



Regional
Development
Australia
ILLAWARRA

NSW State Election 2023: Illawarra Priorities

January 2023



An Australian Government Initiative



Illawarra Region: Unprecedented Opportunity in Challenging Times

The Illawarra Region is entering a period of unprecedented growth, with \$33 billion in construction and infrastructure development planned for completion by 2040. This includes projects to reduce sovereign risk around steelmaking; developing sustainable supplies of renewable energy; delivering housing and services for 65,000 new residents and improving the connectivity of the region by road, rail and digitally.

In this Pre-Election Submission, Regional Development Australia (RDA) – Illawarra has used its considerable local knowledge and regional network to develop recommendations for the NSW State Government on four key themes:

- Delivering critical **Infrastructure**
- Development of the Port of **Port Kembla**
- Improving public transport for a growing **Population**
- Fulfilling **Housing** demand.

RDA Illawarra believes that physical connectivity by rail and road is fundamental to the future prosperity and productivity of the region and is requesting support from the NSW Government for two key infrastructure projects (in conjunction with the Australian Government): the delivery of a dual carriageway along Picton Road and delivery of a network plan and business case for a direct rail link from Port Kembla to south-west Sydney.

Port Kembla itself is an underutilised asset that will be at the heart of international trade as other NSW ports reach capacity over the next decade. With Port Botany due to reach operational capacity after 2040, a second container port must be ready to deliver overflow capacity. There are also significant major capital investment projects extant for the Port Precinct, including Defence infrastructure and renewable energy. If planned and implemented effectively, these capital investment projects will deliver substantial economic benefits to the Illawarra region, and beyond. RDA Illawarra is seeking the funding for an overall Strategic Port Precinct Master Plan for the Port and surrounding industrial lands.

As the Illawarra population continues to grow and age, RDA Illawarra is calling for funding from the NSW Government for urgent additional public transport services for the region. Efficient, safe and effective public transport is the key enabler to connect regionally significant precincts that provide jobs, housing, goods and entertainment. The Illawarra-Shoalhaven region is poorly served by public transport, and as a result, over 88% of commuter trips are done by private vehicle. RDA Illawarra believes there is an urgent need for More Services, More Trains and More Buses. Additional public transport services should be delivered to ensure equity of access to those in the Illawarra-Shoalhaven region. Inadequate access is exacerbated by poor interconnectivity of rail, bus and community transport timetables and outdated route planning.

Finally, the shortage of suitable housing in the Illawarra is acute and chronic at a time when the region needs to attract and house a construction workforce estimated to peak at over 4,000 for key infrastructure projects. House prices and rents are high; availability of housing is low and the waiting list for social housing is long – at a time when housing is a key factor to attract and retain skilled and essential workers. RDA Illawarra is calling for a commitment to the provision of a further 500 social houses over the next 5 years will help alleviate the current housing shortage for those most in need, and to help secure workers to deliver infrastructure investments of \$33 billion for the region.

Infrastructure



Picton Road Duplication

Divided Highway over full length – Productivity & Safety

Funding Request - \$650m

Picton and Mount Ousley Roads comprise a major freight connection between the Illawarra and Western Sydney.

Currently this 27km stretch of road is largely single lane, with only 8km of passing lanes divided over several sections.

Heavy vehicles make up 25% of the 20,000+ daily vehicle movements along this vital arterial link, which operates at capacity during daily peaks. Growth in the adjacent Wilton and Macarthur growth areas is expected to deliver an additional 35,000 homes by 2040, placing further pressure on commuter corridors.

Picton Road is forecast to reach capacity by 2025 and should be upgraded to a four lane, divided carriageway along its entire length.

South-West Illawarra Rail Link (SWIRL)

Direct Rail Link from Port Kembla to South-West Sydney

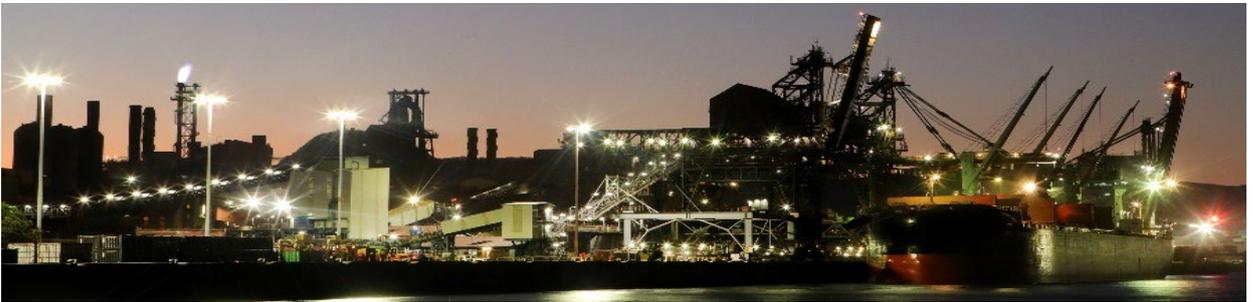
Funding Request - \$30m

By 2041, the population of the Illawarra is forecast to grow by 65,000 and commuters to Greater Sydney will increase by 20,000.

Freight movements make up 40% of east-west peak road traffic and there is currently no rail alternative. A rail connection between Port Kembla and Western Sydney is needed to alleviate expected land-side freight congestion as Port Kembla expands.

This initiative urgently requires the funding and commissioning of a detailed network plan and business case to improve the resilience and connectivity of the Illawarra-Shoalhaven's rail network - including clear timeframes for delivery, detailed costings for each improvement and a complete investigation of the South-West Illawarra Rail Link concept.

Port Kembla



Port Precinct Master Plan

Develop an overall strategy for Port Kembla precinct and industrial lands

Funding Request - \$25m

The Port of Port Kembla is an economic asset of national significance, critical to the future economic growth and development of NSW. Port Kembla is currently underutilised and has capacity for growth. It is a deep-water harbour surrounded by large parcels of employment-generating industrial land; presently vacant employment land gives growth opportunities.

The Port is NSW's largest motor vehicle import hub and bulk grain export interface, and has growing dry bulk, bulk liquid and general cargoes. Significant developments are underway in the surrounding industrial precinct, including an LNG import terminal; a natural gas/hydrogen co-fired power station; renewable (wind) energy projects and manufacturing.

With several key landowners developing plans for their own land, wholistic strategic master planning of the Port Kembla Industrial Precinct is needed to ensure long-term economic benefits are realised over the next 40 years. Once Port Botany reaches its operational capacity, Port Kembla could deliver a container terminal for overflow capacity by 2040.

There are significant major capital investment projects extant for the Port Precinct, including Defence infrastructure and renewable energy. If planned and implemented effectively, these capital investment projects will deliver substantial economic benefits to the Illawarra region, and beyond.

Effective coordination and planning are imperative to ensure that economic opportunities deliver significant long-term private sector investments, as well as creating high value-add jobs. RDA Illawarra is requesting funding for a Forty-Year Strategic Master Plan for the Port Kembla Industrial Precinct, which includes surrounding industrial lands at Unanderra and Kembla Grange.



Public Transport

Develop a 30-Minute City for residents of the Illawarra and provide a more liveable city

Funding Request - \$10m

The Illawarra-Shoalhaven region is the third most populous in Regional NSW and, by 2041, the region’s population is expected to increase by nearly 65,000 people, with most growth expected in the Wollongong and Shellharbour LGAs.

Efficient, safe and effective public transport is a key enabler to connect regionally significant precincts that provide jobs, housing, goods and entertainment. Some residents in these precincts will find employment close to home, but many will continue to travel for jobs and education in the regionally significant centres and employment lands.

The Illawarra-Shoalhaven region is poorly served by public transport, with only 0.29 access points (bus/train/ferry stops) per thousand residents – seven times fewer than Newcastle/Macquarie area. As a result, over 88% of commuter trips are done by private vehicle. The lack of public transport services adversely contributes to cost of living pressures, which are currently at a record high.

RDA Illawarra believes there is an urgent need for **‘More Services, More Trains and More Buses’**. Additional public transport services should be delivered to ensure equity of access to those in the Illawarra-Shoalhaven region. Inadequate access is exacerbated by poor interconnectivity of rail, bus and community transport timetables and outdated route planning.

\$10 million funding is requested to deliver **More Services** to the Illawarra-Shoalhaven region, which is currently disadvantaged through inadequate public transport. More Services could include More Trains, as well as More Buses and peak-time Express bus services from nodes in Shellharbour to Wollongong, and Dapto to Wollongong.



Housing

Addressing the housing shortage that is now both a social and economic issue for the region

500 additional social houses over 5 years

One consequence of COVID-related restrictions has been an exodus of people from major cities into regional areas. Latest regional population data indicates that over 5,000 people left Greater Sydney for other regional areas in the year to June 2021. More than 1,850 people resettled in the Illawarra region during that time.

The regional impact of this influx has been seen in increased house prices, rents and the low availability of dwellings; median house and unit prices have peaked at over \$1M and weekly rents increased by nearly 10% to rival those being achieved in Sydney. Availability of rental properties has plummeted, with vacancy rates of less than 1.0%.

Social housing waiting times in the Illawarra local government areas range between 5 and 10 years for properties of any size, with over 2,500 general applicants awaiting placement in social housing as well as a further 240 on the priority waiting list.

The shortage of suitable dwellings in the Illawarra is acute and chronic at a time when the region needs to attract and house a construction workforce estimated to peak at over 4,000 in the next decade for key infrastructure projects in steelmaking, renewable energy, gas, housing, energy and transport with a value of over \$33bn.

Recent Budget announcements regarding housing promise to address the issue, but detail is yet to be released on the location of additional homes under the National Housing Accord, and for social and affordable housing funded by the Housing Australia Future Fund.

The Illawarra region has no shortage of available land for housing and RDA Illawarra is calling on the NSW Government to commit to the delivery of more social housing in the Illawarra to address the length of the waiting list and the expected waiting time.