

19 September 2014

Rebuilding NSW  
GPO Box 5341  
SYDNEY NSW 2000

**Re: Rebuilding NSW Discussion Paper**

We are pleased to provide this submission in response to the Rebuilding NSW Discussion Paper launched in August 2014 on behalf of the Property Council's Illawarra Chapter.

The Property Council of Australia is the nation's peak representative of the property industry. Our members are Australia's major investors, owners and developers of commercial, residential, retail, industrial, retirement living and hotel assets.

The property industry is also crucial to the vitality of the NSW economy – generation 10 percent of Gross State Product, one in ten jobs in NSW and paying over one-third of all state taxes.

At its core, the industry places patient capital in assets that provide a stable income stream for the millions of Australians with superannuation. The long-life nature of the industry's investment means it is heavily exposed to the productivity, mobility and sustainability of our cities.

It gives us a unique and inherent interest in seeing how cities function, and the need for them to succeed.

We regard the State's proposal to recycle capital from the partial lease of its electricity networks as essential public policy reform that is the best means of advancing the next generation of infrastructure required across NSW.

Our submission seeks to support the Property Council's NSW submission on issues critical to our industry and the broader economic prosperity of NSW, and the combined stakeholder submission *Advancing Infrastructure in the Illawarra*, coordinated by RDA Illawarra.

The Government's preferred approach of recycling capital through the partial lease of its transmissions network is sound.

It recognises:

- ✓ asset recycling is a sensible and prudent approach to managing the use of capital across the State's balance sheet

- ✓ the growth of Sydney and regional NSW demands constant investment in new infrastructure to sustain prosperity and productivity
- ✓ the State does not have the 'headroom' to take on substantial extra debt, nor is raising the funds for infrastructure through higher taxes the wise approach
- ✓ with a sensible approach to infrastructure planning, funding and delivery, the State can access private capital to help deliver major projects

In allocating the funds, we support Infrastructure NSW assessing projects to ensure they have a sound business case and the economic dividend on offer is considered.

The Illawarra is a region building a compelling case for greater State Government investment. According to the Illawarra Business Chamber's recently released *Linking the Illawarra* report, the region is the state's third largest economy, contributing \$16.5 billion state-wide in 2012-13.

With a definition which now includes the four Local Government Areas of Wollongong, Shellharbour, Kiama and Shoalhaven, the region is NSW's third most populous area, being the home to about 384,100, with an expected population of about 459,100 people by 2034, according to the NSW Government's Illawarra Regional Transport Plan (2014).

The face of the Illawarra is changing. Our economy is diversifying with a broad range of service sectors, including high value knowledge based professional service activities, gathering pace to complement our traditional reliance on manufacturing and mining.

The region's unique natural and built environments are powerful sources of attraction for businesses wanting to make long term investments in sustainable enterprises, and for an increasing number of visitors who want to enjoy the pleasures afforded by our beautiful beaches, rainforests and modern urban settings.

This environment is building a compelling case for greater infrastructure investment, given the region's current levels of investment in property and port projects and its strong potential for future growth, linked with the advantage of its close proximity to Sydney and lower costs for housing and staff retention.

Given the proposed definition of Wollongong LGA as 'metropolitan' (alongside Sydney and Newcastle) the Property Council urges the NSW Government to ensure that the economic case for the investment in the Illawarra region as a whole is taken into account when determining the investment in transport priorities.

According to the *Linking the Illawarra* research, transport connectivity of the Illawarra to Sydney falls behind other similar regions in NSW, Victoria and Queensland. This once in a lifetime opportunity

should be harnessed to reduce travel times to Sydney's closest regional city and unlock the growth potential the region can offer NSW.

To this end we support the following Illawarra projects to be included as key transport projects for assessment:

#### **Infrastructure Project 1**

**Make the M1 Princes Motorway a continuous motorway between St Peters and Albion Park:**

- a. Commence construction of the M1 (F6) from Waterfall to St Peters by 2020;**
- b. Commence construction of the Albion Park Rail Bypass by 2017;**
- c. Complete construction of ramps on M1 between Gwynneville and Albion Park.**

*The economic and social wellbeing benefits to NSW and the Illawarra:*

- ✓ Enable commuters, businesses, freight movers and visitors to travel between the Illawarra and Sydney more quickly, safely, and reliably
- ✓ Reduce the transport costs of NSW exports and imports
- ✓ Make it more attractive for businesses to invest in NSW and the Illawarra
- ✓ Make it easier for tourists to access the region
- ✓ Reduce the pressure on Sydney's metropolitan transport network

#### **Infrastructure Project 2**

**Resolve the structural problems of the South Coast railway between Wollongong and Sydney:**

- a. Commit \$100 million for completing the (mainline acceleration program) targeted works on speed restriction and pinch points by 2019;**
- b. Commit \$1 billion as soon as possible to ensure capital works are completed by 2024 to reduce travel time to 60 minutes between Wollongong and Sydney.**

*The economic and social wellbeing benefits to NSW and the Illawarra:*

- ✓ Achieve a minimum 60-minute trip that is reliable, convenient and safe for commuters and visitors travelling between the Illawarra and Sydney
- ✓ Improve access to wider employment market
- ✓ Encourage population growth in the Illawarra
- ✓ Increase public transport patronage and reduce the pressure on road networks
- ✓ Minimise railway breakdowns and maintenance costs

### **Infrastructure Project 3**

**Complete the construction of the Maldon to Dombarton railway as a dedicated freight rail corridor by 2020:**

- a. Commit \$200 million towards the construction, to be matched by at least \$500 million in private sector funding immediately;**
- b. Expedite the Registration of Interest process and call for tenders from private sector investors immediately.**

*The economic and social wellbeing benefits to NSW and the Illawarra:*

- ✓ Enhance the capacity and efficiency of the state's freight transport network for bulk export and import commodities, and containers in the future
- ✓ Free up the Illawarra and South Coast railway for passenger services
- ✓ Consistent with the State Infrastructure Strategy, utilise existing assets to facilitate growth in valuable mining and agricultural exports through Port Kembla Port to enhance international trade
- ✓ Contribute to the economic prosperity of the Illawarra Region and NSW as a whole

### **Conclusion**

The Property Council congratulates the Government on its proposal and looks forward to continuing to contribute to the debate.

Kind regards,



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