitor annually.

Monitor and review the impact of economic development policy

by examining possible ways to monitor and assess the economic impact of economic development policy.

Monitor, review and report on the progress and uptake of the Strategy

including reporting to Cabinet every two years on the progress of the Strategy and reviewing the Strategy's goals for alignment to Government priorities every four years.



Regional Economic Profiles

That provide headline economic indicators and analysis of individual regions' performance and potential.



Photo credit: agsandrew

New

Open Data Dashboard

Launched on 22 July 2014 to better help the community engage with NSW Government data. data.nsw.gov.au is the single portal to access government data.

The Strategy's five goals focus NSW Government efforts on actions that:

- facilitate competition and competitive industries;
- increase investment in and facilitate drivers of productivity and growth;
- maximise the return from government activities and expenditure; and
- ensure net economic benefits from public investment.



Photo credit: Hamilton Lund

Regional NSW

Capitalising on its rich natural resources, the agriculture and mining sectors are significant drivers of regional growth. But the value of Regional NSW goes beyond these traditional sectors of advantage.

The Regional NSW economy is also underpinned by strong manufacturing, energy and visitor economy sectors. The service sectors, particularly human services such as

health care and education, also play a vital role in the ongoing prosperity of Regional NSW.

Continued industry diversification has seen the knowledge economy, including financial, professional, scientific and technical services, increase its share of employment and output.

Increasingly integrated and evolving global markets provide new opportunities to leverage both existing and emerging competitive advantages.

Delivering on the priorities

- 100+ existing Government actions brought together for the first time.
- 23 new actions have been identified including measures to monitor regional economic development outcomes.
- The Strategy will be reviewed every two years with progress reported to NSW Cabinet.

Find out more

The Economic Development Strategy for Regional NSW is led by the Industry, Innovation, Hospitality & The Arts Division of NSW Trade & Investment.

The NSW Economic Development Framework, Economic Development Strategy for Regional NSW and Regional Economic Profiles are available at

www.trade.nsw.gov.au/regional-opportunities



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