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Economic Development

Productive ▶ Shoalhaven

Economic
Development
Strategy
2017-2026



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SHOALHAVEN ECONOMIC DEVELOPMENT STRATEGY 2017-2026

Prepared by the Economic Development Office with the assistance of Locale Consulting Pty Ltd and a Project Steering Group comprising representatives from internal and external organisations.

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1. Overview

The Shoalhaven is experiencing exciting times, with major infrastructure projects making the area ever more accessible and creating opportunities to expand on the existing productive, entrepreneurial and robust businesses of the area. Combined with readily available and reasonably priced residential and commercial land, and an extensive skilled labour force, the area already has some serious competitive advantages that are only expected to grow.

This Strategy outlines a 10 year vision for Council's involvement in economic development. Building on the area's competitive advantages across core economic drivers, the Strategy proposes directions across a range of industry sectors and Council activities that also align with Council's broader commitments to its resident and business communities through its Community Strategic Plan.

Over time, the Strategy will be supported by a range of more detailed plans and strategies. These will include an Implementation Action Plan, a Business Attraction Plan, Infrastructure plan as well as a number of targeted Sector Strategies that will examine specific industries and how these can grow and benefit those living in the Shoalhaven.

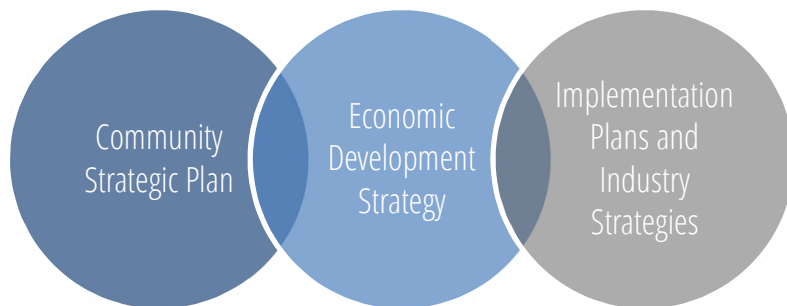
The document has been prepared by Council's Economic Development Office with input from a Project Steering Committee and utilising extensive consultation across a range of internal and external stakeholders. With broad support for its directions, there is no doubt that the Shoalhaven has a highly productive future.



2. Strategic Context

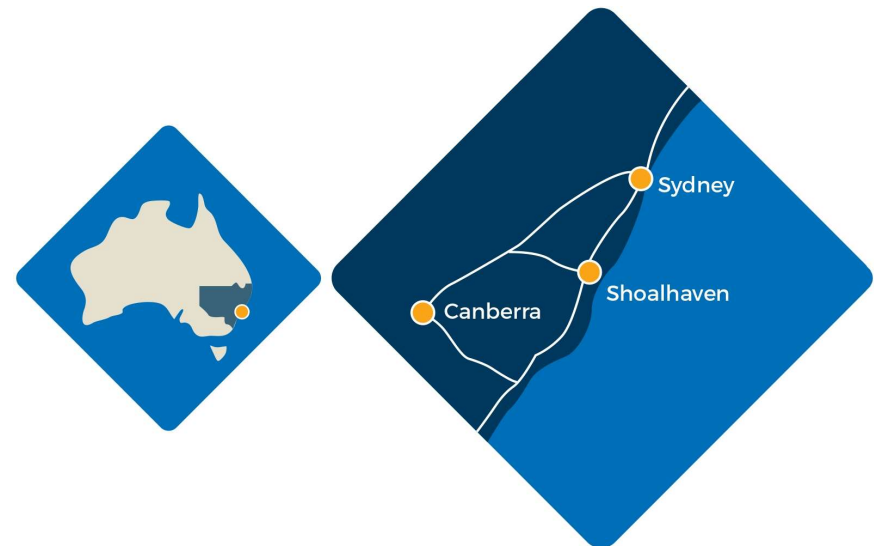
This Strategy provides an implementation platform for the many and varied economic development opportunities that have been identified through detailed stakeholder discussions and review of several local, regional, state and Federal level initiatives. The Strategy also builds on the Community Strategic Plan's prosperity objectives to create:

- An economy with growing employment opportunities based on Shoalhaven's distinct characteristics, advantages and natural qualities;
- An economy that supports and is supported by growing, diverse and changing communities; and
- Effective promotion of Shoalhaven's investment, business and job opportunities, lifestyle attractions and vision.



2.1 Locality Context

The Shoalhaven's major regional centre of Nowra-Bomaderry is located just two hours' drive from Sydney, one from Wollongong and just over two from Canberra - that's more than 6 million people and four international ports within easy reach. With two regional centres at Vincentia (Jervis Bay & St Georges Basin) and Ulladulla-Milton, 49 towns and villages, and 109 beaches, there's also lifestyle choices to match the economic opportunities - from beach havens and hidden valleys to functional and energetic urban areas.



The Shoalhaven area is also experiencing significant investment in key transportation and other infrastructure, creating business opportunity and bringing more potential to

continue the current strong growth. By 2019 Princes Highway upgrades at Berry will be complete, with the Berry to Bomaderry Upgrade and Albion Park Bypass being the next works in the pipeline - ultimately creating uninterrupted dual carriageway from Sydney to Nowra.

When combined with the “Beyond Nerriga” westerly connections to the Hume Highway and Canberra, and southern connections to the greater NSW South Coast, Nowra and the Shoalhaven more generally suddenly becomes a major hub with growth in population, commerce and opportunity.

In the Defence sector, the HMAS Albatross and HMAS Creswell bases provide a pipeline of works and increasing Defence activities which are one of the most valuable of any industry sector. Investments in retail, multi-unit dwellings and commercial buildings all provide a strong position for the future.

Increasing grant funding opportunities and packages, such as the Federal Government’s \$20 million South Coast Jobs and Investment Package [2017], combined with the State Government’s \$50+ million Jobs for NSW Regional Solutions programme [2016], also provide a great opportunity in the short to medium term (and other programs in the long-term) for business to establish and expand in the Shoalhaven. These initiatives, and ones that will come into the future, are supported by Council and this Strategy.

2.2 Regional Context

With improving road access, the Shoalhaven’s renowned self-sufficiency and entrepreneurialism will be even better linked to the surrounding region, continuing to improve links to export markets and major populations in Wollongong, Sydney and Canberra.

To the north, heavy manufacturing of the “old” Illawarra is being replaced with new innovative and adaptive business opportunities, with the Shoalhaven’s ready supply of industrial and employment land playing a key part of the region’s ongoing growth. With University of Wollongong’s Shoalhaven Campus delivering a range of health, human services, business and research & development activities locally - the smart and innovative jobs and employees of the future are also becoming more readily available.

To the south, the Shoalhaven is also well connected to the South Coast region. These areas are synonymous with agriculture and tourism activities, and with natural lifestyle attributes which are desired by many seeking sea and tree-change opportunities. High value niche sector opportunities are also present across the region, with the bio-technology and equine industries (among others) having recently been developed and investigations completed.

3. Existing Economic Situation

There are many elements to the existing economic situation which are relevant to this Strategy. An overview of the demographic and various industry sectors that are represented in the area are provided in this section. Other factors are also explored in Section 4, which reviews the Shoalhaven's economic drivers and competitive advantages.

3.1 Demographic Overview

Outside of Sydney, Wollongong and Newcastle, the Shoalhaven is the second largest regionally based Council by population size in NSW. According to Council's Economic Development Office (Jan 2017), its economy supports an estimated workforce of almost 36,000 people, with a population estimated at almost 100,000. According to IDForecast modelling (Jan 2017) this population is expected to grow by at least another 20% by 2036, with around 7,400 new jobs to be created.

Over time, and as with many regional areas, the median age of the population is also expected to increase, creating demand in core health, retirement and human services sectors. With a health hub already designated and planned to grow around the Shoalhaven District Memorial Hospital in Nowra, and linked with the University of Wollongong's Shoalhaven Campus, the area is expected to remain a leader in health services and related medical related education.

In recent times the area has also experienced rapid population growth, with an expanding real estate sector now driving a new series of residential and commercial development opportunities which are likely to lead to even further growth. With a healthy lifestyle and affordability driving both young and old to move to the area from Sydney and elsewhere, there is no doubt that the Shoalhaven will continue to grow, placing a strong emphasis on increasing productivity and investment in the economy.



Increasing Workforce / Jobs

2006 = 32,498

2016 = 35,745

2036 = 47,175



Increasing population

2006 = 90,505

2016 = 98,636

2036 = 119,467

3.2 Industry Sector Overview

The Defence and Manufacturing sectors have traditionally been key industry sectors for the Shoalhaven, and will continue to be into the future, having already supported the substantial growth in the economy (GRP) and residential approvals over the last five years [REMPAN Economic Profile Jan 2017]. The Defence industry is the enduring backbone of the economy, with its future in the Shoalhaven now secured and growth path established via capital expansion at the local bases of HMAS Albatross and HMAS Creswell over the 2000-2018 period.

The manufacturing sector has meanwhile remained surprisingly strong and has continued to grow despite declines in other localities - a nod to the sectors adaptability and preparedness to grow and invest in niche sectors for domestic and international markets.



As of 2011, the Health / Social Services industry sector is now the largest employer of all, and is expected to continue to grow rapidly in coming years. Education / Training has also grown in recent times, albeit at a slower rate. Together these sectors are critical to the continued care and education of our community - areas where co-operation and ongoing dialogue with Federal and State Governments and the private sector are most important. These are also strong areas for the Shoalhaven community, with significant TAFE and University establishments, along with the regional health hub at the Shoalhaven District Memorial Hospital.

Whilst not as valuable in economic terms on a “per job” basis, the tourism and retail sectors will continue to play very important roles, creating and building upon the enviable natural lifestyle attributes of the area, as well as providing entry level employment opportunities for the area’s young. With a strong tourism and events ethos at Council and continued growth in the tourism sector over recent years, there is no doubt that it will continue to deliver important vibrancy and exposure of the area – also important elements to a successful business economy.

But not all jobs have the same value to the local or regional economy, with some jobs adding more value than others on a per job basis, through nett exports, higher wages or the flow-on effects through the economy that they create. As such some of the smaller employing sectors still play an

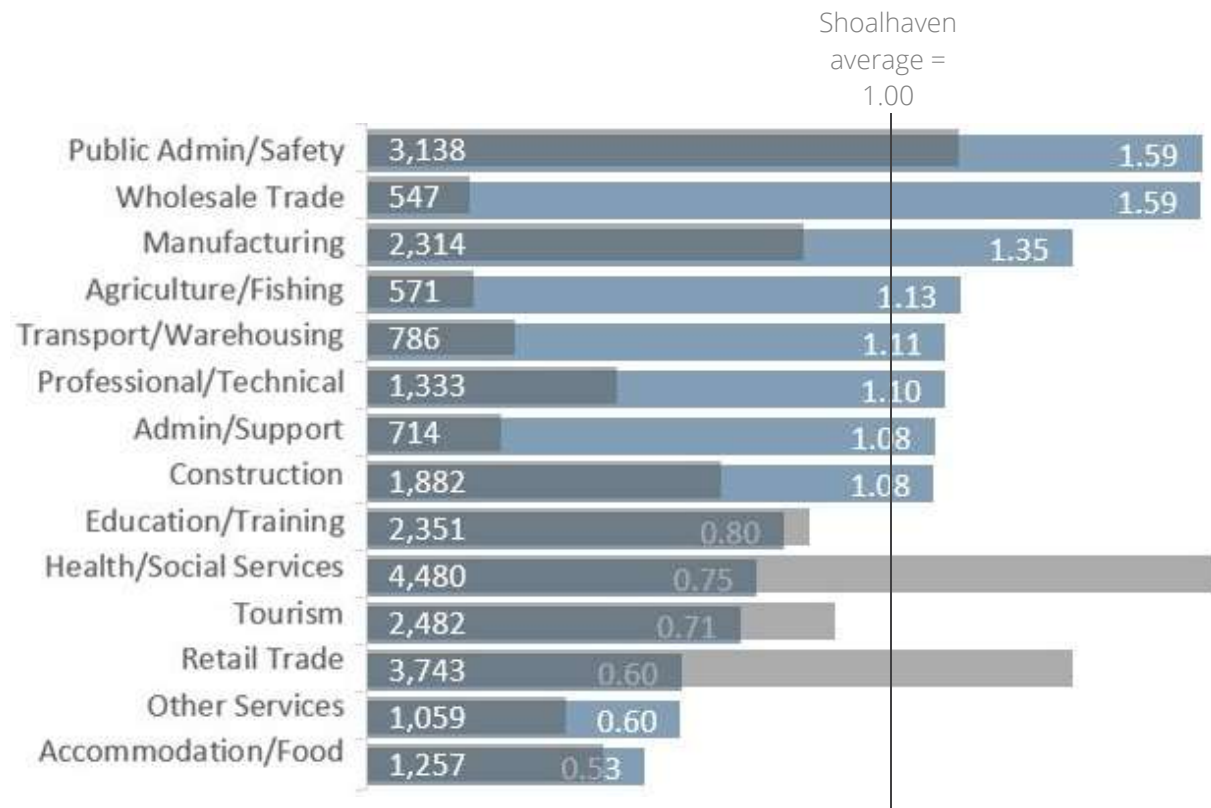
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important role to the overall economy. For example the Professional / Technical Services, Transport / Warehousing, Agriculture / Fishing, and the Wholesale Trade sectors are typically both high growth and high value sectors supported by national and international markets.

This Strategy seeks to broadly support jobs growth through investment, increasing productivity and growing strategic opportunities as they arise across the economy. It also places a particular onus on supporting jobs growth on high value areas over coming years - areas that are highlighted in the following graph [REMPAN February 2017].

Interpretation:

- Grey bar = key sectors in the Shoalhaven by number of jobs. Number of jobs shown on left of bar - e.g. Public Admin/Safety = 3,138
- Blue Bar = value-add of each individual job, as compared to the value of the average Shoalhaven job which is equal to 1.00. Value of each job in each sector is shown at right of the bar - e.g. Public Admin/Safety = 1.59
- The more jobs in those sectors with greater than average value add will provide the highest economic gains to the Shoalhaven



4. Economic Drivers and Competitive Advantages

Drivers of regional economies are generally similar for all, with a region's competitive advantages within each driver creating opportunities that can then be targeted. Shoalhaven's competitive advantages across four key economic drivers - Education and Skills, Population Change, Market Access and Partnerships and Planning - are outlined below.



4.1 Education and Skills

On the back of the large Royal Australian Navy training bases in the area, the Shoalhaven has a strong and growing community culture based around education and training. On top of the two Naval training bases, the area also has TAFE campuses at Nowra and Ulladulla, and the University of Wollongong's Shoalhaven Campus in West Nowra, both providing strong opportunities for reinforcing localised pathways to tertiary education. The area also has many businesses that have an internalised strong training and skills development focus and many other smaller Registered Training Organisations (RTOs) that service specialised needs.

Labour force skills level are correspondingly high, with achievement in the area of advanced diploma, diploma or vocational qualifications being 7.5% higher than regional NSW average and almost 10% higher than Wollongong. Primary and Secondary schools are also available, with both private sector and public schools across a number of the urban areas, with the Shoalhaven being strong in the providing pathways from school to tertiary and vocational education.

The Shoalhaven labour force is characterised as a skilled one that has shown an adaptability to change and a continuous improvement philosophy. Jobs numbers have continued to grow, and participation rates have remained

steady over a long period despite an aging population, highlighting the lean, productive operations of many of the high value business sectors of the area. With opportunities to better match skills and education to workforce requirements, our strong foundations are primed for the needs of the future.



4.2 Population Change

The Shoalhaven has maintained a strong level of population growth over the last 10 years (2006 - 2016), even throughout the GFC recovery period. However in more recent times, that growth has quickly expanded, with the increase in population more than doubling between 2013 and 2014, being an annual increase of 1.4% in 2014, followed up by 1.2% in 2015. Over the next 20 years, population growth is conservatively estimated to be around 20,000 people, though possibly much more.

This population growth will continue to push jobs growth, particularly in areas such as construction and retail, creating more lively urban areas and a better place to live. Council's planning and economic development teams have both employment and residential land release areas in the pipeline, as well as fully serviced industrial land available on the market.

As a major land holder, and in the industrial sector a major developer, Council is able to respond positively to market movements, ensuring a steady supply of affordable employment land into the foreseeable future. This role of developer also provides a unique connection and rapport between Council's Economic Development team and the businesses that are moving and/or expanding in the Shoalhaven, teaming them up with the types of contacts and networks that would otherwise take years to develop.

4.3 Market Access

Recent and ongoing road infrastructure improvements are continuing to open up the area for market access and freight movement. On top of the 6 million + people surrounding the Shoalhaven, international and interstate connections are also readily available. For example, the Port of Port Kembla is only one hour by road, with Port Botany just over two hours. Sydney airport is a similar distance and as of September 2016, Canberra is now an international air hub - meaning access to markets throughout Asia in a matter of hours (and without the flight curfews of Sydney!).

The Shoalhaven's existing manufacturing industry is testament to the accessibility of our markets. With the sector having grown in the face of rapid declines elsewhere, they now stand ready to expand further and faster. Similar opportunities exist for high value agricultural produce, with the Canberra Airport link providing access to markets where every hour counts.

Whether as a hub for regional or international distribution, or to service localised markets, the Shoalhaven can provide a range of opportunities without the cost and other barriers of metro areas.

4.4 Partnerships and Planning

The Shoalhaven's position as a gateway to the South Coast, and with close market access and available employment land stocks, places it as a meeting point for many regional, State and Federal programs. Council's Economic Development Office has also developed and supported a number of strong and effective Shoalhaven based business and industry networks, creating the web that helps businesses to establish and expand through complementary knowledge, services and advice.

The Federal Government is set to roll out the South Coast Jobs and Investment Package - \$20 million to assist in targeted investment to leverage export and to diversify the economy. The NSW Government's Jobs for NSW program has just been launched, with at least 30% of the \$190 million to be allocated to regional areas over the next four years.

Along with organisations such as NSW Departments' of Premier & Cabinet and Planning & Environment, the Illawarra-Shoalhaven Joint Organisation and Regional Development Australia (Far South Coast and Illawarra), there are a range of partners that are able to work together in and around the Shoalhaven to support economic growth. When combined with localised plans and strategies such as this and the Illawarra-Shoalhaven Regional Plan, there are clear building blocks and funding sources in place to achieve long-term results.

5. Achieving a Positive Future

As outlined throughout the previous section, the Shoalhaven is changing, with a rapidly evolving real-estate, technology and economic environment. How we are able to capture and take advantage of this change is the key to the success of this Economic Development Strategy.

5.1 Vision

The vision for economic development over the next 10 years is:

To build upon the already high levels of local productivity, entrepreneurialism and inter-connected business relationships to provide sustained economic growth, through a diverse and robust economy, that is supported by a skilled and educated workforce that is able to balance work with an attractive and healthy lifestyle.

5.2 Objectives

This long-term vision is to be achieved through a combination of growing employment opportunities, increasing the quality of those opportunities, supporting entrepreneurial flair and innovation, remaining responsive to change and balancing economic objectives with the achievement of a balance with environmental and social needs via an enviable lifestyle. These directions are encapsulated in the following core, measurable objectives:

Objective 1: To grow in number of employed people within the Shoalhaven commensurate with population growth

Objective 2: To increase the level of Gross Regional Product per worker

Objective 3: To sustain, as far as possible, the level of workforce participation despite an aging population

Objective 4: To enhance the liveability of the Shoalhaven

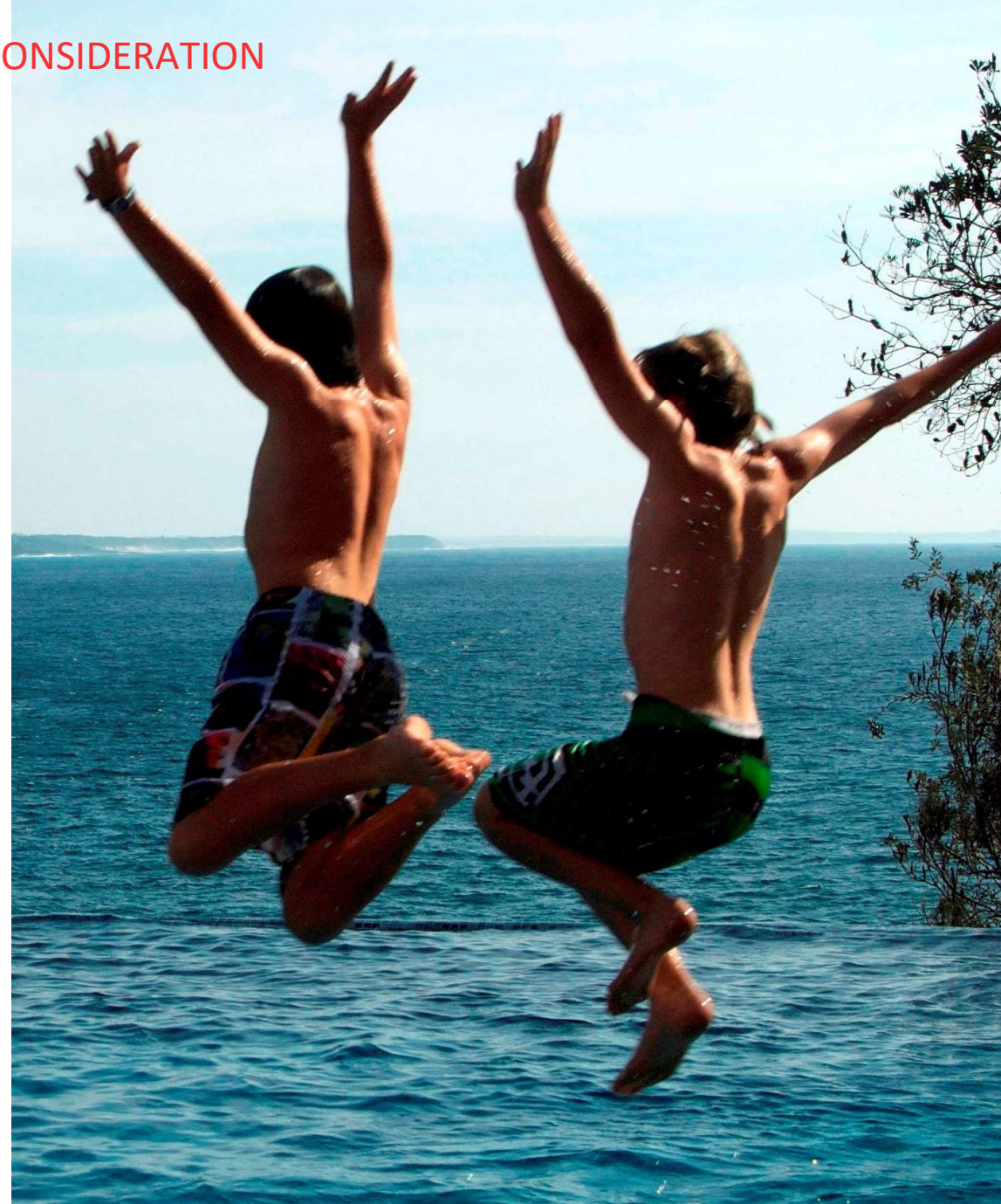


5.3 Getting Results

The remainder of this Economic Development Strategy document outlines how Council, together with partners and collaborators, will achieve the above vision and objectives. It provides a range of actions across specific industry sectors, as well as those that sit across a range of sectors and the community including core areas of:

- Sustaining and improving productivity;
- Leading and being innovative;
- Stimulating catalytic opportunities;
- Creating liveability and place;
- Utilising Council's employment lands;
- Communicating economic development; and
- Marketing and promotion of the Shoalhaven.

These broad based actions, and key industry sector actions are set out over the next two sections.



6. Broad Based Actions

Broad based actions are those that impact on more than just one industry sector. They typically involve operational and community based opportunities to improve economic development outcomes, as outlined in the following pages.

6.1 Sustaining and Improving Productivity

The businesses of the Shoalhaven economy have a track record of being innovative, productive and sustainable, evidenced by consistent participation rates, a strong leading edge manufacturing sector and a sharing but entrepreneurial approach. Strong networking groups exist across many sectors, highlighting the concerted efforts of Council, other agencies and the business community to make the Shoalhaven a prosperous place to be.

Into the future, a key aim of this Strategy will be to maintain and improve productivity across the economy. Productivity in this context is far more than just new development, but utilising new technologies, processes and making wise investments to get more out of existing markets or venturing into new ones. This will mean that the Economic Development Office will continue to work closely with existing businesses, helping them to adapt and change as new technologies arise, shifting how they operate to match markets and broader economic conditions and to ensure

that, wherever possible, businesses increase the size of their workforce over time.

In doing so, the Economic Development Office, in conjunction with other regional partners, will continue to establish rapport, build business relationships and be a valuable source of information dissemination within the business community.

Recommended Actions

- 6.1.1 Local business support services: Maintain a networked approach to business assistance through the availability of, and connection to, a comprehensive suite of business support services.
- 6.1.2 Business training delivery: Continue to work with local business and business leaders to deliver targeted business training and strategic development.
- 6.1.3 Start-up and entrepreneurial support: Continue to joint venture with business groups or other organisations / individuals to host information sessions for start-ups and to provide entrepreneurial support, including mentoring programs for them.

6.2 Leadership and Innovation

With a great balance of an existing skilled workforce, enviable natural environment and healthy economy, the Shoalhaven has the opportunity to further establish itself in areas of leadership and innovation - growing the existing liveability of the city through a greater range of community, recreation, cultural and economic opportunities. From the implementation of high speed broadband and other technologies, to the ever improving pro-active and outcome focused Council, this potential includes:

- Fostering a greater understanding of economic development within Council and the community (see Section 6.6);
- Encouraging advanced technology opportunities, start-ups and creative industries that occur through the take-up of key infrastructure such as the high speed broadband through innovation and skills;
- Establishing opportunities for alternative technologies and how Council can assist business to become energy efficiency through renewables and other means;
- Identifying opportunities to engage technology in Council's activities and into the community through programs such as the Federal Government's *Smart Cities & Suburbs* program being released in 2017;

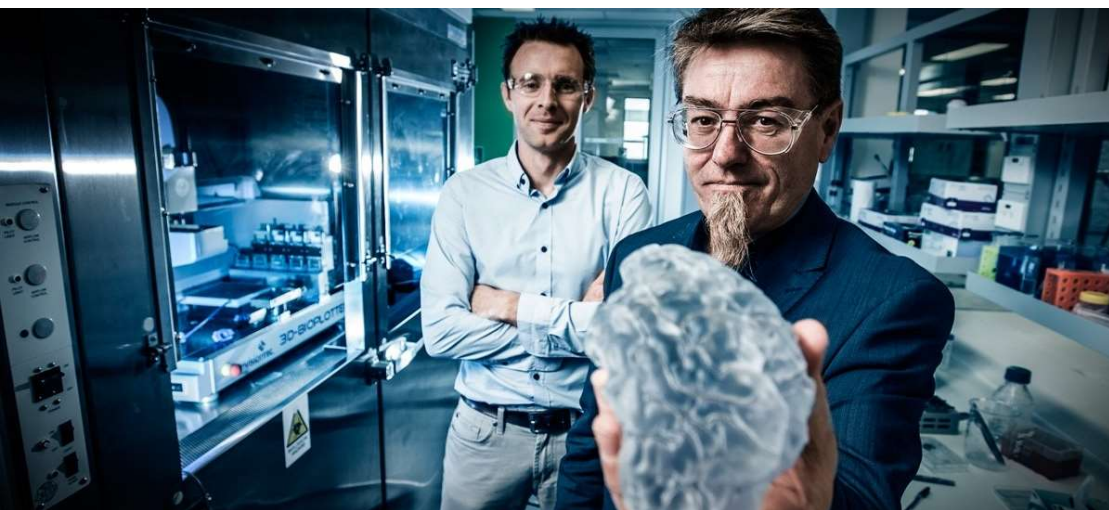
- Rewarding business excellence through appropriate recognition and highlighting the many success stories of the Shoalhaven;
- Leveraging existing partnerships such as Council's Sister City, strategic business alliances, trade and international relations; and
- Taking a proactive approach to Council delivering both profit and non-profit services that advance the community's wellbeing and Council's long-term financial sustainability.

Ultimately, Council has the opportunity to be a leader in the Shoalhaven community and in economic development circles, recognising the best opportunities that the area has to offer.

Recommended Actions

- 6.2.1 Engage with broadband and other technologies: Continue to work with NBN Co and others to facilitate the implementation of high speed broadband and to recognise associated opportunities with the development of technologies that assist business and lifestyle outcomes.
- 6.2.2 Explore technology opportunities: From renewables to creative industries and technology start-ups, create a platform for exploring the use of technologies that enhances lifestyle, creates sustainability and provides leadership for the jobs of the future.

- 6.2.3 Council taking the lead: Explore opportunities for Council to increase its participation in key areas that increase liveability of the area, foster improvement to the diversity of its income streams, and provide long-term opportunities.
- 6.2.4 Leverage partnership opportunities: Explore opportunities to leverage economic growth through existing and potential future partnerships with sister cities, trade partners or local partners, such as not-for-profits and other agencies.
- 6.2.5 Be responsive to opportunity: The Economic Development Office remain responsive to unforeseen opportunities and ideas that may arise through business networks or other contacts to nurture these to a productive state where possible.



6.3 Stimulating Catalytic Investment Opportunities

Many in the business and general community recognise the importance of “game changing” projects, the ones that on their own can make a sustained and substantial difference to the Shoalhaven economy or elements of it. Many in the community express the frustrations of seeing these projects delayed or disappearing over time. These game changers are often catalysts to an even bigger investment - for example the development of a boat harbour not only facilitates boating activities, but enables tourism opportunities, creates manufacturing and repair needs, has support services and retails needs for those users.

This type of catalytic investment differs from traditional retail development for example, which can simply redistribute existing jobs throughout the economy. Catalytic projects will typically create new opportunities or expand on existing opportunities which create new employment through new export or value added potential. Current or future examples in the Shoalhaven may include:

- Nowra CBD, with several opportunities to provide major revitalisation of the inner core of the Nowra CBD area;
- Nowra “Civic Precinct” around the Council Administration Centre and Shoalhaven Entertainment Centre;
- Bundanon’s Riversdale Masterplan, a unique arts and cultural institution, with major tourism potential;

- Shoalhaven Motorsports Complex, a multi-use sporting facility and including the associated industry park linking to the existing Albatross Aviation Technology Park;
- Secondary education facilities, such as the Trinity College Environmental Field Study Centre and Scots College facilities at Kangaroo Valley and Culburra creates great exposure of the area for 1,000's each year;
- Shoalhaven wellbeing and health campus in Nowra, providing an integrated, long-term approach to health, nutrition and human services;
- Waterfront activation, particularly on the Shoalhaven River, Huskisson foreshore and Ulladulla Harbour; and
- Shaolin Temple, being a major international tourism proposal to the south-east of Nowra.

A range of legislative and delivery issues exist for some of these projects, with the existing legislative framework meaning that councils throughout the State have been unable to respond effectively to appropriate opportunities. These issues are exacerbated by complicated public land and environmental considerations which can be seen to override social and economic balances. Whilst not every project is a catalytic opportunity, and not every catalytic opportunity should necessarily proceed, having better co-ordination and delivery mechanisms for those that are desired is paramount.

Recommended Actions

- 6.3.1 Planning and Associated Legislation: Continue to advocate for changes to planning and associated legislation to enable a more strategic and visionary approach to planning and implementation of development.
- 6.3.2 Implementing Catalytic Investment Opportunities: Establish a resource (or resources) to assist catalytic project proponents to establish viable concepts, work through planning approvals systems, engage with potential investors (public or private) and deliver projects through a whole of Council approach.



6.4 Creating Liveability and Place

There are a diverse range of issues that contribute to liveability of an area or place. Whilst the Shoalhaven has extremely popular and enviable natural assets that must be protected, enhanced and promoted, in recent times the concept of “place making” has emerged along with more traditional planning to position communities to be more vibrant, connected and welcoming. Liveability and lifestyle are key attributes in attracting and retaining people to the area, particularly for localities such as the Shoalhaven (and many other regional areas that the Shoalhaven competes with) which rely on in-migration for population growth.

Business and commerce play a key role in this process along with communities and Council, with sectors like retail and food services contributing to activity on streets and towns throughout the area. This activity is particularly important in locations such as the Nowra CBD, where physical improvements, retail diversity and vitality need to be balanced to create attractive places where people want to be.

Associated with our enjoyment of our towns and villages is the ability for residents to be able to afford to participate, particularly in terms of housing. Whilst the Shoalhaven is more affordable than Sydney, prices are rising, with levels of mortgage stress and affordability issues also increasing.

The Shoalhaven also needs to be a functional and active place that is attractive for all ages. Focusing on catering for an aging population can result in resources being diverted from opportunities for younger people - the people that we need to retain and attract to service an aging population over the long-term. Creating vibrant and attractive urban areas with a range of activities that complements our beautiful natural resources is part of this balance of planning in an inclusive and long-term way.

At times, liveable and vibrant places can also be compromised by key land parcels and spaces that remain underutilised. These spaces are often owned by Government (including Council), Aboriginal Land Councils or non-profit entities where opportunities for greater collaboration may be available to partner and re-engage these areas to their surrounds or to activate non-urban lands to benefit sector specific areas - tourism or aged care for example.

Combined with balancing urban growth and the Shoalhaven’s renowned rural or peri-urban edges that are fast disappearing in the Sydney basin, there are many challenges to making the Shoalhaven a great place to live. What we do know, is that liveability and place making is more than just “beautification” - it’s a combination of actions and activities that need to be delivered across Council and the community.

Recommended Actions

- 6.4.1 CBD revitalisation and local business participation: Continue to participate in CBD and town centre revitalisation processes, building capacity within the business community of the importance of placemaking.
- 6.4.2 Affordable housing opportunities: Explore alternatives for implementation of affordable housing within the Shoalhaven through a range of opportunities and processes associated with a comprehensive approach.
- 6.4.3 Youth orientated infrastructure: Continue to explore and advocate for active youth orientated infrastructure that has economic potential and creates a unique offering for the area.
- 6.4.4 Activation opportunities: Research and develop options to encourage both day and night time activation opportunities, potentially targeting selected urban centres before broader roll-out.
- 6.4.5 Strategic land activation: Explore options and opportunities for activation of key village, town centre and other land parcels owned by Council, the Crown, not-for-profits or Aboriginal Land Councils.



6.5 Council's Employment Lands

One of the key competitive advantages of the Shoalhaven relates to the availability of relatively large quantities of serviced and ready to develop vacant employment lands. In fact the Shoalhaven contains almost 45% of the vacant industrial land in the Illawarra-Shoalhaven region, including large portions of Council and Crown owned land in South Nowra, at the Albatross Aviation Technology Park, Huskisson and Ulladulla.

This available land stock is the result of many years of strategic planning and development by Council's Economic Development Office in a concerted effort to link businesses with affordable land and growth opportunities in the Shoalhaven. As mentioned earlier, this provides Council with the unique opportunity to build rapport with new and expanding businesses, and to establish close links with desired economic development outcomes - a situation that is unlike anywhere else in NSW. In real terms this has meant that Council's Economic Development Office has been connected to over 200 industrial lots being developed generating around 3,000 jobs locally.

Given that the purchase of land happens at varying times through the evolution of a business, Council's Economic Development Office can package land, make network connections and establish relationships that meet the needs of the business at the time in which it is seeking to move or expand.

When combined with increasing access and a booming Sydney market, this means that the Shoalhaven is on the verge of significant growth in this area, creating jobs and a critical mass of employment to support future population growth. The continuation of the Economic Development Office's involvement in the sector, and how future land releases are designed and able to cater for the desired sector growth, will remain a key role moving forward.

Recommended Actions

- 6.5.1 Business strategy and implementation plans: Update formal business strategies and implementation plans for Council's industrial land stock that outlines Council involvement in and how the land will be developed over the long-term.
- 6.5.2 Continue to link economic development with land delivery: Maintain a close link between industrial land delivery and economic development outcomes through the continued reinvestment of funds into economic development projects and objectives.

6.6 Communicating Economic Development

With increasingly sophisticated ways to stay in touch with key stakeholders, there are many opportunities in which economic development concepts, activities and achievements can be communicated. Opportunities to improve communications exist both within the Council organisation, as well as between Council and the businesses, agencies and communities in which it operates.

At a high level, regular news items via press, social media or e-news style formats can achieve broad reach, quickly communicating positive opportunities and achievements. Similarly the “prosperity” aspects of the Community Strategic Plan are highly valued by the community, but undersold in communications. At the more detailed level, continuing regular meetings, updates and networking opportunities will also provide critical links between businesses, agencies and Council.

Within Council, particularly when compared with other more regulatory orientated services that are delivered, there are relatively few that have a close understanding of the role and benefits of economic development. Better cross-pollination of knowledge will ultimately provide a greater awareness of Council’s broader roles and the issues faced by business in the area, in-turn arming Council staff with a greater capacity to positively respond to the business community in a proactive and positive way.

Recommended Actions

- 6.6.1 Internal understanding of economic development: Strengthen internal understanding of economic development and business through regular interaction at a number of staff levels.
- 6.6.2 Economic development “internships”: Establish “internship” type arrangements of internal staff to expose them to the activities and processes of the EDO.
- 6.6.3 High level management / director meetings: Maintain regular high level discussion between EDO and other senior Council staff to ensure a broad understanding of current EDO projects.
- 6.6.4 Work with external business groups: Maintain support, involvement, collaboration and communication with key external lead industry and business groups to best share information and maintain a strong networking ethos within Shoalhaven businesses.
- 6.6.5 Work with external agencies: Continue to communicate, collaborate and partner with industry and government to deliver on shared economic development projects in a proactive and positive way.
- 6.6.6 Communicate economic development issues: Develop and issue a regular range of information to industry and public, aiming to raise the background level of understanding of economic development activities and successes.

6.7 Marketing and Promotion

Marketing and promotion of the Shoalhaven is a key tool to facilitating business attraction, particularly given the opportunities associated with the availability and Council's ownership of industrial land. As differentiated from the communication of concepts, activities and achievements of economic development, marketing and promotion relate to the broader context of the Shoalhaven within the region and beyond.

Framed around the development of a Business Attraction Plan, marketing efforts should highlight the competitive advantages and opportunities for business and investment in the Shoalhaven, including the myriad of successful industries and businesses that have already established in the area. The Plan would identify three core steps: market research to better understand where opportunities lie, developing a range of marketing materials to suit intended activities, and implementing actions through a range of avenues.

As mentioned above, such marketing efforts would highlight existing business successes and identify industry leaders or champions to assist in creating a unique Shoalhaven brand. Specific industry segments can then also be targeted over time, typically following development or renewal of Sector Strategies and Business Plans that identify sector relevant opportunities.

Recommended Actions

- 6.7.1 Shoalhaven "Business Attraction Plan": Develop and implement a Shoalhaven Business Attraction Plan as a structured approach to marketing activities.
- 6.7.2 Business champions and success stories: Establish a range of "business champions" and "success stories" that provide positive factual examples of business in the region to be used in promotional activities
- 6.7.3 External promotion: Support activities such as attendance at key trade shows, events, awards and conferences where the Shoalhaven's opportunities can be highlighted.



7. Key Industry Actions

Over and above the overarching directions of the previous section, there is a large cross-section of sectors that have a presence in the Shoalhaven area, many of which have specific opportunities that can be targeted. The following pages outline the key sectors that Council will target with specific actions over the life of this Economic Development Strategy.

7.1 Defence and Public Administration

The Defence industry is very important to the Shoalhaven economy with many jobs associated directly with the operational activities of the HMAS Albatross and HMAS Creswell Naval bases. Defence jobs are both high value and have a high return to the local economy and form a large proportion of the Public Administration and Safety industry sector, along with Council's own contributions and the presence of the South Coast Correctional Centre.

The presence of the Defence bases, which largely relate to personnel training and education, provide a strong platform for a community which is skilled, willing to learn and agile to change. This permeates through the broader community and is a cornerstone to the Shoalhaven's high levels of skilled workers.

The Defence industry also provides a basis for growth into other related areas, including the aviation, advanced manufacturing and Defence support sectors. The presence of the bases, together with the presence of the Albatross Aviation Technology Park (AATP) with its direct airfield access to HMAS Albatross, there continues to be numerous opportunities to work co-operatively with Defence whilst leveraging opportunities to support their presence.

Recommended Actions

- 7.1.1 Support retention of Defence facilities - Continue to support the long-term presence of Defence facilities through ongoing land use planning and co-operation between Council, State Government and Defence agencies.
- 7.1.2 Maintain Defence industry group relationships: Maintain and continue to support the Shoalhaven Defence Industry Group as an important industry liaison and lobby group.
- 7.1.3 Renew the Defence Industry Sector Strategy: Review and renew the Defence Industry Sector Strategy to reflect change over the last five years and to better establish a detailed direction for Defence support services.

7.2 Manufacturing

The manufacturing sector continues to be a very strong element of the Shoalhaven economy, despite the issues that have been experienced in this sector in the Illawarra and elsewhere. The sector has very high output ratios per worker, along with high wages and high value-add to the local economy. When combined with the existing high number of jobs, this sector is clearly an important one for the overall Shoalhaven economy.

In recognition of this strong performance and an obvious resilience within the sector, it is recognised as one which has the opportunity to continue to grow with additional support and co-ordination via the existing business networks or by others. In particular, the sector is seen as one which could benefit from either an overarching industry group or through other efforts to capitalise on existing strong performance.

The sector is also one which may directly benefit from catalytic opportunities, for example how the sector has benefited from the Albatross Aviation Technology Park which now sees the area manufacturing and exporting specialist Defence and aviation capabilities around the world. This project represents the type of catalytic opportunity that can strengthen this sector and which may require sub-sector specific actions as and when these types of catalytic opportunities arise.

Recommended Actions

- 7.2.1 Industry co-ordination: Consider options for a greater level of industry co-ordination through, for example, the establishment an industry forum or showcase opportunities with a focus productivity and entrepreneurialism capacity building at the local level.
- 7.2.2 Target manufacturing through focused programs: In developing localised training and networking programs, target manufacturing as a core, strong and valuable local sector.
- 7.2.3 Leverage the manufacturing sector: Target new related industries that have the potential to strengthen the manufacturing sector, including being open and reactive to new opportunities within the sector, so as to ensure complementary growth opportunities are captured.



7.3 Professional and Technical Services

The professional and technical services sector is another that has both strong growth and which is relatively high value in terms of wages and value add to the local economy. Associated with higher levels of education attainment, participants in the sector are also typically interested in lifestyle opportunities, through both the natural and built environments.



Once attracted to the area, the practical needs of those become more paramount, such as finding work for partners and welcoming new people to the area through networking and events - activities that are well catered for through the Shoalhaven Professional Business Association and others.

Identifying and responding to long-term skills gaps through co-ordination of local training and education is also important to growing this sector, reducing the need to attract people from outside the area and instead retaining young people as they study through local service providers before graduating into local jobs. Areas such as health, engineering and architectural/town planning professionals often appear to be those in most need, though localised trends will inevitably change over time and having a continuous read on the current trends is an important element of the high quality networking and professional business groups that exist in the area.

Recommended Actions

- 7.3.1 Support the Shoalhaven Professional Business Association: As an established industry group, continue to support the Shoalhaven Professional Business Association in their efforts to grow and support this sector.
- 7.3.2 Continue to address skills gaps: Continue to work with relevant agencies and organisations to identify and co-ordinate responses to ongoing and recognised future skills gaps in the professional services industries.

7.4 Transport, Logistics and Wholesale Trade

Whilst “transport, postal and warehousing”, and “wholesale trade” are not large standalone sectors, they do have similar infrastructure needs and attributes and when combined, have much greater potential. These sectors also have two important traits - they are growing and have relatively high output and value add to the local economy.

These sectors are likely to become all the more important as road transport links are improved and as a consequence of a continued strong manufacturing sector and online commerce. The sectors have also been present in recent land sales, suggesting that this demand may already be resulting in growing economic activity. It is further noted that these sectors are also underrepresented when compared to the State and regional averages, again suggesting that there is latent opportunities available in the sector.

Recommended Actions

- 7.4.1 Advocate for necessary infrastructure: Continue to advocate for completion of “missing links” and infrastructure connections on the Princes Highway and Main Road 92, and for the maintenance and improvements of freight rail services and handling facilities at Bomaderry.
- 7.4.2 Prepare an Industry Sector Strategy: Prepare an industry sector strategy for the “transport, logistics and wholesale trade sector” that capitalises on increased road and rail access, land availability and distribution networks.



7.5 Agriculture and Aquaculture

The agricultural sector, and in particular the dairy industry, is synonymous with much of the South Coast, including the green rolling hills around areas such as Berry and Milton. However the agricultural sector is much more diverse and advanced than what may be immediately apparent. In conjunction with current activities, the area also has a relatively unique climate that puts the Shoalhaven in a potentially important position to further develop as a “food bowl” and to provide opportunities to address food security over the longer term.

This situation is also relevant to the current pressures on agriculture around the Sydney basin. As a consequence of continued high population growth and the spread of urban land, high value agricultural activities are being squeezed out, presenting yet another opportunity for agricultural growth in the Shoalhaven given its access to key markets.

Agribusiness in the area also involves a range of boutique elements, including for example a number of wineries, specialised stock production and highly valuable oyster farming. Several producers export products, including to the Sydney and international markets - particularly in Asia.

Another emerging market involves the production and use of seaweed and shellfish, utilising the pristine waters of the Shoalhaven, including Jervis Bay, combined with advanced bio-technology techniques to create a range of high-value

products. Council and its partners have developed the Blue BioTech Shoalhaven brand to assist in the marketing and promotion of these opportunities.

However these sectors are also recognised as being relatively small, with co-ordination of producers and markets across the region being important to commercial success.

Recommended Actions

- 7.5.1 Approach agriculture from a regional perspective: Advocate for a regional approach to the agricultural sector, including strong involvement of the local councils and regional organisations.
- 7.5.2 Long-term position of agriculture: Undertake research and establish findings for how the Shoalhaven / South Coast may be positioned to respond to changing climatic conditions on the national scale, and changing population in the Sydney basin and its impacts on surrounding peri-urban areas.
- 7.5.3 Review and update Industry Sector Strategy: Prepare an updated version of the Agri-business Sector Strategy to integrate the needs of specific industry subsectors.
- 7.5.4 Continue support of the Blue BioTech Shoalhaven: Continue to pursue opportunities in the bio-technology sector through Blue BioTech Shoalhaven, measuring and reporting on successes and on Council’s return on investment.

7.6 Health Care and Human Services

The health care and human services sectors are the fastest growing in the Shoalhaven, matching broader trends in regional areas that also have an aging population. However the Shoalhaven also benefits from a number of health and human services related activities including:

- The designation of Nowra as the southern regional health hub by the Illawarra-Shoalhaven Local Health District;
- Identification in the State's Regional Plan for the expansion of the Shoalhaven District Memorial Hospital (sometimes referred to as the Shoalhaven Health Campus) including long-term master planning;
- Presence of medicine, health and human services courses and programs at the UoW Shoalhaven Campus, as well as through other Registered Training Organisations (RTOs) including TAFE;
- Ongoing demand for retirement living and aged services, including existing large scale proposals/approvals; and
- A strong human services sector with several large scale services providers based in the area.

In the past, from an economic development perspective Council has had limited direct involvement in the aging and the human services sectors - unlike the Kiama Municipal Council for example, which has pursued heavy involvement

and investment in the aged care and retirement living sectors through its Blue Haven business unit.

In the human services sector, the Shoalhaven area has a significant and increasing presence in terms of the number of organisations and related employment. However, co-ordination and facilitating the sector has been outside the economic development framework, despite occasional involvement in projects such as the successfully funded Mind the GaP mental health project with the University of Wollongong. Combined with the introduction of the National Disability Insurance Scheme (NDIS), this sector is likely to see significant growth in the short to medium term.

Resolution of the extent of future involvement in both these sectors should be developed within context of the broader industry review, potentially through preparation of a "Positive Aging" and a "Human Services" Industry Sector Strategies respectively. In the meantime, and as a matter of generally facilitating progress in these sectors, Council will also continue to advocate for health, aging, disability and human services improvements and necessary infrastructure.

Recommended Actions

- 7.6.1 Plan and implementation of the Shoalhaven Health Campus: Work with the State Government to complete master planning and to commence the co-ordinated implementation of the Shoalhaven Health Campus (Regional Plan Action 1.3.1).
- 7.6.2 Prepare a “Positive Aging” Industry Sector Strategy: Prepare an Industry Sector Strategy to guide long-term needs for population change forecast to occur in coming years from an economic development perspective.
- 7.6.3 Prepare a “Human Services” Industry Sector Strategy: Prepare a “Human Services” Industry Sector Strategy from an economic development perspective and with a focus on the not-for-profit community services and rated industries.
- 7.6.4 Advocate for provision of infrastructure and services: Continue to advocate at State and Federal levels for infrastructure and services spending on health, allied health, aged care and community services needs in the Shoalhaven.



7.7 Education and Training

As outlined in Section 4.1, the Shoalhaven has a strong and growing community culture based around education and training. On top of the two Naval training bases, the area also has TAFE campuses at Nowra and Ulladulla, and the University of Wollongong's Shoalhaven Campus in West Nowra / Mundamia - together providing thorough post-school offerings in conjunction with other RTOs.

In economic development terms, the availability of these assets provides the foundations for growth, with the way that these facilities then connect to the needs of local business being the key to success in this sector.

With master plans in place and room to grow, there are particular opportunities for the University over the long-term. With the neighbouring Mundamia urban release area due to be developed in the timeframe of this Strategy, it is important that it complements the future growth of the University campus, including physical links and enabling future accommodation that can provide for a more functional, energetic and active area.

In the area of vocational training, and particularly within the TAFE system, there are current changes being pursued to drive the connection of courses and workforce requirements. Being able to identify needs, both current and future, and

then co-ordinating and delivering on training that connects these gaps will remain critical - even as the gaps change.

Continued education and training provides an important platform for a skilled and agile economy, and Council will continue to work with all providers to ensure the needs of the business sector continue to be serviced.

Recommended Actions

- 7.7.1 Strengthen the presence of tertiary institutions: Continue to work with, and to lobby on behalf of, tertiary institutions in the Shoalhaven to encourage their retention and expansion into areas which best connect to community and business needs locally and more broadly.
- 7.7.2 Strengthen the UoW Shoalhaven Campus position within the urban fabric: Ensure future development in and around the existing UoW campus includes a strong relationship between new urban areas, existing local centres and the University.
- 7.7.3 Strengthen links between skills gaps, education and jobs: Identify skills gaps based on existing research and information and ensure that education and training providers are able to deliver on these needs.

7.8 Tourism, Accommodation and Food Services

Tourism, and the closely related accommodation and food services sector, are very visible parts of the Shoalhaven economy. The sector provides a range of seasonal as well as year round opportunities, including growth in both domestic and the international tourism market with more than 3 million visitors in 2015. Tourism in this context, includes not only leisure tourists, but also the more valuable business and sporting tourism sectors. Similarly, the accommodation and food services components have a strong relationship to servicing local residents and businesses, not only tourists.

Building up the shoulder and off-peak times to match the booming summer period is a core economic driver for this aspect of the industry - creating sustainable businesses and products that can operate or work within the otherwise seasonal nature of the industry.

Council's Tourism Section undertakes a range of marketing and promotional activities, as well as events and coordination, and works with those that are interested in investing in the sector. Meanwhile the Economic Development Office is more involved on larger scale enabling infrastructure - such as waterfront revitalisation and transformative investment which will continue to be a shared role between these units. Together, both Tourism and the Economic Development Office can provide invaluable assistance to those looking to invest in the area.

Recommended Actions

- 7.8.1 Advocate for the implementation of enabling tourism infrastructure: Continue to advocate for major projects and precinct developments which have a significant tourism and other economic generation role.
- 7.8.2 Continue to develop and refine the tourism experience: Continue to work with tourism operators and those seeking to engage with the sector to develop and refine offerings, products and experiences that enriches visitation.





7.9 Retail Trade

Retail trade is one of the biggest employers in the Shoalhaven, being second in number only to health and social services. Whilst the value of each of these jobs is comparatively low, the retail experience is one that closely relates to the overall experience of an area and contributes to liveability within the context of retail “shopping” increasingly being recognised as a social activity. Retail spaces and town centres also need to provide for and promote “experiences”, part of a place management or place making process as discussed in Section 6.4.

Retail is particularly important in the main Nowra CBD area, as well as the regional centres of Vincentia and Ulladulla - all of which are likely to undergo significant change over the period of this Strategy. In each case it is important that changes reinforce the retail structure and don't fragment efforts across these areas.

The retail sector also plays an important role in many villages - such as Berry, Kangaroo Valley, the Bay and Basin, Culburra, Sussex Inlet and Milton, which assists to retain heritage, promote the broader Shoalhaven and provide diversity to the localised retail offering.

Recommended Actions

- 7.9.1 Ensure an integrated and lively retail sector: Continue to plan and advocate for integrated and lively place based retail sectors in the Nowra CBD and other centres that are attractive for residents, business and visitors.

8. Key Partners and Leadership

Council, along with its key partners, has a leadership role in helping business and the broader economy to grow in a sustainable way that lays the long-term foundations for future generations. This will require a productive and cooperative partnership with many and varied stakeholders, which are outlined in this section.



8.1 Federal and State Governments

The economic future of the Shoalhaven rests with Council along with a whole range of key partners - including the Federal and State Governments through a range of policy, funding and programming measures. The policy environment facilitates the growth agenda, through State led initiatives such as implementation of Aboriginal economic development initiatives of the Regional Plan, changes to planning legislation, and Federally through areas like migration and human services.

The Federal and State Governments also have the means to allocate financial resources for infrastructure - the backbone for many economic opportunities. Council needs to continue its effective lobbying to secure ongoing infrastructure support for the area. These governments have also committed to several relevant programs such as the \$20 million South Coast Jobs and Skills package and the Jobs for NSW Regional Solutions programs.

Connection to government can be made directly or through agencies such as Regional Development Australia (RDA) Illawarra and RDA Far South Coast, as well as the Illawarra-Shoalhaven Joint Organisation and others. Direct connection to the regional offices of the Departments of Premier & Cabinet and Planning & Environment, NSW Industry and HMAS Albatross will also continue to be critical.

8.2 Educational Institutions

Education and skills are a core component of a productive labour force and the connection between tertiary institutions, skills gaps and ongoing employment being critical. With fundamental change to the TAFE system, these connections have never been more apparent.

When combined with the University of Wollongong Shoalhaven Campus and other providers, the basis for a strong tertiary skills sector is ready and available. Continuing to work with these core institutions to provide support for niche needs across industry, professional and community development sectors will make a stronger and more resilient economy.

8.3 Working with other Councils

The context of local government service delivery is on the verge of significant change, with the introduction of regionally based Joint Organisations - to include Wollongong, Shellharbour, Kiama and Shoalhaven councils. Shoalhaven City Council look forward to working more co-operatively across the region, as well as building new partnerships with all neighbours and those where Council has a direct relationship on a project or sector basis.



8.4 Local Industry

Over past years, a healthy number and range of business industry groups and networks have been established in the Shoalhaven, including:

- Shoalhaven Business Chamber and other local Chambers of Commerce;
- Shoalhaven Professional Business Association;
- Shoalhaven Business Forum; and
- Shoalhaven Defence Industry Group.

Local industry deliver the vast majority of jobs, innovation and capacity, and working closely with them provides the opportunity to best understand and assist their growth and to connect to existing or new businesses.

8.5 Community

First and foremost, the aim of this Strategy is to respond to the needs of the Shoalhaven community, both now and into the future. Council's overarching Community Strategic Plan identifies the balancing of growth and opportunity with the social, environmental and leadership values of our community.

This strategy focuses on delivering this, improving the community's quality of life by facilitating investment in key industry sectors, developing or supporting catalytic

opportunities and improving lifestyle opportunities which complement these.

Council will continue to work with the community, and through local industry groups, to ensure that economic development activities are well connected to current and future opportunities.



9. Implementation and Monitoring

9.1 Measuring Success

The local economy is ever changing, and whilst we aim to predict and assist in its sustainable growth, there are always unknowns around the corner. Whilst keeping these broader unknowns in mind, the following broad-based measures have been identified to best match to the objectives of this Strategy and to provide measures of its success:

Objective 1: To grow in number of employed people within the Shoalhaven commensurate with population growth.

Measurable - 2016 baseline = 35,745 jobs / 99,740 population

Objective 2: To increase the level of Gross Regional Product per worker

Measureable - Baseline REMPLAN data, baseline 2016 = \$160,926 per job

Objective 3: To sustain, as far as possible, the level of workforce participation despite an aging population

Measurable - EDO data = 39.5% (2011)

Objective 4: To enhance the liveability of the Shoalhaven

Measurable - Baseline annual community survey - Place mean score July 2016 = 3.19

Reporting on these key measures over time will provide an indication of the effectiveness of the Strategy, enabling revision / review as required and as further discussed below.

9.2 Implementation Documents

Implementation of the Economic Development Strategy will be supported by three internal working documents which will be finalised for Council staff use following public exhibition of the Strategy. These documents are:

Implementation Action Plan

The Implementation Action Plan will consolidate the recommended actions outlined in this Strategy, providing a more detailed process for proposed implementation, including those that would be involved from an internal and external perspective.

Infrastructure Support Plan

The Infrastructure Support Plan will outline key infrastructure needs to enable the delivery of intended economic outcomes, including identification of infrastructure gaps, funding for which can be further explored over the period of the Strategy.

Business Attraction Plan

The Business Attraction Plan will provide details as to marketing and promotional recommendations over the next few years. The Plan will form a key deliverable of the Strategy in terms of attracting new external investment.

9.3 Review and Revision

This Economic Development Strategy is designed as a 10 year plan, delivering short term actions leading to long-term opportunities. Whilst the document itself is unlikely to change over that time, implementation documents as outlined above, and the introduction or review of sector strategy documents over time will continue to refine and expand on the Economic Development Strategy's overarching objectives.

