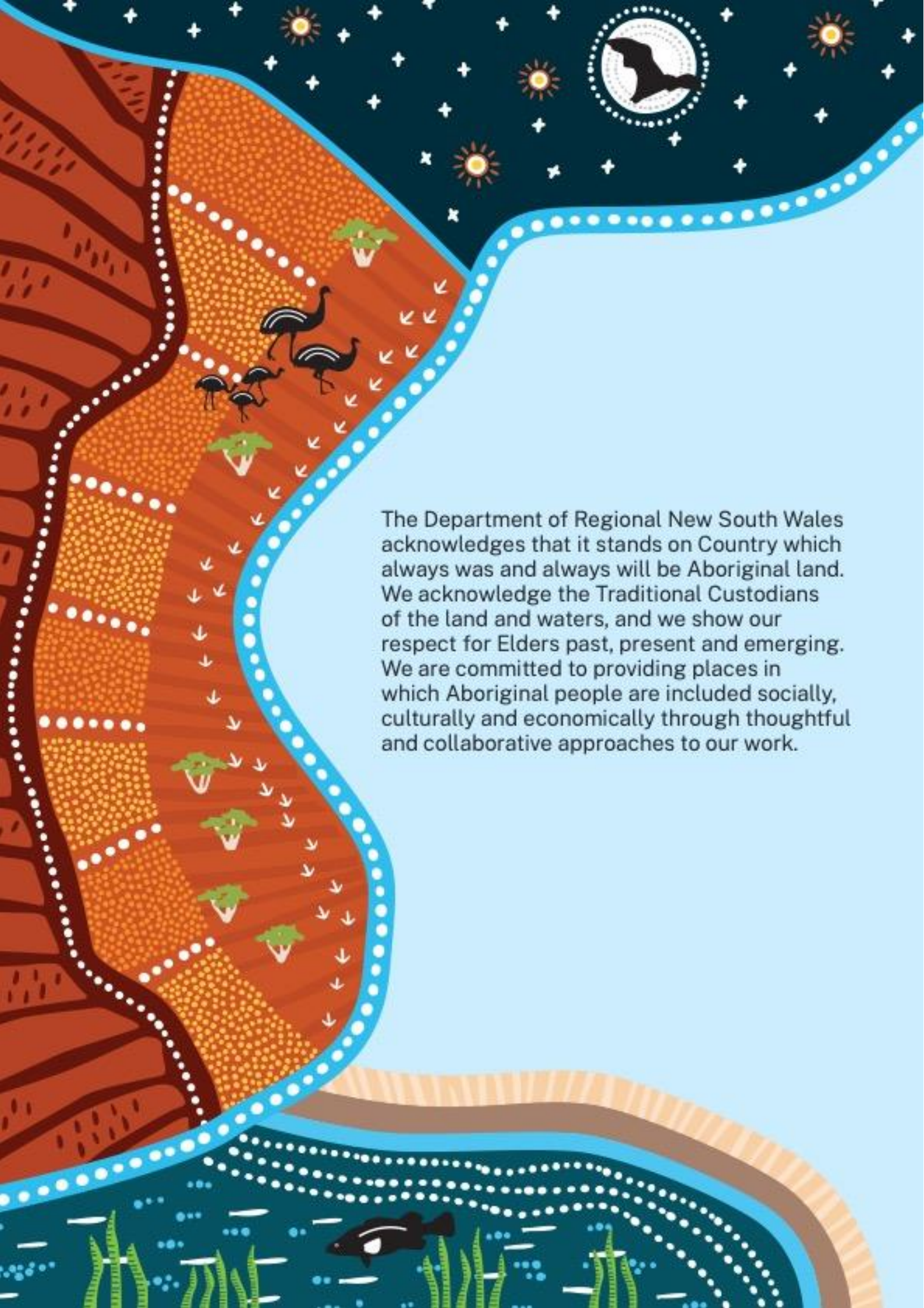# Regional Economic Development Strategies – 2023 Update

Framework and reader guide

February 2023

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

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On Country – Artwork by Mumbulla Creative

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

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

Cover image: Hay bales on a farm near Blayney in the Central West of NSW. Photo credit: Wendy Smith.

Table of Contents

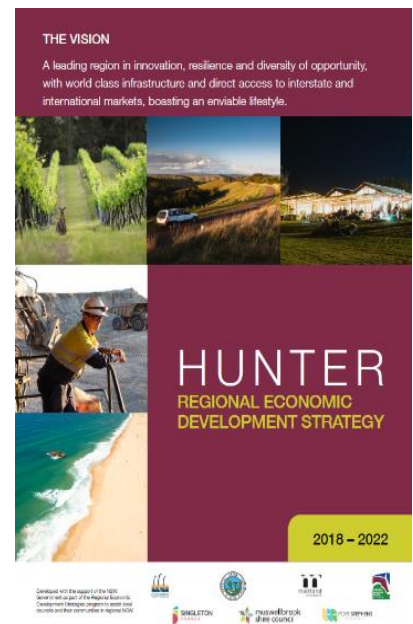# 1. History of the Regional Economic Development Strategies

2018 Regional Economic Development Strategies

In 2018, the NSW Government developed Regional Economic Development Strategies (REDS) for 38 Functional Economic Regions (FERs) of regional NSW.

FERs are made up of one or more Local Government Areas in regional NSW that work together to create smaller economies with strong economic links.

The REDS establish an evidence base using both qualitative and quantitative data to inform a pathway for the growth of industries that drive the economy and jobs. They were developed in consultation with local communities, industry groups and local government, and guide governments in making policy and investment decisions to support local economic growth.

The REDS identify each regions' endowments, industry strengths and specialisations and outline economic development strategies and actions that leverage these strengths. The REDS can be used by local governments or other organisations to help inform more detailed analysis at the local level, such as through the preparation of actions and implementation plans.

2020 REDS Bushfire Addenda

Following the unprecedented 2019-20 bushfires, the Department of Regional NSW (DRNSW) undertook a review of the REDS for the 22 FERs that were most affected.

The Bushfire Addenda identified economic impacts, how strategic priorities in each REDS had been affected and key levers and focus areas for economic recovery.

They were designed to be supplementary to the 2018 REDS and were used to guide actions and funding decisions focussed on supporting local economic recovery.

2. The 2023 REDS Updates

Purpose

Since publication of the 2018 REDS, regional NSW communities and economies have changed. The regions have endured significant shocks including bushfires, floods, drought, COVID-19 and the mouse plague. These shocks, as well as shifting national and global macroeconomic trends, have seen a range of new economic opportunities and challenges arise across Regional NSW.

The purpose of the 2023 REDS Updates is to capture how the economy in each FER has changed since 2018 and identify new strategies and priorities for promoting economic growth. The 2023 REDS Updates build on the 2018 REDS and the 2020 Bushfire Addenda and are designed to be read as a standalone document. Local councils, community organisations and businesses using the REDS to support NSW Government funding applications or for other purposes should refer to the relevant 2023 REDS Update.

Strategic alignment

The REDS set out an evidence base, vision and framework for economic development in each FER. They support the 20-Year Economic Vision for Regional NSW (updated in 2021), and are designed to align with the strategic directions outlined in key regional level strategies including regional plans, destination management plans, water strategies and regional transport plans. The REDS also support a range of local level strategic analysis tailored to the needs of individual Local Government Areas.

The strategic planning landscape

State-wide strategies	20-Year Economic Vision for Regional NSW, Housing 2041, Future Transport Strategy, NSW Water Strategy, State Infrastructure Strategy
Regional strategies	Regional Plans, Regional Destination Management Plans, Regional Transport Plans, Regional Water Strategies

FER strategies	Regional Economic Development Strategies – 2023 Update
LGA strategies	Economic development strategies and action plans, community strategic plans, destination action plans, other local strategic plans

Note – this is not an exhaustive list of strategies and plans

Scope

The 2023 REDS Updates consider progress made in each of the 38 FERs to deliver economic development outcomes since 2018, and set out a refreshed path for future priorities. The 2023 REDS Updates identify strategies and enabling actions to assist with driving economic development and growth in the future. Support for specific projects will always be subject to any requirements by the relevant funding body (for example, Cost-Benefit Analysis guidelines for NSW Government funding).

Key objectives of the 2023 REDS Updates are to:

1. **Highlight progress**: reflect on significant initiatives and investments that have supported progress against the key strategies and actions in the 2018 REDS.

2. **Capture major changes:** identify and assess the impacts of major changes to regional economies since 2018, including key shocks such as bushfires, droughts, floods, the mouse plague and COVID-19.

3. **Identify strategic opportunities:** identify key strategic opportunities and vulnerabilities for engine and emerging industries, as well as any changes to local endowments.

4. **Set the foundation for the future:** review, affirm and/or adjust the 2018 strategies, including consideration of new strategies to meet emerging priorities, to ensure they remain relevant.

5. **Identify key enablers to guide future action:** develop a non-exhaustive list of priority enabling actions that will support the 2023 REDS Update strategies.

To achieve these objectives, the 2023 REDS Update include the following areas of focus:

- **The big picture:** Shocks and trends impacting the region

- **Responding to change:** Initiatives and investments since 2018

- **The region today:** 2023 economic snapshot

- **Looking ahead:** Strategic opportunities for growth, resilience and liveability

3. Section by section guide to the 2023 REDS Updates

Each REDS Update document has been prepared in a standard format, with eight main sections, as detailed below.

Section 1 – Executive Summary

The executive summary contains a concise snapshot of the REDS Update, which provides a quick, easy to read overview of key parts of the document, including significant investments In the region, detail of key industries In the region, key themes from consultation and the revised 2023 strategies and enablers.

Section 2 – About the 2023 REDS Update

Section 2 provides readers with an outline of the purpose and scope of the 2023 REDS Update.

Section 3 – About the region

Section 3 provides a brief overview of the Functional Economic Region, including a map of the region, and key details about the region including population, size of the economy and total employment.

Section 4 – The 2018 REDS and 2020 Bushfire Addendum

Section 4 provides a brief outline of the region's previous REDS, including summary information about the 2018 REDS and the 2020 REDS Bushfire Addendum (where applicable).

Section 5 – Shocks and trends impacting the region since 2018

Section 5 provides detail of significant events that have impacted the FER since 2018, which may include events such as floods, drought, the COVID-19 pandemic, bushfires and the mouse plague. It also includes a discussion of key macroeconomic trends and their impact on the region, including digital transformation, changing migration patterns, the shift towards net zero and rising uncertainty.

Section 6 – Initiatives and investments

Section 6 provides an overview of key strategic documents relevant to the region (both at the region and LGA specific level), as well as detailing significant private and public investments in the region since 2018, including detail of grant funding from key programs managed by DRNSW.

Section 7 – Economic snapshot of the region

Section 7 provides an economic snapshot of the region's economy. Information provided includes key economic data around population growth and demographics, housing availability and affordability, and employment trends. Analysis of the industry composition of the region follows, which identifies sectors in the region that have existing comparative advantage (engine industries) or the potential to develop significant future advantage (emerging industries).

Section 8 – Strategic opportunities for growth, resilience and liveability

Section 8 provides summary analysis about key identified industry sectors in the region, including a high level economic data profile, as well analysis of key strengths, vulnerabilities, and opportunities.

A summary of key themes arising from consultation undertaken as part of the process follows the industry analysis, and flows into the section that outlines the 2023 REDS Update strategies. The final part of the REDS Update outlines a non-exhaustive list of priority enabling actions against each of the identified strategies, as well as identifying entities that can lead and support implementation of the enablers.

4. Governance

The 2023 REDS Updates have been produced by DRNSW in close consultation with local governments in each region. The Updates will help inform and shape the NSW Government's plans to support economic development in each of the 38 FERS of regional NSW.

The REDS can also be used by local governments or other organisations to inform more detailed actions and implementation plans, and are designed to encourage ongoing collaboration across government and non-government sectors, so to pursue positive economic and social outcomes for in regional communities.

Regional Development Forums

DRNSW is establishing Regional Development Forums that will bring together selected key government and non-government stakeholders and regional leaders to discuss place-based regional development opportunities and issues. These bi-annual forums are planned to be held across the 8 DRNSW regions, and will enable connection and collaboration on three focus areas of economic development, liveability and Aboriginal communities.

These forums will provide an opportunity for key local leaders to determine the best approach to monitoring progress against the strategies and enabling actions outlined in the REDS. This will help ensure that governance is locally driven and fit for purpose for each region. The forums will provide a regular opportunity for key leaders to discuss progress against priority enablers and strategies, which can assist in ensuring the REDS can play an ongoing important role in helping to guide economic development action across regional NSW.

DRNSW Regional Development

The DRNSW Regional Development teams can also provide advice and support to regional leaders about economic development issues across their region. The contact email address for each of the DRNSW Regional Development teams is listed below.

- **Central West:** regional.centralwest@regional.nsw.gov.au

- **Hunter and Central Coast** regional.huntercentralcoast@regional.nsw.gov.au

- **Illawarra Shoalhaven** regional.illawarrashoalhaven@regional.nsw.gov.au

- **New England and North West** regional.nenw@regional.nsw.gov.au

- **North Coast** regional.northcoast@regional.nsw.gov.au/

- **Orana Far West** regional.western@regional.nsw.gov.au

- **Riverina Murray** regional.riverinamurray@regional.nsw.gov.au

- **South East** regional.southeast@regional.nsw.gov.au

5. The future of the REDS

DRNSW will continue to develop and enhance its overall approach to economic development in regional NSW. DRNSW will continue to focus on ensuring the REDS are effective in supporting long term positive economic outcomes and that appropriate governance forums exist to drive regional collaboration.

The REDS have been developed to be relevant for the period 2023 to 2026. The timeline and process for future updates to the REDS will be guided by stakeholder feedback, changes to regional economics, updates to government priorities and plans and the availability of new data. In advance of the next update to the REDS, DRNSW has identified four priority areas of focus.

Review of the FER boundaries

In many regions, the current FER groupings are appropriate and working well, and the REDS are supporting enhanced collaboration between local council and helping to deliver stronger outcomes for connected communities. However, for some regions, the current FER boundaries may need to be reviewed.

A future review of the FER boundaries will make use of latest data points to inform any proposed changes. This will continue to draw on journey to work data but may draw on other sets to better reflect local experience. Any revised approach to regional economic development will be both data driven but also informed by key local stakeholder input.

Aboriginal community engagement

Developing a comprehensive approach to effectively engaging with the Aboriginal community across all of regional NSW will form a key priority for DRNSW in advance of a future REDS updates.

Focus areas will include building understanding of the role the REDS can play in supporting Aboriginal economic prosperity, developing a shared vision of how to best approach effective engagement with key stakeholders in each FER, and exploring options around how best to reflect Aboriginal community priorities associated with economic development in the REDS.

Business community engagement

The 2023 REDS Update process involved some direct engagement with business community representatives (i.e. business chambers and large business owners) in individual regions, as well as the undertaking of a regional business survey. DRNSW will continue to seek the input of businesses in future update to the REDS.

Economic data

The current REDS provide an economic snapshot for each FER based on the most recently available economic data at a given point in time. Prior to any future update, DRNSW will review the overall data set used to create this snapshot and the analysis contained in the REDS, and consider any changes needed to ensure it is effectively capturing the overall profile of each FER's economy.

DRNSW also intends to explore options for a REDS data set that is regularly updated as new data is released – i.e. a shift from a static, point in time snapshot approach towards one that incorporates a live data set that is regularly updated. This would support improved decision making and enhance the ability for regular reflection on the progress being made against key economic development priorities in each region.