

ACCESS : South East

Strategic Priorities for the South East Region





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Executive Summary

Access : South East is an initiative by South East Chambers representing the business community in the South East region. The project is aimed at improving access to key services and infrastructure for business in the five counties of the region – Carlow, Kilkenny, South Tipperary, Waterford and Wexford. The key objective of the project is to understand and prioritise the infrastructure needs of the region as identified by the businesses represented by South East Chambers, the umbrella organisation for the Chambers of Commerce in Carlow, Clonmel, Dungarvan, Enniscorthy, Gorey, Kilkenny, New Ross, Waterford and Wexford.

It has never been more important to promote the development of the highest quality infrastructure throughout the region so that businesses can enjoy rapid and effective access to key services, customers and suppliers. Following the significant improvements to road infrastructure in the South East, the region now needs to vigorously pursue with a united voice the new set of priorities identified in this report in order to facilitate strategic and targeted investment in the years to come.

While businesses and the people of the South East have the will and the energy to contribute strongly to national recovery, the ability to leverage these strengths and capabilities is dependent on having the infrastructure in place to facilitate commerce, to improve visitor access to the region and to demonstrate the area's attractiveness for investment. The South East has traditionally scored poorly on a range of economic indicators and this has been attributed primarily to inadequate infrastructure provision. However, the region has significant economic potential that, if unlocked, can be a strong contributor to the national economy.

The Department of Finance's review document "Infrastructure Priorities 2010 to 2016" published in August 2010 makes it clear that significant capital expenditure will occur in Dublin, particularly in the areas of public transport, but it is far from clear whether the South East will secure sufficient investment in the next five years to deliver the improved infrastructure that would underpin its potential contribution to national economic growth and development.

In carrying out the Access : South East project, the views of 318 businesses in the South East with approximately 11,000 employees were canvassed in an independent online survey and were further reinforced by a detailed focus group study. The focus group examined the views of the region's senior business leaders and other major stakeholders.

The following priorities for the South East were identified:

1 Develop a stronger, cohesive regional voice for the South East

The population of the South East is mainly concentrated in a number of urban areas which are geographically dispersed. Consequently, the region has traditionally struggled with a very poor road network which limited internal access and hindered region-wide collaboration in pursuit of key priorities. The 'Access' project clearly demonstrates that a cohesive regional voice has emerged with stakeholders in the five counties, cities and towns in the region now finding new ways to communicate, articulate a regional agenda and work closely together. The report clearly shows that to improve access in the region and to secure adequate and equitable levels of Government investment, it is imperative to ensure that the emerging consensus across a range of issues is forcefully articulated and is clearly heard and accepted by national policy-makers.

2 Develop Waterford Regional Airport

In the critical areas of business investment and tourism development, expanded and improved direct international air services to the region through Waterford Airport has been clearly defined as a top regional priority. The importance of air connectivity to large organisations is highlighted in the online survey which found that 24% of businesses with more than 100 employees identified this as their number one priority. The further development of the airport can be achieved cost effectively, will transform the attractiveness of the region to investors and will facilitate the expansion of regional tourism to exploit new trends in travel and leisure. Of critical significance is the fact that air connectivity was cited by survey respondents as not only vital to attracting more tourists directly to the region but also as fundamental to facilitating increased commerce and to securing future foreign direct investment, which will in turn boost employment and strengthen the regional and national economy.

3 Enhance high-speed broadband availability

While also an issue at national level, the development and roll-out of high-speed broadband throughout the South East was identified as a key factor in rebalancing the region's competitiveness. The region has benefited from some high technology investment in recent years but to consolidate and grow the sector, access to high-speed broadband is a prerequisite. The enhancement of broadband is seen as a fundamental priority across all sizes of businesses. The focus group discussion demonstrated clearly that while it is an issue of great national as well as regional importance, the upgrading of broadband access in the South East will continue to be highlighted as a major priority to policymakers.

4 Establish a University of the South East

The establishment of a University of the South East remains critical for the region's medium and long-term development. However, the advancement of this objective is seen as a significant challenge when viewed against the backdrop of the current national economic climate. Despite this, the focus group and survey results both demonstrate that the region is united in its determination to continue to exert significant pressure on government with the aim of achieving definitive progress in relation to the university issue and delivering continued investment in higher education in the South East.

5 Improve strategic road infrastructure

Road access was highlighted as a key factor in both survey and focus group discussions. Huge strides have been made in this area with the completion of the M9 Waterford to Dublin motorway through counties Kilkenny and Carlow. However, road improvement in counties Tipperary and Wexford and along the Atlantic Corridor would deliver very significant benefits to intra-regional access and would support increased economic activity and enhance the attractiveness of the entire South East region.

Focus Group Findings

2.1 Background

Following the completion of the Access : South East online survey, business leaders from across the South East came together in New Ross to consider, clarify and elaborate on the quantitative data obtained. The participants included representatives of manufacturing, agri-business, tourism, transport and service industries, ranging from large multinational organisations to smaller indigenous enterprises. Key stakeholders from local government and development agencies also participated as did representatives of Chambers of Commerce from across the region.

Following a review of the background to the 'Access: South East' project and a presentation of the survey results, the participants were divided into groups and set the following tasks:

- i. Validate the priorities identified in the survey.
- ii. Identify specific projects that the South East region can legitimately expect to see delivered.
- iii. Select and prioritise the top three specific projects.
- iv. Suggest actions to help deliver the selected priority projects.

The brainstorming groups produced a wide range of ideas, some of which went beyond the scope of the **Access : South East** project. In the interests of coherence, the Group Tasks section below details only those outputs related to the topics covered by the survey. Other ideas are detailed separately in section 2.3 below.

2.2 Group Tasks

i. Validation of Survey Priorities

In general, the groups were in **broad agreement** with the priorities identified in the survey.

- **Regional cohesion**

Strong endorsement of the need identified in the survey for the South East Region to work together as a cohesive unit. Some groups emphasised the potential for such cohesion to strengthen the region's lobbying effectiveness at a national level while others underlined the potential benefits of stakeholders in the South East adopting a more region-focussed mind-set.

- **Road infrastructure**

High priority in the survey may reflect the fact that the M9 motorway was incomplete at the time of the discussion, the assumption being that the level of priority would fall if the same respondents were surveyed today. However, the improvement of other strategic routes in the South East was highlighted as a key objective.

- **University of the South East**

The current economic climate makes it more difficult to promote the securing of a university for the region as an immediate top priority but its achievement must remain a medium or long term goal.

- **Direct air access**

Very important to the region from a business and tourism perspective and should be accorded an even higher priority than the survey results might suggest.

- **High-speed broadband availability**

Identified as a top priority by several participants.

ii. Projects Identified

- Develop a structure to support a cohesive, unified and unifying voice for the South East region;
- Develop Waterford Regional Airport to allow for expansion of existing services to the UK and mainland Europe;
- Expand high-speed broadband availability;
- Establish a University of the South East;
- Improve strategic road infrastructure, for example; links from Rosslare Europort to the West and Mid-West via Waterford, the N11 from Wexford to Dublin and bypass roads for New Ross and Enniscorthy.

iii. Projects Prioritized

The top three priorities selected by each group were aggregated and the following list was identified:

- 1 Develop a stronger, cohesive regional voice for the South East;
- 2 Further develop direct air access through Waterford Regional Airport;
- 3 Enhance high-speed broadband availability;
- 4 Establish a University of the South East.

iv. Actions Identified

South East Cohesion:

- Develop a brand for the South East region;
- Examine the roles, responsibilities and resourcing of regional bodies including the South East Regional Authority and South East Chambers;
- Develop urban areas of consequence within the region, each with its own USP, working together to enhance the prosperity of the South East as a whole;
- Build on common areas of interest shared throughout the region;
- The South East would benefit from senior cabinet-level representatives who adopt a regional perspective.

Develop Direct Air Access through Waterford Regional Airport:

- Secure the release of approved government funding to extend the runway and enable the operation of cost-effective jet services on a wider range of European routes;
- Encourage investment in the airport by regional business interests;
- Further develop an integrated tourism product to bring additional visitors into the region through Waterford Airport;
- Examine the feasibility of providing airfreight services in the context of the planned runway extension.

Enhance High-speed Broadband:

- Leverage existing utilities and State agency-owned infrastructure;
- Include broadband provision in other infrastructure development projects;
- Incentivise private enterprise to invest in broadband infrastructure;
- Develop clusters of high-speed broadband coverage along the lines of recent schemes in Wexford and Dublin;
- Encourage greater involvement and collaboration between local authorities.

University of the South East:

- Increase political pressure on Government for a definitive answer;
- Build on WIT's success in attracting students from abroad;
- Maintain the benefits of IT status;
- Ensure that a University of the South East benefits all five counties in the region.

2.3 Additional Points for Consideration

Tourism

Most groups emphasised the importance of enhancing the region's tourism product and facilitating easy direct access to the region from key locations in the UK and mainland Europe with effective connectivity to world-wide markets. The potential to build on the success of existing food festivals and develop a regional tourism product leveraging the related competencies in the region such as artisan food producers and high quality restaurants was highlighted by a number of participants.

Green Technology

It was suggested that a "Green Centre of Excellence" could be established in the South East to develop an export industry in green technologies and sustainable energy production.

Indigenous Business

The SME and indigenous business sectors should be supported as a driver of recovery and growth.

Pharmaceutical Sector

Build on the existing cluster of pharmaceutical and healthcare industries in the region to create a critical mass of pharmaceutical expertise that would attract further inward investment and increase export revenues for the South East and Ireland as a whole.

Cost of Doing Business

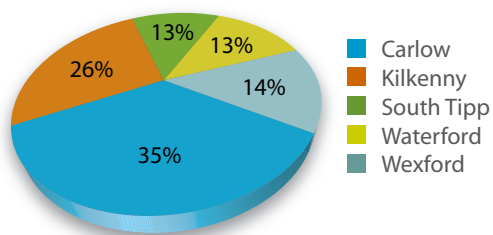
The high cost of doing business in Ireland was identified as a major issue by one group. As well as direct costs such as labour and raw materials, this group highlighted indirect costs including consultancy and other services, legal and compliance costs, local taxes, telecommunications and broadband charges.

3 On-line Survey - Summary Findings

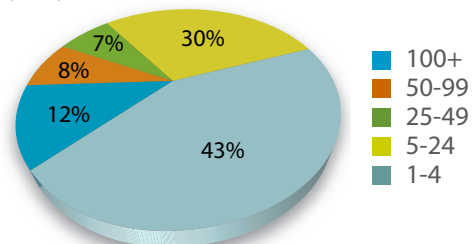
3.1 Background

This section of the report analyses the key findings of the on-line survey conducted by Market Dynamics on behalf of the South East Chambers in June 2010. The survey sought to obtain the views of businesses in the region regarding the key priorities around access and infrastructure in the South East of Ireland. A total of 318 businesses from the five counties of the South East, representing approximately 11,000 employees, participated in the research. Responses were registered across the whole spectrum of industry sectors and businesses sizes. In the vast majority of cases the survey was completed by the owner/MD or other senior manager in the organization. Details of the demographic make up of the respondents can be seen in the charts below.

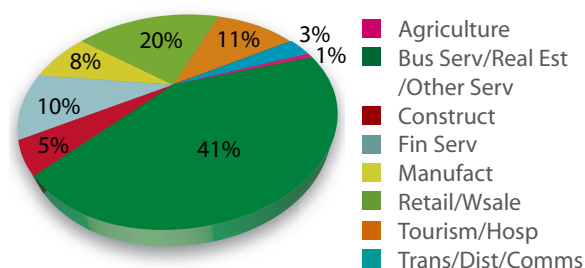
County



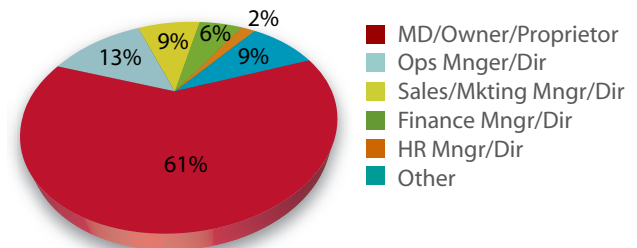
Company Size



Industry



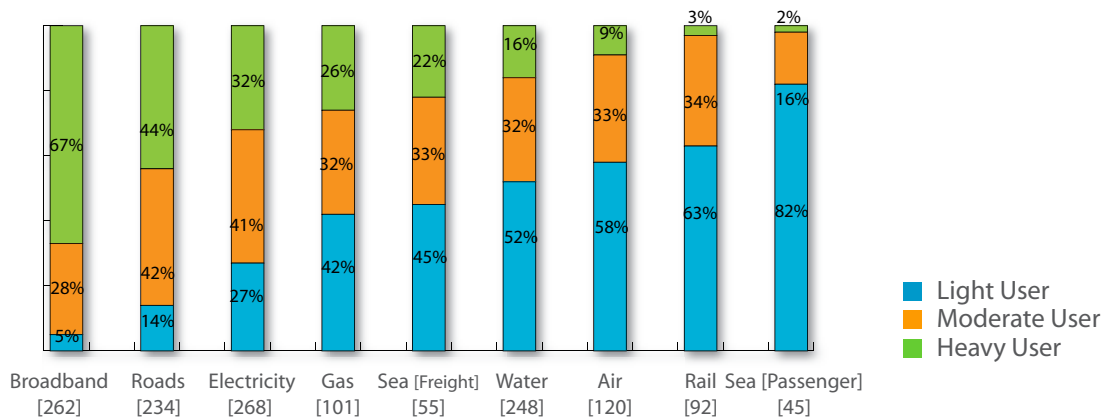
Job Title



3.2 Key Findings

In order to establish current usage levels survey respondents were presented with a list of methods of transport and utilities and asked to say whether they were light, moderate or heavy users of each. Broadband came top of the list with 67% being heavy users. Roads and electricity were next with 44% and 32% claiming heavy usage respectively. Rail and Sea (Passenger) transport had the lightest usage.

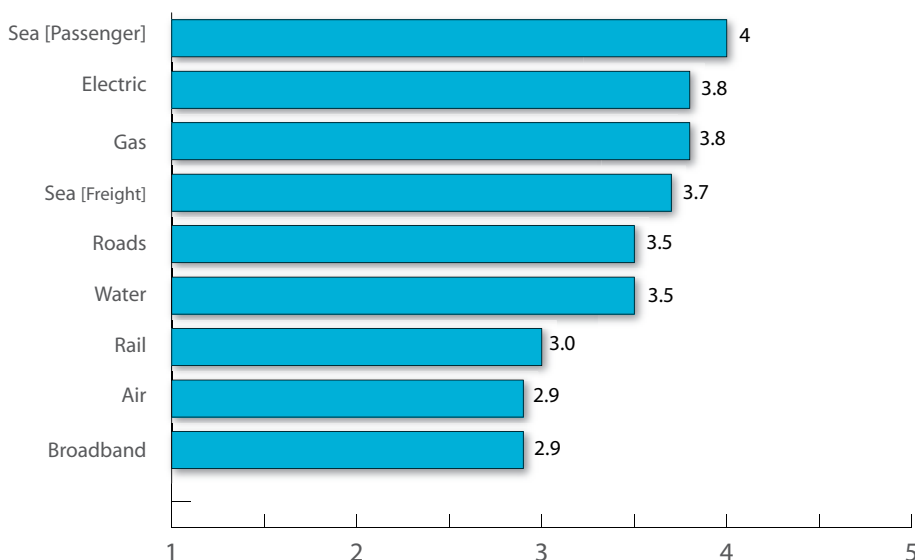
Usage Levels of Transport Methods and Utilities



Source: Market Dynamics, June 2010

Respondents were then asked to rank their satisfaction levels with each of the methods of transport and the utilities. Heavy and moderate users (those best qualified to have an informed opinion) were least satisfied with broadband, air and rail transport in the region. These same users were also notable for their satisfaction levels with Sea as a method of transport with particularly Sea (passenger) coming out at the top of the ratings.

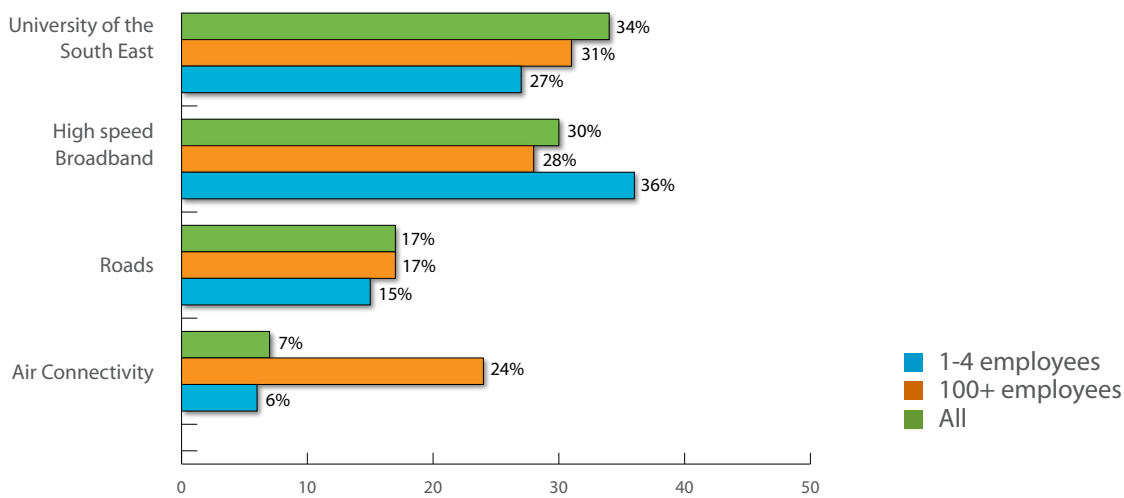
Satisfaction Ratings, Mean Score Heavy & Moderate Users Only (1-5)



Source: Market Dynamics, June 2010

When asked to choose what should be the number one priority for the economic development of the South East, four topics were noted above others. A University for the South East came top of the list with 34% of mentions followed by high-speed broadband with 30%. These were well ahead of roads in third place. The importance of air connectivity to large organizations is clearly demonstrated as 24% of businesses with more than 100 employees identified this as their key priority.

Number One Priority for Economic Development of the SE? (Small/Large/All)



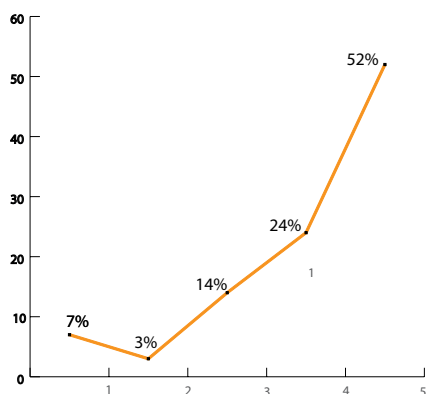
Source: Market Dynamics, June 2010

It is clear from the research that the perceived benefits of a University in the region are now understood across all five counties with the proportion of respondents who, on a scale of 1-5 rated the University as 'very important' (5) to the economic development of the region ranging from 69% in Carlow to 82% in Waterford.

The business-critical nature of high-speed broadband access makes it an unsurprising number two in the priority rankings and an obvious number one for small businesses many of whom are situated in more rural areas where connectivity is less developed. Those who mentioned roads primarily referred to improvements on the N11 near Arklow, the Enniscorthy bypass and the New Ross bypass. With regard to air connectivity the two reasons cited for its importance were to deliver tourists directly to the region and to facilitate commerce and international investment.

Next, respondents were asked how important it is for the economic future of the South East that the counties of the region work together. The response across all counties was very much in favour of the need for the region to work together with more than 75% of all respondents rating this as either important (4) or very important (5).

How important for the economic future of the region is it that the counties of the SE work together? Scale 1-5



Source: Market Dynamics, June 2010

Respondents were also asked to give a reason for their answer.

The responses are encapsulated by one particular comment; "One large voice rather than a blast of weak whispers"

The consensus of opinion is that a regional approach gives critical mass when lobbying for, and attracting, investment and promoting an appealing tourism product.

Finally, respondents were asked to give a qualitative response to the following two questions:-

- What do you consider to be the number one limiting factor to the economic development of the South East region and why?
- From an economic perspective what do you consider to be the number one asset of the South East region and why?

With regard to limiting factors, two themes emerge – firstly, the lack of regional cohesion demonstrated by a lack of political clout, joined up thinking and poor regional marketing, and secondly, a perceived infrastructure deficit with the two most demonstrated examples being the lack of a university in the region and deficient high-speed broadband.

In terms of assets, the responses reveal a perception that the region is blessed with a vibrant tourism product and offers an excellent quality of life. In relation to business, its ever increasing closeness to Dublin and Cork along with its proximity to international markets via Wales, the rest of the UK and Europe, make it an excellent point from which to undertake business both nationally and internationally. In addition, respondents identified a well-educated and skilled workforce as a major asset to the region.

4

Conclusions

The **Access : South East** project has identified that the business community in the region perceives the strategic requirements for investment as follows: a University for the region; the further development of air connectivity; improved broadband infrastructure; and further investment in key roads in the region. In order to achieve regional prosperity, business leaders believe there is a fundamental requirement for the five counties of the South East to work as a unified region. The recent emergence of a more cohesive regional response to decisions, such as the proposed downgrading of the search and rescue service based at Waterford Airport, is indicative of a change in the way in which the South East perceives itself and interacts with national government and other agencies. The results of the Access : South East project demonstrate a strong will on the part of regional stakeholders to work together and ensure that the vital strategic investment needed for the South East is delivered. The report also identifies a new and unified determination to secure adequate and equitable levels of Government investment which can best be secured when the regional consensus across a range of issues is forcefully articulated and is clearly heard and accepted by national policy-makers.

The business community in the South East is energised and determined to push ahead with a programme of projects which will secure the economic future of the region and allow it – at long last - to contribute proportionally to national recovery. This determination, if supported by targeted investment in key strategic infrastructure, will leverage the region's assets to help drive national growth and regeneration. The onus is now on policy-makers at national level to provide the South East with the infrastructure and investment tools that will enable it to deliver on its potential.

ACCESS : South East

SOUTH EAST CHAMBERS

- Carlow
- Clonmel
- Dungarvan & West Waterford
- Enniscorthy
- Gorey
- Kilkenny
- New Ross
- Waterford
- Wexford

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