



Regional Economic Development in Western Sydney: A Policy Statement from Community Colleges Statement

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This Statement

NSW community colleges and other not-for-profit community education providers make strong positive contributions to the economic development of Western Sydney. These contributions can be enhanced with proper support, guidance and assistance. This Statement arises from our Report to the NSW Deputy Premier and the Department of Industry, entitled *The Role of New South Wales Community Education Providers in Regional and Rural Economic Development*, completed in January 2018.¹

About Community Colleges Australia

Community Colleges Australia (CCA) is the peak national body that represents community-owned, not-for-profit education and training providers.

Our vision is for dynamic and vibrant communities, informed and empowered through learning. CCA is committed to assisting its members sustain and grow, enhancing education opportunities through choice for all Australians. CCA promotes learning innovation for all Australians by delivery that engages with and belongs to communities, focussing especially on vulnerable and disadvantaged learners. Our members are long-established community learning organisations located in metropolitan, regional and rural locations. They focus on student welfare and are committed to employment outcomes.

CCA works to increase awareness of the community education sector and its place in the economic and social fabric of our Australia. The majority of CCA members are Registered Training Organisations (RTOs) for vocational education and training (VET).

Why Community Colleges?

There are powerful reasons to focus on the economic development contributions of not-for-profit community education providers, because they:

- operate as small to medium size businesses, unconstrained by large bureaucracies;
- have mission statements that prioritise community development to meet local community social and economic needs;
- are independent organisations with autonomous governance structures, based in their local communities and work effectively with local stakeholders;
- are linked through a powerful network through their peak organisation, Community Colleges Australia;
- are agile and flexible, able to respond quickly to changing community needs, developing local programs that address local challenges;
- have developed efficient business models, given limited government funding;
- are not-for-profit organisations, unencumbered by the need to produce profit for investors, resulting in a low risk to governments;
- are familiar with reinventing themselves, engaged in an ongoing process of performance improvement – if they do not develop, they do not survive;
- understand how to work collaboratively with the NSW Government in achieving education, training and employment goals; and

¹ See <https://cca.edu.au/wp-content/uploads/2018/02/NSW-Regional-and-Rural-Community-Providers-Regional-Econ-Devt-report-FINAL-25Jan2018-2.pdf>, from which this Statement is partially adapted.

- frequently work with other government bodies, state, local and Commonwealth, and with not-for-profit, business, industry and other community stakeholders.

Community education providers already have a strong relationship with economic development. Traditionally, community colleges foster and promote lifelong learning, innovative and critical thinking, capable workers, good communication, improved social and cultural life of their communities, and the flexibility to meet challenges and change. All of these align closely with the aims of economic development.²

CCA's active member network constitutes a major economic development resource that has been under-utilised by the NSW State, Commonwealth and local governments, and not incorporated into economic development strategies or planning. CCA seeks to ensure that this community capacity is utilised for Western Sydney economic development activities.

The Australian Parliament's Committee on Regional Development and Decentralisation has concluded that, a "place-based' approach to regional economic development is important because it recognises that regions are different, that one-size-fits-all approaches are often inappropriate, and that local communities must be central to development efforts."³ NSW community education organisations are well-placed to support place-based regional economic development activities in Western Sydney.

Despite rationalisation of the NSW community college sector in recent years, community, lifelong, professional and further education remain important features of Australia's educational landscape. The Jobs for NSW's *Jobs for the Future* report places adult, community and school education amongst the state's top 20 growth industries.⁴ The NSW community education sector is poised to assist the state to take advantage of this growth.

Community Education Regional Economic Development Activities

CCA has determined that community education regional economic development activities fall into six categories:

- business incubators, such as those run by Business Growth Centre and by Byron Community College, in partnership with Sourdough Business Pathways;
- working with Indigenous communities, such as the ACE Community Colleges' award-winning Aboriginal drivers education program;
- workplace and business services, such as VERTO's Australian Apprenticeship Support Network and WEA Hunter's RTO expansion;
- employment programs and services, such as Kiama Community College's NextGEN Digital Development Program that simultaneously supports local businesses to enhance their digital presence and accelerates young peoples' job readiness for careers in the digital sector, and Byron Community College's national reputation as a supplier of permaculture and sustainability training that has made it an important attraction for regional employers;

² See Patricia Carroll, "Engaging the Community College in State and Local Economic Development: Maintaining the Balance."

³ Parliament of Australia, Select Committee on Regional Development and Decentralisation, 2017, https://www.aph.gov.au/Parliamentary_Business/Committees/House/Regional_Development_and_Decentralisation/RDD/Issues_Paper/section?id=committees%2Freportrep%2F024094%2F24934.

⁴ *Jobs for the Future*, p. 32, https://www.jobsforNSW.com.au/_data/assets/pdf_file/0020/90740/Jobs-for-the-future-full-report-August-2016.pdf.

- health and social services, such as the Port Macquarie Community College's formation of the Mid North Coast Human Services Alliance; and
- arts and culture development, such Riverina Community College's Disability Art Studio – mentoring people with artistic and craft talent so that they can reach the point where their works are commercially viable, and South Coast College's Certificate III in Tourism group project that resulted in the Milton-Ulladulla Comedy Festival, a sustainable social enterprise.

New opportunities for the sector exist in the training of older workers – who are over-represented and under-utilised in many locations, working with regional universities, and developing and encouraging social enterprises.

Why Western Sydney?

Western Sydney is Australia's third largest economy, after Sydney and Melbourne central business districts. It has numerous economic attractions and advantages, notably a rapidly growing Parramatta central business district, the planned Badgerys Creek airport, rich rural and agricultural lands, historical sites, important recreational and sporting facilities, great bushland and World Heritage-listed wildernesses in the Blue Mountains, the Hawkesbury-Nepean river system, and its own university – the multi-campus Western Sydney University.⁵

Despite a booming population growth, the region's economy has been unable to keep up, with the ratio of jobs to residents falling consistently since the year 2000. More than 2.2 million people live in greater Western Sydney, 35% of them born overseas, from more than 170 countries and speaking more than 100 languages.⁶

Many of the economic challenges that face regional and rural NSW also face much of Western Sydney, including:

- lack of transport accessibility, especially to centres of employment but also to other services, frequently necessitating long commutes and extensive reliance on automotive travel;
- locally significant unemployment, especially among young people, Indigenous people and new migrants;
- significant pockets of poverty and disadvantage; and
- an economy heavily reliant on manufacturing and other 20th century industries, which are expected to continue to decline over the next 20 years.⁷

The pockets of disadvantage can be profound, with some of the most deprived areas in Australia. Bernard Salt describes “an arc of adversity” that ranges from Granville through Fairfield to Cabramatta to west of Liverpool. Salt writes:

⁵ See https://www.westernsydney.edu.au/rcegws/rcegws/About/about_greater_western_sydney.

⁶ See <https://www.wsroc.com.au/issues-campaigns/economy-and-employment> and <http://profile.id.com.au/wsroc/population?WebID=200>.

⁷ See <https://www.wsroc.com.au/issues-campaigns/economy-and-employment>.

Jessica Irvine, “Sydney's rich and poor: the rising crisis in our suburbs,” *Sydney Morning Herald*, 10 May 2015, <http://www.smh.com.au/nsw/sydneys-rich-and-poor-the-rising-crisis-in-our-suburbs-20150507-ggwvh1.html>.

NSW Council of Social Service, *Poverty in New South Wales*, 2014, https://www.ncoss.org.au/sites/default/files/public/ncoss_antipoverty_final_2.pdf.

More than a century ago urban disadvantage clustered ... in Sydney's Redfern, within walking distance of factories. Across the course of two generations the poor of the inner city have been propelled outward as if by some centrifugal force to the city's edges, to Cabramatta.... That force is a confluence of megatrends that transferred manufacturing jobs to Guangzhou and that rewarded knowledge workers with the exquisite amenity of the inner city.⁸

These macro-economic forces are only part of the many challenges that face Western Sydney. Given that about one in ten Australians lives in Western Sydney, its importance to Australia's economic well-being and future prosperity cannot be overstated.

Four NSW community providers are headquartered in Western Sydney: Parramatta Community College, Macquarie Community College, Nepean Community College and Macarthur Community College. In addition, at least another five community education providers deliver significant services to part/s of Western Sydney: Hornsby Ku-Ring-Gai Community College, VERTO, Sydney Community College, JobQuest and Bankstown Community College. Many of these nine organisations are already working closely together to develop Western Sydney-wide approaches to regional training issues. Together they supply a valuable economic development resource for Western Sydney, a resource that is not yet not fully utilised. This project is intended to realise this resource.

The Western Sydney City Deal

In March 2018, the Commonwealth and New South Wales Governments announced the "Western Sydney City Deal", with the statement from the Prime Minister and the NSW Premier that, "The time has arrived for Western Sydney to take its place on the world stage."⁹ Part of this new "deal" is a commitment to thousands of new jobs and growing the economy, much of it centred on jobs and education.¹⁰

The Australian Government Department of Infrastructure, Regional Development and Cities states:

Western Sydney's economic future will depend on its skilled workforce, matched to the job needs of current and emerging industries. The City Deal supports opportunities for education and skills development, from secondary schooling to the vocational and university sectors.

Pathways to the jobs created by record infrastructure investment: A TAFE Skills Exchange will be established near the Western Sydney Airport to support training delivery and career pathways for the over 11,000 jobs expected to be created in the construction phase of the airport. This will complement existing training initiatives, including the Liverpool Council and TAFE NSW Skills Exchange for the construction of Liverpool Civic Place, and a Northern Road Employment and Training Hub at Penrith. The NSW Government will increase funding for apprenticeships, traineeships and pre-vocational qualifications across Western Sydney.

⁸ Bernard Salt, "Census 2016 snapshot of Struggle Street reveals urban-rural contrast", *The Australian*, 17 March 2018, <https://www.theaustralian.com.au/news/inquirer/census-2016-snapshot-of-struggle-street-reveals-urbanrural-contrast/news-story/2594d5a3ea9de0399882bbee4a5b9be8?csp=4d4c0b2688db589221e036ebe55b3b6b>.

⁹ See <https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/western-sydney-city-deal/>.

¹⁰ See <https://cities.infrastructure.gov.au/westernsydney-skills>.

An Aerospace institute for the Western City: The new Aerotropolis will house a commercial and industrial hub to draw together transport, communications and logistics. It will attract new growth in industries such as aerospace, defence, health, education and agribusiness.... The NSW Government will establish a permanent Vocational Education and Training (VET) facility in the Aerotropolis with a focus on construction, aviation and aeronautical engineering. The VET facility will enable access to training opportunities to take advantage of high-skill, high-earning jobs.... The NSW Government will build a new public high school in the Aerotropolis with vocational links to Western Sydney Airport and the aerospace and aviation industries.

NSW Government Regional Development Framework

The NSW Government's *Regional Development Framework* provides important guidance for the involvement of community education organisations in regional development. The *Framework*:

recognises the need to be more strategic and better coordinated if it is to make a difference, particularly in addressing some of the serious issues facing regional NSW such as pockets of youth unemployment, social disadvantage, changing economic opportunities and increased competition.¹¹

The *Regional Development Framework* is underpinned by the NSW Economic Development Strategy (March 2015), which has five goals, to:

1. Promote key regional sectors and regional competitiveness
2. Drive regional employment and regional business growth
3. Invest in economic infrastructure and connectivity
4. Maximise government efficiency and enhance regional governance
5. Improve information sharing and build the evidence base¹²

Community education providers have the capacity, willingness and resources to help address the issues in the *Regional Development Framework*, and to contribute to all five of the goals of the Economic Development Strategy.

CCA's activities will be consistent with other Australian regional development guidelines, such as the Productivity Commission, which notes that successful adaptive and development strategies for Australia's regions need to be:

- led by local communities;
- aligned with regional strengths;
- supported by targeted investment; and
- guided by clear objectives and measurable performance indicators.¹³

¹¹ See <https://www.industry.nsw.gov.au/invest-in-nsw/regional-opportunities/regional-development-framework>.

¹² See <https://www.industry.nsw.gov.au/invest-in-nsw/invest-news/news/new-economic-development-strategy-for-regional-nsw> and <https://rdafarwestnsw.org.au/wp-content/uploads/2015/03/Economic-Development-Strategy-for-Regional-NSW-eb2015.pdf>.

¹³ Productivity Commission, *Transitioning Regional Economies*, April 2017, <http://www.pc.gov.au/inquiries/current/transitioning-regions/initial/transitioning-regions-initial.pdf>.

The Australian Business Foundation concludes that successful regional development requires:

- strengthened local and regional institutions able to develop local economic assets more than just “tailoring national policies”;
- active stakeholders; and
- development of human capital and the promotion of innovation.¹⁴

These descriptors all apply to NSW community education organisations, given their ability to support place-based regional economic development activities. CCA believes that strengthening these local and regional institutions – all of which specialise in the formation of human and social capital – is one of the most cost-effective means that the NSW Government can use to promote regional economic development.

What CCA Will Do

Community Colleges Australia is keen to ensure that NSW community education providers, nine of which are already active in Western Sydney, participate in and assist the development of the education, skilling and jobs development of the new Western Sydney City Deal and other Western Sydney regional initiatives. CCA is committed to working closely with the NSW and Commonwealth Governments in this endeavour.

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¹⁴ John Tomaney, *Place-based Approaches to Regional Development: Global Trends and Australian Implications*, November 2010, http://alstonvillewoolongbar.com.au/members/Library/Documentation/2014/Place_based_competitiveness_australia.pdf.