



Horizon 2030: Macleay Valley Economic Development and Tourism Strategy

Laying the Foundations for a Prosperous Future

KEMPSEY
Shire Council



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Australian Government

BUILDING OUR FUTURE

Acknowledgement of Country

We acknowledge the Dunghutti People as the Traditional Owners and custodians of the land within the Macleay Valley and we pay respect to their Elders past, present and emerging.

Disclaimer

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TABLE OF CONTENTS

Executive Summary

1. Introduction	1
1.1 Horizon 2030: Laying the Foundations for Prosperity.....	1
1.2 Addressing Our Issues, Challenges and Opportunities for Prosperity	1
1.3 A Collaborative Approach to Enable and Promote Prosperity	2
2. Informing Prosperity: The Macleay Valley Economy	4
2.1 Community and Resident Labour Force Profile.....	4
2.2 Employment by Industry	5
2.3 Industry Investment Snapshot	6
2.4 Industry Value-Added.....	7
2.5 Industry Specialisations.....	8
2.6 Industry Trends and Prospects	9
2.7 Key Sectors and Future Economic Drivers	11
3. A Vision of Prosperity	12
3.1 The Economic Development Vision.....	12
3.2 Kempsey Shire Council's Economic Development Planning Principles	12
4. Realising Prosperity: A Plan of Action.....	13
4.1 Economic Development and Tourism Strategy Themes.....	13
4.2 Project and Program Prioritisation Framework.....	14
4.3 Economic Development and Tourism Strategy Action Plan	16
5. Realising Prosperity: Implementation Priorities	27
5.1 Priorities for Action – Informing A Short-Term Work Plan	27
5.2 Realising Prosperity – What Our Future Will Look Like	28
5.3 Collaborative Partnerships for Successful Strategy Implementation	29

References

LIST OF FIGURES

Figure 1.	The Enablers of the Macleay Valley's Economic Development.....	2
Figure 2.	The Macleay Valley's Economic Development and Tourism Planning Framework	3
Figure 3.	Employment by Industry, Macleay Valley, 2017/18	5
Figure 4.	Value-Added by Industry, Macleay Valley, 2017/18	7
Figure 5.	Employment Location Quotients, Macleay Valley to NSW, 2017/18	9
Figure 6.	Industry Employment Growth-Share (Selected Industries), Macleay Valley to NSW, 2012/13 to 2017/18	10
Figure 7.	The Macleay Valley's Emerging Economic Drivers	11
Figure 8.	<i>Horizon 2030</i> : Economic Development and Tourism Strategy Themes	13
Figure 9.	Economic Development Action Prioritisation Assessment Matrix.....	14

Executive Summary

Laying the Foundations for Our Future Prosperity

Horizon 2030: Macleay Valley Economic Development and Tourism Strategy, is a blueprint for enhancing the vibrancy, diversity and sustainability of the Macleay Valley economy. It has been prepared to support Kempsey Shire Council's vision to create a vibrant lifestyle destination where business, industry and investment can prosper in harmony with the Macleay Valley's natural environment.

Horizon 2030 sets Kempsey Shire Council's strategic vision for economic development and tourism for the next 10 years and beyond. It maps out the vision for the economic development of the Macleay Valley and its communities, balancing the preservation and enhancement of the region's natural and cultural environments whilst providing a robust foundation for economic development and sustainable population growth.

Horizon 2030 articulates the role of Kempsey Shire Council in facilitating, supporting and promoting business activity to develop a secure and sustainable employment base and a strong economic future for all communities of the Macleay Valley. Council is dedicated to delivering quality infrastructure for the business community, visitors and the local community now and into the future. Council's investments, supported by current and future grant funding, together with other large-scale private investments, provide a broad-based foundation to build the economy of the future.

Capitalising on Our Competitive Advantage

The Macleay Valley has a diverse economic base supported by stable investment and underpinned by its strength in agriculture and food processing, an expanding health sector, quality education and training, extensive road transportation businesses, a large and growing construction industry, a burgeoning professional services sector and a stable tourism industry that attracts half a million visitors to the area every year.

A traditional stronghold of cattle farming, agriculture in the Macleay Valley is supported by one of only three meat processing facilities between Newcastle and the Gold Coast. The Kempsey Regional Saleyards are a regional hub for the sale of livestock while the rapidly expanding intensive farming industry drives exports in vegetables, flowers, macadamias, blueberries and avocados, and is a key driver for growth in *Horizon 2030*.

The Macleay Valley is home to iconic international brands including Nestle and Akubra, which have enjoyed solid growth in our community over the decades. With a range of suitable industrial land, the Macleay is a desirable location for both large and small-scale investment.

Our location midway between Sydney and Brisbane on the dual carriageway Pacific Motorway and the national rail line, provides convenient access along the east coast of Australia. The Macleay is also nestled between two regional airport hubs, with Port Macquarie Airport just 45 minutes' drive south from Kempsey and Coffs Harbour Airport just over one hour's drive to the north.

Kempsey is the home of one of Australia's country music legends, Slim Dusty and the museum in his honour celebrates the strong country focus of the community. Growing the iconic Slim Dusty Music Festival into a major event will add to this appeal. A new state-of-the-art cinema is scheduled for completion by the end of 2019 and will act as a catalyst for economic growth in the Kempsey CBD.

Kempsey and its surrounding townships have an extensive history to share and boast some extraordinary historic landmarks and heritage architecture. The Macleay Valley is also defined by the ancient Indigenous cultural story of the Dunghutti and Thunghutti tribes, who first inhabited the valley more than 4,000 years ago. Our long-term vision is to promote and celebrate these major stories and landmarks and maintain a genuine country lifestyle experience that is unique to the Macleay Valley.

The magnificent Macleay River defines our region and was the original transport corridor for the town of Kempsey. Combined with our near-perfect climate and consistent rainfall, the Macleay Valley offers the ideal place to invest, establish a business or farming venture, live in a healthy environment and visit our key attractions.

Kempsey Shire Council and its partners in government, the community and industry recognise that to prosper in the future, the Macleay Valley must leverage its existing strengths and capabilities to establish new avenues for growth. Those industries with existing strengths or prospects for growth, and which present opportunities for economic development in the Macleay Valley, include education and training, health care, advanced manufacturing, agribusiness, the professional, scientific, technical and creative services and tourism.

The Macleay Valley's Emerging Economic Drivers



The Macleay Valley's industry strengths and prospects, coupled with the area's lifestyle attributes, its location on the Mid North Coast and its relative affordability makes the area an appealing prospect for industries which rely on ready connections to national and global markets and people seeking a lifestyle which offers the best of living combined with access to jobs, clients and markets throughout Australia and around the world.

A Vision of Prosperity

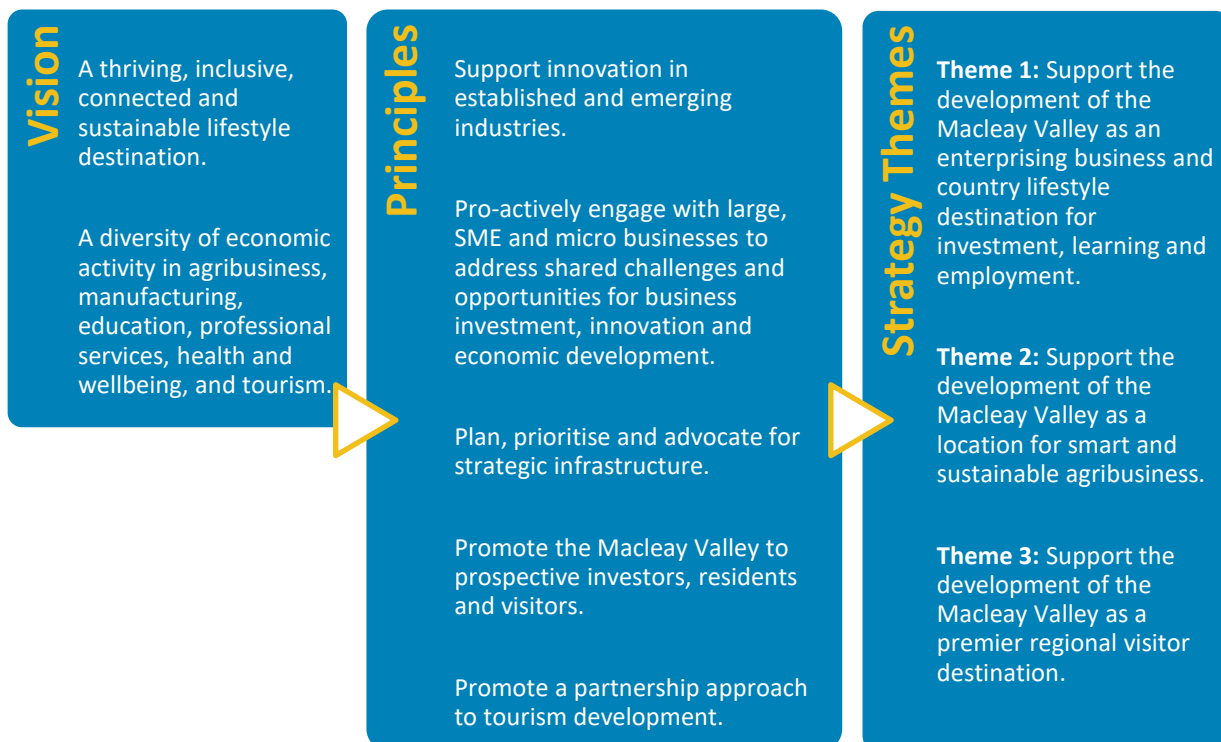
Horizon 2030 is informed by socio-economic research and analysis, targeted stakeholder consultation and broader community consultation. The strategy themes and directions reflect stakeholder views regarding the Macleay Valley's issues, challenges and opportunities, which combined, inform the vision for economic development.

Macleay Valley Economic Development and Tourism Vision

The Macleay Valley will be a thriving, inclusive, connected and sustainable lifestyle destination, supported by a diversity of economic activity in agribusiness, manufacturing, education, professional services, health and wellbeing, and tourism.

The vision is supported by Kempsey Shire Council's economic development planning principles. These principles guide Council's efforts to facilitate and promote economic development and tourism in the Macleay Valley by articulating the activities Council will encourage and support across three strategic themes in its efforts to help realise the vision.

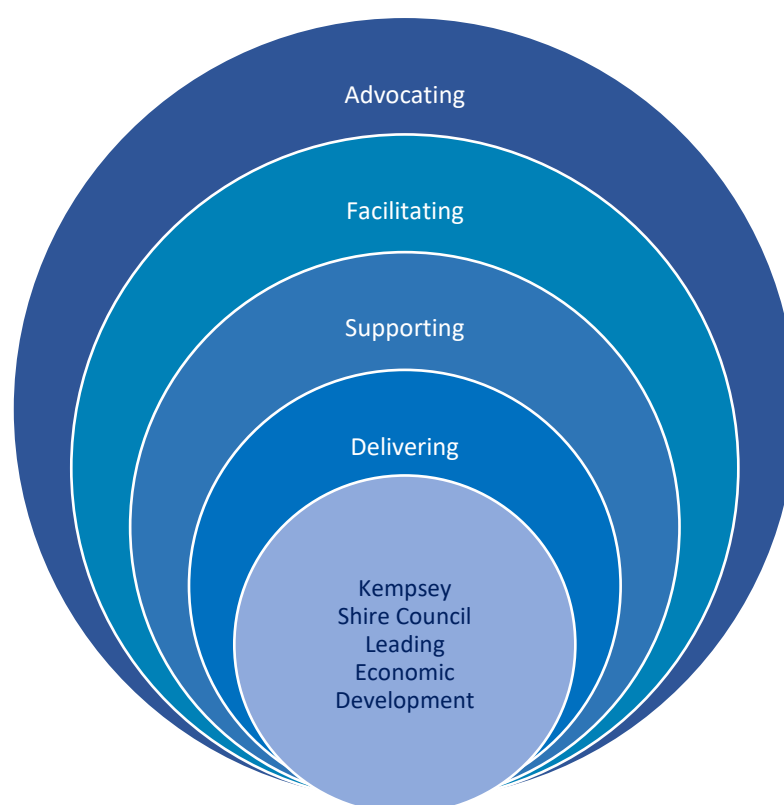
Horizon 2030: How the Vision and Principles Inform the Strategy Themes



Guided by the vision, its economic development planning principles and the action plan presented in this strategy, Kempsey Shire Council provides the enabling environment to help facilitate the competitiveness and success of the Macleay Valley's businesses and industries across all sectors of the economy.

Economic development actions and priorities have been determined in the context of the role of economic development in Council's broader program of work and strategic objectives.

Kempsey Shire Council's Leadership Model



Leading:	<i>Leading the direction for economic development</i>
Delivering:	<i>Providing the outcome directly.</i>
Supporting:	<i>Collaborating with stakeholders through direct assistance.</i>
Facilitating:	<i>Connecting stakeholders to achieve an outcome.</i>
Advocating:	<i>Recommending a course of action to other levels of government.</i>

Kempsey Shire Council will lead, deliver, support, facilitate and advocate on behalf of the community to foster economic development.

Delivering Prosperity – A Plan of Action

Horizon 2030 presents a plan of action for Kempsey Shire Council and its partners in government, the non-government sector, industry and the community to address collaboratively, to help facilitate change towards a prosperous future for all. A total of 62 individual actions are categorised under three strategic themes. The actions are informed by the economic development and tourism vision and Council's economic development planning principles.

From the long list of actions, a total of ten are earmarked for implementation as part of an initial economic development and tourism work plan. They are:

Support the development of the Macleay Valley as an enterprising business and country lifestyle destination for investment, learning and employment

- Collaborating with the Federal and NSW Governments to design and implement a web-based Macleay Valley investor prospectus.
- Commissioning a Macleay Valley industrial land demand and supply study.
- Developing a marketing and media strategy to enhance the Macleay Valley as a location in which to invest, live and work.
- Collaborating with the Federal and NSW Governments, local industry partners and the education and training sector to explore the concept of an Education Masterplan for the Macleay Valley.
- Working in collaboration with the NSW Government and neighbouring councils to provide access to business start-up support and assistance services through the promotion and expansion of incubator and entrepreneur programs that will foster a culture of innovation and access to export market development programs.
- Preparing a *Macleay Valley Indigenous Enterprise Development Strategy* to identify and progress means for building Indigenous business capacity.

Support the development of the Macleay Valley as a location for smart and sustainable agribusiness

- Establishing a Macleay Valley Agribusiness Working Group as a sub-committee of the Economic Development and Tourism Committee to oversee the development of a local agribusiness cluster strategy.
- Commissioning a *Macleay Valley Agribusiness Cluster Strategy* focussed on opportunities to develop the Macleay Valley's emerging capabilities in the production of fruit and nuts as well as other food products and including certified organics.
- Working with the NSW Government to identify small business support programs applicable to agribusiness in the Macleay Valley.

Support the development of the Macleay Valley as a premier regional visitor destination

- Progressing priority actions to help develop the Macleay Valley as a premier regional visitor destination, through the development of iconic natural visitor attractions, driving growth in high-yield and environmentally sustainable tourism, as articulated in the *Macleay Valley Coast Destination Management Plan, 2019-2029*.

Realising Prosperity – What Our Future Will Look Like

Through implementation of the actions presented in *Horizons 2030*, Kempsey Shire Council will collaborate with its partners to realise the Macleay Valley's potential as a thriving, inclusive, connected and sustainable lifestyle destination, as reflected in the following desired outcomes:

A Location of Choice as an Enterprising Business and Country Lifestyle Destination for Investment, Learning and Employment

- The local population has matched or exceeded current forecasts to 2030.
- The Macleay Valley's reputation is based on offering authentic country hospitality and celebrating our culture and heritage.
- The Macleay Valley is widely-regarded as a desirable location to live and work.
- The Macleay Valley is widely-recognised as a place where business investment is supported and welcomed by Council.
- The existing industry base continues to grow and evolve, and new industry sectors have found a home in the Macleay Valley.
- Full-time employment has increased for residents of the Macleay Valley.
- The Macleay Valley's young people, including Indigenous youth, are able to find meaningful employment within the area and continue to reside here.
- The Macleay Valley offers careers in professional and knowledge-based jobs as a result of new industry and business development initiatives.
- Young people in the Macleay Valley have the choice of study options at secondary and tertiary levels that allow them to live and study within the area.
- The Macleay Valley has a widely-recognised culture of entrepreneurship and innovation.

A Location for Smart and Sustainable Agribusiness

- The Macleay Valley has an expanded intensive farming sector that is profitable.
- The Macleay Valley organic food hub is established.
- There are more jobs in the Macleay Valley's agricultural sector.
- Traditional agriculture has transitioned to using smart and sustainable agricultural practices.

A Premier Regional Visitor Destination

- New experiences in the Macleay Valley Coast attract high-yield visitors who tend to visit out of high season which stimulates the visitor economy all year round.
- Tourism businesses attract international and interstate visitors to the Macleay Valley Coast.
- The Macleay Valley Coast is well-known nationally and internationally for its pristine environment and nature-based experiences.
- Experiences and events in the Macleay Valley Coast are enjoyed by both residents and visitors.
- Experiences and attractions in the Macleay Valley Coast are on the 'must visit' lists of national and state tourism websites.
- Trial Bay is an internationally-recognised cruise ship destination.
- The Macleay Valley hosts unique festivals and events on a regular basis that contribute to the economic, social and cultural life of the community.

Realising the Macleay Valley's preferred economic future will depend on the collaborative partnerships that Kempsey Shire Council will continue to develop, and how the community faces and embraces the challenges and opportunities for economic development. To this end, Council will continue to collaborate with the Federal and NSW Governments, private investors, the region's business chambers, progress associations and peak industry bodies to gain support for and to help deliver strategy actions.

1. Introduction

1.1 Horizon 2030: Laying the Foundations for Prosperity

Horizon 2030: Macleay Valley Economic Development and Tourism Strategy, is a blueprint for enhancing the vibrancy, diversity and sustainability of the Macleay Valley economy. It has been prepared to support Kempsey Shire Council's vision to create a vibrant lifestyle destination where business, industry and investment can prosper in harmony with the Macleay Valley's natural environment.

Horizon 2030 articulates Kempsey Shire Council's role in advocating, facilitating, supporting and delivering business activity to develop a secure and sustainable employment base and a strong economic future for all communities of the Macleay Valley. It is designed to help realise a set of key objectives including increased employment opportunities; new industry development; growth and retention of existing businesses; the attraction of new residents; and increased tourism activity. To meet these important objectives, *Horizon 2030*:

- Articulates economic development **issues, challenges and opportunities** for Kempsey Shire Council to consider in its role as a facilitator and promoter of economic development and tourism;
- Identifies **actions** to be followed to ensure sustainable, progressive economic development throughout the Macleay Valley;
- Identifies **collaborative partnerships**, where Kempsey Shire Council can engage with other stakeholders on matters concerning local and regional economic development and tourism in the Macleay Valley; and
- Provides Council with guidance to develop an informed, clear, actionable and achievable '**road map**' for economic development and tourism in the Macleay Valley.

1.2 Addressing Our Issues, Challenges and Opportunities for Prosperity

Informed by research, analysis and stakeholder consultation, *Horizon 2030* provides Kempsey Shire Council, as its custodian, with a clear vision and plan of action to promote, facilitate and co-ordinate economic development programs and projects over the next ten years. It responds to a range of issues, challenges and opportunities identified through the strategy consultation process and supporting research and analysis, including:

- The need to enhance **positive perceptions** of Kempsey as a place to invest, live and visit, through greater awareness and celebration of what is already so good about the Macleay Valley.
- **Investment attraction**, which is essential if the Macleay Valley economy is to grow and prosper. This requires a targeted and considered approach which builds on the region's strengths and comparative advantages.
- Addressing **local workforce capacity** and developing the Macleay Valley's **skills base**, which is critical to meeting the workforce requirements of both existing employers and future industries.
- A desire for both established and emerging businesses to grow in the Macleay Valley, with support for **local business development** considered a fundamental economic development objective.
- Efforts to support a vibrant economy and liveable community, including a focus on **arts, culture, recreation, leisure and sporting events**.
- A focus on **agriculture**, which, as the Macleay Valley's traditional economic mainstay, offers new opportunities for economic growth, innovation and development in agribusiness.

- A desire to grow a vibrant Macleay Valley **visitor economy**, which has the potential to prosper with the right infrastructure support, destination management and effective promotion to target markets.
- The need to support local **health and residential care**, which are increasingly important contributors to the Macleay Valley economy.
- Efforts to grow the Macleay Valley economy from within must include **Indigenous Enterprise capacity-building**.

Addressing these and other challenges and opportunities requires a collaborative approach to enable and promote prosperity across all communities of the region, from Kempsey, Frederickton and Gladstone, to Crescent Head, Hat Head, Smithtown, South West Rocks, Stuarts Point and other locations throughout the Macleay Valley.

1.3 A Collaborative Approach to Enable and Promote Prosperity

Aspirational, informed and action-oriented, *Horizon 2030* addresses challenges and opportunities for the Macleay Valley's economic development in the context of Kempsey Shire Council's broader program of work and strategic objectives, as documented in its Corporate Strategic Plan and the community's core values as articulated in the *Macleay Valley 2036 Community Strategic Plan*.

Horizon 2030 focuses outcomes on Council's activities as an **'enabler'** of economic development, where it can use its planning and regulatory functions, its local infrastructure, services and facilities, its employment land and other resources to help stimulate investment, attract new residents, support the growth of existing businesses and grow the region's visitor economy.

Figure 1. The Enablers of the Macleay Valley's Economic Development



Source: SC Lennon & Associates

It also identifies those enablers which Kempsey Shire Council is not directly responsible for, but which it can influence to varying degrees through collaborative partnerships with other tiers of government or institutions to prioritise the Macleay Valley's regional transport and communications infrastructure requirements, its education and skills needs and its regional planning priorities.

Addressing these enablers of economic development will underpin opportunities (and actions) to support the Macleay Valley's future prosperity. *Horizon 2030* builds on a number of recent achievements and current initiatives. Several major capital projects have been completed since the Pacific Highway bypass was completed in 2015, including the \$2.5 million upgrade at Kempsey Airport, the \$80 million upgrade of Kempsey Hospital, a \$3.6 million town centre revitalisation project and the opening of a large lot industrial estate strategically located on the South Kempsey corridor.

Regional in scope and global in its outlook, *Horizon 2030* aligns with the broader economic development objectives of Regional Development Australia Mid North Coast and the NSW Government's *Hastings-Macleay Regional Economic Development Strategy 2018-2022* as well as the Federal and State Government tourism policies and strategies. In developing *Horizons 2030*, a stand-alone *Macleay Valley Coast Destination Management Plan, 2019-2029* has also been prepared to focus on initiatives to support a viable and vibrant visitor economy.

Figure 2. The Macleay Valley's Economic Development and Tourism Planning Framework



Source: SC Lennon & Associates

Having regard for Council's broader program of work and strategic objectives, the wider regional development planning framework as well as broader national and global economic trends and influences, *Horizon 2030* recognises that the Macleay Valley's future economic development will be underpinned by innovation in traditional sectors of employment including agriculture and manufacturing through the development of smart and sustainable agribusiness, new business investments in health care, education and tourism and the development of new and emerging economic activities in the professional, scientific and creative services sectors.

By informing a strategic and targeted approach to economic development, *Horizon 2030* provides Kempsey Shire Council and its partners with the tools to influence the factors that facilitate the resilience, competitiveness and success of local businesses and the capacity of the region to attract new investment, grow the economy and create jobs.

2. Informing Prosperity: The Macleay Valley Economy

2.1 Community and Resident Labour Force Profile

Located on the Mid North Coast of New South Wales half-way between Brisbane and Sydney, the Macleay Valley encompasses a total land area of approximately 3,400 square kilometres. With a population of 29,665 and gross regional product of \$1.07 billion, the area is home to 2,270 registered businesses and around 11,350 jobs. A predominantly rural area, with numerous inland and coastal townships, the Macleay Valley's largest town is Kempsey, with smaller townships at Bellbrook, Crescent Head, Frederickton, Gladstone, Hat Head, Smithtown, South West Rocks, Stuarts Point and Willawarrin.

The Macleay Valley's population increased by only 750 people between 2011 and 2016 (+2.5%). Persons of Aboriginal and Torres Strait Islander descent make up 11.6% of the Macleay Valley's population (up from 11.1% in 2011), compared to 5.5% for regional NSW. Compared to the NSW average, the Macleay Valley has:

- A higher proportion of female workers;
- A higher proportion of older workers;
- A higher proportion of workers in health care/social assistance, retailing and education/training;
- A lower proportion of professionals and a higher proportion of community/personal service workers and labourers; and
- A higher proportion of part-timers.

The Macleay Valley's population is relatively older compared to the regional NSW average with proportionally fewer children, young adults and 'parents and home-builders'. There are proportionally more older workers and retirees, seniors and the elderly living in the Macleay Valley. This reflects a situation where new households are not being attracted and younger people have been leaving the area for education and for employment opportunities available elsewhere. Key indicators include:

- The Macleay Valley ranks the sixth-worst in NSW in terms of the Australian Bureau of Statistics' index of social disadvantage (SEIFA Index). This is a function of the indicators outlined below relating to incomes, educational attainment, unemployment and relatively unskilled occupations. The older age of the Macleay Valley's population and the high rate of Indigenous unemployment (21%) are the main contributors.
- Fewer people in the Macleay Valley are born overseas (7.1% compared to 11.2% for regional NSW).
- Fewer people in the Macleay Valley have completed year 12 (26.7%) compared to regional NSW (38.0%).
- Fewer people in the Macleay Valley have a university qualification (8.2%) compared to regional NSW (14.5%).
- Conversely, more people in the Macleay Valley have trade qualifications (24.5%) compared to regional NSW (23.6%).
- A higher proportion of the Macleay Valley's workforce is unemployed (6.3%) compared to regional NSW (5.6%).
- The youth unemployment rate is 15.3% compared to 14.3% for regional NSW.

The Macleay Valley's Indigenous population is growing faster than the wider regional average (8% increase from 2011 to 2016 compared to 2.5%) and has a younger profile (41% under 18 compared to 18%). Key indicators¹ for the Macleay Valley's Indigenous population are:

- Home ownership is 34% for Indigenous residents compared to 74% for non-Indigenous residents but has increased by 10% since 2006.

¹ Aboriginal Affairs NSW (2017) Community Portrait: Kempsey LGA

- Median personal weekly income is \$405 for Indigenous residents compared to \$481 for non-Indigenous but has increased by 61% since 2006.
- Unemployment is 21.0% for Indigenous residents compared to 7.1% for non-Indigenous but has decreased by 3% since 2006.
- Year 12 completion is 20.0% for Indigenous residents of the Macleay Valley compared to 31.0% for non-Indigenous residents but has increased by 10% since 2006.
- Improvements have been made since 2006 in a number of areas including education participation and tertiary qualifications for the Macleay Valley's Indigenous population.
- Areas where indicators have regressed are minimal.

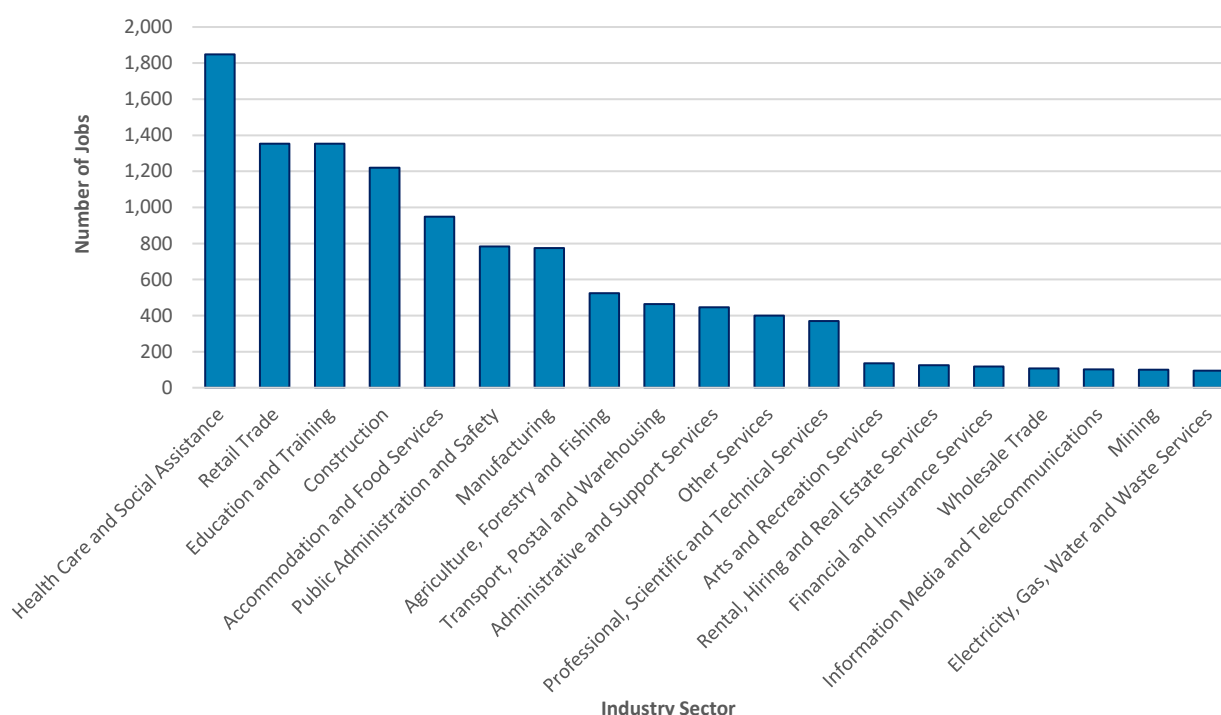
This positive picture of change should not mask the fact that the Macleay Valley's Indigenous community is starting from a long way behind in key areas of workforce participation and employment. Community leaders have stressed that training is not an issue, but rather, it is pathways to meaningful employment that is missing.

Taken together, the Macleay Valley's socio-economic characteristics including high levels of unemployment, a relatively low level of tertiary education attainment amongst the resident population, lower incomes and an older population profile present some challenges for economic development.

2.2 Employment by Industry

The Macleay Valley's traditional industry strengths and capabilities underpin a diversity of opportunities. The key employment sectors in the Macleay Valley include **health care and social assistance**, **retail trade**, **education and training**, and **accommodation and food services (tourism)**. The main health care facility in the area is Kempsey District Hospital. The principal retail area is Kempsey township, which includes Kempsey Central Shopping Centre. Educational facilities include North Coast TAFE (Kempsey Campus) and a number of government and non-government primary and secondary schools.

Figure 3. Employment by Industry, Macleay Valley, 2017/18



Source: economy.id with interpretations by SC Lennon & Associates

Approximately 85% of the workers employed in the Macleay Valley live in Kempsey Shire and the bulk of other workers live in the neighbouring Port Macquarie-Hastings LGA. Around 10% of workers who live in Kempsey Shire work outside the Shire. This indicates a high level of employment 'self-containment'. Jobs in the Macleay Valley tend to be concentrated around Kempsey and the north-east sector of the Shire. It is noted that the Indigenous population is concentrated around Kempsey and the western sector of the Shire.

Macleay Valley has a total of 2,240 registered businesses dominated by agriculture, forestry and fishing (629), construction (365), rental hiring and real estate services (149) and retailing (145). Businesses tend to be located around Kempsey and the north-east of the Shire.

2.3 Industry Investment Snapshot

Over the past five years there has been substantial government and private sector investment in the Macleay Valley. Large-scale investments have included, but are not limited to, the following:

- South Kempsey Highway Service Centre opened following the new Pacific Motorway by-pass. The Centre provided more than 100 full-time jobs and was a multi-million dollar private investment assisted by Council support for service infrastructure of \$1.8m.
- Greenleaf Farm at Clybucca is an intensive horticulture venture with over 600 greenhouses growing a premium vegetable product. This large-scale investment is the result of a partnership with an international agricultural company.
- Macleay Valley Village in Frederickton is a new development of 100 independent living villas adjacent to Macleay Valley House Aged Care Residential Facility. Privately owned and run this is a \$40 million investment and one of the premium Thompson Healthcare facilities in Australia.
- A new state-of-the-art cinema complex is opening in Kempsey in 2019 as the result of a voluntary planning agreement between Gowings Brothers and Kempsey Shire Council. This \$6m project will be a major catalyst within the central retail district of Kempsey.
- Costa Group, Australia's largest horticultural company, has invested in avocado farms at Fisherman's Reach to ensure year-round fruit for distribution across the country. This forms part of Costa's national distribution network.
- Mid North Coast Correctional Centre expansion is the result of NSW Government investment to increase the size of the facility with a construction impact of 350 jobs followed by an ongoing 90 full-time employment positions.
- Nestle invested more than \$40 million in state-of-the-art technology for the production of Nescafé Café Menu products which sits alongside the famous Milo brand of products. The Smithtown factory has been operating since 1921 and is the home of Milo, exporting its products throughout Australia and internationally.
- Akubra Hats has recently invested in new energy-efficient systems following the company's continued expansion into a new product range that complements the iconic hat range. Operating out of Kempsey since the 1970s, Akubra remains a large-scale employer in the Macleay Valley.
- Eversons Food Group maintains a multi-species abattoir based in Frederickton and continues to be one of the largest private employers in the Macleay Valley. Eversons, one of only three major abattoirs on the North Coast, has continued to expand its product range to include new exports to international markets.
- Australian Tourist Park Management, owned by NRMA, has committed to a five-year management agreement and a substantial capital works improvement program in partnership with Kempsey Shire Council.
- Big 4 Sunshine Resort has continued to invest in park infrastructure with a pirate ship and water park and new 4-star cottages into their resort complex.

These investments underpin the region's capacity to continue to attract investment that will provide future opportunities for economic development and employment throughout the Macleay Valley.

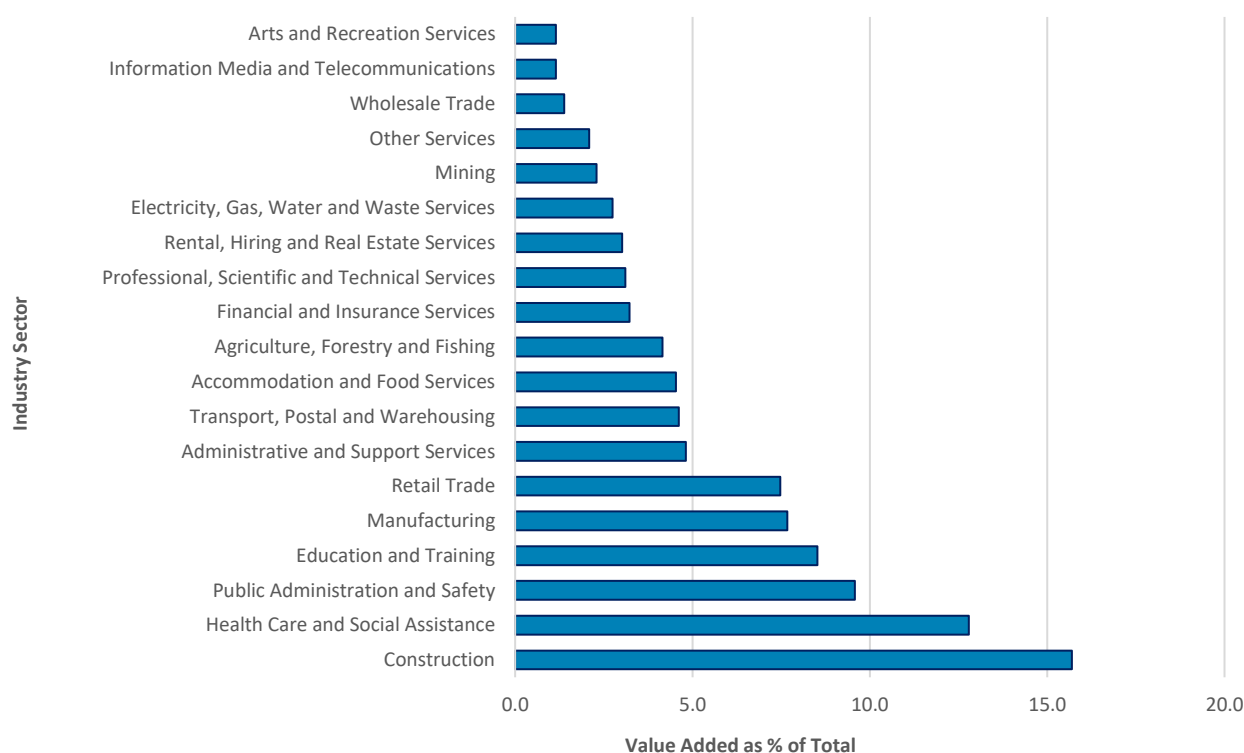
2.4 Industry Value-Added

In value terms, the Macleay Valley economy is driven by activity in the **construction, health care and social assistance, public administration and safety, education and training, manufacturing** and **retail trade** sectors. The Macleay Valley's construction sector generates an estimated \$133 million in value-added representing 16% of the total. Construction services account for the largest share of industry activity in the Macleay Valley, followed by heavy and civil engineering construction and building construction.

As well as being the area's largest provider of jobs, the health care and social assistance sector accounts for 13% of total industry value-added, or \$108.6 million. Education, which is the Macleay Valley's third-largest employer, accounts for 8.5% of total industry value-added. Educational facilities include North Coast TAFE (Kempsey Campus) and a number of government and non-government primary and secondary schools. There is no university presence in the area with the nearest facilities located in Coffs Harbour to the north and Port Macquarie to the south.

Economists have noted the high correlation between regional economic growth and higher educational attainment, which can be observed in cities and regions throughout the world. Regions are successful because enterprises in these regions are successful. When enterprises grow, employment grows, and this depends on skilled and educated people. Policies and strategies to support enterprise, employment and education must work together at a national, state and regional level to create dynamic regions.

Figure 4. Value-Added by Industry, Macleay Valley, 2017/18



Source: economy.id with interpretations by SC Lennon & Associates

In the Macleay Valley, innovative means of delivering lifelong learning, including university-level education needs to be explored. To this end, Kempsey Shire Council is committed to working with the NSW Government, Regional Development Australia, local industry partners and the education and training sector to explore the development

of an Education Masterplan for the Macleay Valley. This would identify the capacity and scope of all education providers throughout the Macleay Valley and propose opportunities to create a strategic and collaborative approach to the development of infrastructure and curriculum.

Despite the continuing national decline in manufacturing activity and employment throughout Australia over the past decade, the Macleay Valley's manufacturing sector remains strong, providing almost 800 jobs and accounting for 8% of total industry value-added.

In Australia, the future for manufacturing is in highly specialised products and processes in areas such as medical technology, automated farming / ag-tech, agri-business, bio-pharmaceuticals, mining technologies, aerospace and defence. Advanced manufacturing is the process by which knowledge-intensive value is added in both the pre- and post-production phase in areas including R&D, concept design, planning, engineering and after-sales service. The Advanced Manufacturing Growth Centre estimates that 41 per cent of global trade is now in intermediate goods, for example, components and research.

In the Macleay Valley, manufacturing contributes substantially more to the value of the region's exports than any other industry, accounting for one-third of the region's total export value. The significance of this industry in the Macleay Valley bodes well for the identification of new opportunities that build on the area's strong manufacturing and processing heritage.

Horizon 2030 puts in place a plan of action to help grow the Macleay Valley economy using a clearly articulated, strategic approach which builds on comparative and competitive advantage. Comparative advantage is an area of relative strength or specialisation. Employment location quotients provide one way of illustrating the relative strength or otherwise of the Macleay Valley's key industry sectors. A location quotient is a simple way of illustrating which are the main industries in the local economy, relative to the NSW average.

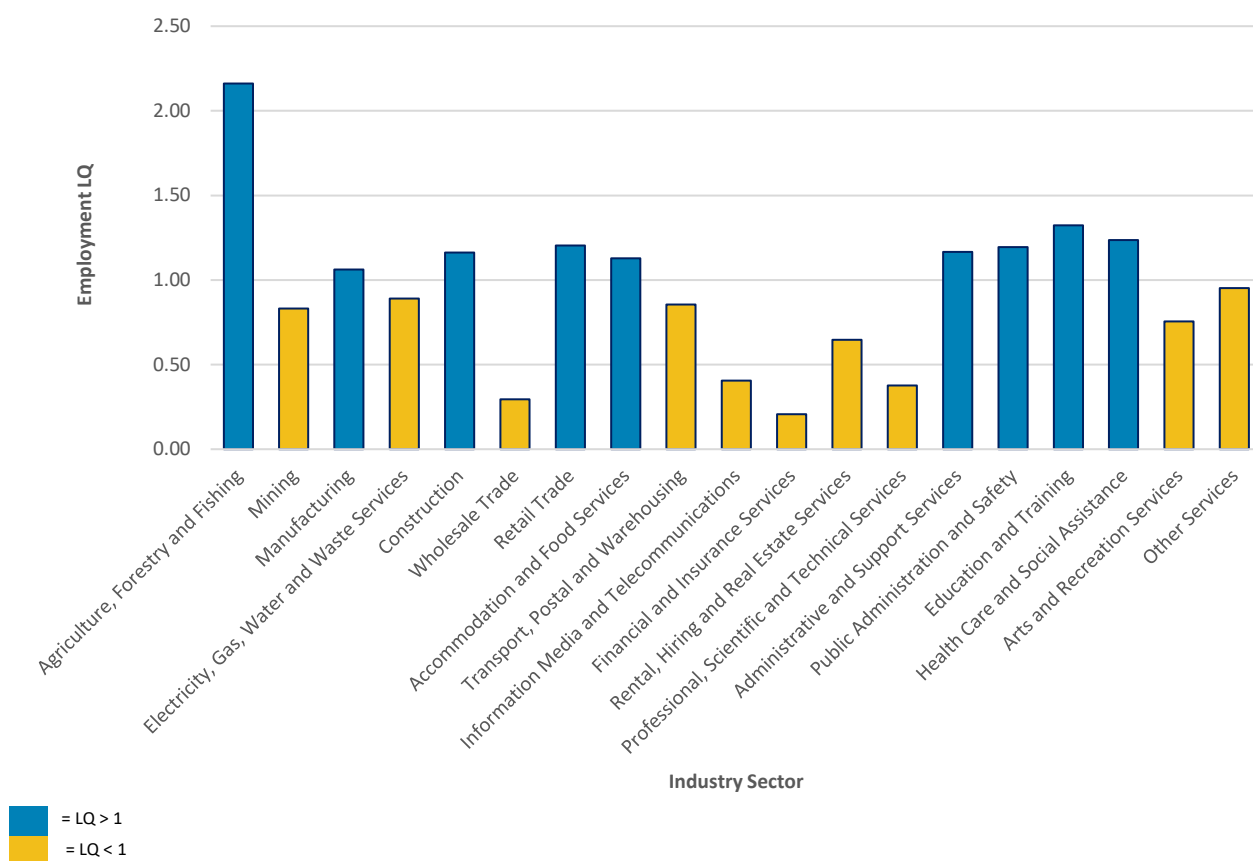
2.5 Industry Specialisations

A location quotient (LQ) shows the percentage of local employment in a particular industry divided by the percentage of the NSW average that this industry makes up. Where LQ=1, that industry is exactly as prevalent as in NSW. A location quotient greater than 1.2 indicates a significant specialisation of the industry in the local area – possibly a key economic strength. Higher numbers mean greater specialisations. Anything over 2 is a major specialisation.

As illustrated in Figure 5, in employment terms, the Macleay Valley has a high relative specialisation in **agriculture** compared to the NSW average, with a LQ of 2.16. Other industries with a relative specialisation are **manufacturing** (1.06), **construction** (1.16), **education and training** (1.32) and **health care and social assistance** (1.24).

As has been the case throughout Australia, the Macleay Valley's agricultural sector is in a period of transition with new activities emerging in response to changing demand. The horticultural sector is a rapidly-growing industry and is Australia's third-largest agricultural sector after livestock farming and broad acre farming. Global demand for organic produce is rising and retailers and restaurants are selling a greater number of organic products as they respond to the demands of health-conscious consumers.

The agribusiness sector is highly diverse and consists of operators involved in agricultural services or production across the food supply chain. Operators include primary producers of agricultural commodities, processors, manufacturers and wholesalers. Employing more than 500 people locally, agriculture remains a mainstay of the Macleay Valley economy. Efforts to sustain and grow agricultural activity through the support for sustainable agribusiness forms an integral component of *Horizon 2030*.

Figure 5. Employment Location Quotients, Macleay Valley to NSW, 2017/18

Source: economy.id with interpretations by SC Lennon & Associates

2.6 Industry Trends and Prospects

Another means of informing an assessment of how the Macleay Valley economy is evolving and how it could develop, involves an assessment of industry trends and prospects. Figure 6 presents an employment growth-share matrix for selected industries in the Macleay Valley. A growth-share matrix highlights how each of the local area's selected industries are performing relative to NSW as a whole with respect to its relative specialisation as indicated by its location quotient, its rate of average annual growth and its size as measured by the number of jobs in that industry sector.

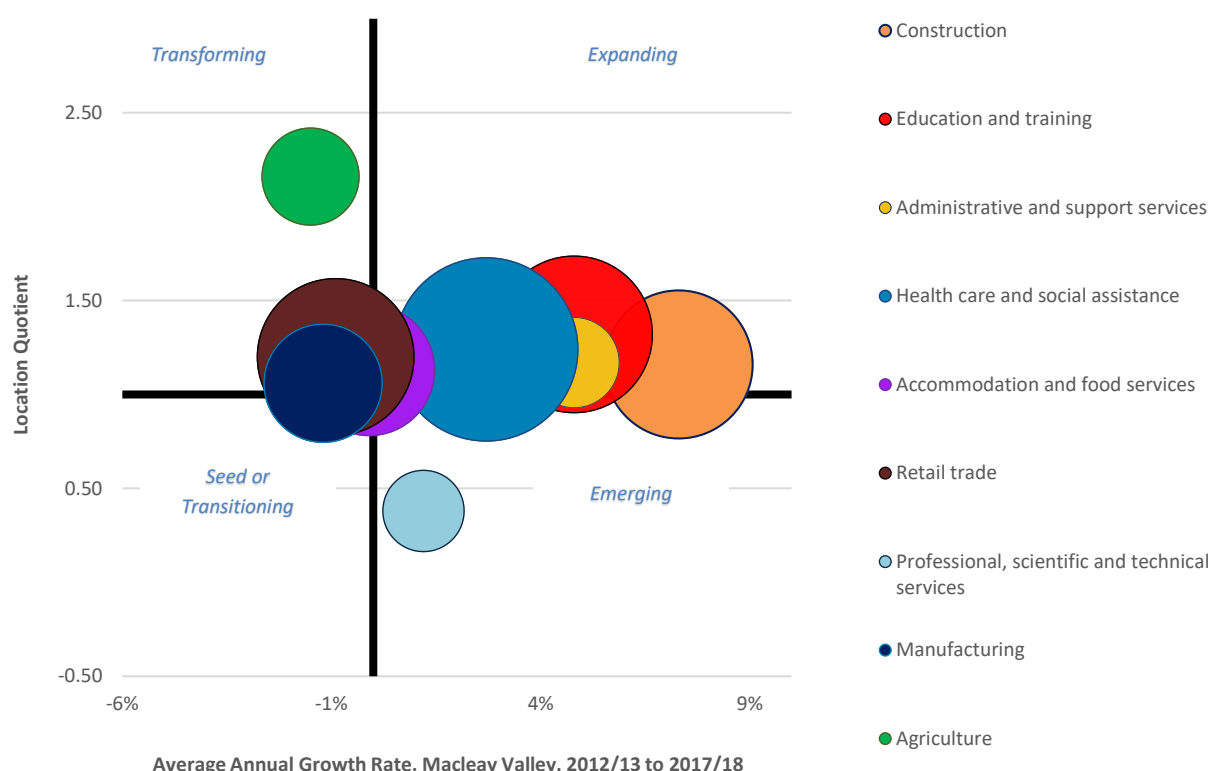
Stages in the growth-share matrix are as follows:

- **Expanding:** If in the top right quadrant (high average annual growth/higher than average concentration – as defined by the industry sector's location quotient). This is excellent news, implying a strong, adaptive industry sector.
- **Emerging:** If in the lower right quadrant (high average annual growth/below average concentration), this is also good news, implying an emerging, growing industry that may need assistance to mature.
- **Transforming:** If in the upper left quadrant (lower than average annual growth/above average concentration), this is not good news, implying the industry is at risk (overall) and needing to increase innovation and productivity to compete with other regions.

- **Seed or Transitioning:** If in the lower left quadrant (lower than average annual growth/lower than average concentration), this could imply that the industry is neither developed nor growing in the Macleay Valley, or it could also mean that the 'seed' industry has some potential for growth.

As illustrated in Figure 6, the Macleay Valley's expanding industry sectors (high growth and high specialisation relative to the NSW average) include education and training, health care and social assistance and construction. The administrative and support services sector, although relatively small, has also displayed positive employment growth.

Figure 6. Industry Employment Growth-Share (Selected Industries), Macleay Valley to NSW, 2012/13 to 2017/18



Source: economy.id with interpretations by SC Lennon & Associates

The Macleay Valley's traditional sectors of employment in agriculture and manufacturing are in a transformative stage of development given those industries' recent employment declines. Nevertheless, with the significance of manufacturing as an employer and contributor to local industry output, coupled with emerging trends in the advanced manufacturing sector nation-wide, there may be scope for this industry to consolidate and grow in future.

The professional and technical services sector, though relatively small in size compared to other industries in the Macleay Valley, is in an emerging industry with positive growth. It is these 'knowledge-intensive' service industries, together with areas of specialisation in agriculture and related (food product) manufacturing, education, health, tourism (and related industries) which will likely form the foundation of future economic growth and development.

2.7 Key Sectors and Future Economic Drivers

Those industries with existing relative strengths or prospects for growth, and which present opportunities for economic development in the Macleay Valley, include **education and training**, **health care** (including aged care), **advanced manufacturing**, **agribusiness**, the **professional, scientific, technical and creative services** and **tourism**.

Figure 7. The Macleay Valley's Emerging Economic Drivers



Source: SC Lennon & Associates

Other population-driven industries, like retail trade and construction are important employers which are reliant on the Macleay Valley's (and the wider region's) economic drivers for their own sustainability and growth.

The Macleay Valley's industry strengths and prospects, coupled with the area's lifestyle attributes, its location on the Mid North Coast and its relative affordability makes the area an appealing prospect for industries which rely on ready connections to national and global markets and people seeking a lifestyle which offers the best of living combined with access to jobs, clients and markets throughout Australia and around the world.

3. A Vision of Prosperity

3.1 The Economic Development Vision

Horizon 2030: Macleay Valley Economic Development and Tourism Strategy is informed by socio-economic research and analysis, targeted stakeholder consultation and broader community consultation via an online survey. The strategy themes and directions reflect stakeholder views regarding the Macleay Valley's issues, challenges and opportunities, which combined, inform the vision for economic development.

Macleay Valley Economic Development and Tourism Vision

The Macleay Valley will be a thriving, inclusive, connected and sustainable lifestyle destination, supported by a diversity of economic activity in agribusiness, manufacturing, education, professional services, health and wellbeing, and tourism.

The vision is supported by Kempsey Shire Council's economic development planning principles. These principles guide Council's efforts to facilitate and promote economic development and tourism in the Macleay Valley by articulating the sorts of activities Council will encourage and support in its efforts to help realise the vision.

3.2 Kempsey Shire Council's Economic Development Planning Principles

In supporting innovation, diversification and growth of the Macleay Valley's existing businesses and through its efforts to attract new investment, Kempsey Shire Council:

- Prioritises initiatives that **support innovation and development of the Macleay Valley's established and emerging industries** in manufacturing, agribusiness, the professional services, health and wellbeing, education and tourism, with an emphasis on new opportunities in value-added economic activities which target existing, new and emerging markets.
- **Proactively promotes a partnership approach to tourism development**, working in collaboration with the tourism industry and other tiers of government to enhance regional branding, signage, marketing, product development, town centre revitalisation, visitor servicing and support infrastructure.
- Plans, **prioritises and advocates for strategic infrastructure** which underpins the capacity of business and industry in the Macleay Valley to engage with regional, national and international markets.
- Pro-actively **engages with the Macleay Valley's large, small-to-medium and micro businesses (including Indigenous enterprises)** to address shared challenges and opportunities for business investment, innovation and economic development in the Macleay Valley.
- **Promotes the Macleay Valley to prospective investors, residents and visitors**, using a strategic, informed and targeted approach which promotes the region's attributes consistent with the vision for economic development.

Guided by the vision, its economic development planning principles and the action plan presented in this strategy, Kempsey Shire Council provides the enabling environment to help facilitate the competitiveness and success of the Macleay Valley's businesses and industries across all sectors of the economy.

4. Realising Prosperity: A Plan of Action

4.1 Economic Development and Tourism Strategy Themes

Horizon 2030: Macleay Valley Economic Development and Tourism Strategy presents a plan of action for Kempsey Shire Council and its partners in government, the non-government sector, industry and the community to address collaboratively, to help facilitate change towards a prosperous future for all communities of the Macleay Valley. The actions are informed by the economic development and tourism vision and Council's economic development planning principles.

Horizon 2030 contains three strategy themes as illustrated below.

Figure 8. *Horizon 2030: Economic Development and Tourism Strategy Themes*



A total of 62 individual actions are categorised under the three strategic themes accordingly.

Some actions will be 'Council-led', in that they involve specific tasks for Kempsey Shire Council and an allocation of human, physical and financial resources. Other actions refer to 'Council-supported' activities and these are advocacy or support initiatives where the implementation of the actions is to be led by agencies other than Council.

Some actions are focused on catalyst project planning and development initiatives which require action combined with a well-planned course of project implementation. Others are more focussed on strategic program implementation. These are initiatives that can be addressed as part of Kempsey Shire Council's day-to-day economic development and tourism planning and facilitation functions in a strategic and informed manner.

4.2 Project and Program Prioritisation Framework

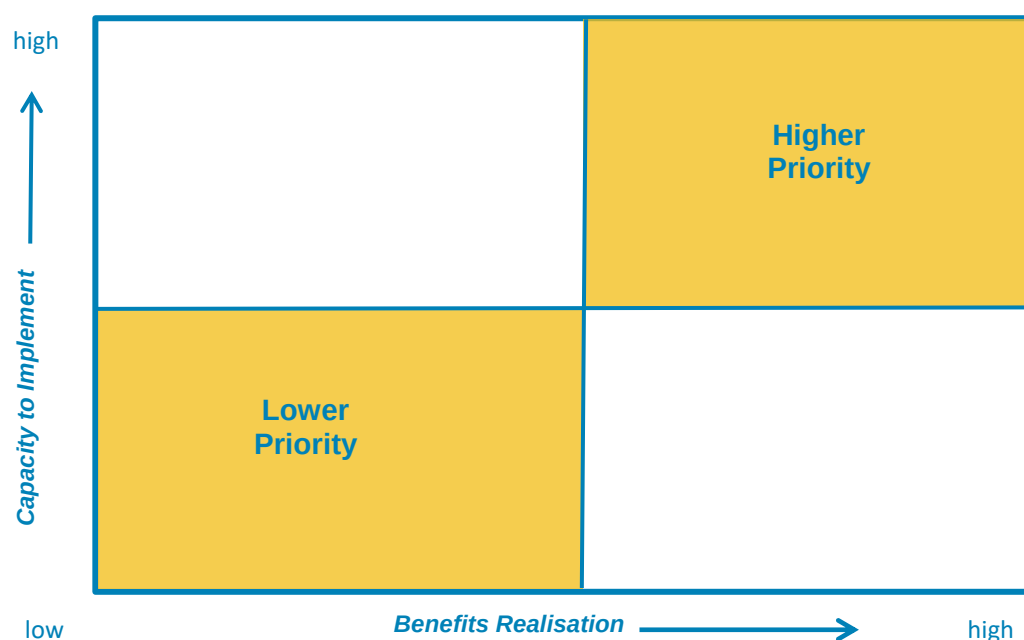
While all the actions presented in this Economic Development and Tourism Strategy are important, resource constraints mean it is impractical for Kempsey Shire Council to act on all of them immediately. This makes it necessary to prioritise opportunities for short to medium-term implementation.

The prioritisation of opportunities for action is guided by two broad sets of assessment criteria – *benefits realisation* and *capacity to implement* as outlined below.

Benefits Realisation:

- What **benefits** will the project, program or activity deliver to the communities of the Macleay Valley, its residents and businesses if realised?
 - Will it bring more business investment to the Macleay Valley?
 - Is it the sort of investment that Kempsey Shire Council and the community wants?
 - Does it build on the Macleay Valley's existing industry profile, capabilities and competitive advantages?
 - Will it help to create more jobs in key and emerging industry sectors such as the professional, scientific and technical services, agribusiness, health care, education and the visitor economy?
 - Will it help to reduce leakages and retain and re-circulate more income in the Macleay Valley (through local income and expenditure multipliers)?
 - Are there other potential impacts (e.g. social, environmental, cultural) to consider? For example:
 - Enhancing liveability;
 - Increased connection to family and community;
 - Higher quality recreational and cultural facilities; or
 - Improving quality of social support services.

Figure 9. Economic Development Action Prioritisation Assessment Matrix



Source: SC Lennon & Associates

Capacity to Implement:

- What is Kempsey Shire Council's **capacity to implement** the project or activity?
 - Does the opportunity align with Council's Community Strategic Plan?
 - Is it consistent with Council's community planning, land use planning and corporate planning policy objectives?
 - Does Council have the programs in place to support the opportunity?
 - Is the necessary support infrastructure available (or can it be realistically built/accessed?)
 - Does Council have the organisational capacity to implement the project or activity?
 - Does Council have the financial resources and the human resources?
 - Does Council have the political and community support (i.e. will the community accept and support the project or activity)?
 - Implementation - who is best placed to drive the opportunity? Is it Council as the lead, as a partner or is it the responsibility of other organisations (e.g. NSW or Federal Government) with support from Council?

Priorities are identified based on the application of these broad set of assessment criteria, determining to what extent the opportunity in question concerned is a higher, medium or lower priority.

Applying the assessment criteria and effectively 'rating' and 'ranking' each opportunity determines those that are considered the highest priority and which, as a result, are short-term actions that will be progressed by Kempsey Shire Council - either as the lead or in a support role in partnership with others - over the first 18 to 24 months of strategy implementation.

Priority actions have been identified from the long list of actions presented across the three strategy themes. Each theme is addressed in turn below followed by the short-listed priorities for action.

4.3 Economic Development and Tourism Strategy Action Plan

Theme 1: Support the Development of the Macleay Valley as an Enterprising Business and Country Lifestyle Destination for Investment, Learning and Employment

Rationale

A region's population is one of its most important resources. It provides the local workforce and plays a key role in determining the attractiveness of living in a region. Population change is a significant factor in the long-term viability of the Macleay Valley in terms of economic and social sustainability.

To attract new residents, grow both existing and new businesses and attract investment, the Macleay Valley needs to articulate its value proposition. Council's branding strategy, 'I Love the Macleay Valley Coast' provides a strong platform to promote the area to existing residents and businesses as well as prospective new businesses. If administered effectively and embraced, it will play an important role in encouraging a sense of pride and ambition amongst residents and businesses.

Central to the needs of business is a skilled and adaptable workforce. The Macleay Valley's youth needs access to education and training services and facilities with the programs and the infrastructure in place to support their needs and aspirations and the requirements of local business and industry.

Infrastructure underpins economic activity and is fundamental to a prosperous community. It includes transport infrastructure, power and water, serviced employment land and communications. Digital communications technology is a fundamental enabler of business innovation and economic development, and the emergence of the digital economy has increased the propensity for individuals and businesses to interact and trade with suppliers, partners and customers from anywhere via the 'Internet of Things'.

Together with quality physical infrastructure and good digital connectivity, 'community' infrastructure is a fundamental enabler of economic development for the role it plays in facilitating social and economic interaction and exchange. Kempsey Shire Council is committed to maintaining a standard of infrastructure and services that supports and enhances the liveability of the Macleay Valley. This includes its recreation, leisure and entertainment facilities, its cultural facilities, the quality of its streetscapes and its community services and facilities. Investment in and promotion of these assets is central to supporting the development of the Macleay Valley as a location of choice for business investment, learning, employment and lifestyle.

Proposed initiatives that are designed to support the development of the Macleay Valley as an enterprising business and country lifestyle destination for investment, learning and employment are presented under the following ten categories:

- Investment Promotion;
- Employment Land;
- Micro and SME Business Support;
- Workforce Planning and Development;
- Digital Communications Infrastructure;
- Enhance Liveability;
- Kempsey Airport;
- Road and Rail Transportation;
- Climate Change and Sustainability Policy; and
- Indigenous Enterprise Support;

Each is addressed in turn as follows.

Actions

Investment Promotion:

- 1.1 Collaborate with the Federal and NSW Governments to design and implement a web-based Macleay Valley investor prospectus targeting industries and occupations that build on the region's traditional strengths and comparative advantages to unlock new opportunities for economic development.
- 1.2 Develop a media and marketing strategy to enhance the Macleay Valley as a destination to invest, live and work in. The strategy should outline the region's unique country coastal lifestyle and promote the Macleay Valley investor prospectus, local employment opportunities and residential options.

Employment Land:

- 1.3 Commission a Macleay Valley industrial land demand and supply study to confirm existing capacity to accommodate growth and identify any potential anticipated gaps in supply. Confirm priority investigation areas / parcels of land for future industry.

Micro and SME Business Support:

- 1.4 Working in collaboration with the NSW Government and neighbouring councils, continue to provide business start-up support through the promotion and expansion of incubator and entrepreneur programs that will foster a culture of innovation.
- 1.5 Work with the NSW Government to facilitate local business access to information on Government programs which are designed to grow the capacity of new and developing SMEs and micro-businesses, including home-based businesses operating in the digital space.
- 1.6 Continue to work collaboratively with the NSW Government by pro-actively engaging with local businesses that may be eligible for Government assistance through grants and interest-free loans and for relocation grants.
- 1.7 Provide an information webpage on centralised grant funding available to business and community organisations.
- 1.8 As a Small Business-Friendly Council, work with Service NSW to scope opportunities to promote the *Easy to do Business Program* in the Macleay Valley to help address potential red tape in the form of time delays, regulations complexities and duplication issues that business owners face when starting or growing a business.
- 1.9 Working with the NSW Government's Export Adviser for the Mid North Coast, promote and facilitate local business access to export market development programs.
- 1.10 Working in collaboration with the NSW Government, investigate business incentives options including, for example, rates discounts, reduced developer contributions charges, reduced building certificate charges, business start-up grants and local employment grants for Kempsey Shire Council to consider as part of an investment attraction strategy.

Workforce Planning and Development:

- 1.11 Collaborate with the the Federal and NSW Governments, local industry partners and the education and training sector to explore the development of an Education Masterplan for the Macleay Valley.

Digital Communications Infrastructure:

- 1.12 Collaborate with the Federal and NSW Governments to investigate alternative delivery models for regional wireless connectivity in the Macleay Valley.
- 1.13 Continue lobbying for further improvements to the NBN.
- 1.14 Advocate for and promote possibilities for working remotely to engage knowledge-rich industries and businesses.

Enhance Liveability:

- 1.15 Continue to prepare a rolling program of masterplans for public spaces using a place-making approach (i.e. working with communities) for public spaces and town centres.
- 1.16 Ensure excellence of design for public infrastructure and facilities.
- 1.17 Investigate options for the development and rollout of a Macleay Valley public art program.
- 1.18 Following on from improvements to Kempsey's Smith Street Precinct and West Kempsey, develop a capital works program that will continue Council's program of streetscape improvements to enhance the visual appeal of the Macleay Valley's retail precincts.
- 1.19 Commission the preparation of a *Macleay Valley Arts and Creative Industries Audit and Directions Strategy*.
- 1.20 Support a program of cultural and sporting festivals and conference events to provide entertainment and inspiration for residents and to attract new visitors to the Macleay Valley.
- 1.21 Investigate opportunities for the release of residential land in strategic areas to maximise transport corridors and proximity to other population centres.
- 1.22 Support the outcomes of the Reconciliation Action Plan and promote recognition of Kempsey Shire's Aboriginal heritage through place-making and public signage projects to consolidate the Macleay Valley's unique local heritage.

Kempsey Airport:

- 1.23 Following completion of the Kempsey Airport Noise Management Plan and Fly Neighbourly Advice, commission the preparation of a master plan to guide future development at Kempsey Airport.

Road and Rail Transportation:

- 1.24 Continue to advocate for the construction of the east-west bridge over the Macleay River linking South Kempsey to West Kempsey, to improve linkages between key industrial and residential areas, and to provide a more direct route to the rail station.

Climate Change and Sustainability Policy:

- 1.25 Continue to identify risks to water levels, environmental conditions, river health and extreme events (flood and fire) due to the impacts of climate change. Working collaboratively with Strategic and Asset Planning, develop a Council policy acknowledging the impacts of climate change on key agricultural industries.
- 1.26 Investigate the investment potential of new energy supply projects.

Indigenous Enterprise Support:

- 1.27 Commission the preparation of a *Macleay Valley Indigenous Enterprise Development Strategy* to identify and progress means for building Indigenous business capacity in the Macleay Valley.
- 1.28 Pending the completion of an Indigenous Enterprise Development Strategy, work in partnership with local Indigenous stakeholders and others including government agencies and business support service providers, to deliver a strategic, informed and targeted approach to Indigenous enterprise assistance in the Macleay Valley.
- 1.29 Pending the adoption of the Reconciliation Action Plan being prepared by Council in 2019/20, work with other stakeholders to develop a *Macleay Valley Indigenous Employment Action Plan* with buy-in from the private sector, other government agencies and Kempsey Shire Council, with a long-term target of 11% Indigenous employees.

Theme 2: Support the Development of the Macleay Valley as a Location for Smart and Sustainable Agribusiness

Rationale

Agriculture is a traditional mainstay of the Macleay Valley, with the industry built on the production of dairy products, beef, other livestock products and fruit, including avocados, nectarines, peaches and mangoes to name a few. Today, agriculture employs over 500 people, or approximately 5% of total workers in the Macleay Valley.

The agribusiness sector is highly diverse and consists of operators involved in agricultural services or production across the food supply chain. Operators include primary producers of agricultural commodities, processors, manufacturers and wholesalers.

As has been the case in the Macleay Valley, Australia's agricultural sector is in a period of transition with new activities emerging in response to global demand. The horticultural sector is a rapidly-growing industry and is Australia's third-largest agricultural sector after livestock farming and broad acre farming. Global demand for organic produce is rising and retailers and restaurants are selling a greater number of organic products as they respond to the demands of health-conscious consumers.

Australia has the largest area of organic farmland in the world, covering more than 35 million hectares. Most of this land is large rangelands for organic cattle farming. In the Macleay Valley, a burgeoning organic produce sector offers the potential to set the region apart as a leading organic food producer.

Supporting the development of the Macleay Valley as a location for smart and sustainable agribusiness will help drive industry diversification into new areas of agribusiness and economic development, that builds on the Macleay Valley's comparative and competitive strengths.

Proposed initiatives that are designed to facilitate development of a sustainable agribusiness sector in the Macleay Valley are presented under the following four categories:

- Agribusiness Industry Planning and Development;
- Agribusiness Industry Education, Research and Development;
- Agribusiness Industry Promotion and Development; and
- Agri-tourism and Events.

Each is addressed in turn as follows.

Actions

Agribusiness Industry Planning and Development:

- 2.1 Establish a Macleay Valley Agribusiness Working Group as a sub-committee of the Economic Development and Tourism Committee to oversee the development of a local agribusiness cluster strategy. As a first step, identify and appoint a cluster champion to lead and advance the development of the Macleay Valley agribusiness cluster.
- 2.2 Commission a *Macleay Valley Agribusiness Cluster Strategy* focussed on opportunities to develop the Macleay Valley's emerging capabilities in the production of fruit and nuts as well as other food products and including certified organics. The strategy should focus on, for example, fostering business innovation and

start-ups, market research and development, business retention and expansion, business attraction and workforce planning and development.

- 2.3 Commission a *Macleay Valley Certified Organic Produce Strategy* to identify and articulate ‘focal’ areas for strategic planning and development.
- 2.4 Investigate the opportunities for intensive farming through a review of land size regulations.
- 2.5 Investigate new products or sustainable practices such as bio-banking or carbon farming.

Agribusiness Industry Education, Research and Development:

- 2.6 Engage with local producers, universities, TAFE and the NSW Government to identify opportunities for agricultural education and training programs focused on emerging opportunities for organics farming and related intensive agribusiness in the Macleay Valley and wider Mid North Coast region.
- 2.7 Commission a *Macleay Valley Agribusiness Future Employment Study* to identify existing industry skills gaps, emerging growth industries, the future of work in the agribusiness sector, the estimated demand for the ‘jobs of the future’ and likely workforce needs and training priorities in the Macleay Valley.
- 2.8 Initiate and co-ordinate, through the proposed agribusiness cluster, a proposal to partner with TAFE NSW, universities (e.g. UNE in Armidale), local industry stakeholders and the Macleay Valley’s high schools, to develop a strategy to design an integrated training pathway for the Macleay Valley’s school-leavers looking to establish a career in agribusiness.

Agribusiness Industry Promotion and Development:

- 2.9 Work with the Federal and NSW Governments to identify small business support programs applicable to agribusiness in the Macleay Valley.
- 2.10 Work with RDA Mid North Coast and the NSW Government to prepare a Macleay Valley agribusiness promotional strategy to support the region’s investment attraction efforts.
- 2.11 Establish a strategic and informed approach to promotion and development of the Macleay Valley equine industry. This includes:
 - Investigating opportunities to host agricultural shows in the Macleay Valley.
 - Engaging with the Equine Research Centre in Scone to identify opportunities for the Macleay Valley.
 - Encouraging horse competition and camp draft events.
 - Exploring the potential for horse sale-type events in the Macleay Valley.

Agri-tourism and Events:

- 2.12 Investigate the concept of a *Macleay Valley Agri-tourism Strategy*, which would include, for example:
 - Promotion of (organic) agri-tourism (e.g. farm tours, farm stays, events).
 - Investigating the potential for high-end food events (e.g. long lunches, eat street, producers’ dinners) to help develop a local ‘food culture’ in the Macleay Valley.
 - Establishing a Macleay Valley food brand which builds on the work of the Macleay Valley Food Bowl.

Theme 3: Support the Development of the Macleay Valley as a Premier Regional Visitor Destination

Rationale

The Macleay Valley encompasses the main town centre of Kempsey, with its traditional high-street shopping experience, the popular coastal destinations of South West Rocks and Crescent Head, and numerous smaller villages in the hinterland and along the coast. The region is defined by its pristine coastline, extensive national parks and state forests, its lush hinterland and the Macleay River, which features prominently in the local landscape as it flows through the valley from the hinterland to the coast. All town and village centres throughout the Macleay Valley offer unique experiences for visitors.

Alongside industries including education and training, health and wellbeing, advanced manufacturing, professional and other services, the Macleay Valley's tourism sector is a pillar of the region's future prosperity. Regional Australia's visitor economy is on an upward trajectory and in the Macleay Valley, where tourism accounts for around 6% of employment, local natural comparative and competitive advantages are yet to be fully capitalised upon. If opportunities for tourism product development, destination management, promotion and resourcing are addressed, the Macleay Valley is poised to develop its profile as a premier regional visitor destination.

The 'Macleay Valley Coast' is an alternative brand adopted for the geographic area representing the Shire of Kempsey and is the term used for 'destination management' purposes. The Macleay Valley Coast aligns with the geographic area that includes townships and smaller settlements along the coast – from Grassy Head in the north to Stuarts Point, South West Rocks and Hat Head, through to Crescent Head in the south, the town of Kempsey and the valley extending up the Macleay River to Bellbrook and into the Great Dividing Range.

The Macleay Valley Coast is an environmentally pristine coast and country destination that is popular among leisure-seekers and outdoor enthusiasts. Visitors are attracted to the natural beauty of the Macleay Valley Coast coastline and the variety and quality of local beaches make them some of Australia's best, with surfers travelling from around the world to experience the breaks at Crescent Head Surfing Reserve.

Within minutes of leaving the beach, visitors can also experience the Australian bush, complete with crystal clear creeks, rocky outcrops, towering eucalypts and country hospitality. The Upper Macleay River offers some of Australia's best bass fishing, while lovers of the great outdoors visit the area to camp, bushwalk, explore the restored timber towns and soak up the natural beauty.

Mountain biking and bush walking trails are enjoyed by nature lovers, with no fewer than 34 State forests, National Parks and reserves to choose from. Much of the Macleay Valley Coast lifestyle is focused on the water, with plenty of locations and opportunities for boating, kayaking, paddle boarding and fishing.

Diving is an international draw card, with the dives off South West Rocks considered to be some of the finest in the world. Known as 'the divers dive', the famous dive off Fish Rock features one of the only 'dive-through' caves in Australia and is home to an abundance of temperate and subtropical marine life, including turtles, rays, eels and fish, as well as being a breeding ground for the rare Grey Nurse Shark.

The Macleay Valley Coast is also home to a number of nationally-significant heritage icons, including historic Trial Bay Gaol and Smoky Cape Lighthouse, which is the most elevated lighthouse on the Australian east coast. Both sites are listed on the State Register and Commonwealth Heritage List. Kempsey is home to the famous Akubra hat and the Slim Dusty Centre and Museum, and further upriver the original Slim Dusty Homestead, which typifies the region's country heritage experience.

The Macleay Valley's spectacular hinterland has inspired many artists, including landscape artists Rex Newell and Les Graham as well as Indigenous artist Richard Campbell. The region's rich Indigenous cultural heritage is reflected in local art and culture on display at the Dunghutti-Ngaku Aboriginal Art Gallery and Wigay Aboriginal Cultural Park. A vibrant visitor economy can leverage other sectors of the local economy to establish and grow new and emerging markets for the products and services on offer. But equally, tourism needs to be managed to ensure that it leaves a positive legacy for current and future generations.

To focus initiatives in support of developing a vibrant visitor economy in the Macleay Valley, a stand-alone ***Macleay Valley Coast Destination Management Plan, 2019-2029*** has been prepared to complement Kempsey Shire Council's economic development efforts as articulated in *Horizon 2030*. By specifically addressing the challenges and capitalising on the opportunities to grow the Macleay Valley Coast visitor economy, the Destination Management Plan provides the framework for action, to guide Kempsey Shire Council and its partner organisations in delivering actions to help fulfil the vision for the region's visitor economy.

The strategic approach to growing the Macleay Valley Coast visitor economy emphasises the planning and implementation of four key 'game-changer' projects and high-priority supportive projects. These game-changers are:

- **The Five Headlands Trail** - The opportunity exists to promote a multi-day walking trail along the Macleay Valley Coast coastline, known as the Five Headlands Trail. The trail would link five coastal headlands into a united walking trail creating a unique coastal walking experience.
- **Activating the Macleay River** - While the Macleay River is well-utilised by locals for a wide range of activities, it has significant scope for increased visitor use. The proposal is to activate the river by exploring the potential for a diversity of activities, including: river tours; houseboats; eco-lodge accommodation; ferry services; pontoons at riverside eating and drinking precincts; events spaces; water sports and watercraft infrastructure; riverside activities; and a river 'Hub' consisting of a public marina and tourist boat terminal.
- **Macleay Valley Adventure Sports Strategy** - The proposal is to leverage the NSW Government's support for adventure sports tourism through the development of a Macleay Valley Adventure Sports Strategy, with a Macleay Valley Skydiving Adventure Park, to be located at Kempsey Regional Airport, as a priority project. A key feature of the proposed Skydiving Adventure Park is that it include facilities to host canopy piloting events. Other 'catalyst' adventure sport project opportunities including off-road motor sporting and other events such as mountain biking would also be explored as part of this strategy.
- **Upgrading the Kempsey to Armidale Road** – There is an opportunity for Kempsey Shire Council to work in partnership with Armidale Regional Council to advocate for the re-classification of the Kempsey to Armidale Road west of Bellbrook, including continuing to seek funding of major road upgrades to improve the road as an east-west through-route. An upgraded road would bring significant benefits from a tourism perspective opening up the Macleay Valley Coast to visitors from the west and allowing visitors in Kempsey and on the coast to exit the region to the west. This would put the Valley 'on the map' and a considerable uplift in visitation could be expected.

In addition to the ‘game-changers’, there are a number of opportunities to support these projects and to accelerate their multiplier effect in the regional economy. These other opportunities have been identified by reference to the ‘enablers of a vibrant visitor economy’.

The enablers of a vibrant visitor economy refer to the things that Kempsey Shire Council, in concert with tourism organisations and other key stakeholders, including regional development organisations, may take strategic actions to influence key economic development outcomes. The Destination Management Plan identifies the following priority support projects, from a long-list of 45 opportunities for action:

- Preparing the Macleay Valley Coast Marketing and Media Plan.
- Upgrading the Macleay Valley Coast web site.
- Reviewing the Macleay Valley’s Visitor Information Centres.
- Business support for Indigenous cultural tourism and inclusive tourism.
- Developing the cruise ship market.
- Establishing and promoting key events, festivals and entertainment precincts.
- Developing collaborative partnerships to attract investment and capture funding opportunities.

These priority initiatives are earmarked for action as part of an initial economic development work plan. To this end, the four game-changer projects and the priority support initiatives form the basis of this action plan to support the development of the Macleay Valley as a premier regional visitor destination.

Actions

Game-Changer Project Planning and Development:

- 3.1 Initiate planning of the **Five Headlands Trail** project including: preparation of a project concept master plan; community consultation and engagement; business case preparation; project management; and identification of potential project funding sources.
- 3.2 Initiate project planning to **activate the Macleay River** through: preparation of a project concept master plan for the river and abutments from Kempsey to the sea, consistent with the estuary management plan; community consultation and engagement; business case preparation; project management; and identification of potential project funding sources.
- 3.3 Prepare the **Macleay Valley Adventure Sports Strategy** with a focus on skydiving and canopy piloting at Kempsey Airport as the first priority. Tasks include: preparation of a project concept design; preparation of a business case; community consultation and engagement; and determination of project and asset management and funding options (including commercial operator and investment options).
- 3.4 Advocate for the **upgrade of the Kempsey to Armidale Road**, for confirmation of re-classification of Kempsey to Armidale Road west of Bellbrook, including: to seek funding for major road upgrades to improve the road as an east-west through-route; community consultation and engagement; project development; identification of potential project funding sources; and delivery of road safety enhancements along the route.

Support Project Planning and Development:**Tourism Marketing:**

- 3.5 Develop a Macleay Valley Coast Tourism Marketing and Media Plan to include the following components:
- Review and analysis of all existing collateral and marketing assets to inform and support marketing and media activities;
 - Development of a Macleay Valley Coast Media strategy, with a strong focus on our digital assets;
 - Development of new content for key experience themes including: Heritage, Nature, Hinterland, Coastal and Cultural (including Indigenous) experiences;
 - Preparation of a schedule of targeted marketing campaigns, with considerations for new technologies including location apps and appointment of an official ambassador for the region;
 - Development of placemaking installations to enhance visitor experiences;
 - Undertaking an engagement drive with local tourism operators, to educate them on how to use the Macleay Valley Coast brand and leverage off local and State marketing platforms such as Visit NSW and the Macleay Valley Coast website.
- 3.6 Undertake a review of the Macleay Valley / Macleay Valley Coast's web presence, with tasks to include the following:
- Ensure online tourism market information, branding and promotion is consistent across platforms and up-to-date.
 - Consult widely on the agenda for tourism research and ensure that the product of research that is carried out is made readily available via the web.
 - Ensure that an up to date list of relevant links to tourism research and data is available on the web.
 - Consider an 'index map' on the web site allowing filtering for the location of various types of attractions, touring routes, etc.

Visitor Information:

- 3.7 Review the Macleay Valley's Visitor Information Centres (VICs) – it is imperative that the resources and assets that are devoted to running VICs are used effectively for maximum benefit, and given ongoing changes affecting how information is managed and delivered, a thorough review of these operations is required.

Indigenous Business Support:

- 3.8 Work with stakeholders and agencies to facilitate the establishment of Indigenous business in the tourism sector, building on Indigenous cultural heritage. Key actions include:
- Encourage employment policies that ensure Indigenous persons are afforded equal opportunity based on merit in relation to access to training and pathways to employment.
 - Ensure that members of the Indigenous community are afforded opportunities to access employment in tourism projects and enterprises.

Support for Inclusive Tourism:

- 3.9 Prepare a strategy to identify opportunities and develop initiatives which promote and support inclusive tourism in the Macleay Valley, to cater to the needs and expectations of all visitor markets.

Cruise Ship Market Development:

- 3.10 Cater for further cruise ship visits, including the investigation of pontoons and other structures.
- 3.11 Work with Destination NSW to develop internationally bookable and recognised tours.

Establishing and Promoting Key Events:

- 3.12 Review Kempsey Shire Council's role in and resourcing of regional events procurement to maximise the leveraging of events to attract visitors to the Macleay Valley in low periods and to cross-promote destination brand awareness.
- 3.13 Promote sports tourism in the Macleay Valley including events which leverage the region's motor sports racing heritage (e.g. the Macleay 1000) and the Macleay valley's natural attributes.
- 3.14 Promote and support organised tours - e.g. cyclists, motor cyclists, car clubs, agricultural, golf, cruising boats and fishing.
- 3.15 Review existing community festivals and events (including sporting, music and cultural festivals) and identify opportunities for existing and emerging events throughout the Macleay Valley and surrounding region to become part of a coordinated calendar of events with Destination North Coast NSW. Promote the growth of the Slim Dusty Music Festival and the Sculptures in the Gaol as two distinctive local events.
- 3.16 Progress the North Coast Business Events Partnership, which proposes a funding Partnership Model to support the promotion of Business Events on the North Coast. Kempsey Shire Council has engaged with this program as 'a 'tier 3' participant in order to establish Kempsey and the Macleay Valley as a conference destination.

Investment Attraction:

- 3.17 Collaborate with private investors, tourism stakeholders and both Federal and NSW Government bodies to leverage investment in high-end accommodation, state-of-the-art wayfinding signage and unique attractions.

Collaborative Partnerships and Product Development:

- 3.18 Work closely with Destination North Coast NSW to ensure that its investigations and proposals regarding infrastructure take full account of opportunities in the Macleay Valley.
- 3.19 Investigate options for independent funding of a Macleay Valley Coast tourism unit.
- 3.20 Incorporate the *Macleay Valley Coast Destination Management Plan, 2019-2029* into Kempsey Shire Council's Operational Plan.
- 3.21 Liaise on an ongoing basis with State and Federal funding agencies and monitor grants programs. Ensure that business cases for priority projects are at the ready.

5. Realising Prosperity: Implementation Priorities

5.1 Priorities for Action – Informing A Short-Term Work Plan

From the long-list of 62 actions identified in this strategy, a total of ten are earmarked for action as part of an initial economic development and tourism work plan. They are:

Support the Development of the Macleay Valley as an Enterprising Business and Country Lifestyle Destination for Investment, Learning and Employment

- Collaborating with the Federal and NSW Governments to design and implement a web-based Macleay Valley investor prospectus.
- Commissioning a Macleay Valley industrial land demand and supply study.
- Developing a marketing and media strategy to enhance the Macleay Valley as a location in which to invest, live and work.
- Collaborating with the Federal and NSW Governments, local industry partners and the education and training sector to explore the concept of an Education Masterplan for the Macleay Valley.
- Working in collaboration with the NSW Government and neighbouring councils to provide access to business start-up support and assistance services through the promotion and expansion of incubator and entrepreneur programs that will foster a culture of innovation and access to export market development programs.
- Preparing a *Macleay Valley Indigenous Enterprise Development Strategy* to identify and progress means for building Indigenous business capacity.

Support the Development of the Macleay Valley as a Location for Smart and Sustainable Agribusiness

- Establishing a Macleay Valley Agribusiness Working Group as a sub-committee of the Economic Development and Tourism Committee to oversee the development of a local agribusiness cluster strategy.
- Commissioning a *Macleay Valley Agribusiness Cluster Strategy* focussed on opportunities to develop the Macleay Valley's emerging capabilities in the production of fruit and nuts as well as other food products and including certified organics.
- Working with the NSW Government to identify small business support programs applicable to agribusiness in the Macleay Valley.

Support the Development of the Macleay Valley as a Premier Regional Visitor Destination

- Progressing priority actions to help develop the Macleay Valley as a premier regional visitor destination through the development of iconic natural visitor attractions, driving growth in high-yield and environmentally sustainable tourism, as articulated in the *Macleay Valley Coast Destination Management Plan, 2019-2029*.

5.2 Realising Prosperity – What Our Future Will Look Like

Through implementation of the actions presented in this Economic Development and Tourism Strategy, the Macleay Valley will be provided with the support it needs from Kempsey Shire Council and its partners to help realise the region's potential as a thriving, inclusive, connected and sustainable lifestyle destination. Future prosperity will be underpinned by the Macleay Valley's diversity of economic activity in agribusiness, manufacturing, education, professional services, health and wellbeing, and tourism, and reflected in the following desired economic outcomes:

A Location of Choice as an Enterprising Business and Country Lifestyle Destination for Investment, Learning and Employment

- The local population has matched or exceeded current forecasts to 2030.
- The Macleay Valley's reputation is based on offering authentic country hospitality and celebrating our culture and heritage.
- The Macleay Valley is widely-regarded as a desirable location to live and work.
- The Macleay Valley is widely-recognised as a place where business investment is supported and welcomed by Council.
- The existing industry base continues to grow and evolve, and new industry sectors have found a home in the Macleay Valley.
- Full-time employment has increased for residents of the Macleay Valley.
- The Macleay Valley's young people, including Indigenous youth, are able to find meaningful employment within the area and continue to reside here.
- The Macleay Valley offers careers in professional and knowledge-based jobs as a result of new industry and business development initiatives.
- Young people in the Macleay Valley have the choice of study options at secondary and tertiary levels that allow them to live and study within the area.
- The Macleay Valley has a widely-recognised culture of entrepreneurship and innovation.

A Location for Smart and Sustainable Agribusiness

- The Macleay Valley has an expanded intensive farming sector that is profitable.
- The Macleay Valley organic food hub is established.
- There are more jobs in the Macleay Valley's agricultural sector.
- Traditional agriculture has transitioned to using smart and sustainable agricultural practices.

A Premier Regional Visitor Destination

- New experiences in the Macleay Valley Coast attract high-yield visitors who tend to visit out of high season which stimulates the visitor economy all year round.
- Tourism businesses attract international and interstate visitors to the Macleay Valley Coast.
- The Macleay Valley Coast is well-known nationally and internationally for its pristine environment and nature-based experiences.
- Experiences and events in the Macleay Valley Coast are enjoyed by both residents and visitors.
- Experiences and attractions in the Macleay Valley Coast are on the 'must visit' lists of national and state tourism websites.
- Trial Bay is an internationally-recognised cruise ship destination.
- The Macleay Valley hosts unique festivals and events on a regular basis that contribute to the economic, social and cultural life of the community.

Realising the Macleay Valley's preferred economic future will depend on the collaborative partnerships that Kempsey Shire Council will continue to develop, and how the community faces and embraces the challenges and opportunities for economic development.

5.3 Collaborative Partnerships for Successful Strategy Implementation

Horizon 2030 will be implemented by Kempsey Shire Council in partnership with the region's other economic development and tourism stakeholders. Council will continue to collaborate with the Federal and NSW Governments, private investors, the region's business chambers, progress associations and peak industry bodies to gain support for and to help deliver strategy actions.

Economic development actions and priorities for implementation have been determined in the context of the role of economic development in Council's broader program of work and strategic objectives. Led by its Economic Development and Tourism Unit, Kempsey Shire Council will monitor the progress of *Horizons 2030* in order to achieve the actions set out.

Implementation progress will be monitored through the use of:

- Business / economic development satisfaction surveys;
- Visitor satisfaction surveys;
- Subscription to regularly updated and tailored data sources such as economy.id and community.id;
- Department of Jobs and Small Business data on unemployment and labour force trends;
- Visitor economy data sourced from Tourism Research Australia and Destination NSW; and
- Australian Bureau of Statistics (ABS) Business Register data.

Set performance measures will be reported annually within the performance monitoring on strategy implementation. *Horizon 2030: Macleay Valley Economic Development and Tourism Strategy* will be monitored annually with an interim review and update anticipated in five years.

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