

# **Draft Western District Plan**

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## **Introduction**

Blue Mountains Economic Enterprise (BMEE) is pleased to provide the following submission in response to the Greater Sydney Commission's (GSC) Draft Western City District Plan. The Board of BMEE commends the NSW Government on working strategically to introduce district-level planning that connects local planning with the longer-term metropolitan planning for Greater Sydney.

Blue Mountains Economic Enterprise (BMEE) is the peak regional economic development organisation for the Blue Mountains. BMEE's mission is to stimulate economic development in the Blue Mountains through advocacy, investment and industry development, consistent with our competitive advantages.

BMEE's vision is to be the recognised economic development organisation for the Blue Mountains, delivering significant and measurable contributions to the economy through:

- Encouraging appropriate investment
- Positioning the City of the Blue Mountains for business
- Strengthening a sustainable and diversified business community

To achieve this vision, the Board has identified four key strategic pillars which are the focus of the organisation's activity.

- Health and wellbeing (including aged care and disabilities)
- Creative Industries
- Education
- World-Heritage Industry Development (including Tourism, Food and Bushfire Building Innovation)

## **Engagement in the development of the Greater Sydney Commission Draft Western City District Plan**

The CEO, Directors and staff of BMEE have taken part in various face to face meetings with the GSC District Commissioner (West) and participated in various GSC workshops and consultation forums. BMEE acknowledges that the Draft Western City District Plan maps a 20 to 40 year vision for the Western City District of Greater Sydney and highlights extensive opportunities which will contribute to productivity, efficiency and improved amenity. BMEE also commends the GSC for ensuring that the plan acknowledges the important role that the Blue Mountains plays in unlocking the opportunities which currently exist for the broader Western City District.

## Tourism

The GSC Western City District Plan articulates an integrated ambition to become a hub for international tourism whilst protecting and enhancing the natural landscape and acknowledges the Greater Blue Mountains World Heritage Area as the key leverage item.

“The Western Sydney Airport will create significant opportunities to grow the international and domestic tourism markets, and thus the District’s visitor economy, by attracting visitors to the heart of the Western Parkland City. This will better connect visitors to attractions such as the Greater Blue Mountains Area, a UNESCO World Heritage Site. Opportunities will include the attraction of accommodation development for overnight stays.....

.....Greater Blue Mountains World Heritage Area which is recognised by Tourism Australia as one of the 16 significant national landscapes”

It is the view of BMEE and the Blue Mountains tourism industry that this Plan should include a bolder vision and outline more strategic initiatives and projects which have been identified as catalytic opportunities to support the growth of the visitor economy.

BMEE strongly encourages the inclusion of ‘game changer’ recommendations within This Plan. The industry consultation that has recently taken place during the development of the new Blue Mountains Destination Management Plan identifies some key findings that will ensure the sustainable growth of the visitor economy. These items have been developed collaboratively with Blue Mountains City Council and the tourism industry. They have been identified as critical initiatives which need to be supported by the GSC in order for the Western City District to be positioned competitively as an international tourism destination. Critical to the competitiveness of the Western City District visitor economy is the need to shift the destination from a day visitor one to an overnight one.

Encouraging the overnight visitor market must be a key outcome of strategic planning at every government level, given the far stronger economic and employment benefits able to be generated. In order for this to be achieved, the Blue Mountains requires major enhancements to its product range, investment into new and existing facilities and investment into supporting infrastructure. Obviously, this requires a commitment from the public (local, state and federal) and private sectors.

### **Key initiatives that will ensure the growth of the visitor economy:**

- **A new large scale eco designed accommodation and conference facility in the Blue Mountains**

Through the development of the DMP, it has been identified that the development of a large-scale accommodation property and conference facility in the Blue Mountains is a critical factor for the sustainable development of tourism in the Blue Mountains and Western City District.

It is suggested that in order to grow the visitor economy, the development should feature:

- ✓ At least 250-350 rooms
- ✓ Design features blending and complementing the natural environment
- ✓ State of the art sustainability
- ✓ Conference facility (650 plus pax capacity)

In order to attract the necessary investment required for this catalytic project, all relevant planning frameworks must provide clarity in terms of designating sufficient land under a suitable zone to promote investor confidence. BMEE encourages the Greater Sydney Commission to work proactively with local, state and federal stakeholders as well as the private sector to facilitate this major investment.

### **Background**

In 2011, Blue Mountains City Council commissioned a Strategic Tourism and Recreation Planning Study (Stafford, 2011) to guide the development of new and innovative tourism and to identify ways to address conflicts with existing planning controls.

Some of the key findings of the report were:

- The Blue Mountains National Parks have the highest visitation of any national park in Australia due to their accessibility and features
- Visitation generally to the Blue Mountains is characterised by high volumes of day visitors with strong average annual growth and static overnight visitors
- One of the challenges for the Blue Mountains is that it is not clear at times whether it is part of the greater Sydney area for tourism or a separate and distinct regional area and as such, it is a convenient day trip experience rather than an overnight destination
- The majority of accommodation establishments are B&Bs offering 1-2 units, and smaller heritage-based accommodation properties
- There are very few built visitor attractions to entice visitors to stay longer and spend more
- The vast majority of visitors converge on Echo Point (estimated at 2 million per annum) with 850,000 using the facilities at Scenic World and an estimated 1.25million undertaking a walk in the National Park
- A high percentage of recreational users (undertaking bush walks, abseiling, canyoning, base jumping etc) are day visitors using areas such as Mount Boyce, Mount York and other areas on the National Park escarpment and are not believed to be contributing a great deal to the local economy when compared to overnight visitors
- National Parks are looking to actively promote the area to encourage greater visitor use which is expected to significantly increase visitor numbers, providing supporting infrastructure is introduced.

The Stafford report also noted the following challenges to future tourism in the Blue Mountains:

- There is thought to be little available land for new tourism development projects of all types which is deterring developers and investors from considering the LGA for tourism projects
- That the time frame offered for assessing and approving DAs is often too long
- That the planning instruments lack guidance on the intensity of development permissible, including carrying capacity limits
- That the intent of the planning instruments seems to focus on “what can’t be done” rather than “what is optimal to achieve”
- The challenges associated with rezoning land for tourism development purposes is seen to be “too difficult”

The report reached the following conclusions:

- The overnight domestic and international visitor markets are looking for venues, facilities and experiences within or on the edge of the national parks in the LGA rather than township experiences in the Blue Mountains
- The area for new tourism development with the most potential is the area from Bullaburra to Mount Victoria, following the escarpment of the national park land on either side
- Growth in tourism related employment and associated economic benefits will continue to be limited until medium to larger scale tourism resorts, eco lodges and new visitor experiences are able to be accommodated within the LGA and on sites zoned for this purpose
- Lack of internationally branded properties will continue to leave the LGA perceived by many as a daytrip and older style heritage and B&B accommodation destination. This profoundly restricts greater overnight visitation and optimisation of the tourist dollar
- In updating Council planning instruments and processes provision needs to be made to allow (and encourage) sustainable, environmentally friendly and economically viable tourism development to better meet market demand.
- The LGA has insufficient recreational and tourism facilities and attractions to encourage the family market with younger children. Suggested recreational development needs to include specifying possible uses which could attract the domestic family younger market

[\(Reference - Final Blue Mountains Strategic Tourism and Recreation Planning Study \(2011\) known as “The Stafford Report”.\)](#)

Since the 2011 Stafford Report, LEP 2015 has been introduced. The planning framework is set by the Environmental Planning and Assessment Act (1979) and by the Blue Mountains LEP 2015. Although a standard instrument, LEP 2015 is considered one of the more bespoke LEPs in NSW in recognition of the challenges of urban settlement in the Blue Mountains. Blue Mountains City Council is currently progressing a Planning Proposal to introduce an SP3 Tourist Zone for pre-determined sites.

## **BLUE MOUNTAINS TOURISM PRECINCT PROPOSAL**

A collection of South Katoomba Tourism Operators have invested in the development of a proposal to address many of the issues which have been identified as barriers to the growth of the visitor economy. The stakeholders involved own and operate tourist related facilities in the South Katoomba area.

The current members of this group are:

- Katoomba Christian Conventions (owners and operators of the Katoomba Christian Convention Centre)
- Hammon Holdings (owners and operators of Scenic World)
- The Escarpment Group (owners and operators of Lillianfels, Echoes and Parklands)
- Trippas White Group (owners and operators of The Lookout)
- Equeva Group (owners and operators of Echo Point Village, Blue View and Echo Point Motel)
- Fantastic Aussie Tours (owners and operators of the Blue Mountains Explorer Bus)
- Blue Mountains Accommodation and Tourism Association
- The Crockett Group (owners and operators of Mountain Heritage and Yester Grange)

This group has developed a vision for a South Katoomba Tourism Precinct which addresses key findings and recommendations of the Stafford Report and the current draft DMP with the aim of stimulating job creation. The following is a synopsis of the report prepared on behalf of this group by Steve Molino and Associates.

## BLUE MOUNTAINS TOURISM PRECINCT PROPOSAL

### Location

An example of a potential location for the above mentioned group’s proposed Blue Mountains Tourism Precinct is shown in Figure 1 and the existing land uses within the precinct are shown in Figure 2. The vision for the precinct is to attract sustainable ‘game changer’ investment which adds value to the cluster of existing tourism businesses already operating in the area.

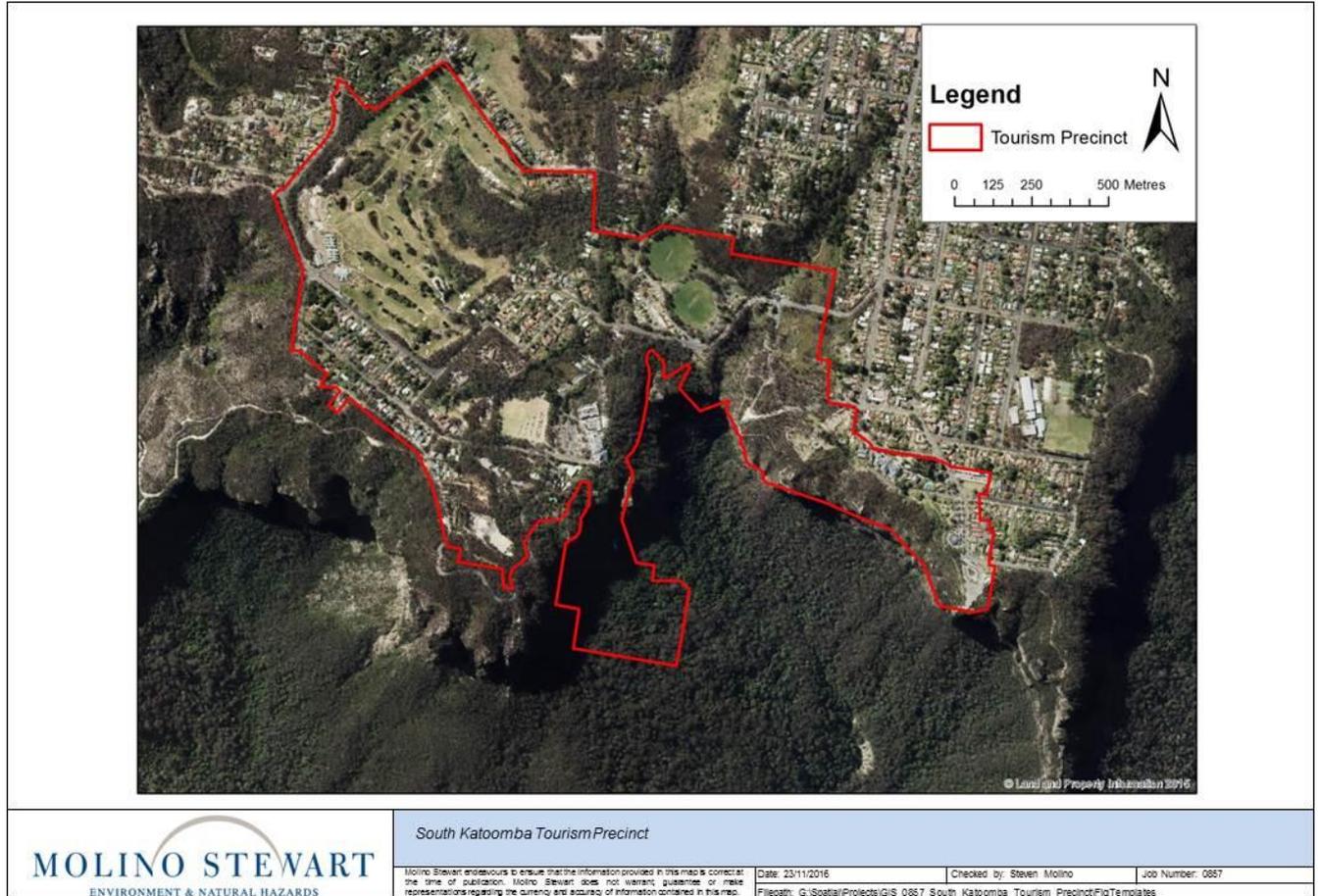
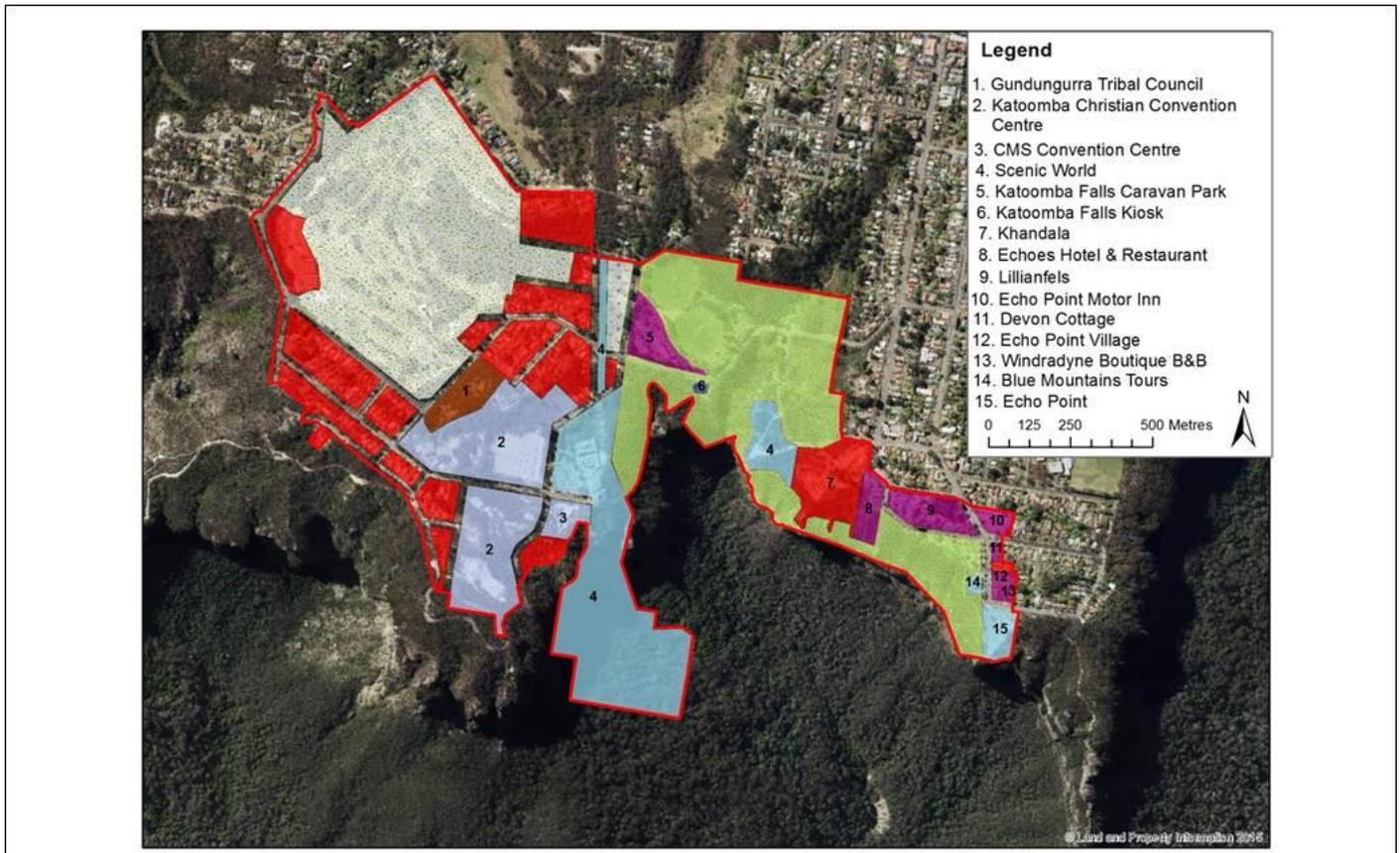


Figure 1

Figure 2



## The Rationale

The most recent figures available from Destination NSW (<http://www.destinationnsw.com.au/wp-content/uploads/2015/06/Blue-Mountains-LGA-profile-1.pdf>) show that only 25% of visitors to the Blue Mountains stay overnight compared to the NSW average of 35% and that overnight visitors to the Blue Mountains only stay an average of 2.6 nights compared to a NSW average of 5.5 nights.

As articulated in the [Stafford Report](#), the current draft DMP and many previous reports into Blue Mountains tourism, unless there is an increase in overnight stays in the Blue Mountains, economic growth will be limited.

Destination NSW which shows that occupancy rates in establishments with more than 15 rooms, remains between 50% and 60%. Yet information from Fairmont Resort suggest it has occupancy rates consistently above 90%. It is the only large international hotel in the Blue Mountains and accounts for about 25% of the rooms in establishments with more than 15 rooms.

These figures suggest:

- ✓ The occupancy rates in the smaller establishments is closer to 40-45%
- ✓ There is unmet demand for overnight stays in large international hotels in the Blue Mountains (*Draft Destination Management Plan* <http://bluemountainshaveyoursay.com.au/DMP>)

According to Tourism Research Australia Data

([https://www.tra.gov.au/documents/forecasts/Final\\_Regional\\_forecast\\_-2016\\_with\\_appendix.pdf](https://www.tra.gov.au/documents/forecasts/Final_Regional_forecast_-2016_with_appendix.pdf)), it is anticipated that there will be an average annual growth in inbound visitors to NSW of about 5% per annum for the next 10 years. Other research ([https://www.tra.gov.au/documents/forecasts/Tourism\\_Forecasts\\_2016.pdf](https://www.tra.gov.au/documents/forecasts/Tourism_Forecasts_2016.pdf)) suggests that China is expected to contribute 43% of that total growth and account for 60% of the increase in expenditure. It is widely known that Chinese tourists travel in large groups and prefer to have the whole group stay in the same accommodation. Only large international hotels can cater for large tour groups from China.

It is a strong and widely held view amongst key tourism industry stakeholders that a quantum change in the tourism offering in the Blue Mountains is required in order to provide:

- ✓ Unique tourism experiences to cater for tourists throughout the day and into the evening
- ✓ Tourism experiences which are not weather dependent
- ✓ International class accommodation which can cater for large groups
- ✓ A range of accommodation types and costs all within close proximity to several tourist facilities
- ✓ Sufficient vehicle parking capacity and public transport options to cater for peak demands and reduce impacts on residential areas
- ✓ Ability to cater to the meetings and conference market

These factors are critical to assist Western Sydney and the Blue Mountains to be positioned as a multi-day destination and meet the demands of the growing international tourist market.

The proposed tourism precinct in the Blue Mountains requires strategic and unambiguous planning controls to be developed from the outset to ensure that the redevelopment of the precinct is of a world-class, ecologically sustainable standard, and is visually sympathetic with the landscape. A Blue Mountains tourism precinct of this scale will generate significant local employment and reverse the current trend where approximately 60% of people commute out of the Blue Mountains to work.

The GSC is strongly encouraged to take the lead in facilitating this critical piece of infrastructure for the Blue Mountains.

### **World heritage National Park Gateway**

The BMCC Scenic Eastern Escarpment Master Plan is currently being completed. As a key tourism drawcard for the whole region, the Blue Mountains World Heritage National Park deserves a prominent gateway which could be built over the Great Western Highway at Glenbrook and incorporate a walkway-cycleway crossing of the highway providing further linkages for movement between cycling and walking trails of the lower mountains national park precinct and the eastern escarpment including historic tunnel and zig-zag cuttings.

Funding for infrastructure like this including parking facilities is critical to maximise the benefit for visitors and retain amenity for local residents.

### **Increasing, strengthening and diversifying the skill base**

Blue Mountains Economic Enterprise has invested heavily in [economic research](#) and current data indicates the following economic drivers for the region:

#### **Health and Wellbeing**

- ✓ highest employer
- ✓ 19% of local jobs
- ✓ \$642m in total output to the Blue Mountains local economy

#### **Creative Industries**

- ✓ contributes up to \$592m in total output to the Blue Mountains economy
- ✓ Creative Industries is the third greatest contributor to GRP
- ✓ 8% of local jobs are in the Creative Industries

#### **Education and Training**

- ✓ 12% of local jobs
- ✓ \$230m in total output to the Blue Mountains local economy

#### **Tourism**

- ✓ Almost 13% of local jobs are in the Tourism sector
- ✓ \$420m in total output to the Blue Mountains local economy

There is a strong and growing need for increased and improved education pathways within the Blue Mountains. The Blue Mountains International Hotel Management School (Torrens University) is a successful education operator in the region and illustrates the competitiveness of the Blue Mountains as an international education destination. BMEE urges the GSC to include the Blue Mountains in its plans to *“improve access to higher education facilities and training programs”*.

### **Blue Mountains Creative Industries Centre of Excellence**

Economic data confirms the Blue Mountains is a Creative Industries hotspot:

- ✓ 7.6% of the total residential population of the Blue Mountains is employed in the Creative industries. Compared to the NSW state average of 4.7% and the national average of 3.5%
- ✓ Creative Industries is in the top 5 of all employing sectors in the Blue Mountains
- ✓ 8% of the locally available jobs are in the Creative Industries
- ✓ The Creative Industries is the third greatest contributor to the Blue Mountains Gross Regional Product. (\$152m)
- ✓ The total output of the Blue Mountains Creative Industries is estimated to be \$592m

BMEE has conducted research into industry trends, student demand, industry engagement and pipeline employment opportunities which led to the Board's position that the Blue Mountains is the ideal location for the establishment of a Creative Industries Centre of Excellence.

Set within a strategic city centre location, featuring production capacity and workshop hubs, the site could be a flagship initiative for the Western City District, creating unparalleled economic benefit to the regional economy, new markets and high yield returns for training partners.

### **The Creative Industries Centre of Excellence would feature:**

- ✓ State of the art creative industries training and education programs
- ✓ Private training partners: Creative media, screen, audio, performing arts, music
- ✓ Tertiary partners
- ✓ Creative Industries workshop hubs
- ✓ Professional performance / conference facility
- ✓ Co-working high-tech production facilities

### **Background**

BMEE has been working closely with various higher education providers to increase opportunities for residents to study and work in the Blue Mountains region. Through the extensive industry research, surveys and consultation, BMEE identified strong local demand for creative industries courses. Students undertaking these programs would provide much needed skills to local creative industries practitioners in the form of industry ready skills and work placements or internships.

BMEE facilitated a joint venture between SAE Creative Media Institute and WSI TAFE to offer programs that match the region's Creative Industries economic strengths. SAE, utilising the facilities at WSI TAFE's Wentworth Falls' campus agreed to offer three Diploma programs – Film, Animation and Electronic Music Production. In late 2015 both parties had agreed in principal to proceed with this venture. The subsequent changes to VET Fee-Help regulation in 2015 which resulted in a capping of loans that offered by Registered Training Organisations prevented SAE from proceeding with establishing VET programs in the Blue Mountains.

The advice from the Department of Education sent to VET Fee-Help providers on December 8 2015 stated:

- *VET providers will only be able to offer VET FEE- HELP loans up to the maximum of their 2015 loan amounts. The loan freeze will be based on provider reported data for VET FEE- HELP loans incurred on census dates occurring from 1 January to 31 August 2015, annualised (see calculation below).*
- *This maximum is implemented through the allocation of a loan quota called a 'notional VET FEE- HELP account'.*
- *Existing students should have priority access within the notional VET FEE- HELP account enabling them to continue their studies. A new student (enrolled after the day of Royal Assent) will only be able to access a loan where it does not exceed the provider's notional VET FEE- HELP account balance, as it is linked to their entitlement to VET FEE- HELP.*
- *The notional VET FEE- HELP account is essentially a limit on the total value of VET FEE- HELP loans a provider can receive. Where providers exceed their notional VET FEE- HELP account balance (following end of year reconciliation), monies will be repayable to the Commonwealth and associated student debts remitted.*

Hindering innovative offerings from highly reputable providers in new geographical areas is obviously an unintended consequence of the freeze on VET FEE-HELP loans. If these caps are relaxed SAE may be in a position to once again consider offering these Diploma courses in the Blue Mountains.

BMEE urges the GSC to lead the advocacy to provide surety for the VET sector and flexibility for reputable operators to respond to need and expand delivery into new areas such as the Blue Mountains. The GSC is strongly encouraged to work closely with relevant Blue Mountains stakeholders to assist in the establishment of the Creative Industries Centre of Excellence as a means of diversifying the Western City District's skill base and assisting the competitiveness of a key employment sector.

## **Increasing, strengthening and diversifying the skill base**

### **Encourage opportunities for new Smart Work Hubs**

Blue Mountains City Council has recently called for expressions of interest to establish a co-working facility in Katoomba in a council property adjacent to the Cultural Centre. BMEE commends the GSC for recognising the value that a Smart Work Hub would provide the Western City District. A Smart Work Hub has been identified by BMEE as an important form of new urban infrastructure that would provide the means for urban revitalisation, local access to employment, stimulation of local business start-ups, increased employment, increased public and private investment and reduction to commuting, traffic congestion and pressure on transport infrastructure.

BMEE has a well-developed vision and proposed operating model for a Blue Mountains Smart Work Hub. The facility will be a centre for collaboration, inspiration and entrepreneurialism. It is a place for home based businesses and professionals to grow and connect; a place where commuters can work closer to home. It is a place for quality education and life-long learning.

The Blue Mountains Smart Work Hub would feature:

- ✓ Co-Working space
- ✓ Tele-work facilities (private and public sector)
- ✓ High quality meeting / conference rooms
- ✓ High quality teleconferencing facilities
- ✓ Education space
- ✓ Business incubator facilities / anchor tenancies including regional development agencies
- ✓ Networking / Social space

### **Rationale**

- 20,531 or 59% of Blue Mountains resident workers travel outside of the area to work. (*Census 2011*)
- 2,208 Blue Mountains residents work from home. This represents an increase of 10.5% since 2006 figures
- Home Based Business operators represented 6.3% of the total Blue Mountains resident workforce. Compared to 4% working from home in Greater Sydney. (*Australian Bureau of Statistics, Census of Population and Housing 2006 and 2011.*)
- The high commuter population has a negative impact on the local economy of the Blue Mountains, with less of the working populations' expenditure occurring within the region
- A high commuter population also has a negative impact on social capital, reducing the time and energy of the working population to support their families and local community organisations
- According to the Draft Metropolitan Strategy for Sydney 2031 although the majority of the population increase in Sydney will be located west and southwest of Parramatta, the vast majority of jobs will be generated in the corridor that stretches from Port Botany to Sydney Airport, to Sydney CBD and north to

Chatswood and Ryde. This will continue to mean long commutes for people living in the Blue Mountains unless new urban infrastructure, such as Smart Work Hubs are established

- The City of The Blue Mountains is a nationally significant transport corridor bridging the Sydney metropolitan area and coastal east with the rural Central Western Hinterland of NSW
- Teleworking facilities reduce the time, stress and cost of long daily commutes as well as reducing pressure on roads and rail transport services
- New tolls are proposed for M4 and M5 affecting travel costs of Blue Mountains residents working in the Sydney region
- Smart Work Hubs offer a more attractive and viable alternative to teleworking or studying from home
- Smart Work Hubs help teleworkers, students and home-based businesses overcome social isolation and provide a means for leveraging collaboration to grow the local economy and its social and cultural vitality
- A Smart Work Hub will address critical health, education and service needs of those disadvantaged by location, housing type and lack of transport
- Smart Work Hubs meet the needs of employers to provide secure, WHS regulated work environments, while bringing work closer to where people live and reducing loss of productivity and staff turnover through the stress of long commutes to work
- They also provide cost-effective solutions to political demands for State and Commonwealth agencies to have a regional 'presence' without all the dislocations and costs of establishing regional and district offices and individual agencies

### **Demand for a Blue Mountains Smart Work Hub**

To determine demand for a Smart Work Hub (co-working space) BMEE recently conducted an online survey, with a 15% response rate. The results confirmed clear demand for a maker space and a co-working space.

- ✓ 82.58% of respondents indicated they would pay to use the facility
- ✓ 85.58% of respondents thought the facility should be located in the mid or upper Blue Mountains
- ✓ For respondents who are interested in using the co-working space, the top 5 desired facilities are:
  1. Seated desks with BYOD (bring your own device)
  2. Lounge area/casual work space
  3. Workshop room to deliver training
  4. Meeting room to meet with clients
  5. High capacity data upload

### **Who would use a Smart Work Hub?**

- **Commuter population**  
59% of the Blue Mountains resident workforce.
- **Local professionals**  
Professional, Scientific and Technical Services (Knowledge intensive sector) is one of the top five employing sectors of Blue Mountains residents working within the Blue Mountains. This constitutes 45% of the total number of people employed. *ABS Census 2011.*
- **Local businesses**  
Of the 5,607 registered businesses within the Blue Mountains LGA in 2011, 97% are categorised as small business, employing less than 20 people each. The high knowledge industry sectors underpinning the economy of the Blue Mountains are an ideal market for a Smart Work Hub offering the opportunity to collaborate, network close to a retail centre and public transport.
- **Creative Industries**  
The Creative Industries represents:
  - ✓ 8% of local jobs in the Blue Mountains

- ✓ The third greatest contributor to the Blue Mountains economy.
- ✓ \$592 million to economic output.
- ✓ 7.6% of the total working residential population (double state and national averages)

With the launch of the new cultural identity, MTNS MADE, a Creative Industries Cluster Manager employed and a critical mass of engagement achieved, the Blue Mountains Creative Industries Cluster is encouraging regional and industrial competitiveness. Industry interviews, surveys and in depth consultation have identified A Smart Work Hub as a critical contributor to greater collaboration and industry development.

### Summary

A Smart Work Hub has the potential to become a transformative community asset for the Blue Mountains. The facility would provide in-demand resources and collaborative opportunities for the creative industries, the local business community, home-based businesses, commuters and members of the local community more broadly.

### Identify the economic development priorities for the Western City

As stated throughout this submission, the creative industries is a key driver for the Blue Mountains economy. BMEE urges the Greater Sydney Commission to include the Creative industries as a key economic driver for the Western City District with the Blue Mountains as the Centre of Excellence.

The creative industries sector is one of the most dynamic sectors of the Australian and New South Wales economies, encompassing cultural production industries such as the arts, libraries and media production, and creative service industries such as advertising, digital services and design. The New South Wales Government recognises the importance of the creative industries sector for the State economy which accounts for 4.7 percent of total employment and 6.8 percent of NSW's total services export.

Creative industries are defined as “those industries which have their origin in individual creativity, skill and talent, and that have a potential for wealth and job creation through the generation and exploitation of intellectual property”

For the Blue Mountains, the creative industry sector forms a vital and substantial part of the economy delivering

- ✓ 8% of local jobs in the Blue Mountains
- ✓ The third greatest contributor to the Blue Mountains economy.
- ✓ \$592 million to economic output.
- ✓ 7.6% of the total working residential population (double state and national averages)

Combined with general industry trends and the recognition of the Blue Mountains as a creative hub, the creative industries sector will be an increasingly important and diverse contributor to the Western City District economy in the future.

Blue Mountains Economic Enterprise has acted on the region's strategic advantage as a creative hub by establishing the Blue Mountains Creative Industries Cluster (the Cluster). Evolution of the Cluster has seen the creation and establishment of MTNS MADE, a brand and a campaign which serves as a collaborative platform for promoting the region and its creative excellence.

BMEE recently commissioned a [case study](#) to demonstrate the economic outcomes associated with motion picture productions, in context of the broader creative industry cluster in the Blue Mountains. Economic analysis in the report was undertaken using REMPLAN – *regional economic modelling and analysis system*.

Input data for the Economic Impact Assessment (EIA) is based on local expenditure reports from producers of the 4 film projects in 2016.

Overall, from a direct increase in output of \$7.338 million, generated through expenditure on the four films modelled under this case study, the local motion picture and sound recording industry is estimated to raise total output of the local economy by \$13.592 million.

*Economic impact summary (incorporating direct, industrial and consumption effects)*

Impact summary	Total Effect
<b>Output (\$M)</b>	<b>\$13.592</b>
<b>Employment (Jobs)</b>	<b>40</b>
<b>Wages and Salaries (\$M)</b>	<b>\$3.073</b>
<b>Value-Added (\$M)</b>	<b>\$5.142</b>

#### **Broader economic opportunity for the Western City District:**

While the scope of the analysis commissioned by BMEE is limited to the economic impacts of the Blue Mountains, it is worthy to note that the estimated flow-on benefits to larger regions, such as Greater Western Sydney or the state of New South Wales, is higher than that for the Blue Mountains alone. This is a reflection generally of larger regions' capacity to supply intermediate goods and services for a project and to service household consumption relative to an individual local government area, such as the Blue Mountains.

The following table outlines the impact on New South Wales as a result of the four film productions being produced in the Blue Mountains, demonstrating the greater impacts to the state of New South Wales relative to the region of the Blue Mountains.

#### *Production phase Economic Impact Summary – New South Wales*

Impact summary	Direct Effect	Industrial Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
<b>Output (\$M)</b>	\$7.338	\$6.706	\$5.211	<b>\$19.255</b>	1.914	2.624
<b>Employment (Jobs)</b>	19	20	15	<b>54</b>	2.053	2.842
<b>Wages and Salaries (\$M)</b>	\$1.522	\$1.585	\$1.159	<b>\$4.265</b>	2.042	2.803
<b>Value-Added (\$M)</b>	\$2.250	\$2.758	\$2.699	<b>\$7.707</b>	2.226	3.425

#### **Summary**

The GSC Western City District Plan should recognise the Creative Industries as an economic development priority for the Western City District with the Blue Mountains at the centre of industry development. The proposed Katoomba co-working facility and MTNS MADE creative industries project of BMEE should be referenced as a key part of the jobs growth targets for Katoomba.

### **Accessing a greater number of metropolitan jobs and centres within 30 minutes**

The city of the Blue Mountains is considered part of Western Sydney but the upper and lower mountains operate in different ways. It is a one-hour train trip from Katoomba to Penrith and it is 50 kms by road. Katoomba has the urban footprint to sustain further economic growth whilst the new Master Plan for Blaxland provides an excellent opportunity for innovation public private partnerships that will provide significant new commercial space (over existing car parks), advanced library and co-working spaces on an existing rail line within 70 minutes of Central Sydney.

The proposed Tourism Precinct proposal, Smart Work Hub and priority investment into the Creative Industries would achieve this GSC identified priority within the Blue Mountains. In addition, BMEE urges the GSC to lead advocacy efforts for improved and increased train connections to the Blue Mountains along existing lines. BMEE also urges direct and regular connections between the Blue Mountains and the Western Sydney Airport be expedited in order to allow the Blue Mountains resident population and relevant industries to leverage the opportunities associated with the Aerotropolis.

BMEE is a strong proponent for industry development to be facilitated through industry clustering. Clusters are collaborative networks linking small and medium enterprises, large businesses, academia, finance, government and support industries which are located within geographical proximity and form a globally competitive specialisation. These cross-disciplinary bodies maintain competitiveness based on innovation and specialisation, finding long-term success through the ongoing commercialisation of intellectual capital.

Although cluster development must be driven by the private sector, there is a crucial role for government in facilitation. This is particularly so during the developmental stage, as businesses in Australia are less likely to form clusters without government intervention. Good examples of this can be seen in Queensland and South Australia. The Western Australian Government is also using the Cluster model to assist communities who have largely been dependent on the resources boom, to diversify their local economies.

### **Western Sydney Airport**

The Blue Mountains tourism industry and local chambers of commerce have identified significant opportunities associated with the operation of an airport in Western Sydney. In its response to the EIS, the Local Tourism Organisation (LTO), Blue Mountains Accommodation and Tourism Association (BMATA) indicated:

*“As part of the initial development of the proposed Western Sydney Airport, BMATA strongly urges the Government to improve public transport, road and rail, to service the new airport, In particular, providing associated rail & transport links, concurrently with the completion of the airport, bolstering Western Sydney as a leading region capable of handling the movements of a major transport link well into the future. The (proposed) Western Sydney airport will serve as a serious foundation for growing and energising tourism in the Blue Mountains and Western Sydney – delivering, with ease of access, visitors to the Blue Mountains.” (Blue Mountains Accommodation and Tourism Association)*

While the 24 hour / 7 day airport presents economic opportunities, including the opportunity to open up supply chain opportunities for the Creative Industries and other professional services sectors within the Blue Mountains, there is strong opposition to the Airport from Blue Mountains City Council. It is however the view of BMEE that the development of tourism and the associated infrastructure, with or without an Airport in Western Sydney, is a vital part of the economic future of the Blue Mountains.

## Plan for health facilities and services

The GSC Western City District Plan notes that The Western City District is served by Nepean Hospital at Kingswood, in the Penrith health and education super precinct, a principal referral hospital supported by major health facilities in Windsor and Katoomba and a network of local health services across the Nepean Blue Mountains Local Health District.

The Western City District Plan identifies Greater Penrith as the District's only 'health and super precinct.' The GSC acknowledges the role of Greater Penrith as a strategic centre and the role of Katoomba as a District Centre. One important component of Greater Penrith is the acknowledgement of the Penrith Health and Education Super Precinct. This significant precinct includes Nepean Blue Mountains Local Health District including Nepean Hospital, Nepean Private Hospital, TAFE, Western Sydney University, Sydney University Medical School and the Nepean Research Foundation.

Nepean Hospital is a tertiary level hospital located in Penrith serving the Western District. It is supported by district level hospitals located at Katoomba and Windsor and community health facilities located throughout Penrith, Blue Mountains and Hawkesbury.

A significant investment into Nepean Hospital of \$550 million has recently been announced by the NSW Government, being the largest investment ever in NSW in a public hospital. In addition, HealthOne Integrated Care Centre sites have also been announced for Orchard Hills and St Clair.

The main drivers of health care and projected health care activity are population growth and population ageing. The Nepean, Blue Mountains and Hawkesbury areas will experience significant population growth as well as significant ageing of the population over the coming years. In addition, chronicity of disease associated with ageing will also contribute significantly to health care requirements in future years.

For the Blue Mountains, Health is a major economic driver:

- ✓ the highest employer in the Blue Mountains
- ✓ 19% of local jobs
- ✓ \$642m in total output to the Blue Mountains local economy.

There are 112 GPs working from 25 GP practices located across the Blue Mountains. There are also 178 allied health practices and services located across the LGA. There are a total of 2.7 million GP and specialist consultations each year (across Penrith, Blue Mountains, Hawkesbury and Lithgow).

Good infrastructure links are important for employment access, as well as access for patients. This includes rail and road connections.

A new hospital in the Blue Mountains has been a priority on the Nepean Blue Mountains Local Health District Asset Strategic Plan for several years. This new hospital would provide a range of opportunities for service enhancement to meet the changing health needs of the local population within the Blue Mountains and beyond. A new hospital presents significant employment opportunities and the accompanying flow on economic impacts. Similarly, a tertiary presence in the Blue Mountains is considered to be a strategic priority which would support staff recruitment across multiple areas. Collaboration between health and education stakeholders would drive the development of a Blue Mountains Health and Education Precinct.

### **Additional comments**

We acknowledge BMCC's submission to GSC on this Plan and make the following comments.

The Blue Mountains is a unique environment within the Western City District and a metropolitan rural definition is not relevant to this area - A metropolitan bushland definition may be more appropriate.

The Blue Mountains acts as the playground or backyard to millions of Western City District residents most often as day trippers. The provision and maintenance of infrastructure for these day trippers is a cost largely borne by Blue Mountains residents. As a tourism destination that is internationally significant and regionally significant for day visitors, state and federal funding should be highlighted as critical. Implementation of this should balance tourism and local amenity.

Significant opportunities exist for indigenous economic development especially linked to tourism and this requires a co-ordinated and intelligently funded approach to ensure the best outcome for traditional owners.

...end.