

# DRAFT Economic Development Strategy 2017-2021

February 2017



# 2017-2021 Strategy Snapshot

## Outcomes

Embracing business and a stronger economy

Providing the foundations

Creating vibrant and desirable places

Driving opportunity

Partnering for success

## Vision

A successful place that has a vibrant, diversified and resilient regional economy for people to live, learn, work, play and invest.

## Mission

To lead, create and proactively support an environment that stimulates sustainable industry, business and investment growth.

# 2017-2021 Economic Development Strategy

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## **2 MESSAGE FROM THE MAYOR**

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To be inserted.

## **3 ACKNOWLEDGEMENTS**

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The creation of this Strategy did not happen in isolation. It was a coordinated effort between Port Macquarie-Hastings Council, the Economic Development Steering Group and representatives from local business and industry groups building on the learnings from the 2013 to 2016 Economic Development Strategy.

## **4 EXECUTIVE SUMMARY**

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The purpose of the 2017-2021 Economic Development Strategy is to focus Council efforts on creating the right environment for growth, by growing a diverse, vibrant, resilient and balanced economy that will provide jobs growth and drive economic success for years to come.

With a population approaching 80,000 servicing a wide region, the Port Macquarie-Hastings provides outstanding opportunities for many professional, personal and commercial services. Accountants, lawyers, health professionals, tradespeople, teachers and consultants in a wide range of disciplines, are all in high demand.

While Council plays an important role in economic development for the region, it cannot be solely responsible for economic development. Council's key role in economic development is to create a 'whole-of-place' approach across the entire local government area so that the region is seen as a successful and livable place.

Council has limited financial and human resources, therefore we must work with other government and non-government stakeholders to assist in delivering better economic outcomes for the region. Council will support, facilitate, advocate and undertake a range of economic development programs, initiatives and opportunities, but will not necessarily always be the party responsible for delivering a particular outcome; this will be delivered in conjunction with a range of other stakeholders.

This strategy represents a commitment by business, industry and council who are united in their desire to see the Port Macquarie-Hastings region realise its full potential. This will be achieved by supporting existing, new and emerging industries such as health and aged care, education & training, manufacturing, construction, creative industries, tourism & events, agribusiness and small business / home based business, amongst others.

To ensure the best chance of success, it is essential that Council integrates economic development considerations into its corporate governance, infrastructure and planning arrangements and ensures that there is a high level of coordination and cooperation across Council. It is recognised that Council needs to continue to be focused on business and business needs and that means understanding business, how they operate and what they need to thrive.

#### **4.1 ECONOMIC DEVELOPMENT VISION**

Our vision is for the Port Macquarie-Hastings region to be a successful place that has a vibrant, diversified and resilient regional economy for people to live, learn, work, play and invest.

#### **4.2 ECONOMIC DEVELOPMENT MISSION**

Our mission is to lead, create and proactively support an environment that stimulates sustainable industry, business and investment growth.

## **5 2017-2021 STRATEGIC PATHWAY**

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### **5.1 OUTCOMES**

The strategic objectives for the 2017-2021 period are reflected in five key outcomes:

1. Embracing business and a strong economy;
2. Providing the foundations;
3. Creating vibrant and desirable places;
4. Driving opportunity; and,
5. Partnering for success.

### **5.2 ECONOMIC DEVELOPMENT OUTCOMES AND STRATEGIC ACTIONS**

The following Economic Development Outcomes and Strategic Actions table, developed in consultation with internal and external stakeholders, contains the five key outcomes outlined above which drive the Economic Development Strategy. Each outcome is supported by a range of high level actions that will be undertaken during the life of the Strategy.

## Economic Development Outcomes, Strategic Objectives and Actions

2017 to 2021 Outcomes	Strategic Objectives	Actions (for annual review)
<p><b>Embracing business and a stronger economy</b></p> <p>A Council that recognises the importance of a strong economy and fosters a culture that is supportive of business and that ensures the economic development of the region is a central consideration in all its activities.</p>	1. Ensure a whole of organization solutions focused culture and approach to supporting business.	A commitment to the Small Business Friendly Council program and associated initiatives.
	2. Economic development considerations are central to the activities of Council.	On-going review of policies and procedures.
	3. Maintain a strong connection with the business community and an understanding of their needs.	Conduct an annual business survey. Provide support to local business award programs. Continued engagement with local business networks and the 'Business Hub'.
	4. A Council which provides leadership to the business and broader community.	Maintain regular and open communication with local stakeholders on matters of economic significance to ensure effective advocacy by all.
<p><b>Providing the foundations</b></p> <p>A Council that initiates and drives the livability and sustainability of the region through improved planning, infrastructure and services.</p>	5. Ensure appropriately zoned land and precinct planning to encourage business investment and the development of new industries.	Implement Urban Growth Management Strategy. Progress Airport Precinct expansion opportunities. Advocate for appropriate levels of tourism-zoned land. Provide support for timely strategic planning.
	6. Prioritise, advocate and provide leadership in the delivery of infrastructure projects that will make Port Macquarie-Hastings the premier place to live, learn, work, play and invest on the North Coast.	Review Infrastructure Gap Analysis Report and recommend prioritisation of key elements. Plan for alternate north/south link roads in Port Macquarie. Support high speed broadband rollout and promote the associated benefits. Support the delivery of projects which enhance connectivity. Advocate for the further development of the public transport network to meet the needs of the local community and visitors. Develop a Port Macquarie CBD Parking Strategy. Implementation of priorities from the Area Wide Traffic Study.
	7. Work with key stakeholders to implement major capital works projects.	Implement Port Macquarie Foreshore Master Plans. Continue to support Wauchope Main Street Plan.
	8. Further position Port Macquarie as a centre for learning and investment in education with a focus on domestic and international tertiary students with great employment possibilities.	Facilitate investment in student accommodation. Promote the opportunity to <i>live, learn and earn</i> in the Port Macquarie-Hastings LGA.



2017 to 2021 Outcomes	Strategic Objectives	Actions (for annual review)
<p><b>Creating vibrant and desirable places</b></p> <p>A region where the townships, villages and business precincts are vibrant, connected, commercial, cultural, tourism, recreational and/or community hubs.</p>	<p>9. Planning for a Smart Regional City.</p>	<p>Develop a Regional City Strategy.            Implement the Town Centre Master Plan.            Cultural Plan implementation.            Smart &amp; Connected Communities - Value at Stake Analysis.            Complete CBD Wifi rollout.            Continue to investigate feasibility of a Smart Work Hub.            Further implementation of the Digital Strategy.            Review Port Macquarie CBD Development Control Plan.</p>
	<p>10. In collaboration with relevant stakeholders, provide practical support to the LGA's towns and villages to plan for a sustainable and prosperous future.</p>	<p>Towns and villages initiatives, including the investigation of footpath trading opportunities.</p>
<p><b>Driving opportunity</b></p> <p>A region that embraces and creates opportunities. A region that attracts investment to create additional jobs and increase the wealth of the region and its residents.</p>	<p>11. Gather and analyse economic data to identify key trends, opportunities and gaps.</p>	<p>2016 Census data review.            Tourism Product Gap Analysis.</p>
	<p>12. Develop and implement marketing campaigns, collateral and content to promote the region as a place to live, learn, work, play and invest.</p>	<p>Implementation of Destination Management Plan.            Update of the investment prospectus.            Place Marketing to attract investment.</p>
	<p>13. Positive and proactive engagement with event owners, funding bodies and event placement organisations to sustain a full event portfolio.</p>	<p>Implementation of the Major Events Strategic Action Plan.            Support to existing and emerging events.</p>
	<p>14. Develop and support projects which generate job creation opportunities.</p>	<p>Food Cluster Feasibility Study.            Tele-commuter / tele-worker attraction.            Work with key stakeholders to encourage investment in new industrial areas.            A targeted approach to attracting large enterprises.</p>
	<p>15. Collaborate to encourage innovation, competitiveness, entrepreneurship and support for the start-up community.</p>	<p>Business Incubator/Innovation Centre Feasibility Study.</p>
	<p>16. Plan for current and future workforce needs.</p>	<p>Undertake a Regional Skills Audit.            Support for the Careers Market.</p>
	<p>17. Identify and secure grant funding to support economic development initiatives.</p>	<p>Identify and pursue opportunities to secure funding for projects that will support the delivery of Council priorities.</p>

2017 to 2021 Outcomes	Strategic Objectives	Actions (for annual review)
<p><b>Partnering for success</b></p> <p>A Council which works alongside key stakeholders in business, industry, government and the community to build a strong, innovative and resilient economy.</p>	18. Support the growth of the Port Macquarie Airport precinct.	Grow passenger numbers and route options (eg scheduling, competition and destinations) Support airport precinct expansion opportunities.
	19. Provide timely support to existing and emerging industries in a partnership capacity to encourage growth and sustainability.	Food Industry Development including a focus on value-adding. Construction Industry Action Group. Cultural Plan implementation. Destination Management Plan review and implementation, including pursuing opportunities for education-related tourism products. Creative industries.
	20. Work closely with local business networks and organisations to build their capacity and facilitate the growth of existing enterprises.	Assist local Chambers of Commerce to enhance internal governance, improve business representation, and advocate their role as primary local business networks.
	21. Proactively partner with all levels of government to grow the local economy.	Facilitate and lead conversations with Government representatives, departments and bodies.

## 6 BACKGROUND

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The Port Macquarie-Hastings Council is committed to supporting the continued prosperity of our region.

Since the establishment of the Economic Development Steering Group (EDSG) in March 2013, Council has also gathered the independent views of the EDSG, among other key stakeholders, to shape the direction of our economic development efforts. The EDSG includes ten independent members, the Mayor, two Councilors as well as senior Council staff. The key objective in establishing the EDSG was for the Group to provide a forum in which local government, business and industry leaders could discuss and debate, plan and progress local and regionally significant economic outcomes that continue the growth of the economy in the local government area.

The 2013 to 2016 Economic Development Strategy was based on a new partnered approach to economic development built focusing on our efforts to support, facilitate, advocate and undertake.

The 2017 to 2021 Economic Development Strategy, developed in consultation with internal and external stakeholders, continues this partnered approach with a focus on renewal rather than redevelopment of the previous strategy.

### 6.1 DEFINING ECONOMIC DEVELOPMENT

Council's aim is to support sustainable improvements in living standards through income growth, improved education outcomes, and increased investment in the region. As a point of reference, this strategy will work to the following definition of economic development:

*'Local economic development is a process that builds up the economic capacity of the local area to improve its economic future and the quality of life for all. It is a process by which public, business, government and non-government sector partners work collectively to create better conditions for economic growth and employment generation.'*

*Economic development focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. Economic development encompasses a range of disciplines including physical planning, economics and marketing; it also incorporates many local government and private sector functions including environmental planning, business development, infrastructure provision, real estate development and finance' (World Bank, 2013).*

## **6.2 THE LOCAL ECONOMY**

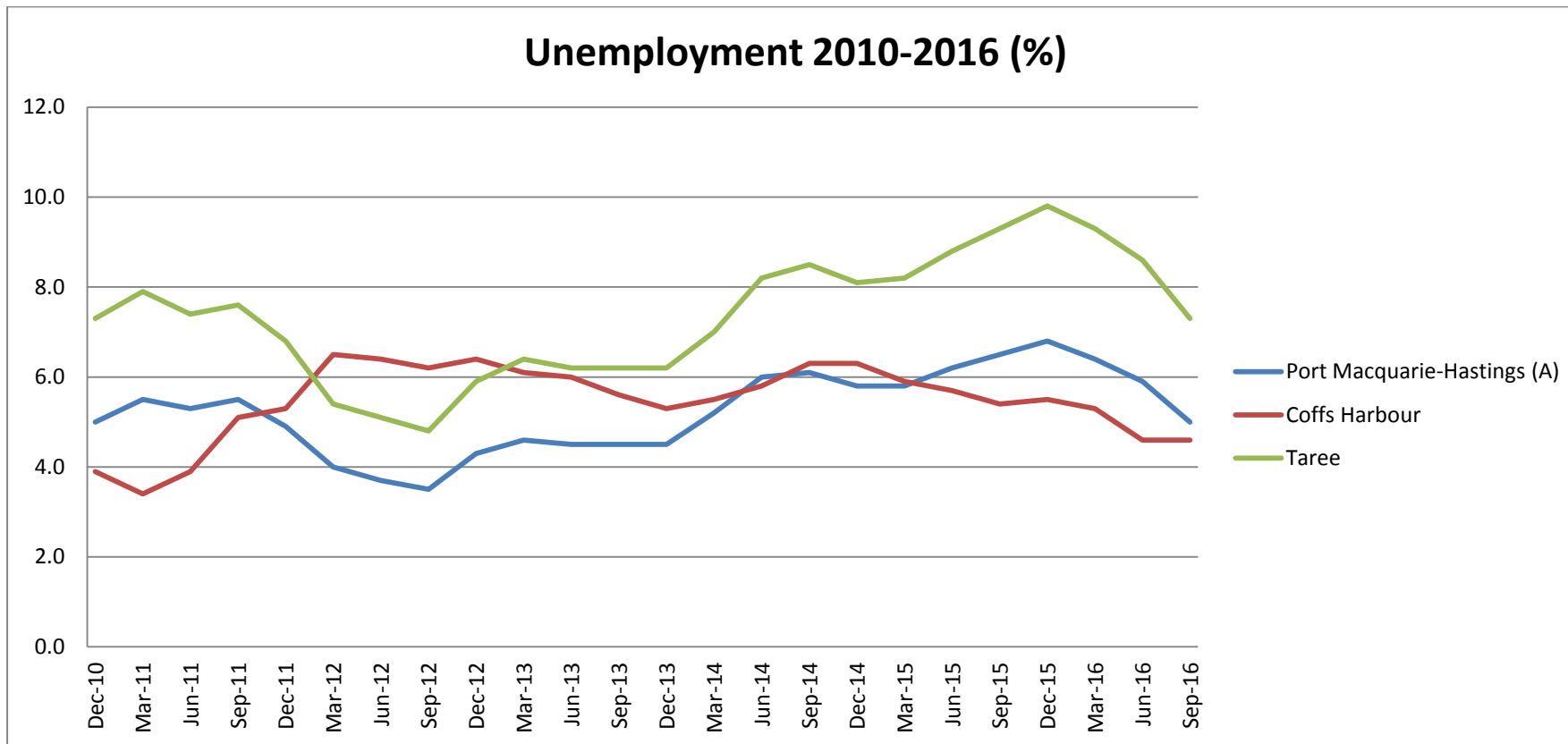
Port Macquarie-Hastings is a mature, long-established community with regional city status. This status comes from its broad-based public and private business sectors, coupled with a dynamic retail and commercial district. Port Macquarie and surrounding areas has also been a thriving centre of tourism for many years.

Greater Port Macquarie has a \$6 billion local economy and is a net exporter. We sell more products and services to customers outside of the LGA (approx. \$1.75 billion) than we import (\$1.36 billion). This is considered to be an outstanding performance for a regional economy.

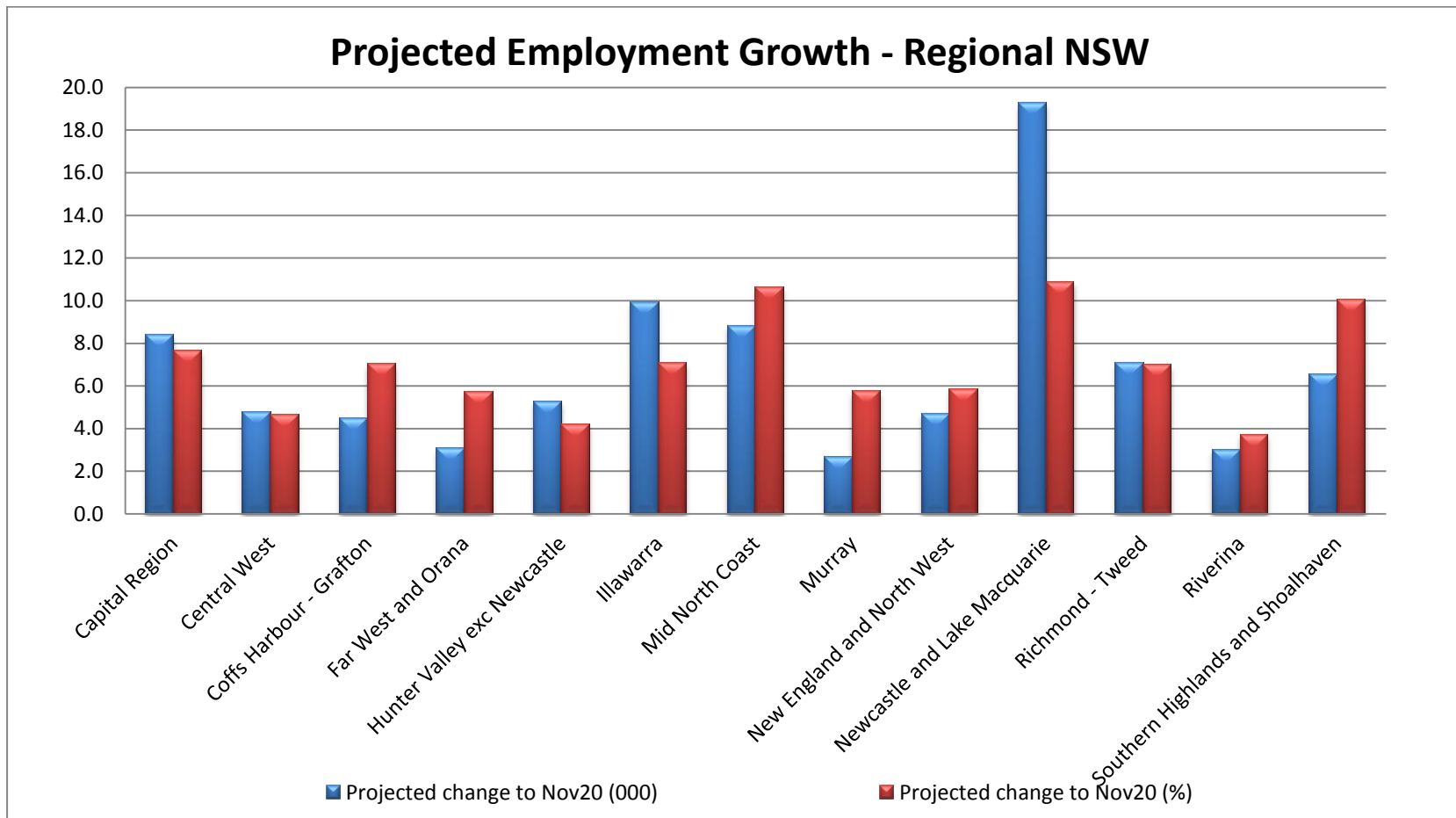
The Port Macquarie-Hastings economy is characterised by a unique set of factors that will influence our economic outcomes over the coming period. Average net worth per household will continue to rise with the 'sea-changer /tree-changer' increasingly choosing the Mid North Coast as their preferred destination to settle, driving continued growth throughout the local economy. The impact of improved connectivity offered by the NBN is yet to be seen however it will present many opportunities including increased 'tele-commuting' activity and business growth around technology capabilities. The contribution from 'Electricity, Gas, Water and Waste Services' sector to the local economy will continue, however it is not one of the major sectors for employment generation, and major adjustments occurring within this sector will continue to affect its contribution in this respect. In line with current activity in the employment market, it is expected employment growth will continue to occur in the 'Health Care and Social Assistance' sector, the 'Construction' sector, the 'Professional, Scientific and Technical Services' sector and 'Education and Training' sector. The continued strength in the 'Retail Trade' sector is encouraging for the continued vitality of our CBDs as is the activity in 'Accommodation and Food Services'.

	Output (\$M)	Employment (Jobs)	Wages and Salaries (\$M)	Local Sales (\$M)	Regional Exports (\$M)	Local Expenditure (\$M)	Regional Exports (\$M)	Value-Added (\$M)
Agriculture, Forestry and Fishing	190.526	649	22.195	57.723	104.669	47.925	47.616	94.984
Mining	35.342	49	5.367	11.568	20.350	7.837	11.709	15.796
Manufacturing	806.948	1262	117.851	257.934	388.598	201.933	415.998	189.018
Electricity, Gas, Water & Waste Services	1446.863	1143	168.697	602.154	780.007	749.050	149.948	547.866
Construction	699.455	1362	109.008	239.800	28.349	323.437	166.201	209.818
Wholesale Trade	230.258	596	70.947	86.937	50.274	68.034	50.182	122.041
Retail Trade	414.560	3355	158.716	56.732	49.462	113.872	55.076	245.612
Accommodation & Food Services	341.670	2218	86.931	33.706	124.747	78.234	111.008	152.428
Transport, Postal & Warehousing	231.084	805	55.324	99.693	64.336	75.836	54.652	100.595
Information Media & Telecommunications	133.967	245	23.042	65.078	29.680	34.985	40.882	58.100
Financial & Insurance Services	391.944	618	90.184	196.865	86.746	77.307	53.899	260.738
Rental, Hiring & Real Estate Services	894.582	483	42.785	153.351	81.430	175.098	105.447	614.038
Professional, Scientific & Technical Services	308.588	1090	100.569	249.920	18.006	99.752	55.611	153.225
Administrative & Support Services	166.021	714	70.182	132.961	22.276	51.871	28.062	86.088
Public Administration & Safety	271.325	1198	127.976	33.595	8.219	74.899	42.518	153.907
Education & Training	258.123	2029	171.624	7.087	16.183	40.492	22.863	194.768
Health Care & Social Assistance	474.692	4063	307.209	5.111	77.489	67.093	41.890	365.710
Arts & Recreational Services	49.967	278	10.887	10.166	2.723	19.920	11.257	18.790
Other Services	150.143	1049	51.191	47.437	18.676	40.244	34.935	74.964
Total	7496.058	23206	1790.685	2347.818	1972.220	2347.819	1499.754	3658.486

**Table 1: The above REMPLAN summary as at April 2016 highlights the diversity of the Port Macquarie-Hastings local economy, with notably significant contributions to our economic prosperity arising from a diverse range of sectors.**

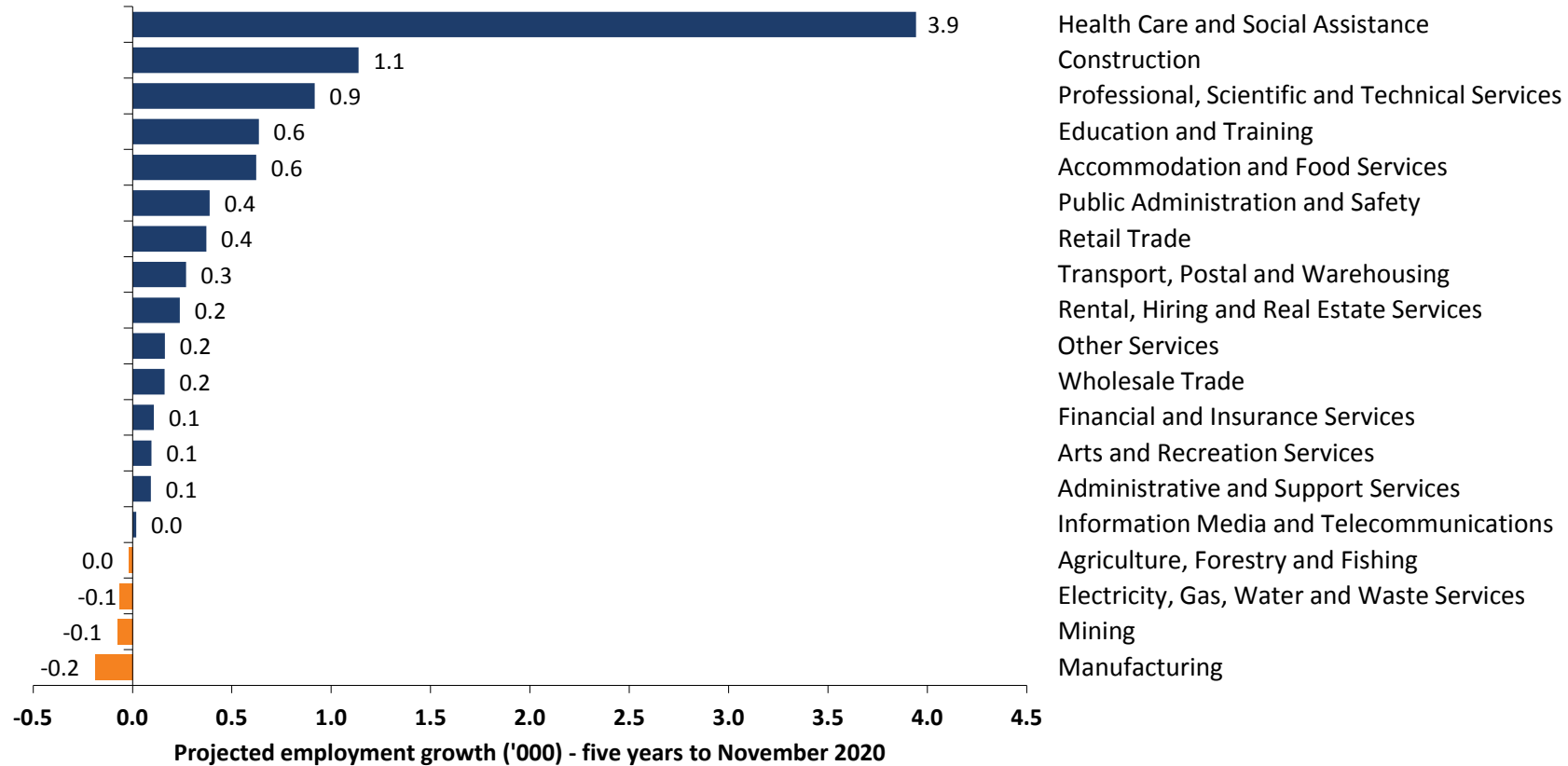


**Table 2: The above Small Area Labour Market (SALM) data from the Australian Government Department of Employment provides a visual representation of the falling unemployment levels in the Port Macquarie-Hastings and neighbouring regions over recent years.**



**Table 3: Projections developed by the Australian Government Department of Employment indicate the Mid North Coast is expected to have the second highest rate of employment growth in regional NSW for the period through to November 2020, after only the Newcastle / Lake Macquarie region.**

## Employment Projections by Industry: Mid North Coast



**Table 4: The 'Health Care and Social Assistance' sector is expected to see the largest employment growth on the Mid North Coast for the period through to November 2020, followed by the 'Construction' sector and the 'Professional, Scientific and Technical Services' sector.**



### **6.3 THE ROLE OF PORT MACQUARIE-HASTINGS COUNCIL**

Port Macquarie-Hastings Council has an important role to play in driving economic development through its implicit control over factors that affect economic growth, business and investment attraction. Essentially, Council is responsible for setting the scene for enterprises and investments to thrive in the local government area or **“creating the right environment for economic growth”**.

However, Council cannot do this in isolation from relevant stakeholders, and will be focused on partnering with other levels of government, non-government entities and, most importantly, local business and industry to achieve these outcomes.

The primary ways Port Macquarie-Hastings Council can influence and facilitate economic development outcomes is through the functions described below.

#### **Core Business**

- Planning requirements and current land zoning influence the availability of land for development opportunities and the ease of industry and business development. Ensuring competitive supply of land, through strategic planning and appropriate land zoning, will encourage investment to be directed toward innovation and capacity growth.
- Infrastructure maintenance and development is important to all stakeholders focused on economic development. By maintaining and improving the region’s infrastructure assets – with support from other levels of government – Council can provide the foundations required for enterprise growth in the area.

#### **Economic Development Initiatives**

- Council is a community leader that can successfully engage with the community, other local, state and national leaders to develop commitment, energy, and attitude towards economic development.

### **Advocacy**

- Council can support positive outcomes for our community by advocating for change, funding or a specific action. Council's efforts to advocate on behalf of the community is a crucial role and is generally exercised on matters of critical importance to the local economy when decision making lies with another level of government or Council has insufficient resources to deliver key infrastructure projects.

### **Partnerships**

- Council provides assistance for the delivery of initiatives by other levels of government and other stakeholders that are expected to contribute to local economic development.
- Council works closely with local business networks and Chambers of Commerce to deliver quality outcomes.

The Port Macquarie-Hastings region enjoys a thriving, vibrant and resilient economy. To maintain this trajectory Council is striving to achieve an organisation-wide approach to economic development, with key parties throughout Council taking responsibility this whole-of-Council cross-functional responsibility.

## 6.4 BUILDING ON SUCCESS

This strategy builds on the success of the 2013-2016 Port Macquarie-Hastings Economic Development Strategy (EDS). Some highlights of the 2013-2016 EDS include:

- Ongoing investment in and planning for major infrastructure and key recreation projects;
- Finalisation of the manufacturing, construction, and transport and warehousing industry action plans;
- Delivery of successful place and community activations, contributing to vibrant spaces;
- Hosting of 36 Council supported events, resulting in a \$76.47 million economic impact;
- Destination marketing and PR delivery in accordance with our Destination Management Plan, including the development of a new destination website;
- Active participation in and delivery of initiatives under the Small Business Friendly Council Program;
- Policy and procedural reviews with a solutions focus, including the *Commercial Activities on Council-Managed Land Policy*, the *Outdoor Dining Policy*, and the review of development contributions;
- Focused projects in our towns and villages; and
- Continued promotion of opportunities for collaboration and innovation (both within and external to Council).

## 6.5 INSTITUTIONAL / GOVERNANCE FRAMEWORK

It is essential that Council integrate economic development considerations into its existing corporate governance and planning arrangements if the Port Macquarie-Hastings region is to have a thriving economy.

As part of the Integrated Planning and Reporting (IPR) requirements for local government in NSW, Council has in place a twenty year Community Strategic Plan (CSP), a four year Delivery Program (DP) (2017-2020) and an annual Operational Plan (OP).

In relation to economic development, the CSP contains what is referred to as Focus Area 3 - *Your Business & Industry*. Cascading down from the CSP is a series of objectives that are included in the Delivery Program (DP) relating to economic development. The DP objectives can be found in **Appendix A**, noting that these objectives represent objectives that the elected Councillors would like to achieve in their term of Council. This economic development strategy will support achievement of those listed objectives.

It is important that Council and other levels of government and non-government agencies work collaboratively towards the betterment of our community. From a regional and State perspective, a number of plans have also been given consideration in the development of this strategy. The NSW 2021 plan contains a range of economic development priorities for NSW and **Appendix B** shows how those State priorities relate to council's Community Strategic Plan. As part of the NSW Government's local government reform program, the majority of regional and rural Councils in NSW will become members of a Joint Organisation (JO). Port Macquarie-Hastings Council may become part of the North Coast JO, which includes PMHC, Kempsey Shire Council, Nambucca Shire Council, Bellingen Shire Council, Coffs Harbour City Council and Clarence Valley Council. The government has stated that their aim in establishing the JO's is to encourage greater regional cooperation and collaboration between Councils. There are three core functions of a JO that will be legislated: *Regional Strategic Planning & Priority Setting, Inter-governmental Collaboration and Regional Leadership & Advocacy*.

## **7 ACHIEVING STRATEGIC OBJECTIVES**

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### **7.1 GENERAL ECONOMIC INDICATORS**

It should be acknowledged that the achievement of economic development outcomes and improvements in the local economy are not solely the responsibility of Council but the responsibility of a wide range of stakeholders. In light of this, performance measures need to take into account the fact that external forces are often at play over which Council and other stakeholders may have little or no control.

It is an important role of the Economic Development team to monitor and evaluate general economic indicators, as outlined below, while it is acknowledged that direct influence over these areas is subjective.

Performance Measures	Baseline Data
A real (CPI Adjusted) increase of regional exports of 3% (on baseline data)	\$1,972,222,000 (REMPPLAN April 2016)
A real (CPI Adjusted) increase in local Gross Regional Product of 2% (on baseline data)	\$3,983,611,000 (REMPPLAN April 2016)
Continued growth in dwelling approvals of 5% per annum	642 Approvals (ABS 2015/2016 FY)
An increase in the number of residents of 1.65% per annum	78128 (ABS ERP 2016)
An increase in the number of 18 to 35 year olds of 10% (on baseline data)	11,819
An average age < 46 years	46 years (2011)
Median household income > \$855 per week	\$855.00 per week (2011)
An unemployment rate of < 5.00%	5.03% (September quarter 2016)
Business Confidence >	65.2% of businesses report overall business confidence as either 'good' or 'very good'.  (PMHC Business Confidence Survey Wave 2 August 2016)
An improvement in our Regional Australia Institute In[sight] Ranking	Ranked 249 of 563 (2016)

## 7.2 KEY PERFORMANCE MEASURES

The Economic Development team is able to influence some areas of the local economy through targeted activity. The following are the performance measures that have been determined as appropriate for tracking progress against the key economic development outcomes as contained in this strategy.

Strategic Objective	Performance Measure
Embracing business and a strong economy.	Direct Business Engagements - 100 per annum (including business visits, advocacy or support) Indirect Business Engagements - 500 per annum (including conferences, events and group engagements)
Providing the foundations.	Micromex Research Overall satisfaction with the performance of Council - 3.5 rating (90% satisfaction)
Creating vibrant and desirable places.	Greater Port Macquarie is recognised as a premier regional event destination with an increase of total economic impact figures by 5% per annum for Council supported events. Maintain number 1 ranking for North Coast NSW and increase overnight visitor expenditure by 7% per annum.
Embracing opportunity.	Investment Community Engagement - 25 per annum Facilitate three projects with a direct correlation to employment generation over four years. Grant funding for three projects.
Partnering for success.	Industry Engagement Direct Connects - 3 (Actionable Industries of 18 ANZIC divisions) per annum Industry Engagement Indirect Connects - 6 (of 18 ANZIC divisions) per annum Familiarity with the Economic Development Strategy (53% + as per annual business survey results)

### **7.3 REVIEW**

The outcomes and actions as detailed in this strategy will be reviewed and monitored on a regular basis to ensure that the actions and the performance measures remain relevant and actions are being progressed in a timely manner in line with the agreed implementation.

The EDSG will play a key role in reviewing and monitoring the outcomes and actions included in this strategy on an ongoing basis. In addition to this a bi-annual report will be tabled at formal meetings of Council detailing progress against the key outcomes and actions.

It is critical that this Strategy remains a living document for the term of its life meaning that if economic conditions change significantly or new/different opportunities arise that are worthy of greater focus and consideration then EDSG and Council will be in a position to reevaluate the approach.

## **8 ATTACHMENTS**

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2013 to 2016 Economic Development Strategy Outcomes (to be included following exhibition).