

# Hastings Macleay Regional Economic Development Strategy 2018-2022

## *Vision*

*A region affording diverse opportunities and experiences to its residents and visitors, leveraging the strengths of the Hastings and Macleay valleys in production, services and natural and cultural resources.*



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# 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 as helping to capitalise upon other economic opportunities.

This Strategy, prepared by Corview on behalf of the Region, was formed in collaboration with Kempsey Shire Council and Port Macquarie-Hastings Council, key stakeholders and the broader regional community, which benefited from economic-analytical assistance from the NSW Government's Centre for Economic and Regional Development (CERD).

The Strategy is presented in two documents:

- **Hastings Macleay Regional Economic Development Strategy 2018-2022 (this document)** - which allows the reader to quickly and easily determine key content.
- **Hastings Macleay Regional Economic Development Strategy – Supporting Analysis 2018 - 2022** - 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](mailto:CERD@dpc.nsw.gov.au)



# Introduction

The **Hastings Macleay Regional Economic Development Strategy 2018-2022** (the Strategy) has been developed to facilitate economic growth opportunities across Hastings Macleay.

Past strategies have been based on simple administrative areas – like council boundaries or regional groupings of councils. 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 and distinctive approach to strategic economic planning using the concept of a Functional Economic Region (FER).

In this Strategy, the Port Macquarie-Hastings and Kempsey Shire councils form the Hastings Macleay Functional Economic Region (the Region) because of the economic linkages they share across their administrative boundaries. People who work in the Region typically live in the Region, with only 10 per cent of the resident workforce traveling to another region for work.

The Region features the regional city of Port Macquarie and the major centre of Kempsey. It is highly diversified in its economic activity to a greater extent than most other areas of regional NSW.

This Strategy emphasises the distinctive and unique strengths of the Region. Economic principles suggest these strengths provide sustainable advantages, and so should be points of focus for regional development policy.

Hastings Macleay’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 and opportunities
- endowments - key features of the natural environment, built environment, geography and society specific to the Region or location
- specialisations - the relative composition of the Region’s labour pool that lend it an advantage for certain economic activities
- stakeholder consultation – ‘on the ground’ feedback on local economic conditions and forward-looking assessments of opportunities, issues, gaps and risks and initiatives to help shape the future.

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

Generally, the Region’s greatest specialisations lie in providing services to the people and businesses of the Region, which helps draw people to it. Nonetheless, the Region also features extensive specialisations serving clients and markets beyond its boundaries.

The extensive specialisations of the Region include health, education, retail, residential care, tourism, agriculture, aquaculture, forestry, food and clothing manufacturing, utilities and logistics. These strengths provide strategic imperatives to:

1. address barriers to growing the population and the labour pool to support greater levels of economic activity and specialisation,
2. foster industry development by leveraging the Region’s resources,
3. grow the Hastings Macleay’s key ‘Engines of Growth’ through better connections to growing external markets.

This Strategy begins with its guiding vision for the Region’s future. Next the current composition and defining economic characteristics and strengths of the Region are established. Finally, the strategic themes suggested by the analysis and stakeholder feedback are cast as detailed strategies and actions.

This Strategy is the culmination of collaboration between the Kempsey Shire and Port Macquarie-Hastings Councils, their respective communities and the NSW Government’s Centre for Economic and Regional Development (CERD). Strategy implementation will be overseen by the General Managers of the councils, drawing on their staff and broader stakeholders as appropriate.

# Background

Home to over 107,000 people, Hastings Macleay comprises the Kempsey Shire and Port Macquarie-Hastings local government areas.

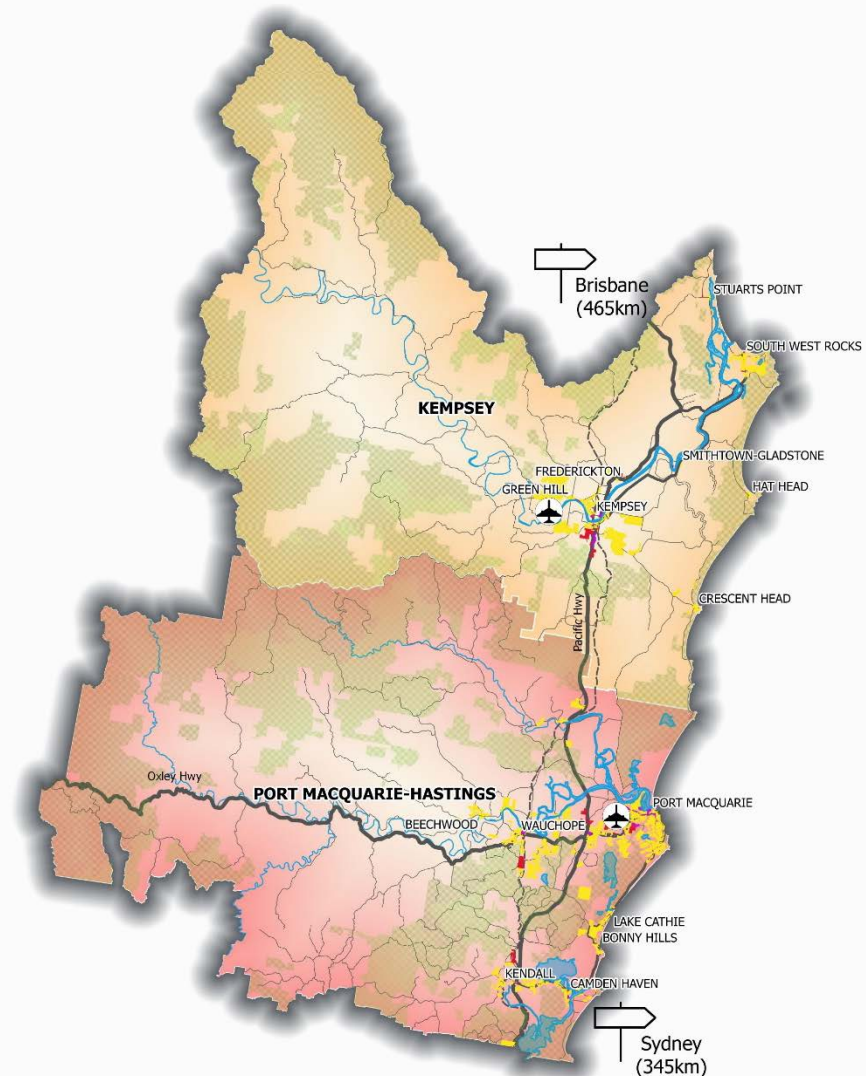
The total area is 7,239 square kilometres. The Region is 465 kilometres south of Brisbane and 345 kilometres north of Sydney.

Hastings Macleay represents a southerly grouping within the broader Mid North Coast and North Coast regions of NSW.

The councils are also the most southerly members of the Joint Organisation of Mid North Coast Councils.

The Region has enjoyed considerable growth and development over successive decades, reflecting its considerable appeals as a place to live and an ongoing trend of sustained population growth.

Migration patterns in the broader North Coast region suggest that Hastings Macleay is particularly attractive to people moving from elsewhere in NSW. In the five years to 2016, about 5,600 people moved to Hastings Macleay from metropolitan NSW, with a further 5,200 people arriving from regional NSW (beyond the North Coast).



Demographic analysis of migration into the region also suggests the people drawn to Hastings Macleay are more likely to be close to or at retirement ages compared to other North Coast regions.

The Region lies at the crossroads of key transport links. Major road links are:

- Pacific Highway, providing north-south connectivity within the Region and to major markets including Sydney and Brisbane
- Oxley Highway, providing east-west connectivity through the Region.

Port Macquarie Airport is the major airport in the Region, offering multiple services a day to Sydney and Queensland and seasonal flights to Lord Howe Island. Kempsey Airport supports charter flights, commercial operations and social services connections.



# Regional Dashboard – 2016 Census

		Port Macquarie-Hastings	Kempsey Shire
	Estimated 2016 residential population	78,539	28,885
	Population growth rate between 2001 and 2016 (%)	+22.1	+6.9
	Unemployment rate 2016 (%)	6.8	8.5
	Personal weekly median income 2016 (\$)	540	474
	Top three industries by employment 2016	<ol style="list-style-type: none"> <li>1. Health Care and Social Assistance</li> <li>2. Retail Trade</li> <li>3. Education and Training</li> </ol>	<ol style="list-style-type: none"> <li>1. Health Care and Social Assistance</li> <li>2. Retail Trade</li> <li>3. Construction</li> </ol>



# Population Profile

Hastings Macleay's ongoing success in attracting people to live in the Region is a key underpinning of the strength of its internal markets and services.

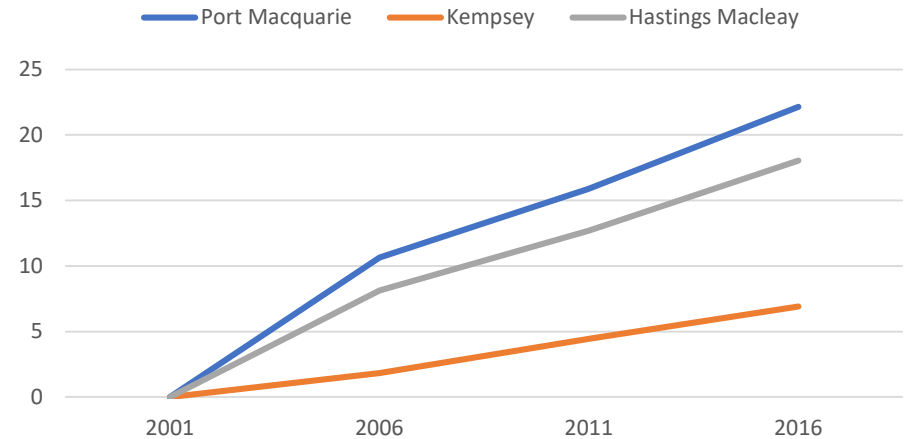
The population increased by 18 per cent between 2001 and 2016, in line with NSW's population growth and above that for regional NSW (12 per cent). This reflects significant inward migration over time, with more than 17,000 of Hastings Macleay's 2016 residents living elsewhere five years' previously. The NSW Department of Planning and Environment (DPE) estimates that by 2036, the Hastings Macleay's population will be around 125,500 people, or around 17 per cent above 2016 levels.

Age composition of inward migration suggests Hastings Macleay has particular appeal for those in later stages of life. It mainly draws people from NSW, some from the rest of Australia and a few from overseas. The Region's proximity to both Sydney and regional NSW make it an attractive retirement destination, as people can remain within a reasonable commute to family or friends in places they used to call home.

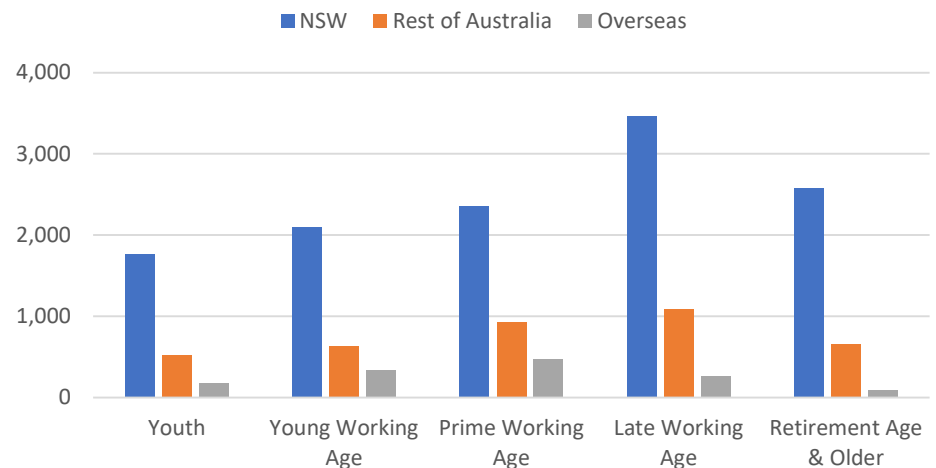
The Age Dependency Ratio is the proportion of those aged 65 years or older compared to the working age population (15-64yrs). In the 2016 Census, the Region's age dependency ratio is 46 people aged 65 and over for every 100 working age people. This is almost double the State average. The median age group is expected to remain steady at 45-49 through to 2026 and increase to 50-54 by 2036.

This suggests Hastings Macleay can expect to cater to older demographics in its population and labour force over time. The high growth projections for those aged 60 and over suggest a growing demand for community transport and a housing supply that meets the need of an ageing population.

## Population % Change Relative to 2001



## Migration into Hastings Macleay 2011-2016





# Economic Snapshot

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 the value of regional production (the height of the bars).

Hastings Macleay's economy is led by Health Care and Social Assistance. The next largest industries are Construction, Electricity, Gas, Water and Waste, Education and Training and Retail Trade. Together these leading industries make up more than half the economy. About two-thirds of Hastings Macleay's economic output is in the form of wage and salary income to its workers, led by Health Care and Social Assistance, Education and Training and Construction sectors. Business income is concentrated in Electricity, Gas, Water and Waste Services, Construction, Financial and Insurance Services and Agriculture.

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. A useful classification of activities is:

- **“Engines of Growth”** – activities closely linked to external markets and opportunities beyond the bounds of the Region. This includes activities like agriculture, manufacturing and tourism activities, which see produce or products exported, or external people visiting for local experiences
- **“Enabling Industries”** – activities within the Region providing key support services to Engines of Growth businesses. Enabling activities include the sectors and activities like finance, water, energy and IT inputs or professional services
- **“Population Serving Industries”** - activities serving the people and communities of Hastings Macleay, including activities like health, education and retail.

Relative to NSW's regional economy overall, Hastings Macleay is significantly overrepresented in health care, education, utilities, tourism related activities like accommodation and property services, construction and administrative and support services. This demonstrates that the Region's specialisations are most clearly oriented toward its internal markets, while acknowledging its significant strengths in 'Engines of Growth' activities.

These sources of strength reflect a diversified economy, with extensive population and visitor-facing advantages. This underlines the Region's ability to attract people to live or visit as a key source of its economic vitality.

In addition to its tourism strengths, sustained inward migration over long periods of time has grown Hastings Macleay's internal, community-focused markets and increased labour supply and potential for specialisation across a range of activities.



# 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.*

Economic development policy should therefore focus on factors that enable the growth of endowment-based industries, as well as building local leadership and institutional capacity and capabilities to better enable businesses and public agencies 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.

## **Built endowments**

**Air services** – Port Macquarie Airport offers the Region enviable air services with connections to metropolitan markets like Sydney and Brisbane. Charter, recreational, and emergency aircraft operate from Kempsey Airport.

**Pacific Highway** – the Pacific Highway offers the Region its primary source of connectivity to external markets, as well as supporting movements within the Region.

**Rail services** – the North Coast line, passing Wauchope and Kempsey, provides the only rail connection between Sydney and Queensland.

**Accommodation capability and capacity** – the Region has many tourism operators who collectively provide a considerable advantage in establishing the Region's credentials for tourism.

**Health network** – the Region's allied health services and hospitals in Wauchope, Kempsey and Port Macquarie offer high quality services to residents in the Region and beyond, with over 70 specialists practicing across all major disciplines. The Shared Health Research and Education Campus (SHREC) aims to develop a sustainable health workforce for the broader North Coast through new allied health programs aligned to emerging public and private health needs.

**Education network** – early education, vocational education, public and private schools, university and community college campuses and courses improve the capabilities of its workforce and community.

## **Physical or geographic endowments**

**Riverine and hinterland amenity** – the natural beauty of the Hastings and Macleay rivers and their hinterlands, including State forests, national parks and the Werrikimbe World Heritage area, offer great opportunity for visitors and residents.

**Coastal amenity** – the beaches and coastlines like those at Port Macquarie, South West Rocks, Crescent Head, the Camden Haven and surrounds show natural beauty goes well beyond stunning rivers alone.

**Access to major metropolitan markets** –broadly speaking, road access to South East Queensland is less than five hours away (Kempsey to Gold Coast), with access to Sydney about four hours away (from Port Macquarie).

**Significant arable land** – whether for traditional agriculture, forestry or emerging agricultural activities, the arable tracts of Hastings Macleay provide substantial yields for its communities.





# Endowments

Hastings Macleay possesses a rich array of geographic, built, human and institutional endowments which lend it considerable productive capacity and potential, reflected the extent of diversification evident in the Region's economy today. A primary economic policy challenge for the Region is managing the risks and implications of economic development for its endowments. This is especially the case where development leveraging one endowment could have negative implications for other endowments, economic opportunities or carry broader social adjustment implications.

Consultation suggests changes in land use is a key risk associated with the Region's endowments. Land use changes represent increases in the productive potential of the land, but they can trigger significant investment requirements (whether for industrial, commercial or residential purposes) which can conflict with environmental values that underpin the Region's amenity, and cause social conflict between established residents and businesses and new arrivals.

## **Institutional endowments**

**Balance of lifestyle, social and economic opportunities** – Hastings Macleay offers, and is known for, its mix of lifestyle and economic opportunities. The variety of choice the Region offers allows visitors and residents to combine a generally high quality of regional services with appealing places to live, work and play.

**Local councils** – the local councils of the Region have identified and advocated effectively for the economic priorities of their communities.

**State Government agencies** – State agencies play a number of key roles in the Region: employers; providers of key services; owners of land that may merit re-purposing; and regulators of private sector activities.

**Universities** – each of the Region's three universities are significant to the Hastings Macleay economy and regional NSW more broadly:

- Charles Sturt University offers a broad range of degrees, with many supporting its Population Serving and Enabling Industry Specialisations. It has the largest presence in the region.
- the University of NSW is the managing partner of the SHREC, with its Rural Clinical School offering the opportunity to complete a full six-year program in Port Macquarie
- the University of Newcastle is also a partner in the SHREC, offering courses in Nursing and Midwifery

**Heritage and diversity** – the Region's rich Aboriginal and European history offers an opportunity to connect the growing story of diversity in the Region today with its past, in particular the cultural heritage and connection to land of the Birpai and Dunghutti nations.

## **Human endowments**

**Diverse specialised skill sets** – Hastings Macleay has more professionals than any other occupation, but compared to the NSW labour force, it is most overrepresented in labourers and community & personal service workers. Sub-industry data also suggests regional specialisations spanning:

- Engines of Growth, like:
  - Log Sawmilling and Timber Dressing and Forestry and Logging
  - Specialised Industrial Machinery and Equipment Wholesaling
  - Food Product Manufacturing
- Enabling Industries, like:
  - Electricity Distribution
  - Real Estate Services
  - Travel Agency and Tour Arrangement Services
- Population Serving Industries, like:
  - Medical Services
  - Allied Health Services and Pathology & Diagnostic Imaging Services
  - Heavy and Civil Engineering Construction Services
  - Residential Care Services.



# Specialisations

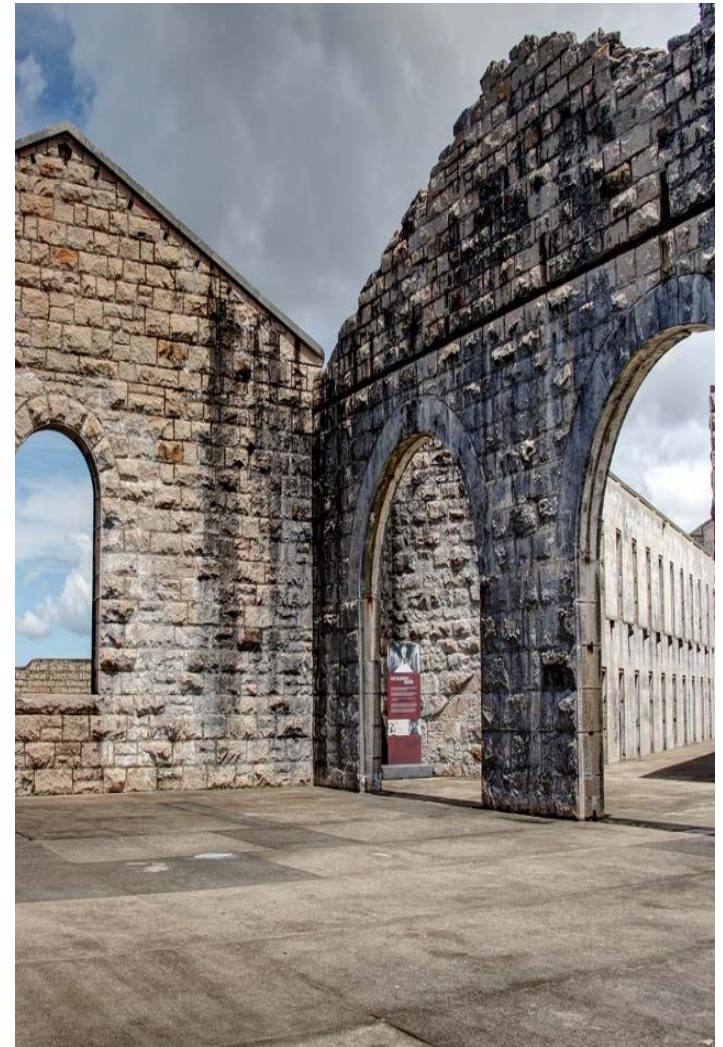
A simple form of analysis that can be used to gain an understanding of a region's competitive advantages is the Location Quotient (LQ) which measures the employment concentration in industry sectors within a regional economy, compared with the same sectors across a reference region, like NSW or regional NSW. The higher the LQ, the more specialised a region is in that industry.

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 Hastings Macleay Strategy.

The 'bubble diagram' on the next page charts 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. The rate of growth is calculated as the difference between the Region's industry growth rate and the NSW growth rate for that industry.

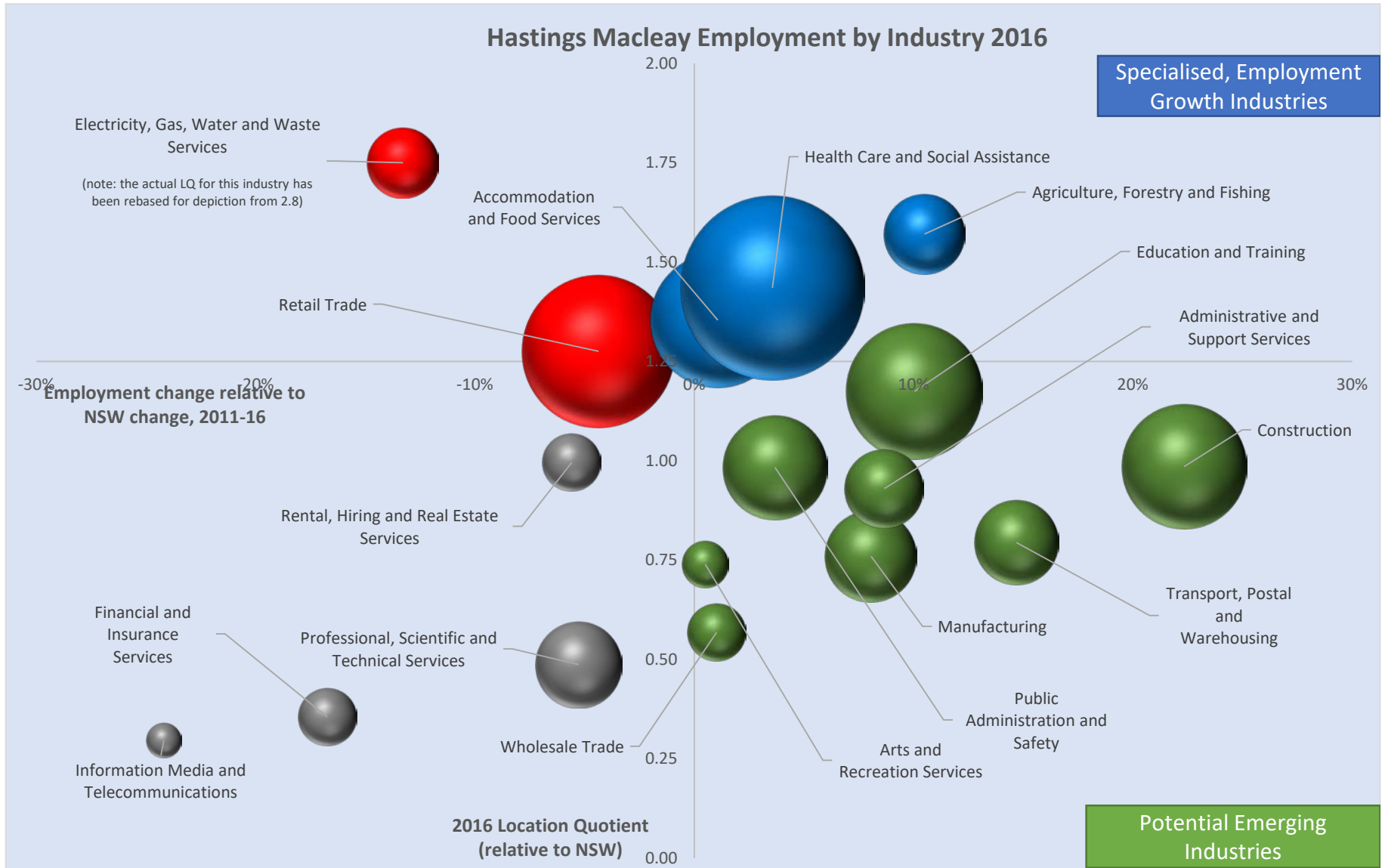
Compared to general trends for NSW, Hastings Macleay's larger Population-Serving or Engines of Growth sectors grew most (except Retail, which saw a modest decline in jobs). Enabling industries performed less well, with their small shares of employment suggesting there may be scale advantages in these activities more easily attained in larger metropolitan markets.



\*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).



# Specialisations and Shifts in Employment Over Time





# Specialisations

Hastings Macleay's **'Population Serving Industries'** account for about \$1.8 billion of regional output. The share of these sectors in the regional economy is about 25 per cent larger than is typical for regional NSW overall.

Regional specialisations in health, residential care, construction, education and retail help explain Hastings Macleay's ongoing success in attracting people to the Region.

Detailed analysis of ANZSIC data from the 2016 Census reflects Hastings Macleay's extensive sub-industry specialisations among Population Serving Industries include:

1. Education
2. Hospitals
3. Residential Care Services
4. Supermarket and Grocery Stores
5. Other Social Assistance Services
6. Residential, Heavy and Civil Engineering Construction
7. Medical Services, Allied Health Services, and Pathology and Diagnostic Imaging Services
8. Public Order and Safety Services.

Hastings Macleay's **'Enabling Industries'** account for more than \$1 billion of regional output. The Enabling Industries are more than 40 per cent larger than would be representative for NSW's regional economy overall.

The Region's Enabling Industry specialisations reflect strong linkages to the Engines of Growth. These include tourism links to property and tour and travel services, manufacturing links to utilities as well as a range of financial and professional services across multiple sectors.

Detailed analysis of ANZSIC data from the 2016 Census reflects Hastings Macleay's significant sub-industry specialisations among the Enabling Industries include:

1. Building Cleaning, Pest Control and Gardening Services
2. Legal and Accounting Services
3. Real Estate Services
4. Electricity Distribution
5. Depository Financial Intermediation (commercial finance)
6. Employment Services
7. Travel Agency and Tour Arrangement Services.

Hastings Macleay's **'Engines of Growth'** account for more than \$750 million of regional output, larger than the overall production of some Regions. While very large in aggregate, it is only about half the relative share of regional output typical for non-metropolitan NSW.

This grouping includes Hastings Macleay's regional specialisations in tourism, dairy farming, forestry and timber, manufacturing, specialised wholesaling and logistics.

Detailed analysis of ANZSIC data from the 2016 Census reflects Hastings Macleay's significant sub-industry specialisations among the Engines of Growth include:

1. Cafes, Restaurants and Takeaway Food, Clubs, and Pubs, Taverns and Bars
2. Accommodation
3. Road Freight Transport and Postal and Courier Pickup and Delivery Services
4. Road Passenger Transport
5. Log Sawmilling and Timber Dressing and Forestry and Logging
6. Other Food Product Manufacturing
7. Dairy Cattle Farming
8. Specialised Industrial Machinery and Equipment Wholesaling.



# Specialisations & Gross Value Add Analysis

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

Gross Value Add (GVA) measures the value of goods and services produced in a region, inclusive of the wages and operating surpluses reflected on page 10. By its broadest-measure, total regional output in 2015-16 was \$4.9 billion.

The Region is highly diverse with eight industries contributing more than five per cent to the Region's GVA. Six of these industries also employ more than five percent of the workforce, and include:

- Health Care and Social Assistance
- Retail Trade
- Education and Training
- Accommodation and Food Services
- Construction
- Public Administration and Safety.

The correlation between employment size in these industries and their GVA highlight them as regional specialisations.

Financial and Insurance Services employment is relatively low and has been declining, but the industry has high GVA in the Region due to the high wages including superannuation and financial advisory businesses servicing retirees. High GVA for Electricity, Gas, Water and Waste Services is due to a regional office for Essential Energy being located in Port Macquarie.

	Gross Value Add (\$m)	GVA (% of Industry Total )	Employment (% of Industry Total )
Tourism *	576.8	11.7	13.4
Health Care and Social Assistance	509.7	11.3	17.9
Financial and Insurance Services	430.1	9.5	1.8
Accommodation and Food Services	421.0	9.3	9.6
Retail Trade	350.3	7.8	12.4
Construction	319.0	7.1	8.2
Public Administration and Safety	268.5	5.9	5.7
Electricity, Gas, Water and Waste Services	263.0	5.8	2.6
Education and Training	258.5	5.7	9.8

\*Accommodation and Food Services is one of the Australian and New Zealand Standard Industrial Classifications (ANZSIC) industries that reflects the effects of tourism. However, there is no specific ANZSIC industry that captures all of its impacts. CERD analysis indicates that tourism has the highest GVA, and is the third largest employer (13.4 per cent of the workforce).

## Exports and Imports

The Region is a net importer, with exports out of the Region estimated at \$1.22 billion and imports into the Region estimated at \$1.88 billion.

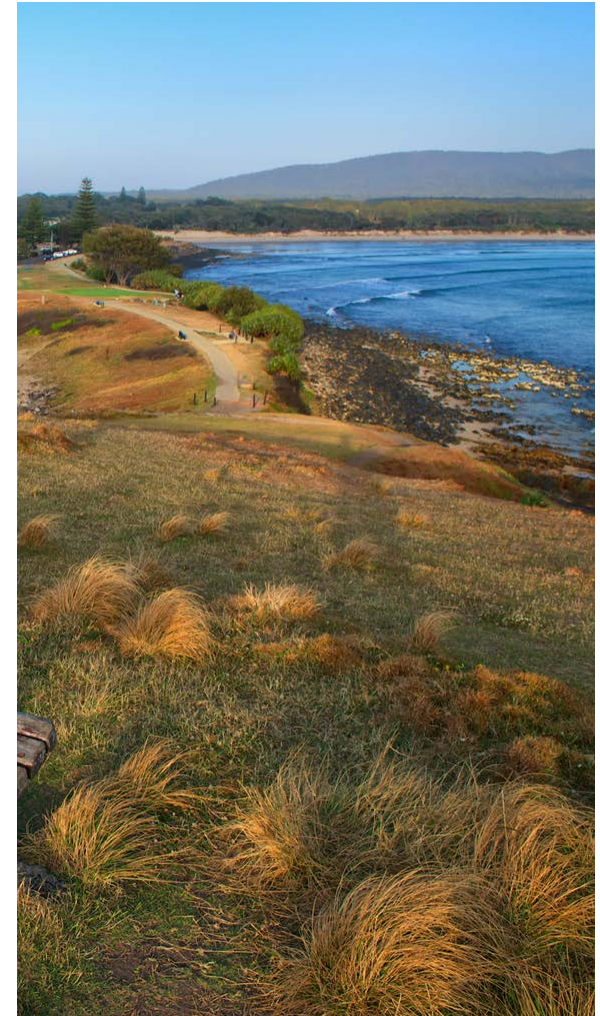
- Hastings Macleay's leading exporting industries are Accommodation & Food Services (the leading \$256m), Agriculture, Forestry & Fishing (\$144m) and Manufacturing (\$113m).
- Construction (\$214m) and Accommodation & Food Services (\$150.1m) are the leading industry sources of demand for imports for production processes, followed by Retail Trade (\$79m) and Manufacturing (\$74.4m).



# Risks

## Key Risks facing the Region include:

- **Housing Supply** - population growth has put pressure on housing supply and there is a demand for a mix of housing options. There is also a mismatch between the location of jobs and housing.
- **Infrastructure constraints** - water and sewerage services constraints are impinging on the development of land for housing and industry. In addition, supplying social, community, cultural and sports infrastructure to keep pace with population growth comes at a high cost typically internalised within the Region. If the Region is unable to maintain and upgrade its infrastructure, it will curtail development and damage the attractiveness of the Region to the younger workers and their families required to service older workers.
- **Changing Values and Land Use Conflicts** – ‘tree-changers’ moving into the Region can be in conflict with traditional agricultural and industrial uses. Some traditional industries (like the abattoir) face labour constraints and negative perceptions with some sections of the community. The challenges of population growth and an increased urban footprint need to be managed effectively to sustain the quality of the Region’s natural environment.
- **Economic and governance** – the prospective wave of development associated with the NDIS may be curtailed by fiscal restraint by the Commonwealth Government. There is also a need to strengthen institutional relationships with State Government agencies.
- **Skills Gaps** – development and expansion in social services is revealing emerging skill gaps. Skills gaps are already evident in the aged care sector, and are expected to widen given the ageing population profile and composition of inward migration.
- **Population Profile** - the Region has been successful in achieving a strong population growth, however this has been skewed towards an older demographic causing a high age dependency ratio in the Region.
- **Transport risks** - difficulties in developing the transport network may impede housing supply, freight movements and population growth.
- **Telecommunications** - poor quality communications linkages, exacerbated by delays in the NBN rollout, continue to hamper the Region’s productive potential.
- **Lack of Vocational Training** - there is a lack of accessible training for key trades like plumbers and electricians.





# Strategy

Hastings Macleay's has a highly diversified economy which reflects strengths in:

- Population services (like education, medical, allied health and residential care)
- Enabling services (like real estate, utilities, tour and travel services and financial and professional services)
- Engines of Growth (like agriculture, aquaculture, food and clothing manufacturing, tourism, forestry, logistics and specialised equipment wholesaling).

The development of the Region and its industries has been supported by very strong rates of population growth and migration over time which has seen the Region's internal markets (enabling and population serving industries) grow significantly. However, the Region's migration is dominated by an older demographic, causing a high age dependency ratio and highlighting the need to attract more workers to the Region.

The Region's specialisations suggest some key strategic imperatives:

1. addressing barriers to growing the population and the labour pool to support greater levels of activity and specialisation. This should benefit the economy broadly, with particular benefits from greater economies of scale and specialisation in Population Serving and Enabling Industries
2. foster industry development by further leveraging the Region's endowments
3. growing the Hastings Macleay's key Engines of Growth, especially in tourism, timber, produce and food production, through better connections to growing external markets.

Detailed implementation strategies, early-stage actions and potential projects for each of the three imperatives are outlined on the following pages.

The three Strategy elements for Hastings Macleay link directly to the opportunities presented by the Region's endowments, specialisations and core competencies, and also aim to address some key regional risks.

The Strategy elements were derived from an analysis of the Region's endowments, 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.



# 1. Continue to Grow the Region’s Population and Labour Pool

## Strategic Context

The Hastings Macleay economy features a very broad range of specialisations. Ongoing population growth has diversified activity well beyond primary production reflecting the Region’s economic origins. Strong population growth has increased demand for infrastructure and services. In order for the Region to attract skilled workers and their families, it needs to ensure it offers quality services and infrastructure that meet the requirements of its population.

The immediate priority for sustaining population growth is cost-effective housing supply, requiring integrated land-use planning and infrastructure provision. Community infrastructure is also a significant priority.

## Infrastructure Priorities

Housing supply enabling works and community infrastructure.

### Opportunities



### Actions



### Potential Projects (not exhaustive)

- Investigate “first mover” disadvantages associated with extending infrastructure to allow for residential land development
- Work with industry to provide a diverse supply of housing types to meet the needs of the community in accessible locations
- Improve and integrate precincts through effective transport connections
- Increase the participation of the private and Not-for-Profit sector in delivering social infrastructure and services
- Improve access to cultural, sporting and social recreational facilities and services in the Hastings Macleay
- Pursue current opportunities for new forms of partnership with the State and Federal Government
- Provide essential water services to sustain ongoing population growth

- Develop a regional catalogue of residential lands for activation and proactively seek funding opportunities for enabling infrastructure to accelerate housing supply
- Advocate for the Department of Planning & Environment to assess the development feasibility of different housing choices across the Region
- Extend existing Urban Growth Strategies to cover the whole Region
- Advocate for Transport for NSW and the Department of Planning & Environment to:
  - assess public and community transport requirements necessary for ‘hub and spoke’ regional service delivery
  - link precinct planning outcomes to public transport, school transport and community transport requirements.
- Develop a program business case for cultural, sporting and social activities and services.
- Develop a medium to long term investment program supporting essential water services

- Housing Acceleration investment program
- Revised regional community transport strategy
- Urban Growth Strategy Enabling Investments
- New Port Macquarie water filtration plant
- Small Town Sewer Schemes
- Kempsey Riverfront Development
- Kempsey shopfront upgrades
- Sporting Master Plans
- South West Rocks Community Centre
- Shared Pathways
- Port Macquarie & Lake Cathie Foreshores
- Port Macquarie Coastal Walk
- Rocks Ferry Reserve (including revetment wall)
- Port Macquarie Aquatic Centre
- Port Macquarie Dam Wall
- Laurieton CBD upgrade
- Port Macquarie Library expansion
- Port Macquarie Civic Precinct expansion
- Rodley St Bonny Hills Flood Mitigation works
- Westport & North Haven stormwater works
- Trunk Mains (Sancrox; Southern Arm)
- Granite St & Thrumster Reservoirs





## 2. Foster Industry Development by Further Leveraging the Region’s Endowments

### Strategic Context

Most of Hastings Macleay’s businesses are fortunate to enjoy the combination of growing markets and a broad range of significant endowments. These factors provide an important underpinning for business confidence and development across the Region.

The key risks to industry development are inadequate water and water and sewerage infrastructure and a lack of alignment between education and training and industry needs.

### Infrastructure Priorities

Kempsey Water Supply, South Kempsey Sewerage Network and Health and Education Precincts

### Opportunities



### Actions



### Potential Projects (not exhaustive)

- Support the expansion and accessibility of offerings across the Region’s education networks
- Provide land use zoning and enabling infrastructure to activate land use change
- Address the skills and industry development needs of Hastings Macleay’s health and social services specialisations
- Facilitate the development of emerging clusters, specialisations and businesses
- Continue to enhance pathways from school, through training, to meaningful and productive jobs
- Address supporting infrastructure needs for key industries

- Investigate opportunities to improve regional connectivity to education campuses
- Develop a business case for water and sewerage upgrades
- Undertake a health and social services skills study to identify emerging requirements for labour and other resources, in partnership with key operators in this sector.
- Advocate for Food Manufacturing, Health and Social Services and Ageing & Technology SkillsPoints in Hastings Macleay
- Investigate the establishment of an Aged Care Centre of Excellence in collaboration with tertiary institutions.
- Work with industry to ensure key infrastructure needs are delivered.

- South Kempsey Sewerage Network
- Kempsey Water Supply
- Central Kempsey wastewater treatment
- Kempsey Regional Saleyards Infrastructure Program
- Health & Education Precincts
- Port Macquarie & Kempsey Airport Business Parks
- Development of land owned by Port Macquarie-Hastings Council at:
  - Greenmeadows Drive
  - Partridge Creek



### 3. Strengthen the Engines of Growth through Better Connections to External Markets

#### Strategic Context

Hastings Macleay is home to a range of specialised activities with links to markets beyond the physical boundaries of the Region. These activities span industries like agriculture, aquaculture, food and clothing manufacturing, tourism, forestry, logistics and specialised equipment wholesaling. A common thread to success in all of these pursuits is the quality of connections from the Region to those external markets, whether by means of a physical or a digital connection.

Inadequate telecommunications hamper industries ability to communicate with customers and other market players and implement innovative technologies. While poor road connection increase freight times and freight costs making them less competitive in the market.

#### Infrastructure Priorities

Oxley Highway Investment Program and Fixing Country Roads projects

Opportunities	Actions	Potential Projects (not exhaustive)
<ul style="list-style-type: none"> <li>• Improve the efficiency of freight movements within and beyond Hastings Macleay</li> <li>• Realise seamless ‘farm gate to gateway’ connections to national global markets through better integrated local and regional transport networks</li> <li>• Improve road corridor productivity and safety</li> <li>• Enhance the quality of passenger connections to major metropolitan markets through the Region’s airports</li> <li>• Connect the people and businesses of the Region to digital networks and technologies to a first rate standard</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate for RMS to finalise the Oxley Highway Corridor Strategy and develop a program business case for investment</li> <li>• Advocate for RMS to update regional freight volumes and forecasts for production changes</li> <li>• Identify, cost and prioritise Fixing Country Roads projects</li> <li>• Develop business cases for upgrades of identified road projects</li> <li>• Advocate for RMS to undertake a Pinch Points study and investment program</li> <li>• Advocate for a region-wide digital black spots map and identify potential rectification projects</li> </ul>	<ul style="list-style-type: none"> <li>• Oxley Highway Investment Program</li> <li>• Crescent Head Road upgrades, including Rudders Lagoon access</li> <li>• Port Macquarie Orbital Road</li> <li>• Oxley Highway Bridge over Ralfe’s Creek</li> <li>• Kempsey South West Connect Bridge</li> <li>• John Oxley Drive upgrade</li> <li>• Ocean Drive Corridor Plan (Upgrades &amp; Duplication)</li> <li>• Lake Road East upgrade</li> <li>• Lighthouse Road upgrade</li> <li>• Bago Road upgrade</li> <li>• Beechwood Road Upgrade Stages 5 &amp; 6</li> <li>• MidRoC Bridges without Borders upgrades</li> <li>• Maria River Road upgrade</li> <li>• South West Rocks to Stuarts Point Connect Bridge</li> <li>• South West Rocks Roads</li> <li>• Point Plomer Road</li> <li>• Plummers Lane upgrade</li> <li>• Kempsey Bike Plan</li> <li>• Port Macquarie Airport flood-free access road</li> </ul>

# Hastings Macleay – Summary of Strategies and Actions

Strategies and Early Stage Actions			
Enablers	Grow the Population and Labour Pool	Foster Industry Development	Grow the Engines of Growth Through Better Connections to Markets
People and Skills		<p>Undertake a social services skills study to identify emerging requirements for labour and other resources, in partnership with key operators in this sector.</p> <p>Advocate for Food Manufacturing, Health and Social Services and Ageing &amp; Technology Skills Points in Hastings Macleay</p>	
Government, regulation, services & information	<p>Advocate for the Department of Planning &amp; Environment to assess the development feasibility of different housing choices across the Region</p> <p>Develop a program business case for cultural, sporting and social activities and services.</p> <p>Extend existing Urban Growth Strategies to cover the whole Region</p> <p>Advocate for Transport for NSW and the Department of Planning &amp; Environment to:</p> <ul style="list-style-type: none"> <li>• assess public and community transport requirements necessary for 'hub and spoke' regional service delivery</li> <li>• link precinct planning outcomes to public transport, school transport and community transport requirements.</li> </ul>	<p>Investigate opportunities to improve regional connectivity to education campuses</p> <p>Work with industry to ensure key infrastructure needs are delivered.</p> <p>Investigate the establishment of an Aged Care Centre of Excellence in collaboration with tertiary institutions.</p>	

# Hastings Macleay – Summary of Strategies and Actions

Strategies and Early Stage Actions			
Enablers	Grow the Population and Labour Pool	Foster Industry Development	Grow the Engines of Growth Through Better Connections to Markets
Infrastructure	Develop a regional catalogue of residential lands for activation and proactively seek funding opportunities for enabling infrastructure to accelerate housing supply		<p>Advocate for RMS to finalise the Oxley Highway Corridor Strategy and develop a program business case for investment</p> <p>Advocate for RMS to update regional freight volumes and forecasts for production changes</p> <p>Identify, cost and prioritise Fixing Country Roads projects</p> <p>Develop business cases for upgrades of identified road projects</p> <p>Advocate for RMS to undertake a Pinch Points study and investment program</p> <p>Advocate for a region-wide digital black spots map and identify potential rectification projects</p>
Utilities	Develop a medium to long term investment program supporting essential water services	Develop a business case for water and sewerage upgrades	



# Implementation Plan

Strategy implementation will be overseen by an Economic Advisory Panel of the General Managers of the councils of the Region, drawing on their staff and broader stakeholders like the Department of Premier & Cabinet and NSW Department of Industry as appropriate.

The effective implementation of the Strategy will involve the key stakeholders and regional community that contributed to its development, including both councils as well as 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 two council General Managers 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, the Advisory Committee will initiate the conduct of a formal review of the Action Plan and associated governance processes, producing a brief report card to be published as an addendum to the 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.



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