

Clarence Valley Regional Economic Development Strategy 2018 - 2022

Vision

To sustainably grow Clarence Valley's prosperous, diverse economy specialising in tourism, agriculture, aquaculture, forestry, manufacturing and services.

Preface

The NSW Government has assisted local councils and their communities to develop 37 Regional Economic Development Strategies across regional NSW. Each strategy is designed around one or more local government areas that form a functional economic region as defined by economic data and community input. While the strategies have been developed using consistent methodology, each is a product of detailed data analysis and local community consultation to ensure ownership through a 'bottom-up' process: it sets out a vision for the region, the strategies, and early stage actions required to achieve the vision.

Regional Economic Development Strategies articulate a framework for identifying actions crucial to achieving the regional vision. Projects listed within this Strategy should therefore be viewed as example projects that have emerged from the initial application of the framework. Adoption of these projects would be subject to further evaluative processes.

The power of the strategy is its ability to be used on an ongoing basis to identify additional high-value projects over time. By complementing existing funding processes, these strategies present new opportunities to strengthen and increase investment in regional development across NSW.

Importantly, the Strategy should be viewed as the first stage of a process that will assist those with an interest in the economic development of the Region, particularly councils, communities and local businesses, in planning their future economic activities. It provides a vehicle for engaging the community in a 'conversation' about regional needs and priorities, assists in bringing together key stakeholders and mobilising resources, and in so doing, can facilitate faster access to dedicated NSW Government funding, such as the Growing Local Economies Fund, as well helping to capitalise upon other economic opportunities.

This Strategy, prepared by Corview on behalf of Clarence Valley Council, key stakeholders and the broader regional community, benefited from economic-analytical assistance from the NSW Government's Centre for Economic and Regional Development (CERD).

The Strategy is presented in two documents, the Clarence Valley Regional Economic Development Strategy 2018 - 2022 (this document) which allows the reader to quickly and easily determine key content, and the accompanying Clarence Valley Regional Economic Development Strategy 2018 – 2022: Supporting Analysis, which details the Strategy methodology, evidence and the strategy development process.

For further information about the Regional Economic Development Strategies Program please contact CERD on (02) 6391 3025 or CERD@dpc.nsw.gov.au

Introduction

The **Clarence Valley Regional Economic Development Strategy 2018 - 2022** (the Strategy) has been developed to facilitate economic growth across the Clarence Valley (the Region).

Home to almost 51,000 residents, the Clarence Valley is located in the broader Northern Rivers region of New South Wales. Upriver, Grafton is the Clarence Valley's administrative centre, with Maclean and Yamba the downriver centres of activity.

While the objective of this Strategy is similar to previous local strategies – to support economic development for social advancement across the community – it takes a new approach to planning economic development.

Fundamental to this approach are the distinctive and unique strengths of the Region. Economic principles suggest unique strengths provide regions with sustainable economic advantages, and so they should be points of focus for regional development policy.

Clarence Valley's unique strengths were determined through a review of several factors:

- the Region today – considering the Region as a whole and the localities within it for their demographics, infrastructure, institutions and economic structure, risks and opportunities

- endowments - key features of the natural environment, the built environment, geography location and social fabric specific to the Region
- specialisations - activities in which the Region has a demonstrable advantage
- stakeholder consultation – ‘on the ground’ feedback on local economic conditions and forward-looking assessments of strengths, weaknesses, opportunities and threats, and potential initiatives that will help shape the Region's future

The Strategy also takes into account regional risks and how they might be addressed.

Clarence Valley's key endowments lie in its coastal, riverine and hinterland amenity; arable soils and favourable climate; access to Sydney and Brisbane via the Pacific Highway; and the ability to bring new industrial land to market cost effectively.

These endowments are the basis of the Region's specialisations, which include:

- ‘Engines of Growth’, such as tourism, horticulture (blueberries, macadamias & sugar cane), aquaculture, forestry, marine manufacturing and logistics
- business-‘enabling’ activities, such as tourism-connected property services, construction, utilities and financial and professional services

- internal, ‘population-serving’ industries, including health, retail and public administration

These strengths, together with analyses of current issues, opportunities and risks, suggest some key strategic imperatives:

1. Further expand the ‘Engines of Growth’
2. Develop the Region's key tourism attractions and precincts. This should include addressing the risk of a downturn in smaller centres as a result of the Pacific Highway realignment
3. Grow the population and internal markets of the Region

This Strategy begins with a guiding vision for the Region's future.

Next, we establish the composition and defining economic characteristics and strengths of the Region today.

Finally, the strategic imperatives suggested by the analysis and stakeholder feedback are established, supported by detailed strategies and actions.

This Strategy is the culmination of collaboration between the Clarence Valley Council, its community and the NSW Government's CERD.

Strategy implementation will be overseen by the General Manager of Clarence Valley Council, drawing on staff and broader stakeholders when appropriate.

Background

Named after the largest of the northern rivers, Clarence Valley is home to more than 50,000 people.

Located in the north-east of NSW, the Clarence Valley Region covers an area of 10,429 square kilometres. The major centres are Grafton, Maclean and Yamba, with each encompassing broader districts of satellite townships, including centres such as Lawrence, Harwood and Iluka.

The Region is about 570 kilometres north of Sydney and 240 kilometres south of Brisbane. In a broader regional context, Grafton is about an hour north of Coffs Harbour, with Maclean just more than an hour south of Lismore and Ballina.

The Clarence Valley's economic origins reflect the attractiveness of its natural resources, especially its namesake river and timber resources. Early reports of the 'Big River' between Port Macquarie and Moreton Bay declared it 'safe for vessels of 80 to 100 tons for 70 miles from its mouth', with banks 'thickly covered with the finest cedar'. By 1839, the then Governor, George Gipps, had given Big River its name, and it was soon home to a number of cedar cutters, ship builders and graziers.



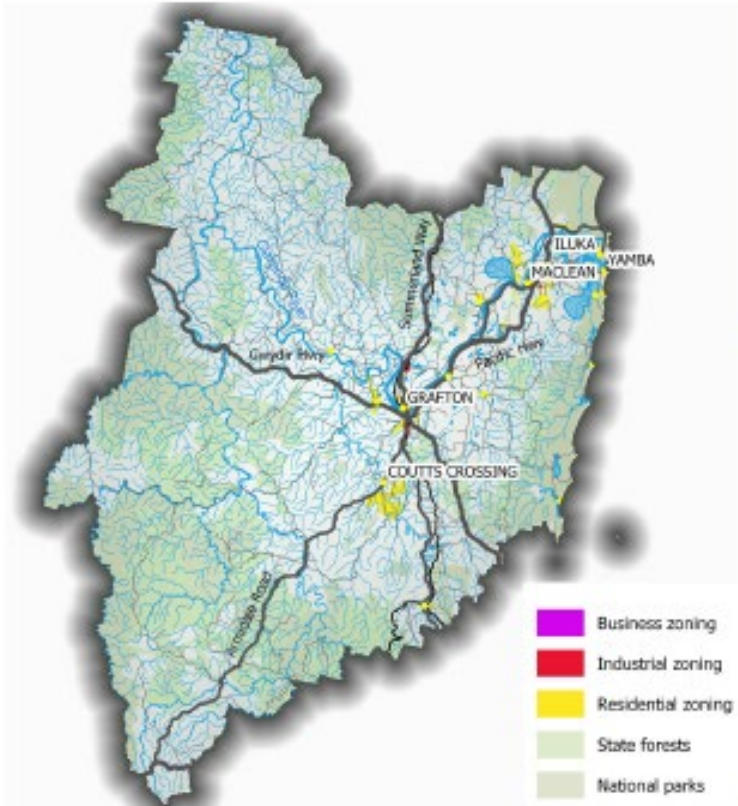
Today, the Clarence Valley economy remains closely associated with its natural assets and production activities. The ship building and marine manufacturing cluster, downriver near the mouth of the Clarence, is a distinct industry within the Region. However, the growth of Grafton as the regional hub, and Maclean and Yamba as major centres, has seen these traditional strengths augmented by health, education and retail specialisations.

The Pacific Highway is the key road transport network link for the Clarence Valley, north to Queensland and south to Sydney. Summerland Way is an inland highway network link that also provides an important north-south connection. The Gwydir Highway provides the east-west corridor that links the inland plains to the Clarence Valley via the New England region.

Clarence Valley is serviced by both passenger and freight rail operations, providing access to the standard gauge rail link between Brisbane and Sydney.

Clarence Valley is also serviced by Clarence Valley Regional Airport with daily connections to Sydney.

Clarence Valley



GRP
\$2,077M



10,429 km²
area

Employment by Industry
Top 3

Health Care and Social Assistance	15.4%
Retail Trade	11.8%
Accommodation and Food Services	9.2%

\$477

Weekly Median Income



91.0%

are employed in Clarence Valley



unemployment

9.0%



16.9%

of population are younger than 15



49

Median Age



Population

50,671

25.7%

of population are older than 65 (2016)



Source: Australian Bureau of Statistics, GRP calculated by Centre for Economic and Regional Development (CERD) 2015-16 Input Output table, generated using the GRIT method and IO9 software.

Snapshot of the Economy, Industry and Opportunity

Production and Income by Sector

The Figure on the next page is a key 'roadmap' to understanding economic opportunity in the Region. It reflects the income split between workers and businesses in each sector (blue and orange bars) and how much each industry contributes to regional production (the stacked height of the bars).

Health Care and Social Assistance is the leading sector in the Clarence Valley's \$1.6 billion economy. Other leading sectors include Construction, Public Administration & Safety, Agriculture, Forestry & Fishing, Education & Training and Retail Trade. Tourism also plays an important role in the Region, as reflected across numerous sectors in addition to Retail, including Accommodation & Food, Arts & Recreation, and Rental, Hiring & Real Estate Services.

The Region's leading sources of wage and salary income are Health, Education and Public Administration, with Agriculture and Construction the leading sources of business income.

In analysing the Region's economic features, it can also be useful to group similar industries together to allow review and comparison of some of their common underpinning economic drivers. One useful classification of activities is:

- "Engines of Growth" – activities linked to external markets and opportunities beyond the bounds of the Region, including agriculture, manufacturing and tourism
- "Enabling Industries" – markets within the Region providing key support services to Engines of Growth businesses. These include heavy engineering construction, finance, utilities or IT inputs
- "Population-serving Industries" - markets serving the people and communities of the Region, including health, education and retail

Relative to the structure of NSW's regional economy, the Clarence Valley is more specialised in health care, retail, other tourism activities (including arts & recreation and accommodation & food services), public administration and safety, and heavy and civil engineering construction.*

These strengths reflect a diversified economy, emphasising population and visitor-facing advantages. Further growth in its population over time can be expected to support expansion in Clarence Valley's internal, community-focused markets and increase labour supply and the scope for greater specialisation across a range of activities.

The Centre for Economic and Regional Development (CERD) has also produced an Input Output table for the Clarence Valley regional economy based on the ABS Input Output (IO) Tables for New South Wales.

The CERD analysis shows Clarence Valley is a net importer, with exports out of the Region estimated at \$620 million and imports into the Region estimated at \$815 million.

Clarence Valley's leading export industries are Manufacturing, Agriculture, Forestry & Fishing, Tourism and Logistics. Manufacturing, Construction and Agriculture are the leading industry sources of demand for imports for production processes.

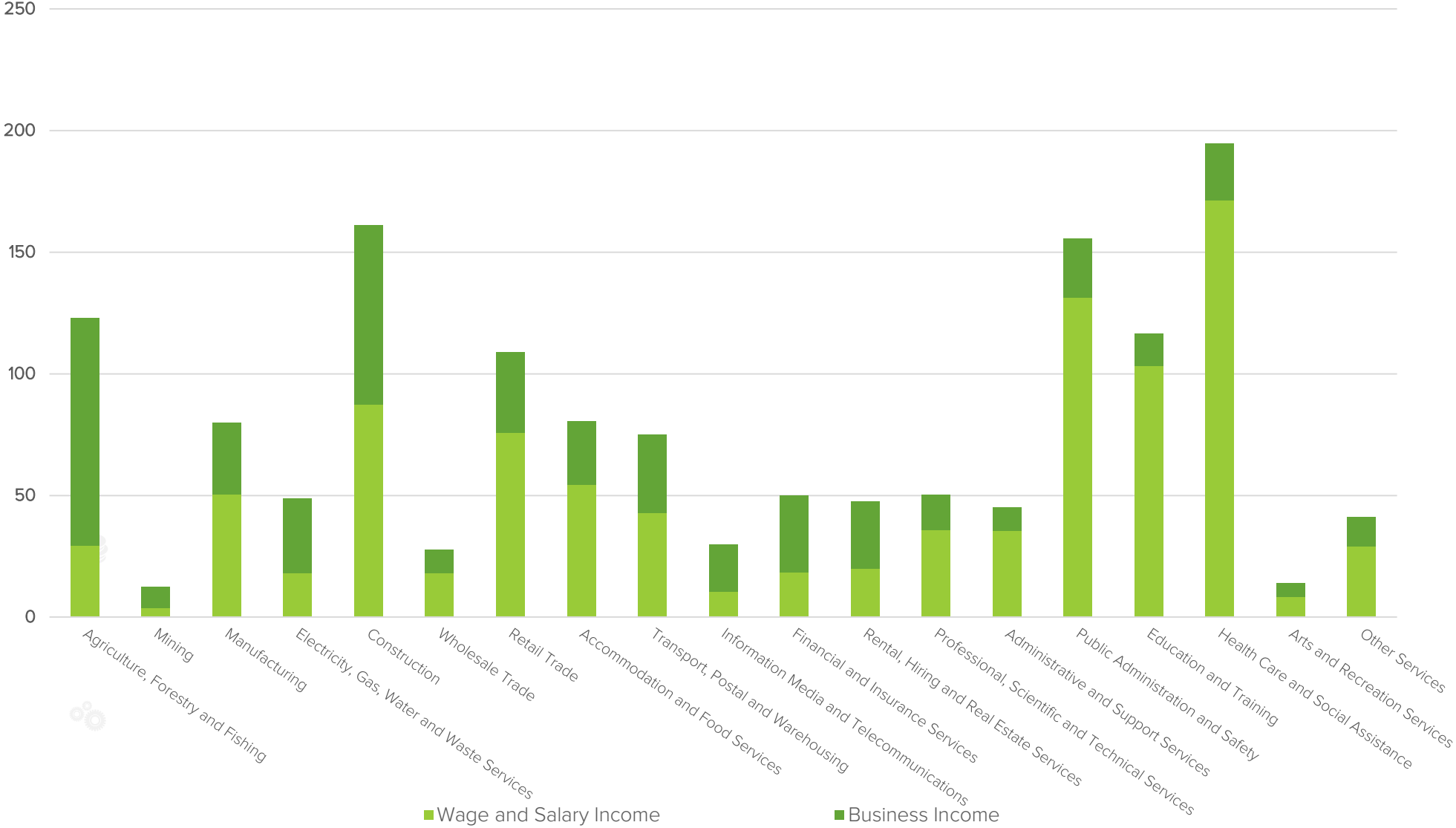
CERD has also undertaken an analysis of tourism linkages across the Region. The analysis supports a conclusion that both direct and flow-on contributions are considerable, with about 13 to 16 per cent of wages, jobs and output supported by tourism.

These figures do not alter the fact that Clarence Valley's economy is mostly underpinned by its internal population-serving markets. However, they indicate the Region is also home to a range of niche "Engines of Growth" specialisations, including tourism, agriculture (sugar cane and blueberries), forestry, logging, aquaculture, logistics, food, wood product and marine manufacturing activities.

**A large amount of construction activity in the Clarence Valley is associated with work on the Pacific Highway, new Grafton Bridge and the new Clarence Correctional Centre. This work will end around 2020, and this will affect the size and contribution of the Region's construction industry.*

Snapshot of the Economy, Industry and Opportunity

Output by Industry and Income 2016 – (\$M)



Population Profile

Clarence Valley has a significant population base, which means that the internal markets of the Region tend to be larger, deeper and more diversified than is typical for many other parts of regional NSW.

The composition of the Region's demographic profile from the 2016 Census reflects a relatively high number of dependents in Clarence Valley compared with the NSW average. The profile largely reflects aged dependents, with the proportion of the population 65 or older approaching 20 percentage points higher than the State average.

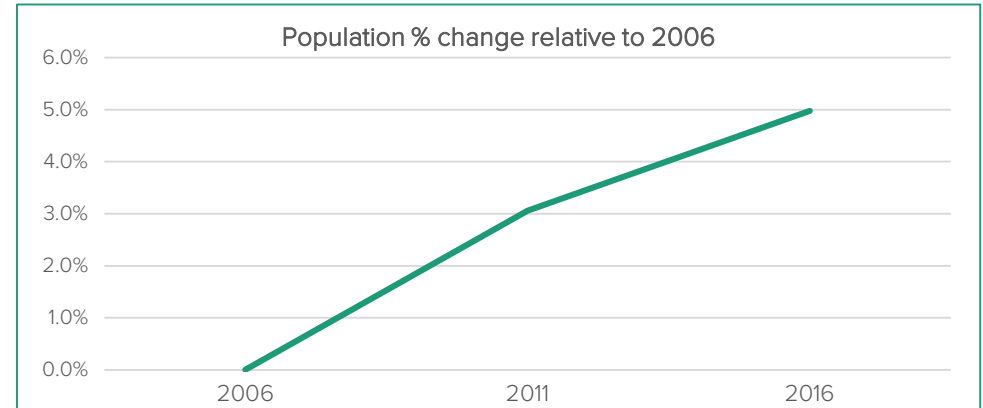
The average resident of Clarence Valley is 11 years older than the average NSW resident. An older, more dependent profile implies greater demands on the local working age population relative to NSW as a whole, especially for late-in-life services like health and aged care.

Clarence Valley's prospects for growth are underpinned by its ongoing success in attracting new residents. The Region's population increased by 5 per cent between 2006 and 2016, below the rates of growth for NSW and regional NSW. More than 7,000 of Clarence Valley's 2016 residents lived elsewhere five years ago. Clarence Valley is particularly successful in attracting residents from other parts of NSW, especially from Sydney.

Consistent with its overall demographics, the profile of migrants into Clarence Valley is older than other regions within NSW. As a proportion of total migration, the Region's share of migrants who are of late working age or older is the highest among North Coast regions. The older profile of worker suggests the dependency ratio will increase over time and the relative scarcity of workers to service dependents to similarly increase.

The Region's trend of steady growth is projected to continue over time. The NSW Department of Planning and Environment estimates that by 2036, Clarence Valley's population will be around 57,500, or almost 13 per cent above 2016 levels.

	Clarence Valley	NSW	Regional NSW
Age Dependency Ratio (>65 / 15-64)	44.3%	25%	34.8%
Youth Dependency Ratio (<15 / 15-64)	28.3%	28.4%	28.4%
Dependency Ratio (Sum of the two)	72.6%	53.4%	63.2%
Proportion of Young Persons (<15/all)	16.4%	18.5%	18.5%
Proportion of Old Persons (>65/all)	25.7%	16.3%	21.1%
Median Age 2016	49	38	42.5



5 Year Migration by Age Group for North Coast Regions (% of total)

Location	Youth	Young & Prime Working Age	Late Working Age & Older
Clarence Valley	1,009 (13.8%)	3,198 (43.8%)	3,085 (42.3%)
Hastings Macleay	2,444 (14.0%)	7,966 (45.6%)	7,045 (40.4%)
Northern Rivers	2,836 (13.6%)	11,573 (55.7%)	6,340 (30.5%)
Coffs Coast	2,333 (16.1%)	8,005 (55.1%)	4,193 (28.8%)
Tweed Shire	2,389 (13.1%)	8,634 (47.2%)	7,217 (39.5%)
Nambucca Shire	456 (13.5%)	1,522 (45.0%)	1,409 (41.7%)

Endowments

Endowments are strengths that a regional economy possesses and can capitalise on. Economic principles suggest that endowments play a key role in the economic development of regions. The CERD in its Regional Economic Growth Enablers Report (2017) found that:

the future of individual regional economies is inexorably linked to their natural endowments and attempts to retain or establish industries without an underpinning endowment are unlikely to succeed.

A region seeking to encourage economic development should therefore concentrate on factors that enable the growth of endowment-based industries, as well as building local leadership and institutional capacity and capabilities, to facilitate businesses and public agencies and services to capitalise on the opportunities that a region's endowments present. Endowments can lead to opportunities from which commercial and industrial interests may leverage and develop specialisations.

Physical or Geographic endowments

Riverine and hinterland amenity – the natural beauty of the broad expanses and hinterland provide a prime source of appeal for visitors and potential residents.

Coastal amenity – Yamba, Iluka, Wooli and surrounds show even casual observers the natural features of the Region offer much more than a stunning river alone.

Access to South East Queensland markets –broadly speaking, access to South East Queensland is between two and a half hours (Macleay to Gold Coast) and three and half hours (Grafton to Brisbane) by road.

Arable Land – whether for traditional cane growing, forestry or emerging agricultural activities, the extensive tracts of arable land in the Clarence Valley realise substantial yields for its communities.

Industrial Land - The Clarence Valley has seven industrial estates open for business and far more potential development sites compared with neighbouring councils.

Built endowments

New Grafton Bridge – together with upgrades to the road network in Grafton and South Grafton, the new bridge increases capacity for crossings and better integrates the city, allowing for changes in land use to adapt over time.

Summerland Way – Summerland Way extends from South Grafton to the Queensland border. In addition to the opportunities for alternative connections to South East Queensland markets and gateways, this corridor might allow for effective connections to Wellcamp Airport and Inland Rail over time.

Private capital equipment – many operators in the Region have made substantial investments in highly productive capital equipment.

Pacific Highway – serves as the principal source of connectivity to major metropolitan markets and their international gateways. The ongoing program of work for the Woolgoolga to Ballina section of the Pacific Highway will further improve the quality and productivity of this link over time.

Gwydir Highway - provides East-West connection to the New England tablelands and western plains.

Endowments

For a Region with a moderate population, the Clarence Valley is fortunate to have not only a remarkable environmental setting, but also considerable strength and diversity in its economic base. However, the Region nonetheless faces clear risks and challenges requiring the attention of policy-makers.

An immediate focus should be the pending contraction in engineering construction. Current day activity in the Region includes significant links to the stimulus provided by the engineering construction programs underway for the Pacific Highway duplication, the new Grafton bridge and the New Clarence Correctional Centre. Both programs are set to conclude in 2020, which will mark the beginning of a period of economic transition for the Region. Proactive, effective policy responses can make the transition path easier for individuals and at a lower social cost to the Region as a whole.

A second key risk is that the Clarence Valley demonstrates a clear capacity to attract people to it, but the composition of inward migration favours older people, implying considerable growth in demand over time for health and aged care services. Depending on the service models employed in the Clarence Valley and adjoining larger Regions north and south (the Northern Rivers and Coffs Coast), this may imply the Region is deficient in the skills necessary to support an ageing population. To be addressed satisfactorily, this risk requires further analysis in collaboration with key institutions and adjoining regions.

Lastly, consultation feedback cited specific instances where some existing businesses are already unable to grow or expand their operations because of their historic siting within an urban environment. The ongoing success of the Region in attracting people to it suggests the risks of land use conflict could continue to rise as a constraining feature on growth prospects over time. While the presence of a number of industrial estates mitigates this risk to a considerable degree, ongoing proactive business relocation strategies and land use planning is critical to making the most of the Region's potential as a place to live and work.

Human endowments

Indigenous culture and history –

Clarence Valley's natural settings are intrinsically linked to the heritage of the Bundjalung, Gumbaynggir and Yaegl nations, providing a platform for visitors to explore the rich mythology and culture of its first peoples. This heritage supports initiatives like the Lower Clarence Aboriginal Tourist Site Drive, allowing visitors a self-guided opportunity to access the stories of the Big River and the Giant Serpent, Giant Eel and *Durrangan*, a powerful spirit.

Diverse specialised skill sets – Clarence Valley has a diverse range of capabilities, spanning:

- Engines of Growth like:
 - Accommodation, Cafes and Restaurants,
 - Cane Growing and Sugar Manufacturing
 - Forestry, Logging, Sawmilling and Wood Product Manufacturing
- Enabling Industries like:
 - Real Estate and Property Services
 - Electricity Distribution
- Population-serving Industries like:
 - Specialised Retailing
 - Public Administration and Safety

Institutional endowments

Collaboration among private investors and operators – there are a number of examples in the Clarence of effective collaboration among industry players, including Industry Cluster development and the use of co-operatives generally and the Cane Growers Association specifically.

Clarence Valley Council – the Council serves a number of key functions. These include local service provider, land use planner and decision maker, and advocate and represent on behalf of the Region in working with neighbouring councils and other levels of government.

Specialisations: Strengths and Changes Analysis

A simple form of analysis that can be used to gain an understanding of a region's competitive advantages is the Location Quotient (LQ), which measures the employment concentration in industry sectors within a regional economy, compared with the same sectors across NSW[#]. The higher the LQ, the more specialised a region is in that industry relative to the rest of NSW. For the purpose of this analysis, specialisations as defined by LQs, are in turn used as a proxy measure for those sectors and industries that represent a region's true competitive advantages.*

Importantly, while LQs are used in this document for that purpose, they are only a partial measure of those competitive advantages. Hence, they have been considered alongside additional qualitative evaluations and data analysis, such as Input-Output analysis, to arrive at the findings for the Region's strategies.

The bubble chart selected industries in the regional economy in 2016, where:

- Industries with a larger 'bubble' employed more people
- Industries further above the horizontal line are more specialised when compared to NSW (LQ greater than 1.25), industries below the line are less specialised when compared to NSW
- Industries to the right of the vertical line grew faster between 2011 and 2016 than comparable industries across NSW; industries on the left grew more slowly. This value is calculated as the Region's industry growth rate less than the NSW growth rate for that industry, expressed in percentage points (ppts).

Compared to general trends for NSW, the largest localised employment changes were in activities like Construction, Agriculture, Transport, Administrative Services, IT and Arts & Recreational Services.

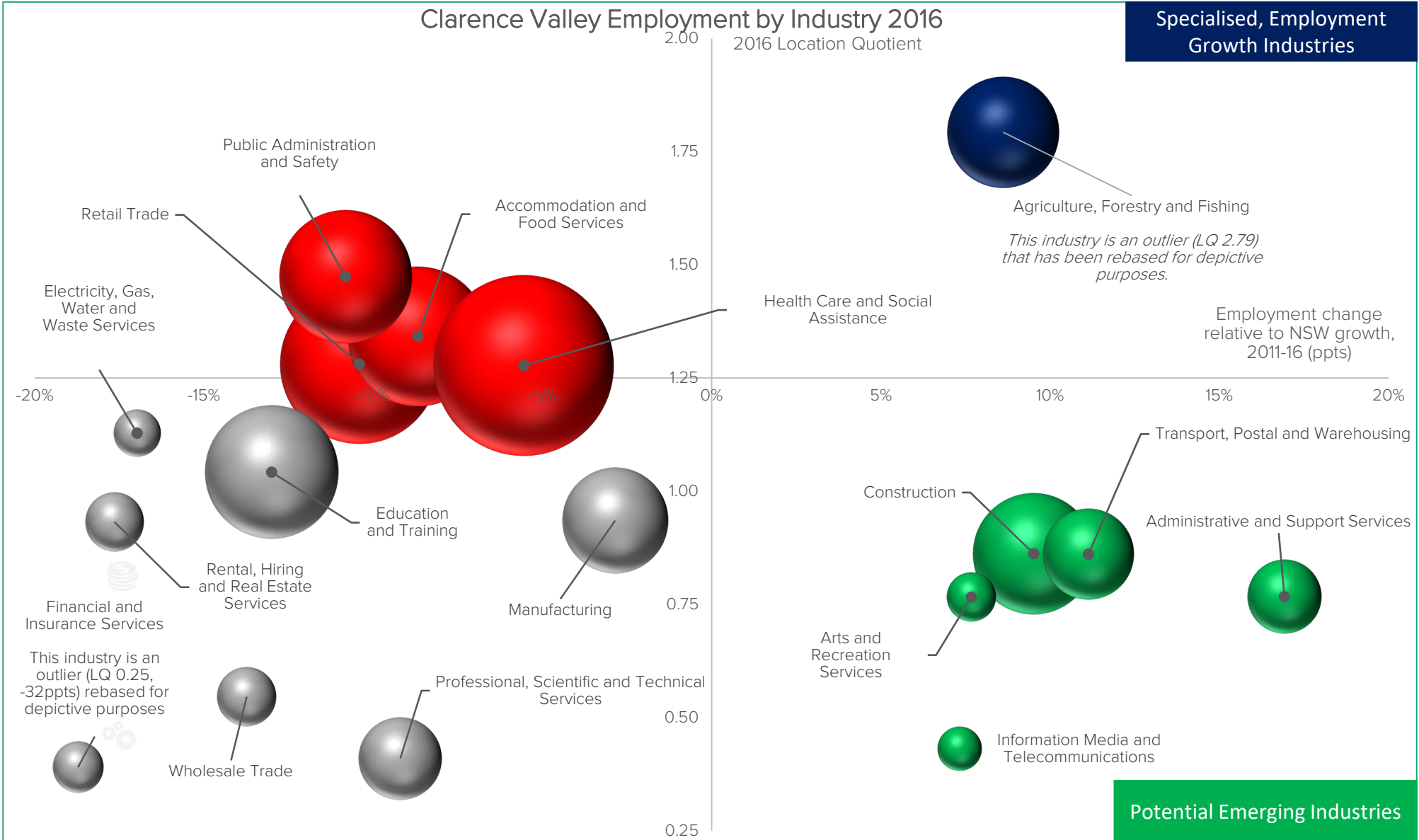
While changes in these activities reflect various factors, the predominant effects appear to be attributable to the Pacific Highway duplication program and expansion in agriculture and logistics.

[#]In this case the whole of NSW is the comparison or 'reference' region. The reference region can be any comparable region that has the same industry and economic structures. In the 'Supporting Analysis' report, similar LQ analyses are made with 'Regional NSW', where the comparison is narrowed from the broader NSW economy to only the Regional NSW areas (i.e. excludes Greater Sydney, Newcastle and Wollongong). This provides comparison with Regional NSW rather than the whole NSW economy.



**A region's competitive advantage for an industry includes its ability to produce goods and services at a lower cost or differentiate its products from other regions, along with access to external factors which enhance business and operations/minimize risk (Stimson, Stough and Roberts, 2006).*

Employment by Industry: Clarence Valley Compared to NSW 2011-2016



Specialisations

The primary industry specialisations of the Clarence Valley across the 'Engines of Growth', Enabling Industry and Population Serving Groupings are summarised below.

Clarence Valley's 'Engines of Growth' account for more than \$400 million of regional output. Notwithstanding this significant production, the share of the Region's economy is only about 70 per cent of typical levels for regional NSW.

Clarence Valley's key "Engines of Growth" specialisations include tourism, agriculture and manufacturing.

Upriver, the Grafton district is specialised in fruit, tree nuts, beef, forestry, logging, wood and metal products and logistics. Downriver, Maclean, Yamba and Iluka are specialised in fishing, aquaculture, seafood, sugar and passenger and port transport.

Significant sub-industry specialisations include:

1. Accommodation, Cafes and Restaurants, Hospitality and Passenger Transport (Tourism industries)
2. Forestry, Logging, Sawmilling and Wood Product Manufacturing
3. Cane Growing and Sugar and Confectionery Manufacturing
4. Ship and Boat Building and Repair Services
5. Fishing and Aquaculture.

Clarence Valley's 'Enabling Industries' account for almost \$300 million of regional output. Expressed as a share of the Region's economy, this is in line with what is typical for regional NSW.

The Region's key "Enabling Industries" specialisations are in construction, tourism-connected property services, road transport, electricity distribution and financial and professional services.

Currently, the construction being carried out on the Pacific Highway and the Clarence Correctional Centre is providing growth, but this is only until 2020.

Significant sub-industry specialisations include:

1. Heavy and Civil Engineering Construction
2. Real Estate and Building Cleaning, Pest Control and Gardening Services
3. Road Freight Transport and other logistics services
4. Legal and Accounting Services
5. Employment Services
6. Banking / Depository Financial Intermediation
7. Electricity Distribution.

Clarence Valley's 'Population-serving Industries' account for approximately \$800 million, or about half, of the Region's output. Output from these activities is more specialised in the Clarence Valley economy by about 30 per cent compared to what is typical for regional NSW.

The Region's key "Population-serving Industry" specialisations are in health, retail, and public administration and safety.

Significant sub-industry specialisations include:

1. Hospitals, Residential Care, Allied Health and Other Social Assistance Services
2. Specialised and Large Scale Retailing, like Fuel Retailing, Specialised Food Retailing, Pharmaceutical and Other Store Based Retailing, Recreational Goods, and Department Stores.
3. State and Local Public Administration (Regulatory Services, Local Administration and Justice, Public Order and Safety, and State Administration).

Risks

Through consultation, the community contributed to the Strategy development process, including identifying the issues that may be central to the Region's economic future. This included a range of risks that may impede the Clarence Valley from achieving to its economic potential.

Addressing these risks is essential to realising this Strategy's economic vision for the Region.

Connectivity risks

- Heavy vehicle movements through population and tourism areas reduces the attractiveness of Clarence Valley's places for people.
- Mobile blackspots and lack of reliable internet coverage in Clarence Valley impedes the adoption of technology and start-up of innovative businesses.
- Currently there is 'one road in' and 'one road out' of Yamba and Maclean. These areas need alternative routes or enhanced traffic infrastructure in and out of the town centres to meet increasing demand.
- Allowing for more frequent public transport systems. Connecting regional towns internally is a key issues for regional areas in NSW. Due to lack of suitable transport, transport costs are high. This can discourage job seekers from pursuing employment or training opportunities.
- Grafton, Maclean and Yamba undergo significant shortages of parking spaces during peak tourism seasons, impacting on the local economy.

Resources risks:

- Skill labour shortages are impeding output and development.
- Completion of major Infrastructure construction at the new Clarence Correctional Centre and the Pacific Highway could reduce the population, expenditure, incomes, jobs and profits if workers move away.
- Key trades training courses are not available close to the home or workplace, requiring staff or potential job seekers to travel outside the Region.
- Some existing businesses are unable to grow or expand their operations because of land use conflicts with existing urban development.
- Further flooding may impose further financial burdens on residents and businesses.

Liveability risks:

- Clarence Valley's higher concentration of ageing population proves difficult to service under current delivery models.
- Shortages of doctors and nurses impact on health care service delivery and reduce the attractiveness of the Clarence Valley as a place to live.

New Ideas Risks:

- A lack of coordination and integrated services across different levels of government increases uncertainty.
- Business owners view the rezoning of their land into residential development as a financially better option than business succession.
- Lost opportunities from delays.

Other Risks:

- Economic and governance – Trade policy issues may inhibit the ability of marine manufacturing to market its products internationally.
- Environmental and societal – Finding a balance between environmental sustainability and development for economic growth.

Strategy

The four Strategy elements for the Region link directly to the opportunities presented by the Region's endowments and specialisations and also aim to address some key regional risks.

The Strategy elements were derived from an analysis of the endowments that underpin the Region's strengths, followed by examination of current industry specialisations and emerging specialisations, identified in consultation with the community and councils.

Each element is accompanied by a set of early actions, which should be interpreted simply as example actions derived from the preliminary application of the strategy framework. It is therefore expected that there will be other actions capable of contributing to the attainment of the Region's vision that are yet to be identified. Consequently, an action's alignment with the Strategy is the primary strategic consideration, rather than it being listed in this document, and all proposed actions will be subject to further qualitative and quantitative evaluative processes.

We have previously established Clarence Valley's key specialisations lie in:

- Engines of Growth like tourism, sugar production, forestry, aquaculture, marine manufacturing & services and logistics
- Enabling Industries like in tourism-connected property services, engineering, construction, electricity distribution and financial and professional services
- Population Serving activities like health, retail, public administration and residential construction

These strengths suggest some key strategic imperatives:

1. Further expand the 'Engines of Growth'. Upriver specialisations will see the Grafton district presented with opportunities in berry fruits (like blueberries), fruit and tree nuts, beef, forestry, logging, wood products, metal products and freight and logistics. Downriver, Maclean, Yamba and Iluka will see opportunities in marine manufacturing, fishing and aquaculture, seafood, sugar cane, sugar manufacturing, and passenger and port transport services.
2. Develop the Region's key tourism attractions and precincts. This should include addressing the risk of a downturn in smaller centres from the Pacific Highway realignment
3. Grow the population and internal markets of the Region.



1. Further expand the 'Engines of Growth'

Strategic Context

The Clarence Valley's endowments in transport links, proximity to major markets, productive agricultural lands, rich fishing grounds, manufacturing expertise and infrastructure support a wide range of 'Engines of Growth' specialisations. Upriver, Grafton and surrounds are specialised in berry fruits, fruit and tree nuts, beef, forestry, logging, wood products, metal products and freight and logistics. Downriver, Maclean, Yamba and Iluka feature marine manufacturing, fishing & aquaculture, sugar cane, fish & seafood, sugar and passenger & port transport services.

Sustaining a ready supply of zoned and serviced industrial land is a strategic priority for supporting growth in these specialisations, with marine precinct proposals. Supply in neighbouring markets like Coffs Harbour is heavily constrained and expensive, making it a comparative advantage and differentiation opportunity for the Clarence. This suggests developing a portfolio of enabling infrastructure projects for industrial precincts and adjoining roads should be a priority action. A secondary priority is collaboration between council, industries and State Government agencies to identify gaps in the supply of utilities, production inputs, training, industry capabilities or disproportionate impacts from regulation that constrain growth.

Infrastructure Priorities

Portfolio of enabling infrastructure projects for industrial land

Opportunities

- Meet emerging industrial land use opportunities in a timely way
- Pursue economic benefits from Clarence Valley's proximity to neighbouring regions and South East Queensland
- Match training courses to meet local industry needs
- Reduce transport costs through an integrated road and waterway network
- Improve Clarence Valley's attractiveness to investors through reliable, high capacity digital and mobile connections
- Increase water supply for horticulture
- Attract more marine industries to Clarence Valley through marine precinct development

Early Stage Actions

- Develop a marine precinct proposal
- Develop a project portfolio of enabling infrastructure for industrial sites, including the marine precinct proposal
- Build on the Transport Precinct Feasibility Final Report to develop road investment priorities
- Review and complete land use planning through collaboration with neighbouring councils
- Partner with local industries and training providers to align training courses to industry's needs
- Advocate for a marine manufacturing SkillsPoint
- Identify and cost options for better Pacific Highway connections
- Advocate for progress on strategic priorities for the Port of Yamba and Summerland Way
- Develop a Port of Yamba Strategy
- Develop Yamba Road & Harwood Road business cases
- In collaboration with the private sector, audit digital connectivity blackspots and cost options
- Investigate innovations that can increase water supply for horticulture (including blueberries).

Candidate Projects

- Marine precinct development
- Joint TAFE and Industry Training Centre (potentially a SkillsPoint)
- Portfolio of enabling projects for industrial land
- Clarence Valley Industrial Land Use Plan (as part of broader land use master planning)
- Harwood Road upgrade
- Local Road Network Integration:
 - Yamba access road
 - Goodwood Street access to Pacific Highway.

2. Develop the Region's Key Tourism Attractions and Precincts

Strategic Context

Clarence Valley is a natural tourism hotspot by virtue of its very good transport connections, the highly attractive Clarence River, beaches and excellent climate. These elements support substantial tourism activity today, with visitation supporting almost two million visitor nights a year. The Region's best prospects for further growth are the North Coast Destination Management Plan's points of focus, like indigenous and nature-based tourism, and opportunities for placemaking, like riverside precincts.

Realignment of the Pacific Highway represents a key risk to tourist activity, especially in smaller centres like Ulmarra. However, realignment will also present an opportunity to enrich tourists' experiences. The 'Movement and Place' framework from *Future Transport 2056* adopts the key principle that movement corridors (like the Pacific Highway) generally create land use conflict with 'places for people'. So while realignment removes travellers from immediate proximity to centres, it also creates opportunities to make the centres even more attractive places to visit. Strong brand identity can maximise reasons for travellers to divert from the Highway and stop in the Region. Established events like the Grafton Cup, Jacaranda Festival and Maclean Highland Gathering provide platforms for further developing the Region's tourism identity and offerings.

Infrastructure Priorities

Clarence River Way Master Plan projects and Visitor Economy Precinct improvements

Opportunities

- Leverage Clarence River, hinterland and the gateway, Yamba to grow the visitor economy
- Realign freight movements to create better "Places for People"
- Extend the Region's current strengths and brand identity to smaller centres like Ulmarra
- Look for opportunities to make more of the Clarence Valley's indigenous and environmental heritage.

Early Stage Actions

- Build on initiatives identified in the local and North Coast Destination Network tourism strategies
- Implement the Clarence River Way Master Plan
- Implement Grafton and Maclean Riverside Precincts to enhance the Region's attractiveness.
- Review Ulmarra's investment needs and opportunities, including a Town Entrance Beautification Plan post Pacific Highway upgrade
- Work with Destination NSW and the North Coast Destination Network to strengthen the My Clarence Valley brand by showcasing towns and villages, including bypassed towns
- Leveraging the Clarence Valley's nature based tourism experiences on the river and hinterland.

Candidate Projects

- Implementation of projects identified in Clarence River Way Master Plan
- Clarence Valley Visitor Economy Program:
 - Grafton Riverside Precinct
 - Maclean Riverside Precinct
 - Ulmarra Riverside Precinct.

3. Grow the Population and Internal Markets of the Region

Strategic Context

Since 2001, the Clarence Valley has enjoyed substantial growth in its population, expanding its internal markets for population serving and business enabling services. This is reflected in jobs growth across that period of around 60 per cent in activities like health care & social assistance, construction and administrative & support services, and in a band of around 20 per cent for activities like education & training, professional services, utilities and public administration.

Job increases in construction over that period largely reflect the impact from the Pacific Highway duplication program. However, the final Woolgoolga to Ballina section is set for completion in 2020, the same year the new Clarence Correctional Centre is also set to be completed. The end of two engineering construction programs that are presently substantial sources of economic activity will mark a key period of economic transition for the Clarence Valley, with the decline in construction jobs likely to be only partially offset by jobs created in the operational phase of the new prison. To offset the risks of a contracting engineering construction sector, the Region should look to alternatives for further growth.

Economic transition will be easiest if engineering participants have greater residential construction prospects to complement Engines of Growth opportunities, as many subcontractors may already operate in residential markets. These opportunities can be enabled through enhancing key population services and accelerating housing supply by providing critical infrastructure. These steps will in turn make the Region an even more attractive place to live, expand its markets and ease its transition.

Infrastructure Priorities

Enabling infrastructure investments to accelerate housing supply

Opportunities

- Resolve “first mover” disadvantage of incurring enabling infrastructure costs
- Attract and retain families and workers by:
 - offering a diverse and accessible supply of housing
 - matching school infrastructure assets to student needs
 - increasing cultural, sporting and recreational activities
- Accommodate an ageing population through a Grafton Private Hospital
- Partner with the private sector in delivering infrastructure and services
- Pursue new forms of partnership with other levels of government.

Early Stage Actions

- Develop a portfolio of enabling infrastructure investments for housing supply
- Investigate school investment opportunities
- Provide greater access to indigenous art, cultural and business opportunities
- Develop Clarence Valley’s Sport Precincts
- Collaborate with NSW Health to identify service delivery gaps and prepare a Road Map for investment
- Establish frameworks for private and not-for-profit sector delivery of social infrastructure and services
- Help progress Future Transport priorities for new bus and coach service improvements

Candidate Projects

- Portfolio of housing supply enabling infrastructure projects
- Grafton, Maclean and Yamba Land Use Masterplan
- Regional Gallery Upgrade
- Yamba Community Precinct
- Maclean Community Precinct
- Establishment of a Country University Centre
- Grafton Base Hospital upgrade

Implementation Plan

Strategy implementation will be overseen by the Clarence Valley Council, drawing on staff and broader stakeholders as appropriate.

The effective implementation of the Strategy will involve the key stakeholders and regional community that contributed to its development, including state government agencies and local entities.

The completion of this document is intended to be the first stage of an ongoing process where new specific actions to further progress towards the Vision are identified through application of the framework.

The General Manager will meet regularly to track progress and liaise with the Regional Director, North Coast, NSW Department of Premier and Cabinet. These meetings could also be used to check the Strategy's progress and review against current grant opportunities.

After two years, a formal review of the Action Plan and associated governance processes will be initiated, producing a brief report card to be published as an addendum to the Regional Economic Development Strategy.

This will also provide an opportunity to update the Action Plan for new or modified actions in view of key economic, social, environmental and policy changes.

After four years, an engagement plan will also begin the process of updating or refreshing the Strategy.



Clarence Valley Enablers

Strategies and Early Stage Actions			
Enablers	Expand the Engines of Growth, Upriver and Downriver	Develop Key Tourism Attractions & Precincts	Grow the Population and Internal Markets
People and Skills	<ul style="list-style-type: none"> Partner with local industries and training providers to align training courses to industry's needs Advocate for a marine manufacturing SkillsPoint 	<ul style="list-style-type: none"> Leveraging the Clarence Valley's nature based tourism experiences on the river and hinterland. 	<ul style="list-style-type: none"> Provide greater access to indigenous art, cultural and business opportunities
Government, regulation, services and information	<ul style="list-style-type: none"> Develop a marine precinct proposal Review and complete land use planning through collaboration with neighbouring councils 	<ul style="list-style-type: none"> Build on initiatives identified in the local and North Coast Destination Network tourism strategies Review Ulmarra's investment needs and opportunities, including a Town Entrance Beautification Plan post Pacific Highway upgrade Work with Destination NSW and the North Coast Destination Network to strengthen the My Clarence Valley brand by showcasing towns and villages, including bypassed towns 	<ul style="list-style-type: none"> Develop Clarence Valley's Sport Precincts Collaborate with NSW Health to identify service delivery gaps and prepare a Road Map for investment Establish frameworks for private and not-for-profit sector delivery of social infrastructure and services Help progress Future Transport priorities for new bus and coach service improvements

Clarence Valley Enablers

Strategies and Early Stage Actions			
Enablers	Expand the Engines of Growth, Upriver and Downriver	Develop Key Tourism Attractions & Precincts	Grow the Population and Internal Markets
Infrastructure	<ul style="list-style-type: none"> • Develop a project portfolio of enabling infrastructure for industrial sites, including the marine precinct proposal • Build on the Transport Precinct Feasibility Final Report to identify road investment priorities • Identify and cost options for better Pacific Highway connections • Advocate for progress on strategic priorities for the Port of Yamba and Summerland Way • Develop a Port of Yamba Strategy • Develop Yamba Road & Harwood Road business cases 	<ul style="list-style-type: none"> • Implement the Clarence River Way Master Plan • Implement Grafton and Maclean Riverside Precincts to enhance the Region's attractiveness. 	<ul style="list-style-type: none"> • Develop a portfolio of enabling infrastructure investments for housing supply • Investigate school investment opportunities
Utilities	<ul style="list-style-type: none"> • In collaboration with the private sector, audit digital connectivity blackspots and cost options • Investigate innovations that can increase water supply for horticulture (including blueberries). 		

Disclaimer

The Crown in right of the State of New South Wales acting through the Department of Premier and Cabinet (Department) does not guarantee or warrant, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material contained in this publication.

Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional. The Department recommends that users exercise care and use their own skill and judgment in using information from this publication and that users carefully evaluate the accuracy, currency, completeness and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

Nothing in this publication should be taken to indicate the Department's or the NSW Government's commitment to a particular course of action.

Copyright

This publication is protected by copyright. With the exception of (a) any coat of arms, logo, trade mark or other branding; (b) any third party intellectual property; and (c) personal information such as photographs of people, this publication is licensed under the Creative Commons Attribution 4.0 International Licence (<https://creativecommons.org/licenses/by/4.0/legalcode>)

The Department of Premier and Cabinet requires attribution as: © State of New South Wales (Department of Premier and Cabinet), (2018).

Photos courtesy of Clarence Valley Council.





