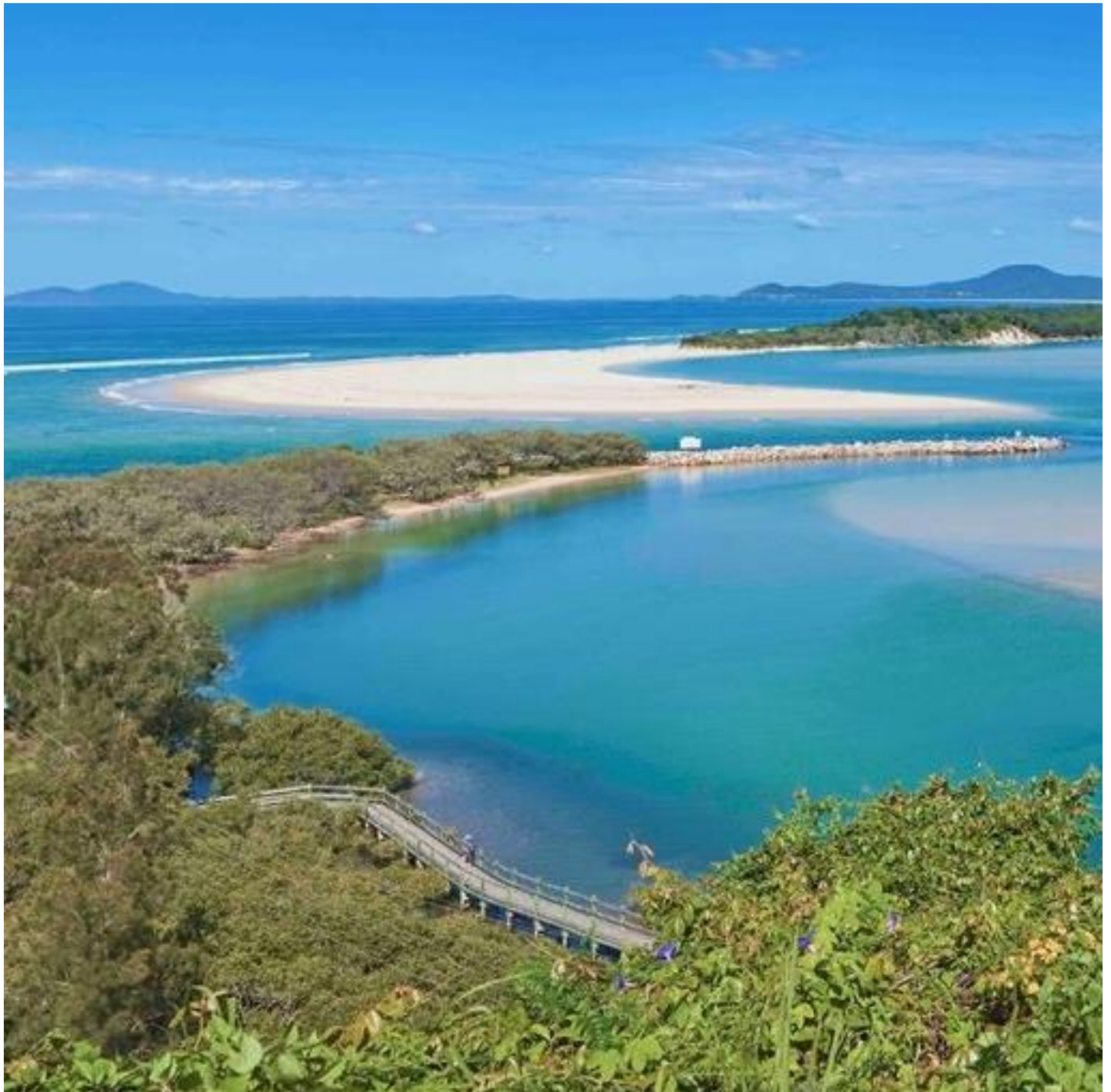
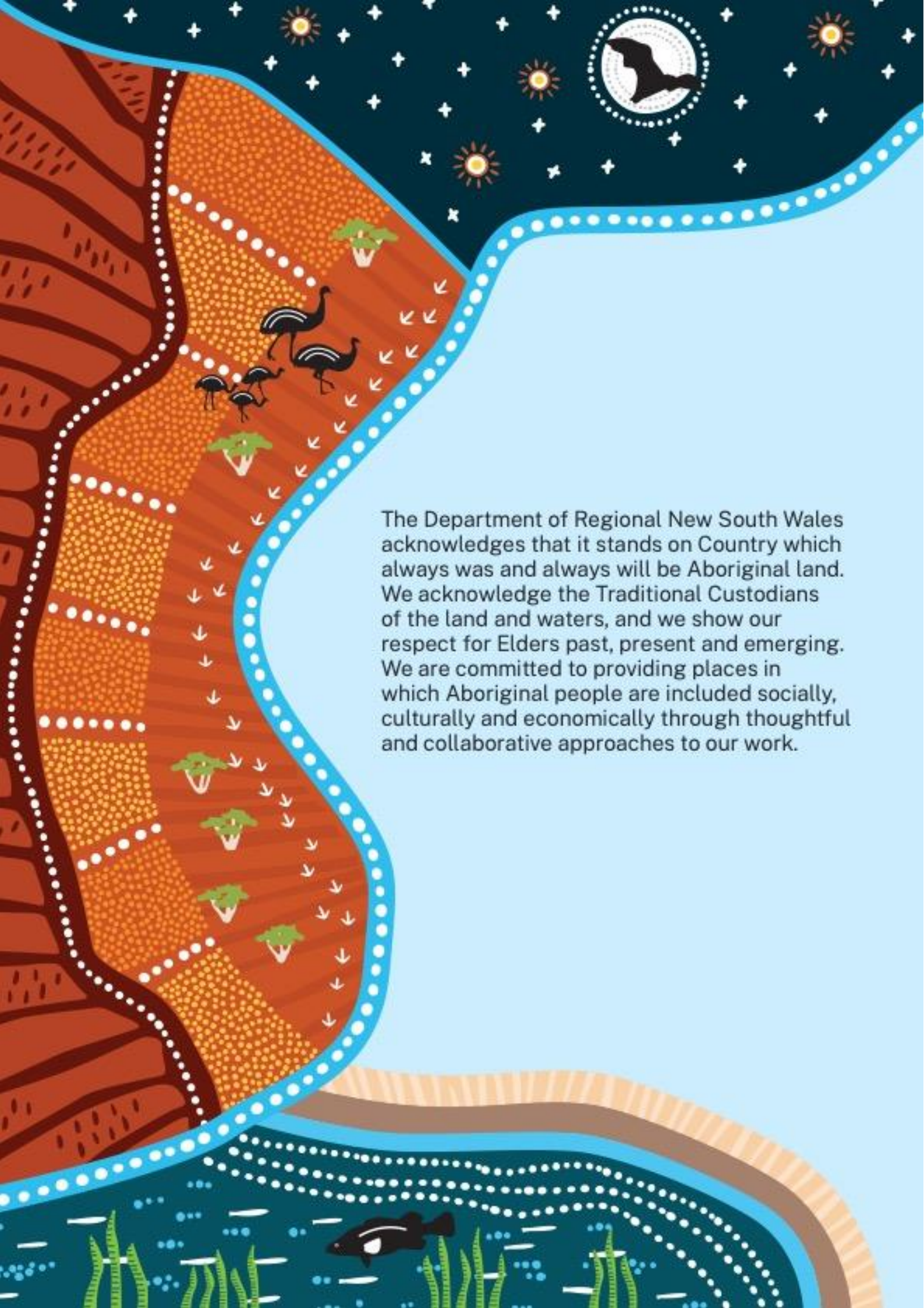


Nambucca Regional Economic Development Strategy – 2023 Update





The Department of Regional New South Wales acknowledges that it stands on Country which always was and always will be Aboriginal land. We acknowledge the Traditional Custodians of the land and waters, and we show our respect for Elders past, present and emerging. We are committed to providing places in which Aboriginal people are included socially, culturally and economically through thoughtful and collaborative approaches to our work.

Published by the Department of Regional NSW

Title: Nambucca Regional Economic Development Strategy - 2023 Update

First published: February 2023

Acknowledgements

The Department of Regional NSW would like to acknowledge the significant contribution of many stakeholders in the Nambucca region to the development of the 2023 REDS Update, with particular thanks to staff from Nambucca Valley Council. The Department of Regional NSW also acknowledges the assistance provided by PricewaterhouseCoopers and ProjectsJSA to help deliver the 2023 REDS Update project.

On Country – Artwork by Mumbulla Creative

"On Country" captures the many different countries located within the Department of Regional NSW footprint. Only part of the image is shown on the Acknowledgement of Country page. The regions included in this partial image are detailed below.

The Far West region of NSW is represented by red earth plains, mallee scrubs and an abundant emu population. Freshwater countries are referenced by the expansive network of rivers stretching through the regions. The Riverina Murray region is represented by the roots of a river redgum on the banks of a river, and a large Murray Cod can be seen in the river. The night sky features as it plays an important navigational and story-telling role in traditional life.

Cover image: Looking towards Indicator Point and Forster Beach, Nambucca. Photo Credit: Nambucca Valley Council.

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1. Executive summary

Changes in the Nambucca region since 2018

In 2018, the NSW Government developed Regional Economic Development Strategies (REDS) for 38 Functional Economic Regions (FERs) across regional NSW. Since publication, regional NSW has endured shocks including bushfires, floods, COVID-19 and the mouse plague, and significant new economic opportunities have emerged. The 2023 REDS Update provides an updated evidence base to guide governments in making policy and investment decisions to enhance resilience and drive sustainable, long-term economic growth in regional NSW.

The Nambucca region has seen significant investment delivered since 2018, with additional projects in the planning or delivery stages



Investment to deliver the **Roads to Home Program**, improving quality of life in Aboriginal communities in the Nambucca region.



\$3.7 million to build the **Bowraville Sporting Hub**.



\$73 million invested to deliver the new **Macksville Hospital**.



\$8 million to deliver the **TAFE NSW Nambucca Heads Connected Learning Centre**.

The region has seen population growth, decreasing unemployment and rapidly rising house prices since 2018



2.19 % population growth since 2018.



Housing vacancy rates sit at **1.0%** in June 2022, with median house prices having risen by **58%** since 2018.



The proportion of the population **over 55 years old** has increased by **28%** since 2018.



Unemployment has decreased by more **2%** since 2018, with job vacancies reaching an all-time high of **4,595** in 2021.

Nambucca's key industries including agriculture, construction, healthcare and tourism have continued to record sustained growth



Agriculture, forestry and fishing

+ **7.5%** Year-on-Year (YoY) growth from 2011-2020

\$ 62 million Gross Value Added (GVA) in 2020

459 jobs supported in 2021



Construction

+ **17.1%** YoY growth from 2011-2020

\$ 192 million GVA in 2020

678 jobs supported in 2021



Healthcare and social assistance

+ **6.2%** YoY growth from 2011-2020

\$ 96 million GVA in 2020

1,302 jobs supported in 2021



Tourism

+ **2.7%** YoY growth from 2011-2020

\$ 89 million visitor spend in 2021

1,441 jobs supported in 2021

Key themes from local consultation

Stakeholders from the Nambucca region have highlighted sustainable growth of their population, as well as the tourism and construction sectors, as being key priorities for the region.

Housing availability and affordability



Challenges associated with housing availability and affordability, alongside a lack of residential land development, were seen as key factors constraining growth in jobs and the local population.

Taking a long term view on major projects



Achieving continuous economic and industry growth following the completion of major infrastructure projects within the region was noted as a high priority for stakeholders.

Expanding the visitor economy



There is a need to focus on developing Macksville and Bowraville's visitor economy, so to complement substantial growth and development that has occurred in Nambucca.

Industrial and residential land supply



A key focus needs to continue on overcoming challenges to the successful delivery of new industrial and residential land supply in the Nambucca region.

Nambucca REDS - 2023 Update strategies and enablers

Strategies	Enablers
<p>Enable the growth of local industry by increasing the supply of industrial land and building on successful local initiatives to connect and train local people for work in key businesses.</p>	<ul style="list-style-type: none"> • Facilitate local economic development initiatives such as the Shore Track and Roads to Home Program to connect people to employment opportunities. • Ensure alignment between local TAFE NSW course offerings and capacity, including trainee and apprenticeship programs, to service the needs of local growth industries and specialisations.
<p>Respond to the risk of a decline in the construction sector as major projects in the region are completed.</p>	<ul style="list-style-type: none"> • Facilitate the activation and development of employment and commercial land throughout the region, including through the provision of trunk infrastructure.
<p>Protect and enhance the sustainable utilisation of the region's key endowments which support tourism and agriculture.</p>	<ul style="list-style-type: none"> • Enhance tourism activation for inland towns, including in Macksville following the bypass and Bowraville, by activating street fronts and promoting existing facilities and attractions to visitors.
<p>Facilitate population growth to expand the shire's internal markets.</p>	<ul style="list-style-type: none"> • Expand local childcare services to support workforce engagement and population attraction. • Facilitate higher density developments to reduce urban sprawl and concentrate residential development away from areas at risk from natural hazards.



Figure 1: The new Nambucca River Bridge under construction. Photo credit: Macleay Argus.

2. About the 2023 REDS Update

In 2018, the NSW Government and local councils developed a series of REDS for 38 Functional Economic Regions (FERs) across regional NSW. FERs are made up of one or more Local Government Areas (LGAs) that work together to create smaller economies with strong economic links.

Supporting the *20-Year Economic Vision for Regional NSW*, the REDS set out a place-based vision and framework for economic development for each FER. The REDS identify each FER's endowments, industry specialisations and key vulnerabilities and opportunities, and outline economic development strategies and actions to leverage these strengths.

Since 2018, regional NSW has endured many challenges including drought, bushfires, floods, COVID-19 and the mouse plague. At the same time a range of broader state-wide trends and actions continue to change the economic landscape across regional NSW, including digital transformation, increased remote working and the shift towards net zero. These challenges and trends have altered the landscape of economic development in many regions and created new opportunities for growth.

The 2023 REDS Update provides an updated evidence base to guide governments in making policy and investment decisions to enhance resilience and drive sustainable, long-term economic growth in regional NSW. The objectives of the update are to:

- 1. Highlight progress:** reflect on significant initiatives and investments that have supported progress against the key strategies and actions in the 2018 REDS.
- 2. Capture major changes:** identify and assess the impacts of major changes to regional economies since 2018, including the effect of recent 'shocks' such as bushfires, droughts, floods, mouse plagues and the COVID-19 pandemic.
- 3. Identify strategic opportunities:** identify key strategic opportunities and vulnerabilities for engine and emerging industries, as well as any changes to local endowments.
- 4. Set the foundation for the future:** review, affirm and/or adjust the 2018 strategies, including consideration of new strategies to meet emerging priorities, to ensure they remain relevant.
- 5. Identify key enablers to guide future action:** develop a non-exhaustive list of priority enabling actions that will support the 2023 REDS Update strategies.



Figure 2: Aerial view over Bowraville, Nambucca LGA. Photo credit: Nambucca Valley Council.



Figure 3: Aerial view of Macksville on the Nambucca River. Photo credit: Nambucca Valley Council.

3.About the Nambucca region

The Nambucca FER is situated on the Mid North Coast of NSW and comprises the Nambucca Valley Local Government Area (LGA). It is approximately 500km north of Sydney and 480km south of Brisbane, and the main population centres of the region include Bowraville, Macksville, Nambucca Heads, Scotts Head and Valla Beach.

Total area covered (km ²)	1,491
Population (2021)	20,375
Size of the economy (2020)	\$920 million
Total employment (2021)	6,920

Source: Australian Bureau of Statistics (ABS) (2021) Estimated Resident Population, REPLAN (2020), ABS Census (2021).

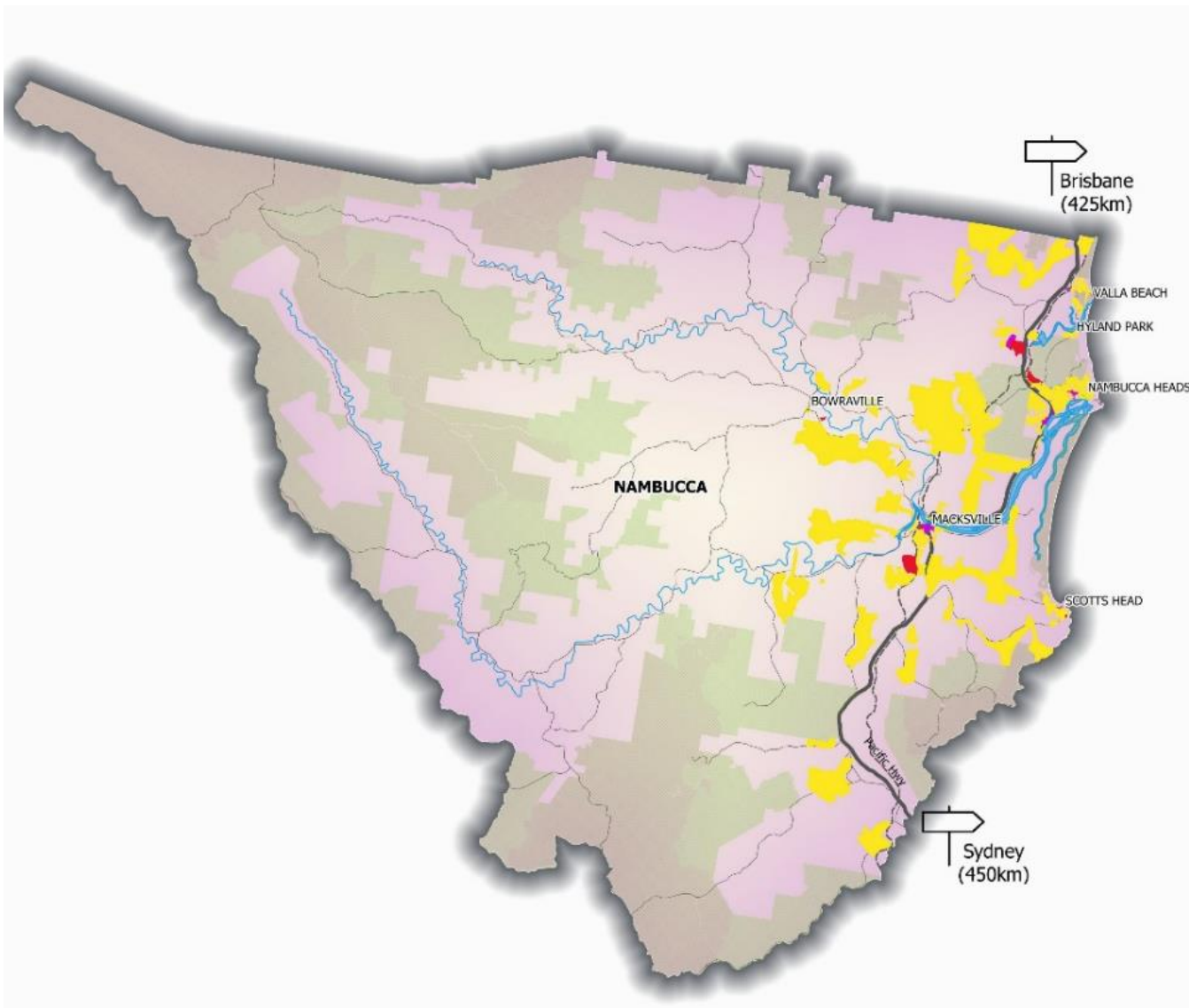


Figure 4: Map of the Nambucca Functional Economic Region.

4.2018 Nambucca region REDS and 2020 bushfire addendum






In the 2018 Nambucca REDS, the region was actively pursuing growth of its key industry specialisations, particularly tourism and agriculture. Endowments identified spanned natural, social and infrastructure assets, which were central to the approach to enabling economic development. Following the 2019-2020 bushfires, the NSW Government developed the 2020 Nambucca Bushfire Impact Addendum, which offered 18 priorities focused on supporting recovery of key industry sectors and enhancing economic and community resilience in the region.

2018 Nambucca strategies

	Enable the growth of the manufacturing cluster by increasing the supply of industrial land.
	Develop a vehicle body manufacturing cluster plan.
	Protect and enhance the region's endowments supporting tourism and agriculture.
	Facilitate population growth to expand the shire's internal markets.
	In addition to the core strategies in the 2018 REDS, the 2020 Nambucca REDS Fire Impact Addenda set out a series of 18 additional short, medium and long-term priorities focused on: <ul style="list-style-type: none"> • Recovery - overcoming direct and indirect damage to the forestry and tourism sectors. • Resilience - pursuing growth and diversification opportunities that can improve the region's economic and community resilience.

2018 Nambucca specialisations

The primary industry specialisations below were identified as comparative advantages for the Nambucca region in the 2018 REDS, based on employment concentrations in industry sectors.

	Agriculture, forestry and fishing
	Construction
	Tourism
	Manufacturing
	Residential care

2018 Nambucca endowments

Nambucca is home to a wealth of physical, institutional, built and human endowments. These endowments play a key role in enabling success and growth across the industry specialisations of tourism, agriculture and forestry, construction, manufacturing and residential care.









Endowment	Relevant 2018 Specialisation
Midpoint between Sydney and South East Queensland markets	
Roads, airport and private capital equipment	
Natural amenity, state forests and national parks	
Arable land, climate and water	
Clean, green and organic branding	
North Coast TAFE NSW institute	
Nambucca Valley Council	
Aboriginal cultural heritage	



Figure 5: The murals of Wallace Lane, Macksville. Photo credit: Seen Australia.

5. The big picture: Shocks and trends impacting the Nambucca region since 2018

Significant events impacting major industries

A sustained period of drought, followed by major bushfires and flooding, had severe environmental and economic implications for the region. The COVID-19 pandemic further challenged the region, with local businesses suffering, in particularly those in the visitor economy, feeling the impacts of movement and operating restrictions. From the period 2018 to 2022, the region had nine disaster declarations and received \$15.60m in disaster recovery grants.^[1] Recovering from these events and developing enhanced industry and community resilience has been a key priority for the region since 2018.

Drought

Similar to many parts of NSW, the Nambucca region experienced periods of significant drought between 2017 and 2020.

In particular, livestock and crop production in the region was severely impacted by lower water availability and a lack of available feed for livestock.^[2]

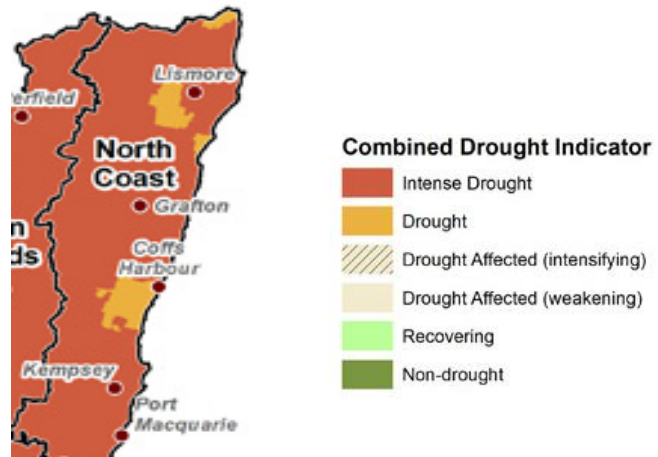


Figure 6: Combined Drought Indicator, 12 months to 31 December 2019 (Department of Primary Industries (DPI), 2022).

Bushfires

The 2019-2020 bushfire season was catastrophic for a large part of regional NSW. Bushfires in late 2019 burnt approximately 26% of the Nambucca region, resulting in ~10% of forestry supply being lost and significant damage to private plantations.^[3]

The fires damaged 296 properties, destroying 63 houses and approximately 1,400km of fencing.^{[3][4]}

Additionally, the local visitor economy suffered a 30 to 50% downturn in visitation between September and December 2019.^[3]

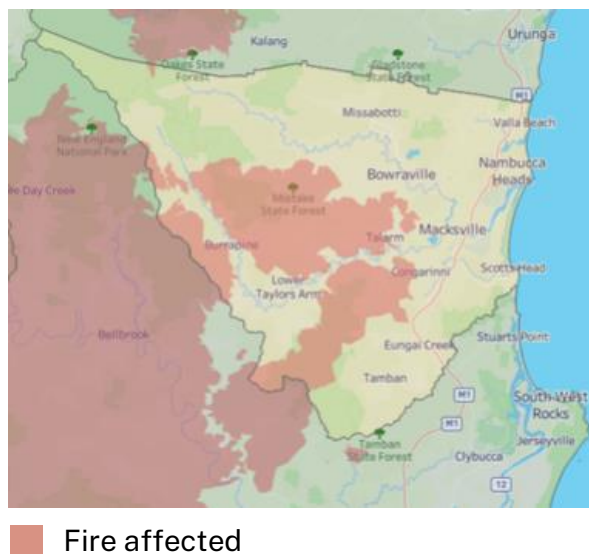


Figure 7: Fire affected areas within the Nambucca region.

COVID-19



Although the Nambucca region has seen strong economic and population growth post COVID-19, the region was impacted heavily due to pandemic related restrictions and travel bans. A business survey conducted by the NSW Government recorded 44% of businesses in the region being negatively affected by COVID-19 restrictions.^[5] The region saw an increase in income support recipients from March 2020. Jobseeker recipients rose by 43% while Health Care Card recipients rose by 26% from March to June 2020.^[6]

Floods

Similar to many parts of NSW, the Nambucca region experienced multiple major flooding events in 2021 and 2022. In particular, agriculture, aquaculture, forestry and manufacturing industries were impacted by asset and infrastructure damage during major floods in March 2021, with many producers also recording significant production losses following the floods.^[7] The repeated flood events also triggered a number of poor water quality events in the estuary and in the Nambucca River, wiping out oyster stock.^[8]

Macroeconomic trends shaping the region's future

Macroeconomic trends related to climate and migration have played a significant role in the development of the Nambucca region since 2018 and are likely to continue to have a strong influence on its future. With a growing population of remote workers, the impacts of successive natural disasters, and supply chain challenges, the region faces both opportunities and risks in building resilience in industry and the community, and leveraging the region's competitive advantages.

Trend	Opportunities and risks	
 <p>Digital Transformation</p>	<p>The COVID-19 pandemic has accelerated the digital economy in Australia, with increased uptake of remote working arrangements as well as increased use of online services such as education and telehealth.^[9]</p> <p>As workers migrate to the region, there is a need for current and efficient telecommunications to support business growth and to secure and attract innovative industries. Throughout the region, many industrial estates and communities still operate on lower quality Asymmetric Digital Subscriber Line (ADSL) connections, which lack the necessary bandwidth and sophistication needed to support emerging digital transformation opportunities.</p>	<p>Remote working and digital service provision can enable access to a greater labour pool, and can help expand small business capacity and increase access to wider markets.</p> <p>Opportunities exist to continue investment to improve digital infrastructure in the Nambucca region, so to support growing, emerging and innovative industries.</p>
 <p>Changing Migration Patterns</p>	<p>Many parts of regional NSW have experienced above average rates of population growth in recent years, partly driven by COVID-19 related migration. This is evident in the population shift in 2020-21, with regional NSW gaining an additional 26,800 residents while Sydney declined by 5,200.^[10]</p> <p>Stakeholders in the Nambucca region noted unexpected additional migration has contributed to reductions in housing affordability, with many retirees relocating to the region. This has also had flow on impacts for available housing stock for the working age population, and placed increased pressure on existing population serving services.</p>	<p>Ongoing population growth has the potential to further reduce housing affordability and continue to lower housing availability.</p> <p>Population growth increases demand for key services, including health and education, which already face significant challenges associated with workforce shortages.</p>



Trend	Opportunities and risks	
 <p data-bbox="92 327 272 394">Towards Net Zero</p>	<p data-bbox="368 224 1018 394">The region’s strengths in emission-intensive industries including agriculture, construction and manufacturing will require innovation and agility as Australia works toward achieving net zero targets.</p> <p data-bbox="368 412 1010 582">Ensuring businesses in these sectors are well-equipped to seize opportunities to reduce their emissions through technological advances and innovation will be critical to enhancing economic resilience in the region.</p>	<p data-bbox="1078 224 1513 461">Supporting adoption of processes and technology that can reduce emissions will be critical to ensuring local industries can remain competitive during the shift towards net zero.</p> <p data-bbox="1078 479 1517 613">Rising energy costs continue to put upwards pressure on operational costs, reducing their global competitiveness.</p>
 <p data-bbox="92 757 256 824">Rising Uncertainty</p>	<p data-bbox="368 667 1002 837">The region has seen a succession of extreme climate events since 2018, including drought, bushfires and floods. Climate events have had a significant and ongoing impact on local infrastructure and industries.</p> <p data-bbox="368 855 1010 990">As the frequency and intensity of these events are anticipated to increase in coming decades, there is a need to enhance climate resilience in the region.^[11]</p> <p data-bbox="368 1008 1010 1111">Building resilience against climate change and other shocks will require an understanding of vulnerabilities of local supply chains.</p>	<p data-bbox="1078 667 1506 869">Rising uncertainty presents an opportunity to support investment that can improve local supply chain resilience in agriculture and manufacturing industries.</p> <p data-bbox="1078 887 1485 1057">Rising uncertainty places upward pressure on inflation, driving up input costs for key industries, which impacts on their global competitiveness.</p>



Figure 8: Scotts Head, Nambucca. Photo credit: The Legendary Pacific Coast.

6. Responding to change: Initiatives and investments since 2018



Figure 9: An aerial view of Nambucca Heads. Photo credit: Nambucca Valley Council.

Since 2018, Nambucca Valley Council, the NSW Government and other key organisations have delivered new and updated strategic documents and plans that help guide economic and community development in the region. These documents support the development of local enabling actions that contribute towards progress against key REDS priorities and strategies.

Strategies and plans	Relevant 2018 strategies
The North Coast Regional Plan 2041 provides an overarching framework to guide detailed land use plans, development proposals and infrastructure funding decisions. The Nambucca Valley Council Local Strategic Planning Statement sets out strategic planning objectives for the LGA, in line with the Regional Plan.	
The Nambucca Valley Council's Community Strategic Plan 2022/23 – 2031/32 seeks to identify the community's main priorities and aspirations for the future, with a key vision of valuing and protecting the natural environment, maintaining assets and infrastructure and developing opportunities for the community.	
The North Coast Destination Management Plan prioritises waterfront precincts and activations as a priority for the Mid North Coast, while recognising the natural endowments that make the region a nature tourism and agritourism destination.	
The Nambucca Valley Council's Strategic Tourism Plan 2018-2023 provides a strategic, realistic and cooperative framework to tourism promotion until 2023. It provides a framework for industry to develop actions to leverage results.	
The North Coast Regional Water Strategy uses the latest climate evidence, along with a wide range of tools and solutions, to chart a progressive journey for the region's water needs for the next 20 years and beyond.	
The Nambucca Valley Council's Community Facilities and Public Open Space Strategy highlights priorities for funding key community facilities such as libraries and community centres, and for the region's public open spaces.	

Significant investments since 2018

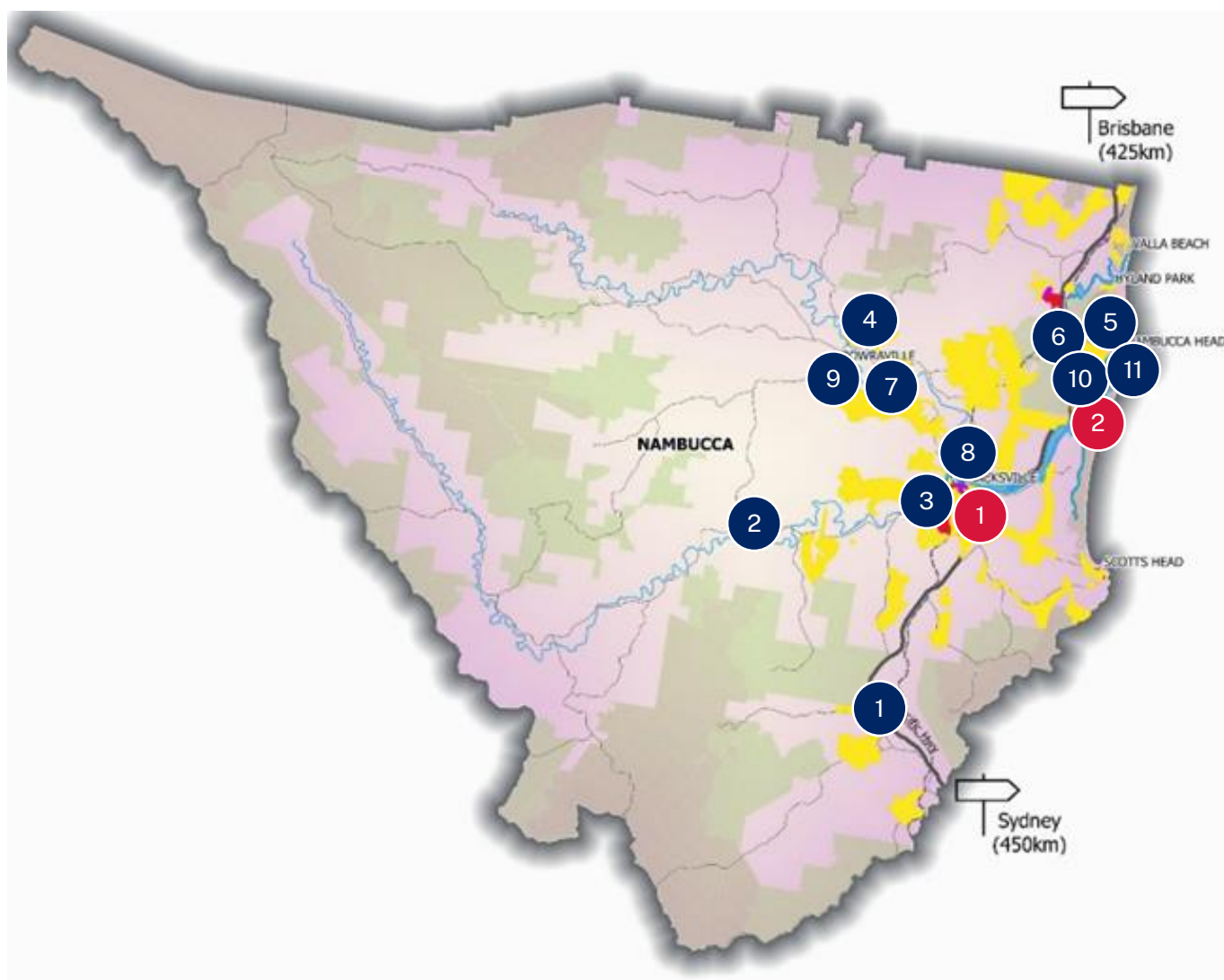





















Figure 10: Significant investments in the Nambucca region since 2018.

As shown in Figure 10, since 2018 the region has received significant local, state and federal funding, as well as private investment. These investments are at varying stages of progress, with some delivered, some underway, and some still in the planning stage. Public investments have focused on investments to upgrade community amenity and liveability, transport infrastructure and to deliver new health infrastructure in the region. Grant funding has played a key role in delivery of many of these projects.

Major private investment since 2018

Investment	Estimated total project value	Relevant 2018 strategies
1 Express Coaches expansion	Not available	
2 Ingenia Holidays White Albatross Resort	Not available	

Major public investment since 2018

Investment	Estimated total project value	Relevant 2018 strategies
1 Pacific Highway upgrade	>\$1.5 billion	 
2 Fixing Country Bridges program -18 timber bridge replacements	\$6.1 million	
3 Macksville Hospital	\$73 million	
4 Bowraville HealthOne facility	Not available	
5 TAFE NSW Connected Learning Centre - Nambucca	\$8 million	
6 Nambucca Valley Christian Community School upgrades	\$1.6 million	
7 Roads to Home Program	\$54.8 million*	
8 Gumbaynggirr Aboriginal Keeping Place	\$5 million	 
9 Bowraville Sports Hub	\$3.7 million	 
10 Nambucca Heads Library upgrade	\$5 million	 
11 Nambucca Main Beach Coastal Protection Wall replacement	\$3.6 million	  

* This amount reflects the total investment being made across NSW – a proportion of this has been spent in the Nambucca region.

Regional Grants Program Funding

The Nambucca region has received \$35.69 million in grants since 2018. Key programs in the region have included the Stronger Country Communities Fund, which saw \$5.77 million committed to projects ranging from new sports facilities to town centre upgrade works.

Grant category	Approved funding
Community	\$9.1 million
Economic	\$10.99 million
Disaster recovery	\$15.60 million

Note: Total grant funding outlined above only includes programs managed by the Department of Regional NSW, accurate as at January 2023.

7. Nambucca region 2023 economic snapshot

The region’s population has continued to grow in recent years, however a large proportion of the population over 55 years of age presents a challenge to maintaining a working age population

Population growth

As shown in Figure 11, the Nambucca region recorded an average population growth rate of 0.57% between 2011-2021, which equates to an average of 103 additional residents living in the region per year.

A significant spike in population growth was recorded in 2017. While the population growth rate has slowed since 2018, it remains at historically high levels in the region. Sustained population growth in the region is expected to continue over the next 10 years.^[12]

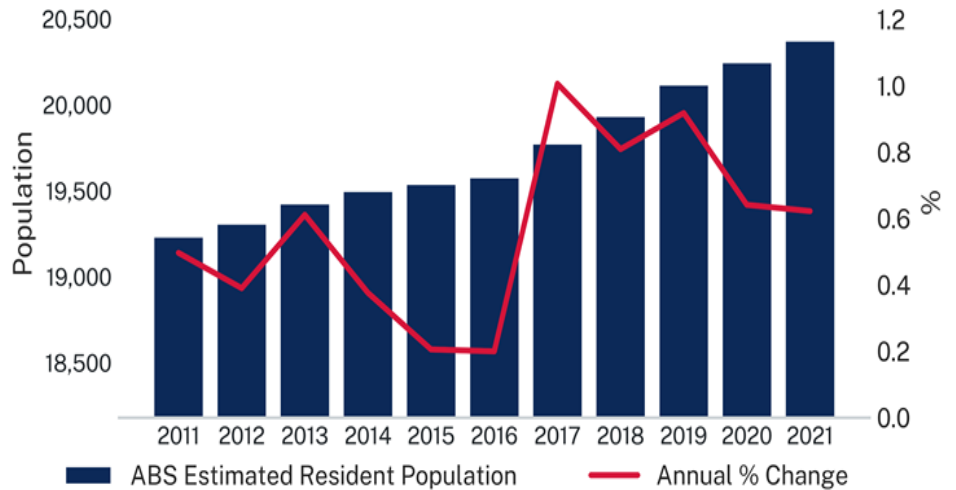


Figure 11: Nambucca FER population growth, 2011-2021 (ABS ERP, July 2022).

Demographic profile

In 2021, it was estimated the proportion of the region’s population over 55 years of age was 32% higher than the NSW average (see Figure 12), representing a structural demographic challenge for the region. The proportion of the population in their prime working years is also well below the NSW average.

A key ongoing challenge for the region will be ensuring that a sufficient working age population is available to meet increased labour demand in key sectors such as healthcare, manufacturing trades and administrative support services. This will also require a focus on training and skills development, so to ensure the local workforce can help meet increased demand for labour.

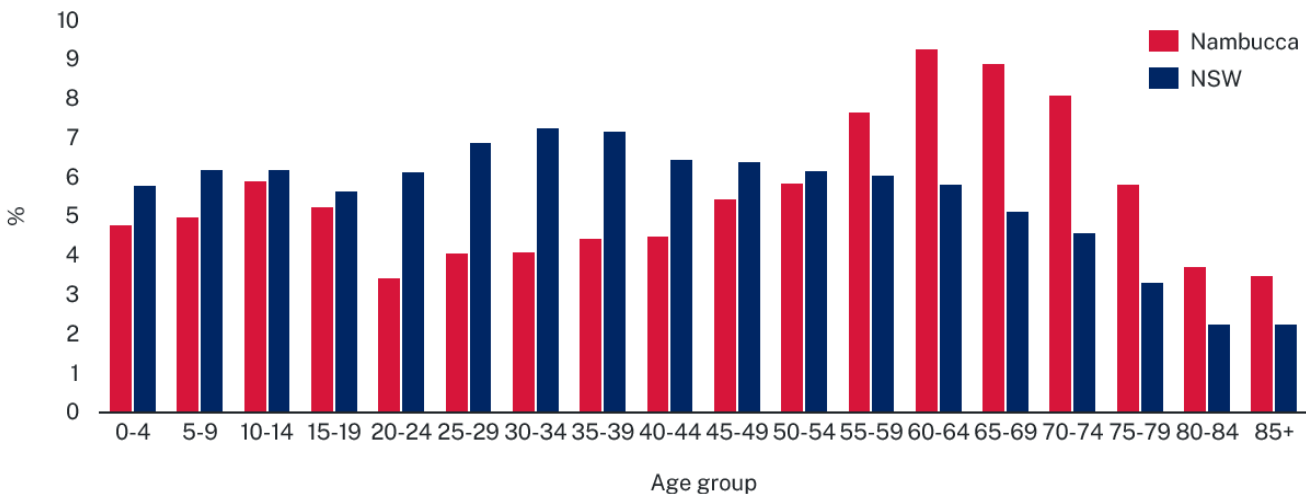


Figure 12: Nambucca FER population by age, 2021 (ABS ERP, July 2022).

Nambucca has seen a steep increase in house prices since 2019, combined with heightened demand for rental housing

The Nambucca region has recorded a decline in housing availability and affordability since 2018. This is of concern given ongoing population growth in the region, and the increased worker housing demand brought about by planned major projects such as the Pacific Highway upgrade. Ensuring an adequate, affordable and accessible housing supply will be critical to ensuring ongoing liveability and amenity in the region.

Housing availability

As shown in Figure 13, residential vacancy rates in the region have dropped from 3.0% in March 2020 to 1.0% in August 2022, with COVID-19 related migration of remote workers to the region likely to represent a factor in the reduction.

Residential building approvals remained relatively steady between 2018 and 2020, but a noticeable sustained uptick in the numbers of approvals since mid-2020 indicates a potential increase in supply. However, given population growth in the region and ongoing low vacancy rates, it appears that the housing supply is still not keeping pace with increased demand.

A focus on addressing the challenges associated with low housing vacancy rates will be needed given housing is a key enabler for growth, including for accommodating additional workers to support major projects and the expansion of engine and emerging industries in the region.

Housing affordability

As with much of regional NSW, the heightened demand for housing has led to significant growth in house prices. Between June 2018 and June 2022, median house prices in the region increased by 58%, from \$407,000 to \$645,000.^[13] The price of housing-to-income ratio in July 2021 for the region was 9.7, higher than the NSW average of 8.1.^[14] This housing affordability challenge may act as a constraint for the region in attracting and retaining key workers, which can have implications for ongoing population growth and economic growth.

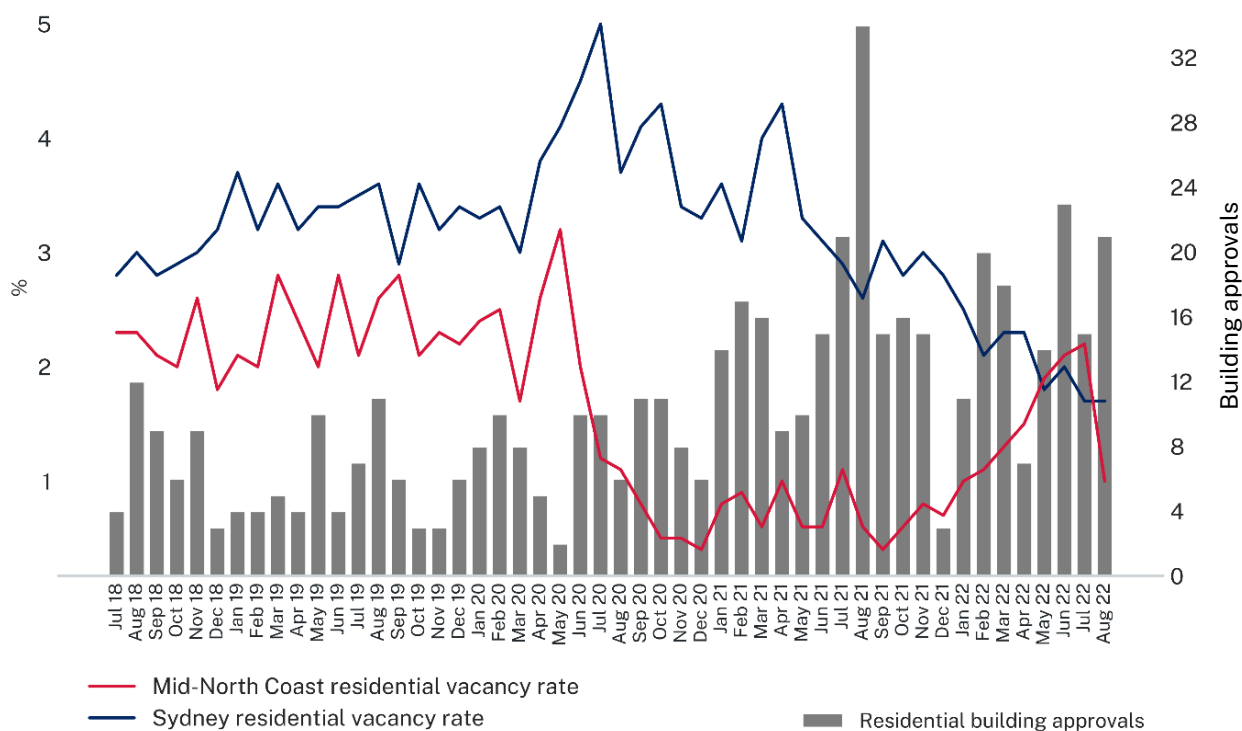


Figure 13: Nambucca FER vacancy rate and building approvals, 2018-2022 (Real Estate Institute of NSW (REINSW), 2022).

Note: REINSW vacancy data collection is not aligned with the FER boundary map, resulting in an overlap with other FERs. These results are therefore intended to provide an indication of housing vacancies in the region.

Unemployment in Nambucca increased significantly during the pandemic, but has since dropped to a five year low of 4.8%

Rising job vacancies and declining levels of unemployment recorded in the region since April 2020 suggests compatibility between the skills of the local workforce and the needs of employers. A doubling of job vacancies since April 2020 indicates an opportunity to further improve employment outcomes in the region.

Employment

The Nambucca region has historically had a slightly higher level of unemployment compared to the NSW average. As shown in Figure 14, unemployment increased substantially following the start of the COVID-19 pandemic, reflecting the impact that pandemic related restrictions had on local businesses, in particular those operating in the tourism sector. Since September 2020, unemployment has eased in the region and was at 4.8% in June 2022.

Job vacancies in the broader NSW North Coast region have climbed to reach a record 4,595 in August 2022 (see Figure 15), having more than doubled from 2,084 in December 2018. Occupations with particularly acute need for workers include medical practitioners and nurses (383 vacancies), carers and aides (449) and salespersons (352). This represents a particular challenge for the Nambucca region, given ongoing population growth and an ageing population demographic which are expected to further increase demand for health and care services.

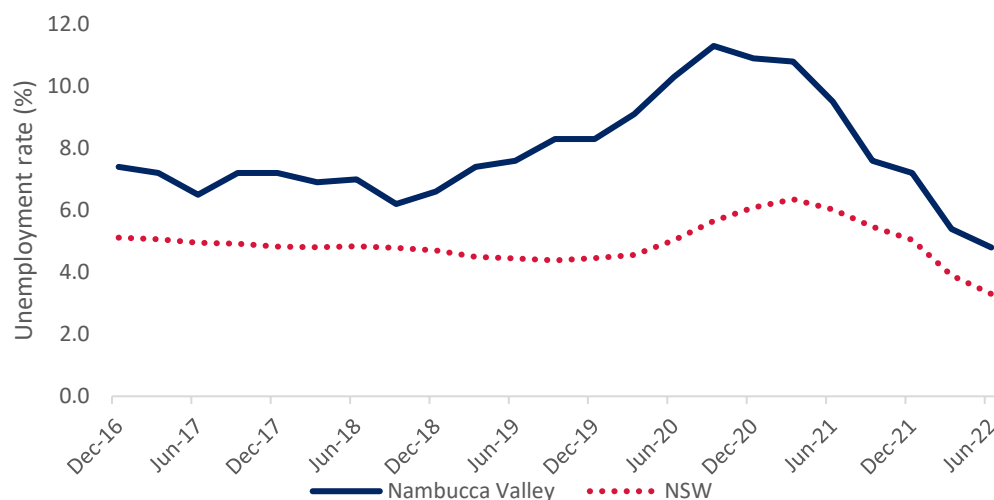


Figure 14: Nambucca FER unemployment rate (%), 2016-2022 (National Skills Commission, 2022; ABS Labour Force, 2022).



Figure 15: Job vacancies, NSW North Coast region (2018-2022) (Regional IVI, National Skills Commission, 2022).

Note: The regional IVI – National Skills Commission job vacancy data collection is not aligned with the FER boundary map, resulting in an overlap with other FERs. Job vacancy data only includes online job vacancies. These results are therefore intended to provide an indication of job vacancies in the region.

Aboriginal economic development

Aboriginal unemployment rate: Nambucca	2011	34.7%
	2016	21.9%
	2021	14.9%
NSW Aboriginal unemployment rate	2021	9.8%
NSW unemployment rate	2021	4.9%

Source: ABS Census 2021

In 2021, the Aboriginal unemployment rate in Nambucca was 14.9%, a substantial reduction from the 21.9% rate recorded in 2016, and 34.7% recorded in 2011. However, this rate remains above the NSW average Aboriginal unemployment rate of 9.8%, and the broader unemployment rate of 4.9%.

While the substantial reduction in Aboriginal unemployment has been achieved over the past decade reflects progress, there remains a need to maintain a key focus on collaborative efforts to deliver sustainable training and employment opportunities in the Nambucca region for the Aboriginal community.

The major investment announced to build the Gumbaynggirr Aboriginal Keeping Place in Macksville provides an opportunity to celebrate Gumbaynggirr culture in the region. It can also support opportunities to further enhance cultural tourism offerings, while also supporting increased Aboriginal economic participation and business development in the Nambucca region.



Figure 16: Unkya Cultural Eco Tours, Scotts Head. Photo Credit: Destination NSW.

Nambucca region 2023 engine and emerging industries

The Nambucca region has a \$920 million economy. Despite significant shocks since 2018, the Nambucca region's engine industries have remained a source of stability and continue to support sustained economic growth. The relative strength of each industry is measured using Location Quotient (LQ) analysis¹ as displayed in Figure 17, where industry size correlates with bubble size.

Engine industries

Agriculture (LQ of 3.48) is a core specialisation of the region. In 2020, the industry generated \$62 million in value-add to the local economy, having grown on average by 7.5% since 2011. This is driven largely by the region's strong access to key natural endowments that allow the fishing (LQ of 7.2) and forestry industries (LQ of 8.0) to prosper.

The **tourism** sector (LQ of 1.53) is also a strong driver of economic output in the Nambucca region. Natural endowments including Nambucca Heads and leisure activities such as fishing, dolphin watching and the V-Wall Outdoor Gallery provide a strong competitive advantage for the region. Visitors to the region spent \$89 million in 2021.^[15]

Healthcare (LQ of 1.47) plays a large role in the region due to the ageing population. The sector contributed \$96 million in value-add to the local economy in 2020, with residential care (LQ of 2.1) accounting for 62% (\$60 million) of this output.

Construction (LQ of 2.74) also stands as a key source of economic output for the region, with the Pacific Highway upgrade leading substantial growth in the industry since 2018. The sector contributed \$192 million in GVA to the region in 2020 and recorded annual average growth of 17.1% between 2011 and 2020.

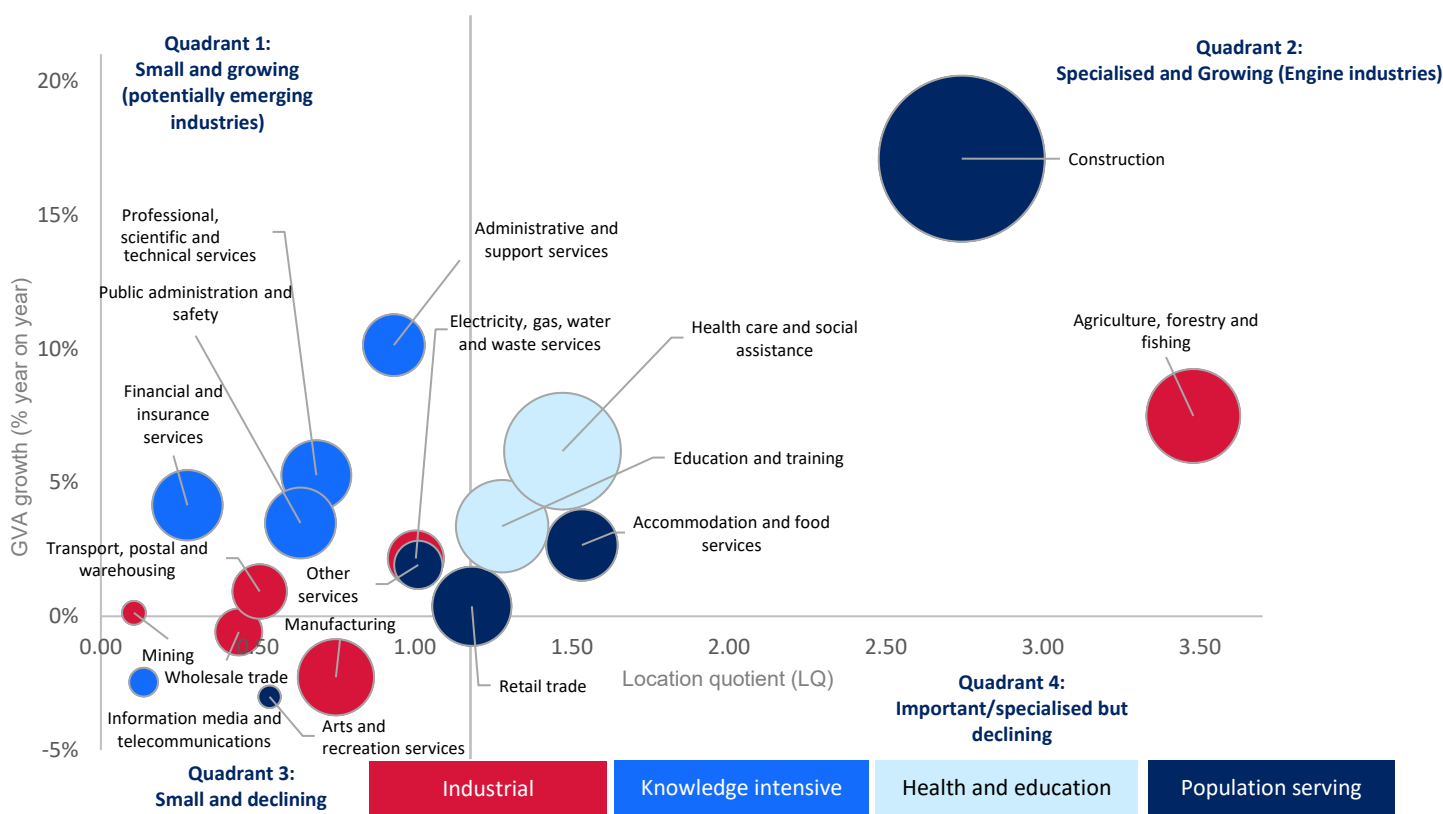


Figure 17: Location Quotient (LQ) Analysis by GVA, 2011-2020 (REMPAN, 2020).

Note: While the 2018 REDS used employment data as the basis for LQ analysis, the 2023 Update has used GVA data. This allows for a clear demonstration of the changing economic impact of both engine and emerging industries across the regions.

¹ LQ analysis is used to measure industry specialisation by comparing the relative size of an industry in the region versus the whole of NSW.

Emerging industries

The region's emerging specialisations have remained consistent since the 2018 REDS (see Figure 18).

The **public administration and safety** sector has seen 3.5% growth since 2011 and contributed \$36 million GVA in 2020. The public administration & regulatory services subsector was the largest contributor being responsible for 72% (\$26 million) of output for the sector in 2020.

Administrative and support services has also recorded strong annual growth of 10.1% from 2011 to 2020, with \$27 million in GVA to the regional economy in 2020, while knowledge-intensive sectors including **professional, scientific and technical services** have shown consistent growth over the past decade.

Education and training is also an emerging strength for the Nambucca region, experiencing average annual growth of 3.4% between 2011 and 2020. The sector had a large GVA output in the region, with \$60 million contributed to the local economy in 2020.

Electricity, gas, water and waste services (including energy renewables) demonstrated 2.2% annual growth from 2011-2020. Water supply, sewerage & drainage services has been the strongest sub-sector performer, contributing \$7 million to the regional economy in 2020.

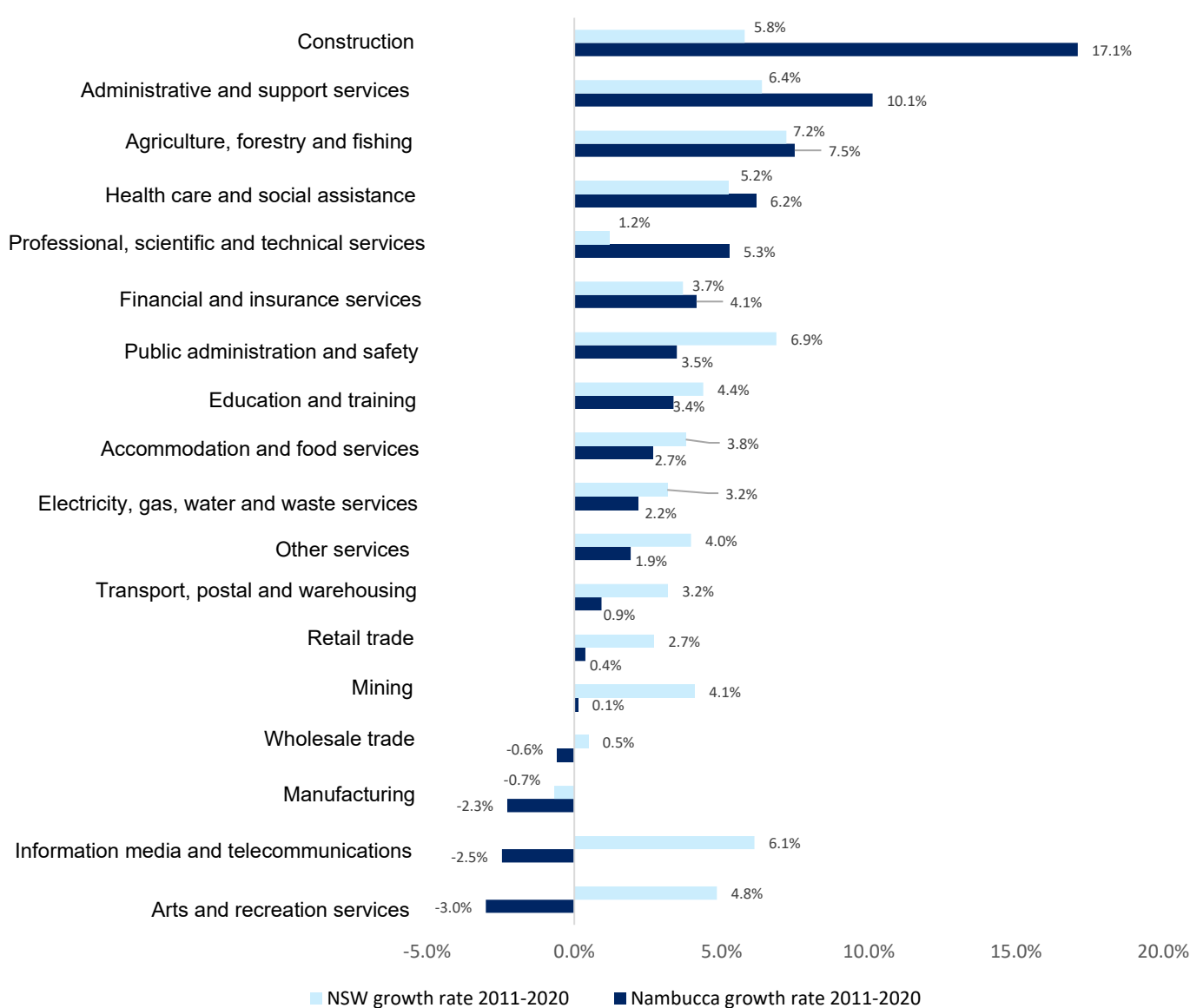


Figure 18: Change in GVA by Industry (% YOY), 2011-2020 (REMPPLAN, 2020).

Nambucca region 2023 endowments

Review of the 2018 endowments

The 2018 REDS identified a range of endowments underpinning Nambucca's economy and regional competitiveness (see page 11). Despite recent shocks, consultation confirmed that they remain valid, with key endowments including:

- Midpoint between Sydney and South East Queensland markets
- Roads, airport and private capital equipment
- Natural amenity, state forests and national parks
- Arable land, climate and water
- Clean, green and organic branding
- North Coast TAFE NSW institute
- Nambucca Valley Council
- Aboriginal cultural heritage

New endowments

While not yet reflected in the employment and industry specialisation (LQ) analysis, recent investment to deliver the Nambucca River Bridge will enhance transport links in the region. An additional endowment has also been added to reflect the strong creative base in the population that can drive jobs in the arts and recreation industries.

+	Strong creative base of people	The strong creative-based population helps to drive job creation in the arts and recreation industries.
+	Nambucca River Bridge	Enhanced transport links delivered as part of the Pacific Highway Upgrade Program will support ongoing growth in the region's key engine and emerging industries.



Figure 19: Nambucca Heads. Photo credit: Visit NSW.

8. Looking ahead: Strategic opportunities for growth, resilience and liveability

Opportunities and vulnerabilities in engine and emerging industries

Tourism

The Nambucca region has been able to leverage its significant natural endowments to continue to grow its tourism industry. A key focus for supporting future growth is ensuring the region can attract higher spending visitors, so to maximise the value tourism brings to the region.

Visitor spend (2021, \$m) ^[15]	89
Employment (2021) ^a	1441
Location Quotient (LQ) score (2020) ^b	1.53
LQ accommodation (2020)	2.1
LQ food services (2020)	1.4

a Summation of ANZSIC 1 digit Retail trade, Accommodation and food services, Arts and recreation services.

b LQ score is for the Accommodation and food services industry.

Strengths

- The Nambucca region has a long held strength in tourism, with natural endowments such as Nambucca Heads, the V-Wall and popular camping grounds that present year round visitor opportunities.
- Despite the impacts of the COVID-19 pandemic and related operating restrictions and lockdowns, tourism expenditure increased from December 2019 to December 2021 with average expenditure per visitor rising from \$228 to \$390 and total visitor spend rising from \$86 million to \$89 million.^[16]

Vulnerabilities

- Externalities strongly influence industry performance. This has been demonstrated since 2018, with bushfires damaging 26% of the FER, including key natural endowments that drive tourism within the region.
- While only a short term impact, the COVID-19 pandemic restrictions and lockdowns had significant impacts on the region - with visitation reduced by 82% between 2019 and 2020.^[16]

Opportunities

- Collaborating with other coastal regions in Northern NSW, including through leveraging the strategic direction of the North Coast Destination Management Plan, can aid the Nambucca region in increasing visitation.
- Potential exists to further develop and diversify Nambucca's tourism offering as a way to encourage higher spending visitors to explore the region, especially given the major Pacific Highway upgrades delivered in recent years have increased ease of access to the region.
- Investment to deliver robust services infrastructure and develop a broader product offering may assist in improving industry resilience in the Nambucca region.

Construction

The construction industry continues to make a significant contribution to the Nambucca region's economy. Future industry growth will be contingent on successfully managing the impacts from the completion of major projects including the Pacific Highway upgrade.

GVA (2020, \$m)	192
Employment (2021)	678
LQ score (2020)	2.74
LQ heavy and civil engineering (2020)	9.0
LQ non-residential building (2020)	30.6

Strengths

- The Nambucca region has an emerging specialisation in its local construction industry, averaging a very high annual growth rate of 17.1% growth from 2011 to 2020. This has significantly outpaced state-wide average growth of 5.8%, highlighting the emerging strength of the construction industry in the region.
- The specialisation is predominantly driven by non-residential building construction with an LQ of 30.6 and \$192 million in GVA in 2020, with the Pacific Highway upgrade a large contributor to this growth.

Vulnerabilities

- Steep increases in the price of raw materials, combined with delays in sourcing materials and challenges filling vacancies have all placed pressure on the industry in recent years.
- Ongoing vulnerabilities also exist associated with supply chains, as highlighted during the COVID-19 pandemic where significant disruptions were experienced.
- A significant challenge for the industry is avoiding a boom-bust cycle, given the completion of major projects in the region including the Pacific Highway upgrade.

Opportunities

- With the completion of the Pacific Highway upgrade, there is an opportunity to take proactive steps to help retain skilled construction workers (and their spending) in the region.
- A steady pipeline of construction related projects including residential, industrial, local infrastructure and commercial opportunities will need to be delivered to ensure the sector can continue to thrive.
- A greater focus in major project planning on managing the impacts on local services and infrastructure, including housing, and local workforce skills development can help ensure that major construction projects deliver long-term, equitable benefits to the community.

Healthcare and social assistance

Nambucca's long held strength in the healthcare and social assistance sector continues to present significant opportunities for ongoing sustained growth, alongside its core population-serving role.

GVA (2020, \$m)	96
Employment (2021)	1302
LQ score (2020)	1.47
LQ residential care (2020)	2.1
LQ healthcare services (2020)	1.0

Strengths

- The healthcare and social assistance sectors have long been specialisations for the region, with average GVA growth of 5.2% recorded over the past decade demonstrating its continued strength.
- The region specialises in high quality aged care and retirement villages, reflecting demand from a large older cohort in the population and a high percentage of retirees.

Vulnerabilities

- Attracting skilled professionals, in particular medical practitioners and nurses to carers and aides, is a central challenge to meet the growing demand for healthcare and social assistance services that an ageing population requires.
- Given skilled health professionals are in high demand across regional NSW, the region faces strong competition related to attracting and retaining skilled health workers to fill key vacancies.
- An insufficient supply of worker accommodation, reflecting the broader pressures on housing availability and affordability can also impede workforce attraction and retention.

Opportunities

- The region's relative position at the midpoint of Sydney and Brisbane, combined with the benefits of the upgraded Pacific Highway can potentially be leveraged to enhance collaboration between major healthcare providers and education providers, which can support increased skills development within the local workforce.
- Exploring opportunities to deliver targeted measures to support increased worker accommodation availability, such as investment into health worker accommodation within hospital grounds, can help improve workforce attraction and retainment for the sector.

Agriculture, forestry and fishing

The region's agriculture and forestry sector continues to be a key economic strength, particularly in light of the region's well established transport links that facilitate connections between primary producers, manufacturers and markets.

GVA (2020, \$m)	62
Employment (2021)	459
LQ score (2020)	3.48
LQ fishing, hunting and trapping (2020)	8.0
LQ forestry and logging (2020)	7.2

Strengths

- The agricultural and forestry sectors are core specialisations for the region and average GVA growth of 7.5% per annum between 2011 and 2020.
- Key endowments in the region include large areas of softwood forests, extensive coastlines and significant transport infrastructure linking the region to key markets in South East Queensland and Sydney.

Vulnerabilities

- Natural disasters can have significant implications for primary production, as demonstrated by the substantial impacts of drought in 2018 and 2019 and floods in 2021 and 2022 on aquaculture and agriculture.
- The sector relies on viable climatic conditions for production, which creates vulnerability given the ongoing impacts of climate change.
- The forestry and logging sector relies upon a secure and ongoing supply of local timbers, which are vulnerable to bushfires, such as those seen in 2019-20.
- Macroeconomic factors beyond the control of producers can significantly influence supply chains and commodity prices, and have significant flow-on impacts on the value of outputs.

Opportunities

- Opportunity exists to further develop a regional collective branding around the Nambucca region's high-quality produce and food production.
- Supporting increased investment in aquaculture technologies and fishery products related to oyster farming can help increase resilience in the sector and maximise the value of oyster production in the Nambucca region.
- Collaboration with local stakeholders highlighted the need to focus on developing long term sustainability in the local forestry sector, in particular by building resilience to natural disasters, increasing security of long term supply and exploring potential circular economy opportunities.

Key themes in stakeholder consultation

Stakeholders from the Nambucca region noted the area is facing both challenges and opportunities related to its population growth. Recent natural disaster events, in particular the bushfires in 2019-20 and floods in 2021 and 2022 have brought to the fore the need to enhance community and infrastructure resilience against future shocks.

Major projects such as the Pacific Highway upgrade were recognised by stakeholders as presenting economic opportunities for the region, but stakeholders also noted concerns that the needs of major projects can exacerbate pressures on housing availability and affordability in the region.

Housing availability and affordability

As is reflected in analysis of housing supply and prices in the region (see page 19), consultation input revealed that significant reductions in both housing availability and affordability are seen as key challenges facing the Nambucca region. Housing market challenges also add to challenges being faced in attracting a skilled workforce needed to meet labour demand from key industries in the region.

Industrial and residential land supply

Consultation with stakeholders revealed there has been limited progress in unlocking new industrial land supply in the region in recent years, which is constraining opportunities for business expansion in both engine and emerging industries. When combined with a shortage of available land for residential development, these factors are considered to be a key constraint of job creation and economic growth.

Taking a long-term view on major projects

While stakeholders acknowledged the major economic opportunities provided by investments into major infrastructure in the region, such as the Pacific Highway, a key need was highlighted on ensuring that action is taken to avoid a boom-bust scenario, especially for the construction sector. Stakeholders outlined a need for actions to support ongoing growth following the completion of these major projects.

Expanding the visitor economy

Tourism and hospitality were recognised as expanding industries for the region, in particular in Nambucca Heads. Stakeholders expressed a desire to place an ongoing focus on developing the sector in Macksville and Bowraville, as a way to complement growth in tourism in Nambucca Heads and develop a wider visitor economy offering in the region.

Nambucca REDS - 2023 Update strategies

While the 2018 strategies remain broadly relevant to the Nambucca region, adjustments have been made following consultation and analysis to refine the focus of the strategies to reflect new and emerging priorities since 2018.

Changes have been made to:

- amend the strategy focused on industrial land supply to reflect the key role industrial land availability plays in supporting growth across all local industries,
- highlight successful local workforce development as a key desirable outcome associated with economic growth,
- replace the Vehicle Body Manufacturing Cluster Plan strategy with one focused on responding to the challenges faced by the local construction sector following the completion of major projects, in particular the range of upgrades delivered to the Pacific Highway, and
- create a focus on ensuring sustainable use of the region's key endowments by the tourism and agriculture sectors.

Reflecting the changes outlined above, the 2023 REDS Update strategies for the Nambucca region are listed below (amendments made to existing 2018 strategies are highlighted in **bold**):

Amended	Enable the growth of local industry by increasing the supply of industrial land and building on successful local initiatives to connect and train local people for work in key businesses.
New	Respond to the risk of a decline in the construction sector as major projects in the region are completed.
Amended	Protect and enhance the sustainable utilisation of the region's key endowments which support tourism and agriculture.
Existing	Facilitate population growth to expand the shire's internal markets.

Key enablers of economic growth

A number of key enablers have been identified to assist with delivering each of the strategies. This list is non-exhaustive, with a focus on identifying priority short- to medium-term enablers. Responsibility for implementation of these enablers sits with various levels of government, and in some cases may also include business, industry or non-government bodies. Collaboration across these entities at a local level will be key to achieving results.

Strategy	New enablers		Lead and support	Rationale
Enable the growth of local industry by increasing the supply of industrial land and building on successful local initiatives to connect and train local people for work in key businesses.	People and skills	Facilitate local economic development initiatives such as the Shore Track and Roads to Home Program to connect people to employment opportunities.	Nambucca Valley Council , Department of Regional NSW (DRNSW), Department of Planning and Environment (DPE).	Enhancing local skills capacity will aid in addressing labour supply issues and support economic growth.
	People and skills	Ensure alignment between local TAFE course offerings and capacity, including trainee and apprenticeship programs, to service the needs of local growth industries and specialisations.	Training Services NSW , TAFE NSW.	

Strategy	New enablers		Lead and support	Rationale
<p>Respond to the risk of a decline in the construction sector as major projects in the region are completed.</p>	<p>Government, regulation and information</p>	<p>Facilitate the activation and development of employment and commercial land throughout the region, including through the provision of trunk infrastructure.</p>	<p>Nambucca Valley Council, DPE, DRNSW.</p>	<p>Driving a pipeline of construction activity can help retain workers in the region.</p>
<p>Protect and enhance the sustainable utilisation of the region's key endowments which support tourism and agriculture.</p>	<p>Infrastructure and services</p>	<p>Enhance tourism activation for inland towns, including in Macksville following the bypass and Bowraville, by activating street fronts and promoting existing facilities and attractions to visitors.</p>	<p>Nambucca Valley Council, Destination North Coast, DPE, Transport for NSW, Destination NSW.</p>	<p>Use the region's key assets and endowments to support increased tourism, with a focus on renewing inland towns.</p>
<p>Facilitate population growth to expand the shire's internal markets.</p>	<p>People and skills</p>	<p>Expand local childcare services to support workforce engagement and population attraction.</p>	<p>Nambucca Valley Council, DPE.</p>	<p>Enhancing childcare workforce to attract families and enable them to participate in the workforce.</p>
	<p>Government, regulation and information</p>	<p>Facilitate higher density developments to reduce urban sprawl and concentrate residential development away from areas at risk from natural hazards.</p>	<p>DPE, Nambucca Valley Council, DRNSW.</p>	<p>Improving key infrastructure resilience will support enhanced industry resilience and long term growth prospects.</p>

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