

Joint submission

Blue Mountains City Council &
Blue Mountains Economic Enterprise

The Blue Mountains City Council (BMCC) and Blue Mountains Economic Enterprise (BMEE) welcome the opportunity to provide input to the NSW Government's Decentralisation Taskforce.

We support all initiatives outlined in the Taskforce's Terms of Reference which stimulate economic development across NSW. This submission relates specifically to the Government's policy and programs regarding Government agency relocations.

The Blue Mountains is ideally placed to serve as a location for the relocation of a Government agency / agencies. The proposal not only provides significant economic and social benefits to the Blue Mountains, it provides the NSW Government with an opportunity to deliver expediently and effectively on a core election promise.

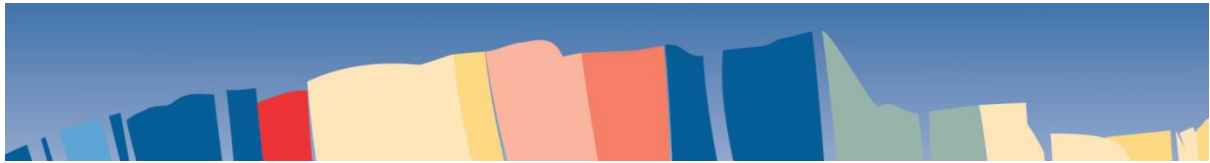
The relocation of selected government agencies to non-metropolitan areas provides a more level playing field for regions such as the Blue Mountains, which are working tirelessly to increase their competitiveness and create a dynamic, sustainable economic landscape.

The initiative removes pressure from the Sydney CBD; one of the tightest and most expensive office markets in the world, while still being highly accessible to Sydney.

The Blue Mountains is characterised as a region working proactively to diversify its economy, which is heavily reliant on tourism and contained by topography, proximity to the World Heritage National Park. It is these two considerations, often representing a constraint to economic growth, which provide a key competitive advantage to the Blue Mountains becoming a Government agency location. The region offers unparalleled appeal to the public sector workforce as a highly desirable and cost effective place to live and work, all within close proximity to Sydney.

Blue Mountains City Council (BMCC) Background

The Blue Mountains City Council administration is based in Katoomba, New South Wales, and serves 26 towns and villages in a local government area of 1,433 square kilometres. These towns and villages are situated from 50 to 120 km west of Sydney and cover a 100km strip of sandstone ridge within the 1,000 square kilometres of the Greater Blue Mountains World Heritage Area.



The Council delivers the full range of local government services to the community and has an operational budget \$110 million a year and a local workforce of almost 500 staff, which also provides direct economic benefit to the Blue Mountains.

While the Council also delivers a range of economic initiatives across the city, it recognised the need to be innovative in terms of leveraging greater economic returns for the city. This included driving the establishment of the independent Blue Mountains Economic Enterprise in collaboration with local business and industry sectors.

Blue Mountains Economic Enterprise (BMEE) Background

Blue Mountains Economic Enterprise (BMEE) aims to create sustainable economic growth and increase the competitiveness of the Blue Mountains region.

In July 2008, Blue Mountains City Council hosted the Better Futures Economic Forum. With over 100 key stakeholders in attendance, the purpose of this forum was to progress the collaborative vision for a strong and sustainable local economy. Creating an independent body to lead economic development in the region was a key outcome of the forum.

Following detailed consultation with regional stakeholders, the industry-led Blue Mountains Economic Enterprise (BMEE) was formed and incorporated. The purpose of the BMEE is to support, advocate and promote the Blue Mountains' economy and facilitate sustainable growth, investment and job creation.

While the Organisation works in partnership with all levels of Government, BMEE operates as an independent entity.

BMEE Objectives

- Encouraging economic diversification
- Encouraging employment generation
- Influencing planning and policy
- Contributing to the development of a sustainable economy
- Conducting marketing and business development to promote the area as a business destination
- Facilitating the growth of existing businesses
- Attracting investment consistent with the local environment
- Stimulating economic activity
- Identifying and reducing the barriers to development
- Motivating local businesses to innovate
- Contributing to long term planning



Call to Action: Relocation of a NSW Government agency to the Blue Mountains

BMCC and BMEE is seeking NSW Government commitment and action to relocate a Government agency and / or agencies to the Blue Mountains region. The Blue Mountains has a number of competitive advantages which are aligned with the Government's Decade of Decentralisation objectives.

Competitive advantages for the Blue Mountains as a Government agency location

- The location of the Blue Mountains allows for a reduction of costs and increased efficiencies
- Close proximity to Sydney CBD and a gateway to the West. The mid location between the Central West region and Sydney's CBD offers a high level of regional connectivity
- The Blue Mountains serves as a strategic and efficient complement to the decentralised Government agencies in the Bathurst and Orange regions
- Improved road infrastructure and good rail connections make the region highly accessible and while we hope to encourage relocation of all staff, the location offers the opportunity to commute
- Multiple Government agency site options available immediately:
 - Blue Mountains City Council has identified a suitable site within the CBD of Katoomba with plans and appropriate infrastructure. Preliminary discussions have been held with the Treasurer Hon. Mike Baird MP regarding the proposed site
 - Blue Mountains City Council will activate its strategic asset base to facilitate the accommodation of a Government agency / agencies
 - The ability to provide sufficient availability of commercial office space exists at highly competitive commercial rates
- Blue Mountains City Council was the lead proponent in facilitating the successful co-location of the NSW Roads and Maritime Services within the BMCC Customer Service office. This model has proven to be highly successful in terms of customer satisfaction and cost efficiencies
- The relocation of a Government agency(s) to the Blue Mountains is aligned with the shared strategic objectives of BMEE, BMCC and the NSW Government to increase and sustain the rates of Blue Mountains residents working in the region
- Underpinned by a strong tourism industry, the Blue Mountains offers a skilled and customer focussed workforce



- The Blue Mountains offers a highly desirable quality of life to attract and retain staff including but not limited to; World-heritage environment, strong family facilities, extensive education options, world-class cultural facilities
- The region boasts a highly attractive cost of living. Median house prices: \$380,000 vs Sydney \$600,000 – surrounded by an extraordinary natural environment
- Extensive and high quality cultural facilities exist and more are under development including the acclaimed Blue Mountains Cultural Centre and the planned regional Community and Cultural facilities upgrade at Springwood
- The region also offers:
 - High quality sporting facilities
 - High quality medical facilities
 - High quality schools
 - Well educated population

Blue Mountains economic snapshot

- Unique city setting within a World Heritage Area National Park
- Population approximately 78, 000 within 27 towns and villages across a dramatic 100km ridgeline and supported by easily accessible road and rail corridors
- More than \$1.8 billion per annum economic turnover within the LGA
- 52% of residents travel out of area for work
- Key industries contributing to Gross Regional Product: tourism, healthcare, social assistance, education and training, retail trade and tourism
- Tourism generates an estimated \$400m per annum and is a major employer
- Ageing population. By 2036, the average age of the population of the Blue Mountains is expected to rise by 2.8 years to 41.3 years
- The Council along with other NSW State Government agencies including schools, hospitals, TAFE and emergencies services are a critical part of the employment profile for the Blue Mountains

Please refer to the attached Blue Mountains Economic Brief for the complete regional economic profile



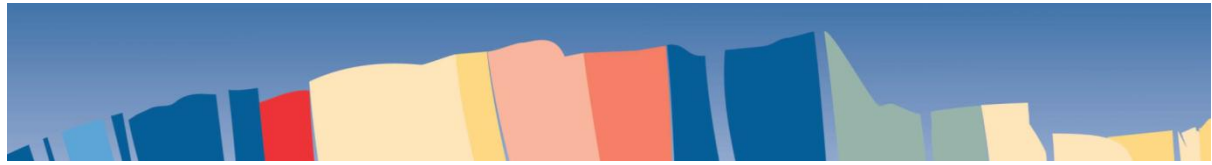
The Blue Mountains: an innovative region, creating competitiveness

Despite a challenging context often faced by regional areas outside the Sydney CBD, the Blue Mountains City Council and Blue Mountains Economic Enterprise are actively identifying opportunities and facilitating growth and development on a number of levels:

Recent economic development activity in the Blue Mountains

- The 2012 launch of the \$35 million+ Blue Mountains Cultural Centre including the Blue Mountains City Art Gallery, state of the art library and World Heritage Interpretive Centre. This initiative was supported by the NSW Government
- Facilitated the establishment of an independent economic development entity; Blue Mountains Economic Enterprise (BMEE). The entity was launched in December 2012
- Established and supports Blue Mountains, Lithgow and Oberon Tourism
- \$12 million + major redevelopment of Lawson Town Centre
- \$15 million regional Community and Cultural Facilities upgrade at Springwood. Supported by the NSW Government and the Federal Government
- \$3.5 million infrastructure upgrade of Blue Mountains Business Park (Clean Technology Park) at Lawson. (funded by the Australian Government)
- Local Government approval granted for the \$35 million redevelopment of the iconic Hydro-Majestic Hotel at Medlow Bath
- New Woolworths supermarket opened in 2011 at Leura
- New Coles supermarket opened in 2012 at Katoomba
- New Woolworths and Big W to open in early 2014 at Katoomba (Council approved 2012)
- New Dan Murphys at Katoomba

This is an ideal time for the NSW Government to facilitate a key election commitment within a region primed to facilitate the relocation.



Further considerations

- Population migration from capital cities to regional centres is a key priority for all levels of Government
- The relocation of a Government agency(s) to the Blue Mountains will provide considerable savings to the NSW Government. The cost of delivering services in the region is far less than Sydney. This includes, commercial and residential accommodation, travel costs, etc. All these factors positively impact workforce productivity
- Increased overall economic impact. The injection to the economy to the Blue Mountains will have a greater effect due to the static employment figures and narrow economic base
- The proposal strengthens the regional economy by providing stable, well paid positions and diverse employment opportunities
- The establishment of a Government agency(s) in the Blue Mountains provides critical economic flow-on benefits to neighbouring regions such as Lithgow and Oberon
- The relocation of a Government agency(s) provides the Blue Mountains with an opportunity to diversify its economic base, which is heavily reliant on tourism; a sector influenced by the high Australia dollar and global market trends
- The flow-on benefits to the economy are significant. Economic profiling conservatively indicates that 50 new public sector jobs alone create an additional 40 new jobs in the private sector and a total gross value to the regional economy of \$10m
- Relocation of a Government agency to the Blue Mountains will stimulate a new wave of economic and social activity in this region and, improve public access to government services
- As with many regional centres, the Blue Mountains faces an aging population including its workforce. The relocation of a Government agency(s) should help attract and retain a younger workforce.



In summary

The Blue Mountains City Council and Blue Mountains Economic Entity strongly encourage the Decentralisation Taskforce to recommend to the NSW Government that the Blue Mountains serve as a location for the decentralisation of one or more key Government agencies.

BMCC and BMEE are prepared to work in partnership with the NSW Government, to assist facilitate this key component of the Government's Economic Development Framework. The collaborative nature of the economic development stakeholders in the Blue Mountains provide the ideal environment for the Government to illustrate its commitment to providing a platform for regional growth and development.

The relocation of a Government agency(s) to the Blue Mountains would not only positively impact this LGA but also the adjacent Lithgow and Oberon Centres west of the Blue Mountains.

Yours faithfully,

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