

ILLAWARRA

# MERCURY

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**PM DELIVERS NEW HOPE**

# This way forward.



It is her way and it is the super-highway. Prime Minister Julia Gillard yesterday confirmed the National Broadband Network would be fast-tracked to 5600 homes in Wollongong and 5300 in Dapto. She also announced \$25 million to kick-start the stalled Maldon-Dombarton freight rail line. Ms Gillard was the keynote speaker at the Transforming Illawarra conference held in Wollongong; an apt forum for her given the loss of 1100 jobs at BlueScope Steel's Port Kembla plant. "I'm here for one reason - to keep faith with this region and its people. As you undergo a process of change and transformation, you will not walk that road alone," she said.

Ms Gillard is pictured flanked, left, by the University of Wollongong's Deputy Vice-Chancellor (Research) Judy Raper and Vice-Chancellor Gerard Sutton and, right, by Cunningham MP Sharon Bird and NBN Co boss Mike Quigley.

**COVERAGE:** Pages 2, 3, 4, 5, 6, 7. **EDITORIAL** Page 20.

Picture: ROBERT PEET

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# Leaders upbeat on

## THE SUMMIT

By MICHELLE HOCTOR

OPTIMISM underscored a leaders' summit in Wollongong yesterday as attention turned towards the future prosperity of the region.

At the third annual State of the Illawarra Regional Leaders' Summit, Minister for the Illawarra Greg Pearce announced several initiatives to drive jobs growth and revitalise the region.

A \$50,000 grant was announced for a new business incubator for up to 20 budding IT entrepreneurs at the University of Wollongong, under the State Government's new Regional Industries Investment Fund.

"The program will foster entrepreneurship [and] takes advantage of the fact that UOW has the highest number of IT graduates nationally and, with the expanding Innovation Campus driving private sector investment, is quickly proving that it is a significant technology hub," Mr Pearce said.

He said the Government would continue to work with Regional Development Australia (RDA) to promote the Green Street Jobs Program, which will develop a building site for the construction of enviro-friendly display homes.

The go-ahead was also given for Southern Youth Family Services

Transformation doesn't start on a Monday morning and get delivered over the weekend, it's generational, it's cultural, it's a number of things. Most importantly, it's united. - Eddy De Gabriele

to buy the former Warilla police station, and Mr Pearce announced a portable ECG machine would arrive at Wollongong Hospital next month.

RDA Illawarra chairman Eddy De Gabriele said the region faced significant challenges to reinvent itself. "We all know that we, as a region and a community, must now transform our current economy to ensure future and viable economic growth," he said.

"Transformation doesn't start on a Monday morning and get delivered over the weekend, it's generational, it's cultural, it's a number of things. Most importantly, it's united."

Dr Howard Armitage, founder of

the Conrad Centre for Business Entrepreneurship and Technology, told yesterday's summit how Waterloo, Canada, had transformed its economy through technology-based industry.

He said the similarities between Waterloo and Wollongong were "uncanny" in relation to size, manufacturing background, and access to both a university and innovation campus.

Today, Waterloo is a technology hub with bases established by Google and IBM, and Dr Armitage believed Wollongong had the same potential.

Youth Off The Streets chief executive Father Chris Riley spoke about Project Cordeaux College which involves a \$2.3 million transformation of the former Keelong juvenile detention centre into a 70-place residential home and school for young people.

Included would be a production school that would provide interactive education and trades skills. The centre is expected to be open by April next year and employ 30 youth workers.

Also speaking at the summit, Wollongong Lord Mayor Gordon Bradbery encouraged the region to become innovative.

"We can't focus on steel. [We need] transition from the steel industry to new industry, green jobs for instance ... eco-tourism and taking hold of our heritage, utilising our past to redirect ourselves towards a future."



Hope: Prime Minister Julia Gillard was centre stage at the State of the

## RDA SUMMIT: WHAT THEY SAID



"I'm here for one reason - to keep faith with this region and its people. As you undergo a process of change and transformation, you will not walk that road alone." - Prime Minister Julia Gillard



"We are convinced that a key to the revitalisation and growth of the region's prosperity, self-respect and pride is local leadership." - Greg Pearce, Minister for the Illawarra



"The Illawarra will deliver a bright, sustainable future. It is certain. So I say to everyone, do not miss this opportunity and invest in it now." - Eddy De Gabriele, Illawarra chairman of Regional Development Australia



"We have incredible natural assets ... It's a liveable city, a great part of the world and that's a significant strength that we need to focus upon." - Gordon Bradbery, Wollongong Lord Mayor



"There's a growing recognition that for our communities to move ahead, we need an economy that's based on innovation, niche markets, risk taking and enterprise." - Dr Howard Armitage, founder of Conrad Centre for Business, Entrepreneurship and Technology



"Project Cordeaux presents an incredible opportunity to put in place what I hope will be ground-breaking new services." - Father Chris Riley, Youth Off The Streets

## Rail link a

### FREIGHT

By NICOLE HASHAM

A \$25.5 MILLION Federal Government pledge to further the Maldon-Dombarton rail link would move the "great unfinished story" in Australian infrastructure a step closer, Prime Minister Julia Gillard said yesterday.

But she stopped short of committing to build the long-awaited project, saying the Government would take a "prudent" approach to its development.

As the Mercury revealed yesterday, the funding will move the rail line into the "pre-construction" phase, consisting of detailed design of civil, structural, geotechnical and track work.

# region's prospects



Illawarra Regional Leaders' Summit, which discussed initiatives to drive jobs growth in the region. Picture: ROBERT PEET

## step closer with \$25.5m pledge

The Government will also finalise a construction timetable and cost estimate.

It follows a \$3 million, 18-month feasibility study which found a new rail line would support western NSW's rapidly booming mining sector.

Ms Gillard said the announcement would ensure the project became "shovel ready".

"If there is one great unfinished story in the history of Australian infrastructure it is right here in the Illawarra," she told an appreciative crowd at the summit yesterday.

"[The funds] will position this project ... to meet all the conditions of major construction."

She said the project, which was shelved in the 1980s, made more sense today than when it was first conceived.

"Not only is coal mining undergoing a resurgence, not only is Port Kembla undergoing a major expansion, the [line] now also fits intrinsically as part of a holistic freight strategy throughout the Sydney region, and indeed right along the nation's east coast," she said.

Ms Gillard said the two-decade time lag since the project's start date meant planning and design work would be reviewed to meet modern engineering standards.

But she was cautious at an earlier press conference when asked if construction would definitely proceed.

"We are taking a prudent approach here, and that's the approach we take to infrastructure," she said.

"[But] we are obviously very focused on this project, or we

wouldn't be committing \$25.5 million to make it ready."

Infrastructure Minister Anthony Albanese said there was nothing to suggest geotechnical barriers to the rail line's eventual construction.

Gilmore MP Joanna Gash conceded the project would be a boon for the port of Port Kembla, but questioned why the Government did not bring funds for "shovel-ready" jobs such as the Shell Cove Marina.

"[The rail link] was not high on my priority list ... I want to see job-generating projects commencing now," she said.

South Coast Labour Council secretary Arthur Rorris said Ms Gillard's announcement was "the biggest expression of confidence I've seen in this project to date ... the job now is to get on and build it."

## Maldon to Dombarton 'feasible' but costly

### THE STUDY

By BEN LANGFORD

THE Maldon-Dombarton rail link would have a net cost to the Government of about \$206 million, a long-awaited feasibility study has concluded.

The study found the 35km freight line would not create enough business to cover the construction cost, which had increased to between \$624 million and \$667 million.

A net value of negative \$206 million - the amount the Government would be out of pocket after the line was up and running - meant the project was regarded as feasible but demand would need to increase.

The conclusions are contained in the feasibility study by consultants ACIL Tasman - released yesterday.

"While a Maldon-Dombarton line is technically feasible there is insufficient demand to warrant its construction in the near future," the report stated.

The rail link would take three to four years to complete, but would have significant freight demand of up to 15.5 million tonnes a year by 2030 - mainly from coalmines near Lithgow and Wollongong, goldmines near Orange and iron ore mines west of Parkes.

The study found the cost-benefit ratio was 0.56 - meaning estimated economic benefits were only 56 per cent of the costs. Much of the cost would come from tunnelling 4km through the escarpment.

South Coast Labour Council secretary Arthur Rorris yesterday said the project had moved past feasibility studies.

"The project is feasible according to the Prime Minister," he said.

"That's why she told the RDA this was the missing link in infrastructure in Australia.

"A Gillard government will see this through. She's committed to building it. She does

### SLOW TRAIN COMING

Latest details on the Maldon-Dombarton rail link:

- The total cost of building the line would be between \$624 million and \$667 million
- Construction would take three to four years
- Freight line would run from Maldon, near Picton, to Dombarton, west of Kembla Grange
- The cost-benefit ratio would be 0.56, with a net value of negative \$206 million
- Up to 60 trains a day would run on three passing loops
- A 4km-long tunnel would have a gradient of 1:30
- Bulk freight demand is expected to grow from 11.6Mtpa to 15.5Mtpa over 20 years
- The main demand on the line would be coal from mines near Lithgow
- Construction on the line was abandoned by the NSW Government in 1988
- The most expensive parts - bridges and tunnels - are yet to be built
- A feasibility study was due for release mid-year but was being considered by Infrastructure Minister Anthony Albanese

Source: Feasibility study commissioned by Department of Infrastructure and Transport from consultants ACIL Tasman

not need to be convinced ..."

The study modelled various economic scenarios to measure their likely effect on the project's viability - and concluded the project was unlikely to make money.

"There is still a negative result under all upside scenarios modelled, except for major iron ore exports," it said.

"Project cash flows are expected to support the funding of only around 20 per cent of project costs. The rest would be required from governments."

# Government racing

THE NBN

By NICOLE HASHAM

A PROMISING plan to connect Wollongong and Dapto to a high-speed broadband network could hinge on whether the Federal Government can stay in power, and carry out the work on time.

Prime Minister Julia Gillard yesterday announced that more than 10,000 Illawarra premises were next in line to be hooked up to the National Broadband Network (NBN), a move that could create jobs and transform the region's economy beyond its industrial base.

The Federal Government had been under pressure to bail out the region after news in August that BlueScope Steel was retreating from the export market and shedding 1000 jobs.

Ms Gillard said NBN would help "redesign" the region's economic future.

"[The Illawarra] will be one of the first regions in Australia to be fully connected, enabling people to work from home and create the businesses of the future ... [and] connect their firms to overseas clients," she said. "The NBN is an opening to the world."

She said the technology would also revolutionise the delivery of cultural, education and health services.

Around 5600 homes in Wollongong and 5300 in Dapto will receive the service.

Construction will last for about 12 months and is expected to create about 500 jobs at its peak.

A start date for the work is yet to be determined.

But by July next year, the first detailed maps will be released showing which homes will be connected to the fibre optic network, which in some cases will deliver internet speeds more than 100 times faster than existing rates.

The two Illawarra suburbs are among 28 new locations across the country included in the national roll-out plan.

They will join a number of existing trial sites, including Minnamurra and Kiama Downs, where NBN went live to 2350 premises in July.

A further roll-out into Kiama and Jamberoo is due for completion at the end of this year.

But as the Government wallows in the polls, there are fears the Illawarra

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The Federal Opposition would like to pull the plug on the NBN, which reflects the view of many people who say it is too expensive for what it will achieve. However, we believe the generations ahead will look back and see the NBN roll-out as an example of enlightened thinking. And, in the Illawarra, it will be a tangible way of showing how our "old economy" can be transformed into a modern and global one that benefits everyone.

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phase of the NBN roll-out will not see the light of day.

The Coalition has described the network as "recklessly expensive" and has signalled it will scrap the plan if elected in 2013.

Liberal Gilmore MP Joanna Gash said yesterday the progress of the NBN in the Illawarra depended on how quickly it was rolled out, and when and if the Government lost power.

"It depends on when the work is started - if it's started - and when the next election is," she said.

"If the election is in six months and nothing has happened, then of course we would [stop the work] ... if it's already in the ground and work has commenced, there is no way we'd stop it."

She questioned the Government's ability to roll out the project on time and on budget, saying it had a poor track record in delivering large-scale infrastructure projects.

Throsby MP Stephen Jones and Cunningham MP Sharon Bird lobbied strongly for the Illawarra to be included in the next phase.

The region's case was strengthened by the presence of the University of Wollongong.

The Illawarra also met the technical criteria required to implement the NBN's next phase.

The network will be laid progressively, via a series of nodes which connect directly to homes and businesses.

ONLINE

See a map showing new sites for the NBN:  
illawarramercury.com.au



Help on the way: Prime Minister Julia Gillard made major announcements for the Illawarra yesterday. Picture: ROBERT PEET

## Network to help businesses 'compete'

REACTION

By BEN LANGFORD

A WOLLONGONG IT firm which does much of its business with remote and international clients says bringing the National Broadband Network to Wollongong would instantly make it more competitive with larger companies in capital cities.

IQmultimedia, which employs 24 people at its Wollongong City and Unanderra facilities, will be one of the earliest adopters when the NBN is turned on in Wollongong, and it can see immediate benefits for its work with clients as far afield as Western Australia's Pilbara region, South Africa, and the United States.

Managing director Mario Scanu said he needed to see more details before he could make a judgment about how the network would work for his company, but as IQmultimedia did a lot of its work remotely, it was a case of the sooner the better.

"The sooner we get it, the more competitive we're going to be with other places



Edge of technology: Kit Grose, user experience and tech director of IQmultimedia, in the company's Wollongong office yesterday. The company hopes to benefit from the NBN roll-out.

Picture: DAVE TEASE

around Australia, particularly Sydney, to do our installations of our software and support both through Australia and worldwide," he said.

"Installing our software products into the mining industry, they're all remote sites.

"Australia's such a vast place. Everybody needs a good connection.

"One minute it's fast, the next minute it's slow ... [and] we're right next door to the Telstra building."

IQmultimedia user experience and tech director Kit Grose said the benefits would be seen when clients on the other end of the line also had internet connections 10 times faster than what is available now.

But when the NBN reaches Wollongong, the company would be able to service multiple clients at once.

Illawarra Business Chamber chief executive Greg Fisher said there were organisations around the region that were already working on developing applications for the "pipes" the NBN would deliver.

"To have that available gives people confidence to invest in those opportunities," he said.

Mr Fisher pointed to health and aged care as areas where business development would be accelerated, where phone calls could be replaced by full-screen video conversations

with carers.

"You could have in-home care [applications] and reduce social isolation. You can connect to your personal carer and then they can come and make an offline visit."

Yesterday's reaction to the NBN announcement also focused on the large numbers of information technology graduates at the University of Wollongong.

Member for Throsby Stephen Jones said bringing the NBN to Dapto and Wollongong would keep many of these skilled graduates in the region.

"It's a boom for small and medium-sized businesses in the Illawarra. It will attract business here to the Illawarra," Mr Jones said.

"I'd like to see the region retain more of those [graduates], creating jobs and opportunities and wealth in the region. It's now for the region to maximise that."

Lord Mayor Gordon Bradbery said the NBN would provide new ways in which the council could connect with the community.

BUSINESS

Telstra deal approved: Page 38

# Gillard sees bright

## THE SCENE

By NICOLE HASHAM

SHE started the day at Port Kembla, with a nod to our hard-bitten past.

But by lunchtime, she was focused on the future - and the sleek, quick technology that will take the Illawarra to the world.

Transformation was the catchcry of the day as Prime Minister Julia Gillard touched down in the region to help ease the pain of a flailing manufacturing sector.

Wearing patent shoes and a fluoro safety vest, she posed before a dusty freight train at Port Kembla, plumes of steam rising behind her.

This time, she had come bearing gifts.

First was \$25 million towards the Maldon-Dombarton rail line - a project considered key to combating the economic funk brought on by BlueScope's woes.

"I know there are many families who have been sitting around their kitchen tables thinking about what their future will hold," she would later say.

"But ... in tough times we can

turn adversity to advantage, challenges to opportunities."

Those opportunities would be revealed at SMART infrastructure - the soaring, glass-clad research centre at the University of Wollongong, which churns out more IT graduates than any other uni in the country.

There, Ms Gillard pushed the button on the next phase of our metamorphosis - connecting to the National Broadband network.

"We will build a prosperous local economy that sustains high-wage, high-skill jobs in this region," she said later.

"We live in a world of constant



Invitation: Russell Hannah presents the Prime Minister with a double pass to the Illawarra Folk Festival.



Wagon train: The Prime Minister inspects rail freight facilities in Wollongong.

Pictures: ROBERT FETTER AND JIMEL

Jetting in: Ms Gillard arrives at Illawarra Regional Airport Albion Park on a Qantas plane to begin her visit to the region to announce major infrastructure projects.



Leaders of the future: TIGS school captains Isac Kim and Lisa Fernandez meet Ms Gillard at Novotel Northbeach.

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# future for Illawarra

change, where our nation needs to be able to hold its head up in global competition and say that we can win that ...race.

"Having the best of technology is part of that."

Delight was palpable at Novotel Northbeach, where community leaders clinked glasses and hung on the words of RDA chairman Eddy De Gabriele.

"We must take control of our own destiny and be positive about the journey ahead," he said.

"We want to fast track [our] transformation, and become the model for economic and social development for the whole of the

country to follow."

After a period of disappointments, it was a good day for the Illawarra - and the Prime Minister did not leave empty-handed.

As she exited the hotel, Russell Hannah from the Illawarra Folk Festival repaid her in kind - with a ticket to next year's event.

He inquired, politely, if she would also consider learning the autoharp.

"I don't have a musical bone in my body ... I'm not optimistic," Ms Gillard laughed.

## ONLINE GALLERY

illawarramercury.com.au



**Getting the facts:** Ms Gillard talks to Member for Cunningham Sharon Bird, Infrastructure Minister Anthony Albanese and Port Corporation chairman Nick Whitlam at Port Kembla during her visit yesterday.



**Numero uno:** The Prime Minister's Commonwealth car.



**Presentation:** Member for Throsby Stephen Jones presents Ms Gillard with a gift during the RDA meeting at Novotel Northbeach.



**All ears:** Ms Gillard gets all the news and views during a session at the RDA meeting at the Novotel.



## BLOGGING WITH JULIA

As Julia Gillard visited the region to deliver a double dose of good news yesterday, we were on hand to report her every word in real time via a live blog. Here's the highlights:

### Gillard on the NBN:

- "Almost 11,000 homes in Wollongong and Dapto to be connected."
- "NBN is the key to modernising Australia's economy for the future, Gillard says."
- "Making broadband ubiquitous will bring better productivity, more jobs."
- "NBN will 'end that sense of distance'."
- "The NBN is a huge opportunity for a place as innovative and resilient as the Illawarra."

We also asked our readers to chip in:

### On the NBN:

- "Given that Albion Park and Shellharbour lie between two current sites, ie: Kiama and Dapto, how long would it be before they rollout into these towns?" - AJ
- "'10000 homes' is far from the whole of the Illawarra, looks like Wollongong/Dapto surrounding suburbs will be missing out, possibly for many years." - ZNT

When it came to the Maldon-Dombarton rail line, "shovel-ready" was the term of the day:

- "But does that mean it will be built?" we asked. "PM isn't saying."

As with all things lately, the carbon tax made an appearance:

- "PM hitting out at Tony Abbott's 'fear campaign'."
- "Lots of the usual rhetoric and political slanging going on here."

The blog even extended to food:

- "Talk about eating under pressure - Gillard's table is surrounded by cameras and photographers."

### And interior decorating:

- "Gillard being presented with a woven art piece designed by a local Aboriginal artist."
- "'Well, she's redecorating the Lodge', a punter quipped."

