

# MID-WESTERN REGIONAL COUNCIL

Regional Economic Development Strategy | 2018 – 2022



## THE VISION

A prosperous and diversified economy delivering lifestyle benefits to the community through employment, income and sustainable economic growth.

Developed with the support of the NSW Government as part of the Regional Economic Development Strategies program to assist local councils and their communities in regional NSW.



# 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 and future projects would be subject to further evaluative processes.

The power of the Strategy is its ability to be used on an on-going 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, and assists in bringing together key stakeholders and mobilising resources. In so doing, it can facilitate faster access to dedicated NSW Government funding, such as the Growing Local Economies Fund, as well as help to capitalise upon other economic opportunities.

This Strategy, prepared by Balmoral Group Australia Pty Ltd on behalf of the Mid-Western Region, was formed in collaboration with key stakeholders and the broader regional community, and benefited from economic-analytical assistance provided by the NSW Government’s Centre for Economic and Regional Development (CERD).

It is presented in two documents, Mid-Western Region Economic Development Strategy 2018–2022 (The Strategy) which allows the reader to quickly and easily determine key content, while the accompanying Mid-Western Region Economic Development Strategy – Supporting Analysis 2018–2022 details the Strategy methodology, evidence and the Strategy’s development process.

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



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# INTRODUCTION

The Mid-Western Functional Economic Region (the Region) comprises the Mid-Western Region Local Government Area (LGA). Mudgee is the focal point of the economy, while Gulgong, Rylstone, and Kandos are home to about half of the Region's residents. The Mid-Western Regional Economic Development Strategy (the Strategy) was developed to identify economic development opportunities that capitalise on the Region's endowments and industry specialisations.

The Region is a highly productive agricultural area with nearly 800 individual businesses identified in the sector. It is renowned for its wineries and has an active and industrious mining sector. Due to efficient air transport links, its proximity to Sydney, its growing aged care sector and significant upgrades underway to local school and hospital facilities, the Region has become a desirable place to live and do business.

By continuing to develop and add value to the mining and agricultural sectors, while developing a diversified tourism economy, the Region can attract new residents. A well-endowed training, incubation and co-operative network solidifies Mid-Western's reputation for excellence in viticulture, ensures a steady stream of skilled labour, and offers solid support for innovation and new business ideas. Upgraded road networks support efficient transport of goods and workers for the important mining, agriculture and tourism sectors. Expanded offerings in quality of life amenities support young families, as well as their parents and grandparents who find the potential for high quality aged care offerings a desirable amenity. Well-staffed education and health care facilities, bolstered by improved recruitment and active business support, increase the Region's draw for residents and their professional advisors – accountants, lawyers, and other services providers such as tradespeople. Additionally, creating a fully developed supply chain has resulted in processing facilities for agriculture, solid distribution networks for manufacturing firms, and ample opportunities for local businesses to expand their offerings and increase employment.

This Strategy aims to:

1. Develop a Mature and Diversified Tourism Sector – Recognising the Region's strong and mature winery reputation and building a diverse offering including sports and heritage tourism.
2. Capitalise on Existing Viticulture Strengths – National and international destination for Quality wine quality and winery tourism, with established training and co-op venues supporting a diverse range of winemaking firms.
3. Grow Industry Clusters around Mining, Manufacturing & Agriculture – Healthy environment for agricultural processing, metals and related manufacturing, and mining and agricultural support services providing quality jobs and products.
4. Support the attraction and retention of an increased number of diverse businesses and industries while developing a strong entrepreneurial reputation – Promote the region to target businesses that complement key local industries
5. Develop an emerging Retiree/Aged Care Sector – Develop a positive environment for the retiree and aged care sector providing high quality jobs and services that leverage Mid-Western's amenities.

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

This Strategy is the culmination of contributions from key stakeholders, local business chambers, Mid-Western Regional Council (the Council) staff, the wider Mid-Western business community and Balmoral Group Australia Pty Ltd. The Strategy should be read in conjunction with the *Towards 2030 Mid-Western Region Community Plan* and *Mid-Western Regional Council's Delivery Program 2017/21*.

The strategic planning process successfully identified several core strategies to achieve a prosperous economic future. For each strategy, primary action steps and infrastructure priorities have been identified, as well as appropriate implementing parties for lead, support and stakeholder roles. A concerted focus and effort will be required to achieve the outcomes.

Each aspect of the recommended strategies has been developed considering the *Towards 2030 Mid-Western Region Community Plan* and *Mid-Western Regional Council's Delivery Program 2017/21*. These strategies are viable, compatible with available resources, and promising opportunities to leverage Mid-Western's endowments.



# BACKGROUND

The Region, composed solely of the Mid-Western Regional LGA, spans geographically from just west of the Great Dividing Range to the boundary of the Dubbo-Narromine-Wellington region, almost 100 km further west. Figure 1 provides a graphic of the area, which is a three to four-hour drive from Metro Sydney and a number of other regional centres. Mudgee is the focal point of the economy, while Gulgong, Rylstone and Kandos are home to approximately half of the Region's residents.

As of the 2016 Census of Population and Housing, Mid-Western had 24,076 people residing in it, with 10,923 living in the Mudgee urban centre. The Estimated Resident Population of the Mid-Western region as at 30 June 2017 was 24,826<sup>1</sup>, which represents an annual average annual growth rate of 1.1% over the last 5 years.

Figure 1: Map of Mid-Western Region

Source: CERD, May 2018.



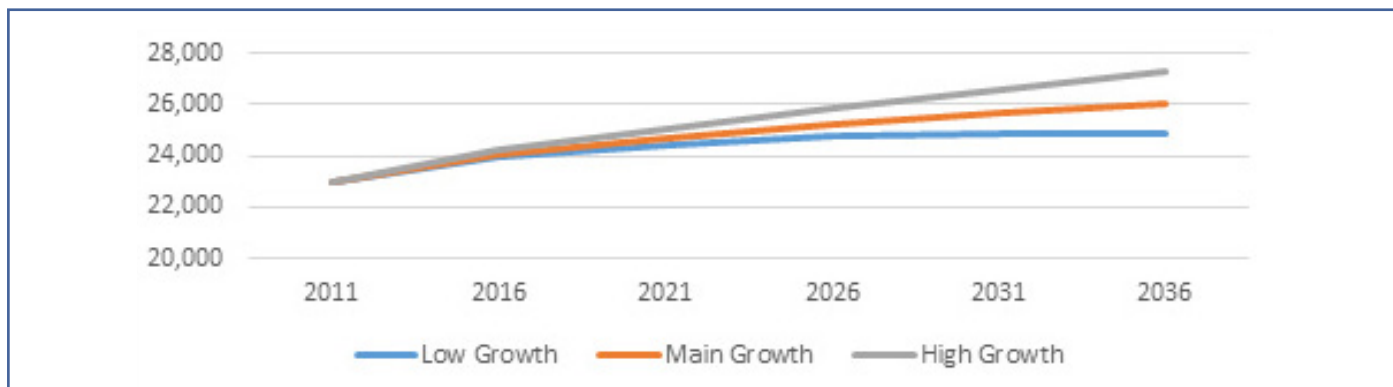
The low, main, and high population projection estimates for Mid-Western are depicted in Figure 2. Between 2016 and 2021, the population of the Region is expected to grow by 2% (to 24,450) under the low estimate, 3% (to 26,000) under the main estimate, and 5% under the high estimate

to 27,300. The Estimated Resident Population of the Mid-Western Regional LGA was 24,826 as at June 2017<sup>2</sup>, almost exceeding the Department of Planning and Environment's low growth estimate to 2016.

1. ABS, catalogue no. 3218.0 – Regional Population Growth, Australia, 2016-17
2. ABS, Estimated Regional Population (ASGS 2017) – Mid Western Regional LGA

## BACKGROUND CONTINUED

Figure 2: Mid-Western Region LGA Population Projections (2011 – 2036)



Source: NSW Department of Planning and Environment (2016).

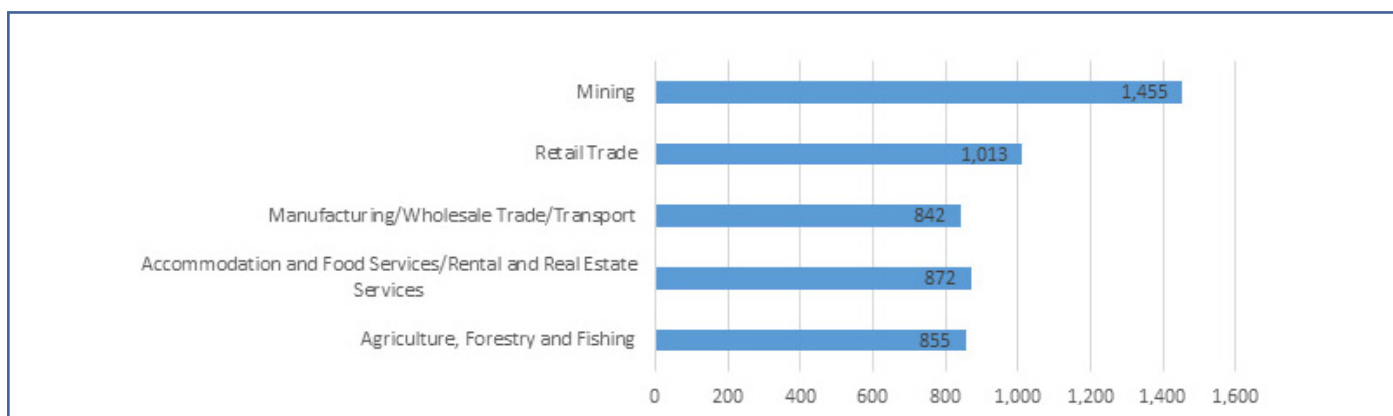
Mid-Western’s economy is dominated by Mining, Retail Trade, Agriculture, Forestry and Fishing, Tourism and Manufacturing sectors. Mining employment, particularly in coal mining, has increased significantly during the period from 2011 to 2016. Figure 2 provides a snapshot of the regional economy composition by employment.

Tourism, while not formally defined as an industry by the ABS, is an important sector of the Region’s economy and is shown in Figure 3 as a combination of Accommodation, Food Services and Rental and Real Estate Services. Data from the CERD indicates that Tourism employs 11% of full-time equivalent jobs in the Region, accounts for 67% of wages in the Accommodation and Food Services sector, and provides 28% of jobs in the Retail Trade sector. Some stakeholders have suggested that Tourism could buffer the Mid-Western’s economy, should the coal mining industry

lose economic strength, and is therefore considered a key strategy for the people of the Region.

While Manufacturing has shown declines under ABS definitions when combined with the related Wholesale Trade, Warehousing and Transport sectors that are intrinsically linked, the cluster shows employment of over 800 workers in 2016, similar to Agriculture and Tourism. In contrast with some regional economies, Mid-Western has active mining development underway, with the Wilpinjong, Moolarben and Ulan mines expanding and new mines currently in development. Net employment has generally increased across sectors, growing 7% over the five-year period to 2016, after an 11% increase during 2006-2011 (see Figure 3).

Figure 3: Major Employment sectors (2016)



Source: Australian Bureau of Statistics, 2016 Census of Population and Housing (Working Populating Profile).

Note: Australian Bureau of Statistics categories for Accommodation and Rentals/Real estate are combined in chart, as are Manufacturing, Wholesale Trade and Transport.

The following section provides an analysis of the economic conditions derived from data contained within the 2016 Census of Population and Housing, and other sources including the Australian Bureau of Statistics, the NSW Department of Planning and Environment, and the CERD.

## Mining

Mining in the Region is dominated by coal, and employment in the industry has grown by 30% between 2011 and 2016. The Mudgee-Ulan region increased raw coal production by 15% in 2016. Coal mining employed 1,582 people, or 16% of the Region's workforce in 2016, as well jobs in exploration and other mining support services. While there are multiple coal seams present in the western coalfields, most activity in the Region surrounds the Ulan Seam due to its low ash content, low strip ratio (waste material processed to produce a tonne of ore), and thickness, which reaches 12 metres through large sections of the deposit. There are three major mines operating within Mid-Western – Ulan, Wilpinjong and Moolarben. These mines have planning approvals to at least 2039, with significant identified resources which could extend mining for many more years or decades depending on further approvals and future demand.

## Energy Generation

The Region has a number of renewable energy projects in stages of construction and approval. The Beryl Solar Farm will be an 87 megawatt project and has been approved for implementation. The Crudine Ridge Wind Farm will generate approximately 135 megawatts of energy when completed, and will consist of 37 wind turbine generators. Together these projects will generate sufficient energy to power almost 64,000 average NSW homes.

## Agriculture, Forestry, and Fishing

Agriculture, Forestry and Fishing is an important industry in the Region. It is a large employer and produces a significant share of Mid-Western's total output. Agriculture, Forestry, and Fishing employed 9% of workers in the region in 2016. However, total employment for the Agriculture, Forestry, and Fishing industry declined by 2% from 2011 – 2016, after declining by 19% between 2006 and 2011. Agriculture is still a prominent economic force in the region and offers significant growth opportunities due to its proximity to Sydney, and the adoption of emerging technologies that are expected to improve distribution and exporting capabilities.

## Viticulture

Viticulture, a sub-sector of agriculture, is a critical industry within the Region. Unlike the vineyards and wineries in the Hunter Valley which are owned and run by large corporations, most of the vineyards in Mid-Western are privately owned by local families. Viticulture is intrinsically linked with the Region's robust tourism sector. Mid-Western has a rich viticulture history dating back to 1858 producing predominately Cabernet Sauvignon, Chardonnay, Riesling, Semillon and Shiraz grape varieties<sup>3</sup>.

Council's tourism push has invigorated the industry which is reflected in research commissioned by the Mudgee Regional Tourism Board (2017). This indicated that 13% of respondents travelled to the Region, third in ranking to the Hunter Valley and Blue Mountains, and derived primarily from Sydney of which 22% were happy to travel further to Mudgee. When measuring satisfaction of a food and wine experience, Mudgee rated extremely well at 88%.

## Accommodation and Food Services/Tourism

The thriving Accommodation and Food Services sector supports thousands of visitors from outside the Region, and employed 8% (or 770 people) in the Mid-Western region in 2016. The region has achieved such success that accommodation shortages occur routinely. The annual Wine Festival brings wine lovers to the region, and accommodation requirements during this period often exceed the capacity of the 100 total providers of accommodation services.

## Manufacturing

Whilst lower in profile than some other sectors, the Manufacturing, Wholesale Trade and Transport sectors support employment comparable to Tourism and Agriculture. Metals manufacturing, in particular, shows comparative advantage relative to other NSW LGAs in both employment and output, and requires specialised labour, access to materials and transport options. Local producers have developed their own access to materials and transport options, and work in concert with the larger regional network. The relatively mature base of skilled labour is likely to be increasingly valuable as the growth in mining is substantial.

3 Wine Australia <https://www.wineaustralia.com/discover-australian-wine/new-south-wales-wines/mudgee>

# 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.*<sup>4</sup>

A region seeking to encourage economic development should therefore concentrate on factors that enable the growth of endowment-based industries. It must also build local leadership, and institutional capacity and capabilities, to facilitate businesses, 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.

Mid-Western r has natural, institutional, human and physical endowments that underpin its sector specialisations.

## Natural Features

### Geography

The scenic mountainous landscape covering much of Mid-Western serves as a natural endowment. The Region is located in the Cudgegong River Valley, an area enriched by volcanic soils that provide for productive agriculture and coal mining. The landscape provides the foundation for key industries which support Mid-Western's economy.

### Location

The Region's location is a natural advantage over other regional NSW centres due to its proximity to major population centres such as Sydney and Newcastle. It is located 3.5 hours northwest of Sydney and uses its strength in tourism to draw visitors, largely from the Sydney basin.

## Institutional and Industry Features

### Economic Development and Networking

The Council's Economic Development Department has been noted in focus groups and phone interviews as a strength to the local economy. Linkages created in recent years between the Council's Economic Development Department and the Mudgee Region Tourism Incorporated have strengthened, creating new networking opportunities. The Business Chambers in Gulgong, Rylstone, and Mudgee all provide networking opportunities as well.

### Tourism

Mudgee Regional Tourism Incorporated provides support services to the Region. Many responses from the pre-survey phone interviews and throughout the focus groups indicated that tourism has improved within the local economy in the past three years. Stakeholders noted the strength of tourism and the tourism organisation within Mid-Western.

### Viticulture

Due to its unique landscape, the Region has a strong viticulture industry. Wineries dating back to the 1850's have established a solid reputation for quality wine. According to Mudgee Wine there are more than 35 wineries that have established a strong wine-related tourism sector.

## Human Features

### Cultures

As the Region is a popular viticultural area that attracts a 'food and wine culture', it markets and regularly attracts tourists seeking this experience. Mid-Western is also home to a number of museums, galleries and studios. The Region is also well known for its world class fine wool production, thoroughbred horses, honey, olives, hazelnuts and local produce.

4. *Regional Economic Growth Enablers Report (2017)*, Centre for Economic and Regional Development.

# ENDOWMENTS CONTINUED

## Physical Infrastructure

### Freight

Freight trains provide coal transport in and out of the Region. Aside from coal transport, there are limited transport endowments that support freight into or out of Mid-Western. The Castlereagh Highway is the only arterial road going through the heart of the Region. Stakeholders noted in focus groups and phone interviews that current roadway capacity inhibits optimal freight movement and movement of workers and suppliers.

### Aviation

Regular flights between Mudgee and Sydney by local carrier Fly Pelican provide convenient transport for residents and visitors. The Mudgee Airport is recognised as an important Regional asset and continues to undergo upgrades after receiving funding through the Regional Tourism Infrastructure Fund in 2016.

### Water Security

Water security is perceived as a constraint for the Region. The Region is located in the Macquarie catchment which has seen general security allocations averaging 40% of entitlement over the past 20 years, and 24% over the past ten years<sup>5</sup>. As mining, viticulture and agriculture are all heavily dependent on reliable water sources, this is considered a risk for future economic development. A number of individual water security plans for the larger catchment area have been developed in recent years. The topic will be a continuing source of deliberation for State and local policymakers.

### Sporting Complex

Significant investments in the Glen Willow Regional Sports Complex built in 2012 bring rugby, soccer, netball, and many other supporting events to the Region. Its economic impact from 2012 to 2017 is estimated at \$21 million. A three-stage upgrade is currently underway and several high-profile events have been announced for the complex. The complex is the pivotal asset in the Mid-Western Regional Council sports tourism strategy which will help to enhance food and wine tourism.

### Water and Sewerage Infrastructure

The Region has experienced significant growth and construction in recent years. Subsequently, its water and sewerage infrastructure – while adequate at present – will need material investment and upgrades to support significant population or industry growth. Upgrades of the existing system have been identified as a priority by Council.

### Heritage

Mid-Western has considerable heritage assets. The Council recognises more than 400 individually listed heritage items and four heritage conservation areas located within the Gulgong, Mudgee and Rylstone urban areas. Each conservation area contains a unique blend of historic buildings, parks and trees, monuments and artefacts. The Mudgee-Gulgong district was an important gold mining centre in the late 1800s and Gulgong, in particular, was one of the richest deep lead gold areas in New South Wales. It was also home to the first Chinese settlements in Australia.

5. WaterNSW Allocations, Macquarie Catchment.





# SPECIALISATIONS

Various methods can be used to obtain an understanding of those sectors within a regional economy which offer competitive advantages<sup>6</sup> and further growth opportunities. In this section, the analysis draws upon both Location Quotients (LQ) and the value contribution of sectors to the regional economy.

LQs measure the employment concentration in industry sectors within a region, 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.

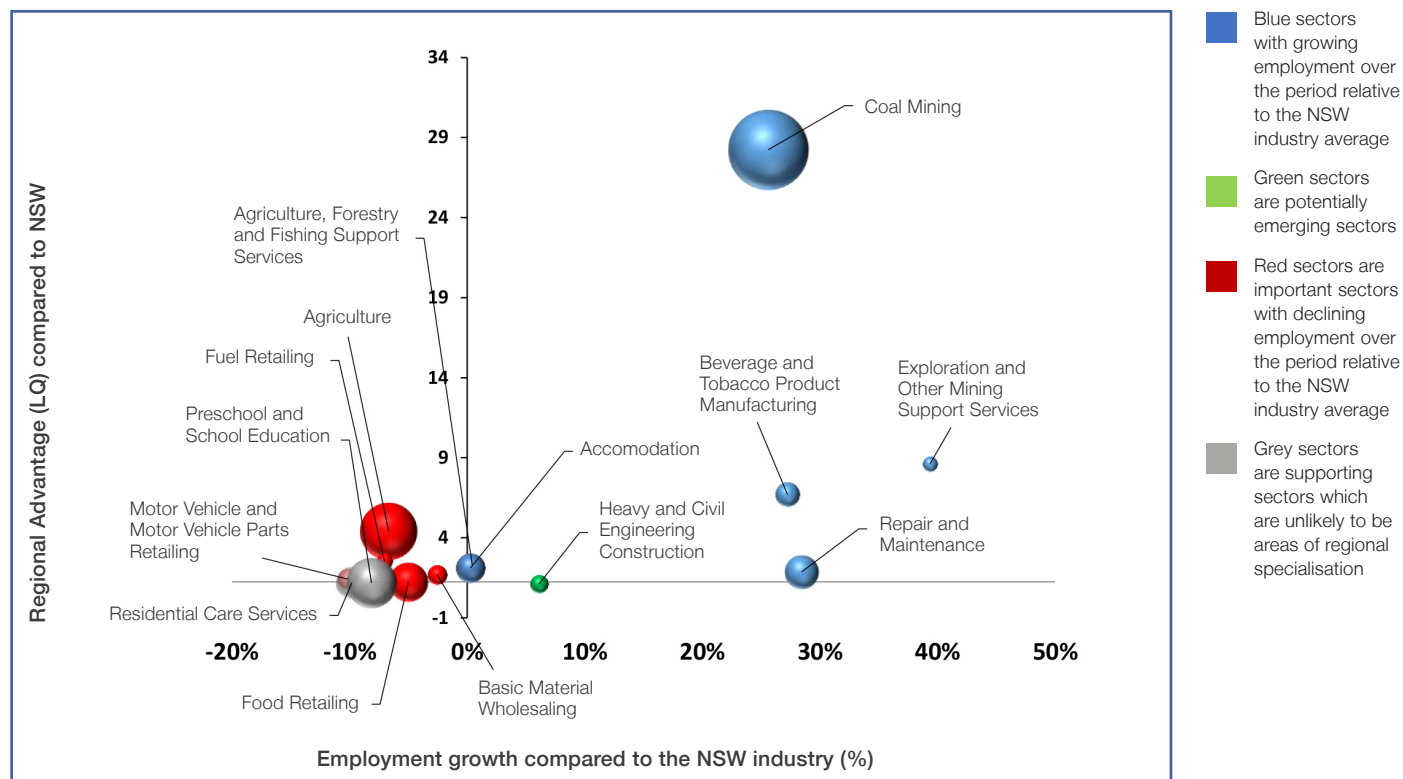
Figure 3 charts selected industries in the regional economy in 2016, where:

- 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<sup>7</sup>), 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.

Figure 4 supports the strategies that have been developed throughout this document. While the data presented presents the changes in the economy from 2011 to 2016, it is important to understand these shifts in order to plan for the future.

Coal mining is the largest employer and is clearly critical to the economy. Importantly, heavy and civil engineering construction is an emerging industry and is captured in enhancing the local provision of goods and services to the mining sector, represented in Strategy 1. A significant proportion of the Agriculture sector is related to the viticulture industry, and manufacturing of wine is also shown as an important growth industry and is represented in Strategy 2. Tourism (Strategy 3) and Support for Business Growth (Strategy 4) do not easily translate into LQ data, but are supported by Survey, Workshop and Tourism data. Strategy 5 is supported by the Aged Care Residential Services sector that is a specialisation. This Strategy is also supported by survey and workshop data.

Figure 4. Location Quotients and Employment Growth for Industries in the Mid-Western Region



Source: CERD.

- 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/minimise risk (Stimson, Stough and Roberts, 2006).
- A LQ of 1.25 is identified in the literature as denoting a specialisation.

## SPECIALISATIONS CONTINUED

Table 1 containing the value of industry output is offered as a further analysis of competitive advantage. As with the analysis using LQs, this analysis also supports a strategic focus on sectors such as Mining, Manufacturing, Agriculture and Tourism.

The value add created by an industry is calculated as the sum of the compensation of employees, gross operating surplus and taxes on products and production (minus subsidies) of the industry. The Mining industry is Mid-Western's largest value adding industry. It accounts for 23% of the value-added produced by all industries in the region. Next is the Rental, Hiring and Real Estate Services industry with 15% of total value-added and Manufacturing / Wholesale Trade / Transport with 10% of total value-added.

**Table 1: Value Add Mid-Western Regional Output by Industry**

Industry	Value Add (\$M)	Proportion of total (%)
Mining	275.294	23
Rental, Hiring and Real Estate Services	183.705	15
Manufacturing/Wholesale Trade/Transport	123.204	10
Construction	83.871	7
Retail Trade	68.668	6
Health Care and Social Assistance	65.546	5
Agriculture, Forestry and Fishing	62.001	5
Manufacturing	60.759	5
Education and Training	60.339	5
Accommodation and Food Services	48.982	4
Financial and Insurance Services	46.656	4
Public Administration and Safety	46.010	4
Professional, Scientific and Technical Services	36.915	3
Wholesale Trade	36.859	3
Electricity, Gas, Water and Waste Services	32.654	3
Other Services	29.525	2
Transport, Postal and Warehousing	25.586	2
Administrative and Support Services	20.276	2
Information Media and Telecommunications	16.679	1
Arts and Recreation Services	6.543	1
<b>Total</b>	<b>1,206.868</b>	<b>100</b>

Source: CERD, 2018



# STRATEGY

The Strategy Region builds upon the opportunities presented by its endowments and specialisations. Each strategy 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 elements 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.

This order was determined through identification of existing Council priorities, linkages with ongoing infrastructure projects and the extent to which each item is immediately actionable by Council, Business Chambers and other relevant institutions.

## The Five Elements of the Strategies

<b>1</b>	<b>Develop a Mature and Diversified Tourism Sector</b> Recognising the Region's strong and mature winery reputation and building a diverse offering, including sports and heritage tourism.
<b>2</b>	<b>Grow Industry Clusters around Mining, Manufacturing &amp; Agriculture</b> Healthy environment for agricultural processing, metals & related manufacturing and mining and agricultural support services providing quality jobs and products.
<b>3</b>	<b>Capitalise on Existing Viticulture Strengths</b> National and international destination for quality wine and winery tourism, with established training and co-op venues supporting a diverse range of winemaking firms.
<b>4</b>	<b>Support the attraction and retention of an increased number of diverse businesses and industries while developing a strong entrepreneurial reputation</b> Promote the Region to target businesses that complement key local industries and workers.
<b>5</b>	<b>Develop an emerging Retiree and Aged Care Sector</b> Develop a positive environment for the retiree and aged care sector providing high quality jobs and services that leverage the amenities of the Region.

## 1 | Develop a Mature and Diversified Tourism Sector

Mid-Western is well-known for its tourism industry with wine and food underpinning the current offerings. Stakeholder engagement indicated that the offering needs to be diversified. The *Towards 2030 Mid-Western Region Community Plan* (Community Plan) has identified several actions, such as providing brand leadership and developing sports, outdoor and heritage tourism strategies. The Region's strong wine and food culture is the core tourism strength and underpins the diversification opportunities.

### Infrastructure Priorities

The tourism industry is a major source of economic growth, and of particular importance are its facilities and attractions. As such, a key focus of the Council is advocating for the upgrade and development of specific infrastructure projects in the area. Specifically, tourism diversification strategies include: Respecting and enhancing the historic character and natural heritage (Community Plan Goal 1.2 Strategy 1.2.1); the ease of access to the Region by facilitating the Bylong Valley Road Upgrade, which is supported by Community Plan Goal 4.1 – High quality road networks that are safe and efficient. The Glen Willow Sports Complex Stage 2 four year expansion is a major project and will increase the number and the profile of events held in the Region, helping to attract more visitors. The Mudgee Outdoor Water Park development may increase the Mid-Western's appeal to young families, particularly those looking to take a daytrip or weekend break from Sydney. The Mid-Western Gallery and Cultural Centre and Putta Bucca Eco Trail are other options which cater to this demographic, whilst simultaneously augmenting the Region's offerings for the 'Grey Nomad' market. Addressing these needs is a critical step in helping the Region to achieve optimal economic results.

A growing concern of operating capacity in the accommodation sector has also been identified as an issue faced in Mid-Western. Some operations provide services on a part-time basis, and offerings are not always available when needed: it has been noted that large events frequently exceed available accommodation. While this is to be celebrated as a sign of strong demand, a wider discussion with the accommodation sector in the Region will be required to encourage a more even spread of visitors across the year, or increase the number of beds available making an increase in overnight stays commercially viable.

### Organisational Priorities

A greater focus on the partnership between the Council and Mudgee Region Tourism Incorporated has been identified in the Community Plan Goal 3.1 Strategy 3.1.1. Developing a prosperous and diversified economy should also be considered to attain increased capital investment into the accommodation sector for the consideration of more facilities.

Under-represented tourism packages have been identified from stakeholders, including "experience tourism" (e.g. on site farm or winery experiences, makers' market/artisan chef tours), microbreweries, sporting events, outdoor recreation, eco-tourism, and historic or cultural offerings. As a priority, the Regional branding campaign will have to be redeveloped to incorporate new and expanded tourism offerings. The existing "Reset your senses" branding is well targeted to appeal to the wine tourism market, but is less suited to promoting sports tourism, and attracting state and national level sports competitions for example.

Viticulture also faces some constraints in the Region. The presence of smaller regional operators is important; however, smaller operators may also contribute to smaller investment sources and an increased need for resource pooling.

### Goal Outcome

**National recognition for diverse tourism offerings building on strong winery reputation**

#### Intermediate Outcome

- Improved availability of desirable accommodations, services and experiential offerings on a consistent basis
- Increased capital investment to accommodation, food service, entertainment, and training facilities

#### Outputs

- Improved availability of alternative tourist offerings
- Increased capital investment to accommodation, food service, entertainment, and training facilities

#### Activities

- Execute on branding efforts underway to identify appropriate targets for expanded offerings
- Establish ongoing coordination among key stakeholders

#### Inputs

- Determine whether outside training or support is required to extend existing tourism offerings
- Identify/confirm alternative tourism with key stakeholders

## 2 | Grow Industry Clusters around Mining, Manufacturing & Agriculture

Agriculture and manufacturing firms currently face significant costs as a result of supply chain dispersal. Key product markets and processing facilities are located outside the Region, leading to significant freight and transport costs. Similarly, many firms find it difficult to attract skilled labour to these industries. Additionally Mid-Western suffers shortages of trade skills such as electricians, plumbers and mechanics. The Council's Operations Program 2017/21 has recognised this issue throughout Goal 3.1: A prosperous and diversified economy, with a number of strategies directed at making the Region attractive to highly skilled workers.

### Infrastructure Priorities

Maintaining the quality of the inter-regional road and air networks will be critical to successful achievement of this strategy, with the Bylong Valley Way Road project taking highest priority. Goal 4.2 of the Community Plan focusses on developing a regional transport network in partnership with government agencies. This includes road networks and supporting the continuation of improving infrastructure at Mudgee Airport. The upgrade will improve road access for mining and manufacturing. Other major road upgrades such as Wollar Road are priorities as well, as is water security (Goal 2.2, Strategy 2.2.1). As previously noted, water security improvement projects are being considered for state and/or federal funding. These proposals warrant close monitoring by local stakeholders and the Council.

Technical training can also ensure a steady supply of local or regional workers. Continued investment in quality of life can attract, retain and promote workers and their families to the Region as identified in Goal 1.1 – A Safe and Healthy Community. Growth in industry clusters comes from the compounding improvements of many factors of a region in enhancing the richness it offers; lifestyle cultural, employment and educational.

### Organisational Priorities

In both industries of Agriculture and Manufacturing, information-sharing networks among purchasing managers, trade groups, and local Council representatives could be strengthened. These networks may identify opportunities to secure access to new and existing markets, and firms that may not be able to support fixed costs of capital intensive investments due to uncertainties in volume of production might benefit from a collaborative investment approach. Regular interactions between Council and stakeholders are also integral to pursuing public-private partnership funding, hence there is a strategic advantage present in chasing network partnerships in Mid-Western.

The Mining industry has created structural changes in the local economy that need to be capitalised on. Identifying ways for local businesses to capitalise on mining's mass and heavy employment must be a priority. Information-sharing networks will allow local firms to critically assess their offerings and establish partnerships by sharing intended future purchases and needs for goods or services. Most large firms have prequalification processes for vendors, who must prove viability and organisational stability. It is important that local businesses are familiar with the processes necessary to supply mining firms and have the resources and support to complete any required paperwork or financial checks.

### Goal Outcome

**Healthy environment for agricultural processing, metals & related manufacturing and mining support services providing quality jobs and products**

#### Intermediate Outcome

- Local businesses expand product offerings to address gaps in supply chain or supporting services
- Non-local suppliers of specialised materials or services add offerings in close proximity to existing industry where appropriate

#### Outputs

- Increase in attractiveness of the Region to employers and workers in skilled agriculture and manufacturing

#### Activities

- Coordinate with tourism promotions to identify opportunities for foodie trail
- Upgrade transport networks; assemble P3 funding for co-op export, distribution facilities

#### Inputs

- Address common workforce training needs among manufacturing and agriculture operations
- Identify key stakeholders, potential locations for export, distribution facilities

## 3 | Capitalise on Existing Viticulture Strengths

The Mudgee wine region has an established brand and is recognised for more than 35 locally-owned, family operated wine cellar doors. Council’s recent tourism push has invigorated the industry after a GFC-related downturn, and research contracted by the Mudgee Regional Tourism Board (2017) found that its visitor food and wine experience rating scored at an ‘extremely well’ 88%. Its heritage charm and strong industry base provides support for many related tourism benefits. A burgeoning “foodie” reputation complements winery offerings.

### Infrastructure Priorities

Stakeholders noted a shortage of skilled labour as a constraint on growth in the viticulture industry. They also identified that the Region has a lower profile compared to other wine regions of Australia. While individual wine and food brands are recognised, a “Brand Mudgee” strategy should be developed. While the survey results indicated that 45% of respondents felt that access to finance was satisfactory, findings from the workshops’ showed that Investor capacity was a limiting factor for smaller operations. They lack the access to capital necessary for large or risky investments. Locals described their vision of a multipurpose educational facility as a solution to both of these issues. The co-operatively managed facility would serve as a winery skills training centre, an industry specific event space, and a centralised collection point to enable a collaborative approach to distribution of product. Infrastructure requirements for the Co-Op would include cold storage facilities. An abandoned winery, former TAFE facilities, and the airport business park were identified as potential locations. Conceptual design, funding, construction, and staffing would require collaboration between the public and private sectors. It was seen as a top infrastructure priority for the viticulture industry.

Other areas of key infrastructure importance include: prioritising upgrades to Bylong Valley Way Road and Wollar Road to improve export capacity and to further help bring in visitors. Also, existing water security improvement projects pending state and federal funding will be vitally important to the industry: Mudgee winemakers recognise water security as a potential threat to their businesses that needs to be addressed.

### Organisational Priorities

Other suggested strategies for workforce development included rotational training and pursuing NSW Government grants to generate appropriate local course offerings. Collaboration and partnerships from local companies, industry leaders and educational providers in training and workshop events would further tailor to the needs and requirements of the Region.

Residents also identified opportunities to further improve Mid-Western’s branding and marketing opportunities in other state capital cities to reach and attain a wider target group. It would help in areas of tourism, export capabilities and enhancing the profile as a destination point for living and working.

Mid-Western has approximately 2,800 hectares under vine and 35 cellar doors. Wineries and viticulture is not implicitly mentioned in the Community Plan, however much of the document recognises the importance of viticulture. The priorities of the Delivery Program 2017/21, underpins the continued development of the viticulture sector.

### Goal Outcome

**National and international destination for quality wine and winery tourism, with established training and co-op venues supporting a diverse range of winemaking firms**

### Intermediate Outcome

- A well-endowed training, incubation, and co-op network supporting innovation and expanded local offerings
- A steady stream of skilled labour

### Outputs

- Higher visibility as viticulture destination
- Expanded offerings to complement wine cellar doors including experiential tourism, microbreweries

### Activities

- Complete branding exercise for increased viticulture visibility among capital city residents outside Sydney
- Focus efforts to upgrade transport, cultural and quality of life amenities for residents and visitors

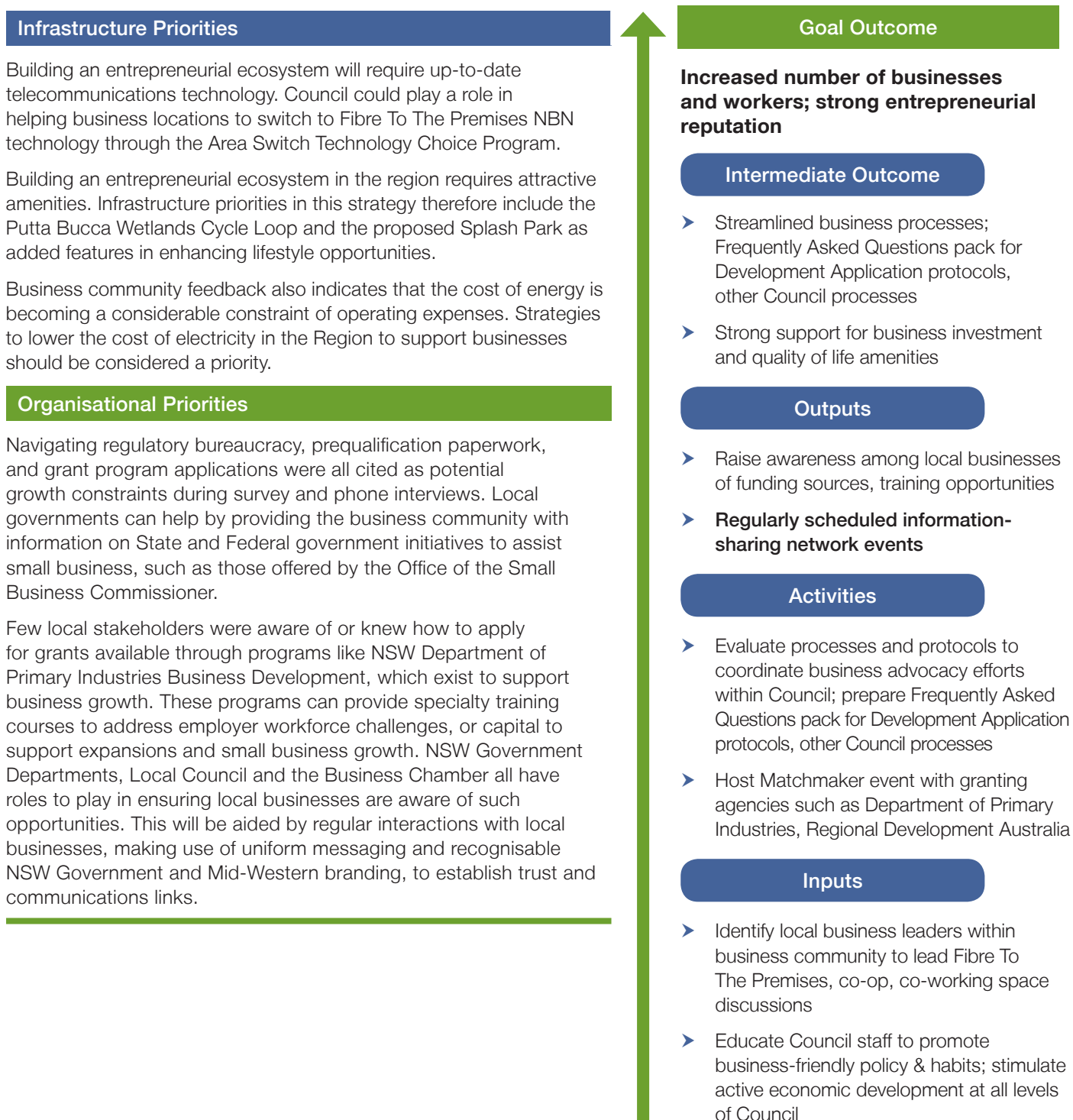
### Inputs

- Identify potential NSW Department of Primary Industry funds for specialised course creation
- Facilitate stakeholder discussions and feasibility analysis of centre of excellence, rotating instruction and/or co-op winemaking facility

## 4 | Support the Attraction and Retention of an increased number of Diverse Businesses and Industries while developing a strong Entrepreneurial Reputation

Support systems for entrepreneurs can be a strong catalyst for business creation and growth. The Region's strong cohesion, tourism and winery sectors already support many entrepreneurial endeavours. New government initiatives such as the Department of Industry's GATE program, the Office of the Small Business Commissioner and funding through Department of Premier and Cabinet provide opportunities for entrepreneurial support. As identified in the viticulture strategy, our research indicates that there is an appetite for this activity in the Region. Other sectors, such as Information Technology may need additional support to become established in the Region.

Developing an entrepreneurial ecosystem and support for budding entrepreneurs by leveraging government initiatives may help with retaining and attract younger people to Mid-Western.



## 5 | Develop an Emerging Retiree and Aged Care Sector

From our research, residential care services was a potentially emerging industry in the Region (refer to Figure 5).

Our focus groups confirmed that retiree and aged care was something that the Strategy could focus on. They found that farmers downscaling their properties as one source of new residents in this retirement age bracket (60-100+) and were seeking retirement living in the Region.

People aged over 55 years of age accounted for 32.9% of the population for the Mudgee Statistical Area 2 compared with the NSW average of 28.1%. Comparatively, 27.4% of the population were over the age of 55 years in 2011 (noting the LGA boundary changed between the 2011 and the 2016 Census). This data indicates that there has been a noticeable aging of the population in the Region.

### Infrastructure Priorities

A shortage of healthcare services and infrastructure has been identified as a barrier to growth in the aged care services sector. Stakeholders noted that difficulties in attracting professionals outside of Sydney, and a lack of relevant local vocational training options, have created hospital staffing vacancies, and thus limited the industry's capacity to service the older population. The \$70 million renovation planned for Mudgee Health Services expects to improve recruiting success, as newer equipment and facilities provide a more appealing workplace to medical professionals. Improved TAFE offerings also need to be of focus, as it would help to address shortages in semi-skilled labour, and present more relevant educational opportunities for the Region.

There are a number of facilities for retirement and aged care in the Region. Specifically the Oak Tree development has been granted Development Approval for a 68 1-2 bedroom facility. The redevelopment of the local hospital and the frequency of convenient and affordable flights to Sydney align with a targeted retiree/aged care market. This will drive the attractiveness to the region in both aged care and skilled workers. Increased demand will further help to recruit relevant professionals such as accountants or trust lawyers to the local area, to the benefit of the entire community.

### Organisational Priorities

Developers revealed residents have found the lack of public transport in the local area to be an obstacle. The Community Plan for the Region has recognised this as an issue and is currently seeking to develop viable public transport options (Strategy 4.3.2). Offerings such as courtesy buses to bowling and RSL clubs, for example, would help to improve the quality of life experienced by new and established older residents. Strategy 4.3.1 (Develop and enhance walking and cycling networks across the Region) includes the Pedestrian Access Mobility Plan which includes funding for the upgrade of footpaths and cycle ways. The requirement for the Region's ageing population should be considered in this plan.

Infrastructure priorities supporting this strategy include upgraded road networks, upgraded water and sewer systems, and quality of life amenities such as the Mid-Western Regional Gallery and Cultural Centre and the Putta Bucca Eco trail.

### Goal Outcome

**Healthy marketplace for retiree & aged care sector provides high quality jobs and services that leverage Mid-Western region amenities.**

#### Intermediate Outcome

- Increase in local professionals serving near-retirement, retiree and aged care community and their caregivers
- Expansion of offerings geared toward retirement age residents and visitors

#### Outputs

- Raise awareness among local businesses and residents of identified supply chain gaps to service new retirees
- Heightened perception of Mid-Western Region as a retiree/aged care destination

#### Activities

- Coordinate with recruitment efforts for hospital, expanded school to target financial, legal professionals
- Focus efforts to upgrade transport, cultural and quality of life amenities for residents and visitors

#### Inputs

- Differentiate offerings for locals and visitors that are geared toward retirees/aged care residents
- Identify local financial, legal, real estate advisors and opportunities to extend services to sea-changers and retirees



## Strategies and Early Stage Actions

Strategies and Early Stage Actions					
Enablers	Develop A Mature and Diversified Tourism Sector	Grow Industry Clusters around Mining, Manufacturing and Agriculture	Support the Attraction and Retention of an increased number of diverse Businesses and Industries while developing a strong Entrepreneurial Reputation	Capitalise on Existing Viticulture Strengths	Develop an emerging Retiree and Aged Care Sector
People and skills		<ul style="list-style-type: none"> <li>➤ Address common workforce training needs among mining, manufacturing, agriculture operations</li> <li>➤ Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>➤ Incubation Hub</li> </ul>	<ul style="list-style-type: none"> <li>➤ Public, private partnership for a Training Centre, winemaking co-op</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improve availability of vocational training in aged care</li> <li>➤ Attract skilled professionals in medicine, law and financial services</li> </ul>
Government, regulation and information	<ul style="list-style-type: none"> <li>➤ Diversify Regional branding to appeal to new demographics</li> <li>➤ Establish ongoing coordination among key stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>➤ Public, private partnership for coop, export, distribution facilities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Support for businesses to understand legislative requirements</li> <li>➤ Raise awareness among local businesses of funding sources, training opportunities</li> <li>➤ Regularly host information-sharing network events</li> </ul>	<ul style="list-style-type: none"> <li>➤ Facilitate communication between co-op members</li> <li>➤ Continue to promote Mudgee as a wine tourism destination</li> </ul>	
Infrastructure	<ul style="list-style-type: none"> <li>➤ Glen Willow Stage 2</li> <li>➤ Water Parks</li> <li>➤ Mid-Western Regional Gallery and Cultural Centre</li> <li>➤ Interactive Visitor Centre</li> <li>➤ Tourism Centre of Excellence</li> <li>➤ Putta Bucca Eco Trail</li> <li>➤ Upgrade of Airport Infrastructure</li> <li>➤ Family-friendly attractions</li> </ul>	<ul style="list-style-type: none"> <li>➤ Upgrade Bylong Valley Way</li> <li>➤ Upgrade Wollar Road</li> </ul>	<ul style="list-style-type: none"> <li>➤ Fibre To The Premises internet</li> <li>➤ 'Quality of life' offerings, including Water Parks, Glen Willow Sports Complex, Mid-Western Gallery and Cultural Centre, Putta Bucca Eco Trail</li> <li>➤ Solar Energy Projects</li> <li>➤ Shared Innovation/Resource Centre</li> <li>➤ Development of Sports Hub at Glen Willow (sports science centre of excellence)</li> </ul>	<ul style="list-style-type: none"> <li>➤ Cold Storage Facility/ Co-op</li> <li>➤ Commercial Kitchen</li> <li>➤ Interactive Visitor Centre</li> </ul>	<ul style="list-style-type: none"> <li>➤ Upgrade Bylong Valley Way</li> <li>➤ Mudgee Hospital Redevelopment</li> <li>➤ Mid-Western Regional Gallery and Cultural Centre</li> <li>➤ Putta Bucca Eco Trail</li> </ul>
Utilities				<ul style="list-style-type: none"> <li>➤ Water security improvements</li> </ul>	<ul style="list-style-type: none"> <li>➤ Upgraded water/sewer networks</li> </ul>

# IMPLEMENTATION

This document sets out a vision for the Mid-Western Regional Council as well as the strategies and actions that can enable the region to achieve this vision. This Strategy was formed in collaboration with the Mid-Western Regional Council, the Region's business community and Balmoral Group Australia. Further detail about the Strategy, actions, economy and endowments of the region can be found in the 2018–2022 Mid-Western Region Economic Development Strategy Supporting Analysis document. The completion of this Strategy is intended to be the first stage of an ongoing process where new specific actions to further progress the vision are identified through application of the framework.

## Regional Action Plan Implementation Review Process

This document includes strategies and actions that will be operated by the Mid-Western Regional Council, other organisations), as well as private businesses.

Mid-Western Regional Council will appoint an Advisory Committee comprising representatives from the Council , and other institutions and industry to monitor the progress of the Regional Action Plan. This Advisory Committee will meet quarterly to track the progress of actions identified in the Action Plan.

After two years, the Advisory Committee will conduct a formal review of the Action Plan and produce a brief report card to be published as an addendum to the Strategy. This will also provide an opportunity to update the Action Plan for new or modified actions.

After four years, the Advisory Committee will also begin the process of updating or refreshing the Strategy.





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