



BUSINESS PAPER

Economic Development Committee

to be held at

Council Administration Centre
Council Chambers
180 Mort Street, Lithgow

on

Wednesday 2 November 2022

at 6:00 PM

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1. Acknowledgement of Country

I would like to begin this meeting by acknowledging the Traditional Owners of this land on which we meet today. I would also like to pay respect to Elders both past, present and emerging.

2. Present

3. Apologies

5. Staff Reports

5.1. Activation of the Seven Valleys Tourism Brand

Prepared by Simon Francis – Tourism Manager

Department Tourism

Authorised by Simon Francis

Summary

The purpose of this report is to outline to the Economic Development Committee preparatory and planned future work being carried out to activate the 'Seven Valleys' brand.

Commentary

Destination marketing funds to activate the Seven Valleys brand became available for use by Seven Valleys Tourism and Events in October 2022 following the quarterly budget review. Prior to this, all actions taken were achieved for free or with little cost and funded out of the existing destination marketing budget of \$30,000 of which \$23,800 remains as of 20/10/2022

Preliminary work that has been carried out to date in the lead up to an eventual media launch of the Seven Valleys brand are as follows:

- Website changed to Seven Valleys theme
 - Website domain changed to Seven Valleys
 - Email addresses for all tourism staff changed to @sevenvalleys
 - Destination NSW (New South Wales) listing/Get connected changed to Seven Valleys
 - Search Engine listings changed to Seven Valleys Visitor Information Centre Lithgow
 - Social Media changed from Lithgow Tourism and Events to Seven Valleys Tourism and Events Including Facebook – Instagram – Twitter – Trip Advisor
 - Signage in and around Seven Valleys Visitor Information Centre changed to reflect the Seven Valleys branding.
 - Staff business cards changed to Seven Valleys branding
 - In house printed marketing collateral changed to Seven Valleys branding
 - Billboards at Hartley and Mt Lambie have Seven Valleys branding
 - Seven Valleys branding accompanying Lithgow City Council logo on all event material including Lithgow Halloween, Lithgow Live and Local, and Made in Lithgow installation.
 - Two Seven Valleys videos produced, one as an overview of the area, the other focused on Wolgan and Capertee Valleys, and marketed on social media.
 - Lithgow Regional Marketing Cooperative renamed Seven Valleys Regional Marketing Cooperative (currently a steering committee).
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- Seven Valleys advocated for in the Destination Network Central West draft Destination Management Plan.
- Investigation into the cost of additional photo and video assets to market the Seven Valleys.
- Production of a 'Seven Valleys' badge that tourism operators in the LGA can display on their websites and promotional material (to be released with the launch of the Seven Valleys Tourism website members area that also contains other downloadable assets)

Additional branding collaborations and marketing campaigns.

- Australian Caravan Club national muster marketed at 'The Seven Valleys Muster'
- Collaboration with Pat Callinan 4x4 Adventures TV show on Channel 10/10+/YouTube/social media to have a dedicated 'Pat's backyard playground Seven Valleys' episode where all the video and still footage captured is given to Seven Valleys Tourism for future marketing use. Episode will air on 29th January 2023.
- Early discussions with Rocky Trail Entertainment to bring the State Championships to the Seven Valleys which will be widely marketed to the very influential Mountain Bike Community
- Early discussions with National Parks around collaborative marketing initiatives between Gardens of Stone State Conservation Area and Seven Valleys.
- Seven Valleys Visitor Information Centre Lithgow listed on the NSW Accredited Visitor Information Centre app endorsed by the accreditation authority 'The Tourism Group' and listing the majority of Australian Visitor Information Centres with wide distribution and strong marketing support.

Due to start in coming months for completion by the end of the budget year.

- New Seven Valleys Visitor Guide
- Combined launch of Seven Valleys Visitor Guide/Seven Valleys brand launch/Seven Valleys industry marketing campaign
- 'Welcome to the Seven Valleys' 'Thanks for visiting the Seven Valleys' signs installed at key entry and exit points of the LGA (Local Government Area) after application to TfNSW (Transport for NSW).
- A consultant engaged to coordinate the creation of a new Destination Management Plan for the Seven Valleys tourism region incorporating the following goals:
 - Local industry survey to gauge up to date stats on assets and individual operator target markets.
 - Identify all opportunities for collaboration with stakeholders beyond traditional tourism operators and industry bodies, across the LGA and beyond
 - Target market focus groups set up in strategically selected regions and results disseminated for inclusion in the Destination Management Plan.
 - Identify opportunities to align the Seven Valleys Destination Management Plan with the Destination Central West and Destination NSW DMP's for greater access to grant funding.
 - Identify all Strengths, Weaknesses, Opportunities and Threats within a predetermined timeframe to encourage growth of both The Seven Valleys brand and tourism in the LGA in general.
- Destination Management Plan launch
- Seek collaborative marketing opportunities with Destination NSW and neighbouring LGA's
- Develop an industry led Seven Valleys campaign in addition to the Visitor Guide to maximise the exposure of the Seven Valleys brand.
- Increase the focus and budget for existing social media and google ads to maximise exposure of the Seven Valleys brand.
- Purchase promotional resources such as Marquee toppers, banner flags and pull up banners.
- Production of a Seven Valleys Tourism membership prospectus to include promotional offer of a free ¼ page advert in the new Seven Valleys Visitor Guide.

It is to be noted that the Seven Valleys brand is a multi-year, and potentially multi-decade process that involves targeted education of visitors and buy in from the local industry. A proliferation of tourism businesses leveraging off the Seven Valleys brand is desirable and to be encouraged.

Policy Implications

N/A

Financial Implications

- Budget approved - \$150,000
- Cost centre - 600310
- Expended to date - \$0.00
- Future potential impact -

Legal and Risk Management Implications

N/A

Attachments

1. Lithgow Seven Valleys Video-branding Aug- Oct 22. Campaign Update [5.1.1 - 6 pages]

Recommendation

THAT the report on 'The Seven Valleys' brand activation be received and discussed.

5.2. Lithgow Emerging Economy Project

Prepared by Jonathon Edgecombe – Director Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

This report aims to provide an update to Councillors on the status of the Lithgow Emerging Economy Plan (LEEP).

Commentary

Overall, the Australian economy has shown considerable flexibility and resilience over the past 30 years, with most regions experiencing positive employment growth up to the end of the most recent mining boom which ended around 2013. This said, economies are constantly flexing in their composition to respond to current and future factors – an example follows below.

Australia is quickly moving toward a net-zero economy where Government policy encourages transformative change by setting emission reduction targets and providing industry assistance for green initiatives. This shift has profound economic, social, and environmental implications for Australia, and most significantly in regions reliant on coal mining. In Lithgow, mining and coal-fired electricity generation represents 1,390 local jobs out of a total 8,690 (16% of Lithgow's workforce) Almost 40% of the value created in the city is from these sectors.

This suggests that the local economy is exposed to shocks in this sector.

Because transformation of an economy takes considerable time and resources every and early effort must be made now to support the diversification in preparation for change that is here.

The LEEP project is split into five key phases. These are outlined below:

1. Where are we today?

This part of the report establishes a working baseline of Lithgow's current economic activity and an assessment of our current infrastructure, endowments and natural capital assets. Additionally, this part of the report considers the current social and cultural mindsets of Lithgow's workforce and community, and the core skills they possess and can offer industries of the future. Lastly, with this understanding of Lithgow's industry breakup, this part of the report considers potential future scenarios (such as power station or mine closures) and the impact of such shocks to our economy.

2. Where are we headed?

Phase 2 of the LEEP project comprises an analysis of possible future industries, including their output, job creation potential and infrastructure reuse opportunities. Key parts of this report include renewable energy diversification scenarios (with a distinct focus on how Lithgow can retain local value from such assets post-construction), engagement with key local stakeholders, and the overlay of NSW transition strategy and policy frameworks against industry roadmaps and macro-drivers affecting current and future industry. Importantly, this phase of the report also considers what is required of a 'just' transition, speaking of the need to focus on livelihoods rather than just jobs and acknowledging those negative impacts on the most vulnerable community groups who stand to be most affected during Lithgow's transition.

3. What is needed?

Phase 3 considers the gap between Phase 1 and 2 and seeks to identify what is required to achieve the scenarios outlined in Phase 2. Included in this section are considerations of how to make best use of Lithgow's natural capital assets (including water supply to support industry and environmental assets to support tourism, for example) and infrastructure reuse opportunities (with a key focus on energy assets and an evaluation of demand for new infrastructure investment). A third key consideration of this phase is the demand for social infrastructure, placemaking, precinct analysis and land use opportunities. All of the above is tied up in a proposed vision statement of the Lithgow economy.

4. What are the key enablers?

This is the first part of what will form the substance of the report, informing the tangible action plan proposed for Phase 5 below. These enablers aim to support the planned and equitable closure of coal mining and coal powered power generation in Lithgow by offering a just transition to workers, ensuring the repurposing and rehabilitation of infrastructure and natural resources for future economic and community use, and engages our workforce, the community and other stakeholders in visioning and preparing for our future. Key examples of enablers include road and rail transport connections, holistic education pathways which support diversification initiatives, frameworks to build social licence for new industry, and investment attraction programs to highlight Lithgow's competitive and comparative advantages. Lastly, this aspect of the document also considers the governance arrangements to successfully manage and steer Lithgow's transition.

5. What is our plan of action?

Put simply, this final phase of the LEEP document translates the analysis from Phase 4 into tangible action, establishing the necessary policy and leadership agenda to guide public institutions and guide engagement with the community. These actions will focus on those necessary programs, policy responses and public investments required to action the enablers identified.

Currently, the project is approximately 50% through Phase 3. While the initial project plan indicated that completion of the final report would occur in November 2022, there have been several project interventions and delays which will threaten this. Every effort is being made however to minimise extensions.

Industry and Community Workshopping and Consultation

The Australian Productivity Commission, in their 2017 study of transitioning regional economies, identify that all levels of government share differing degrees of responsibility for regional transition efforts, and that incorporating the views and knowledge of regional communities is critical in assessing the scope for economic and social development in the regions.

To this effect, it is critical that the LEEP project test potential enablers and subsequent actions with key stakeholders of local industry and state government sectors to ensure these project outputs can be supported by government policy and strategy while also attracting the necessary private sector investment to be successful. A session of industry and government will occur during the project.

Also, community workshops are being arranged to test Lithgow's competitive and comparative advantages while also generating ideas related to the necessary placemaking initiatives which must support transition efforts. These two sessions will also afford the opportunity for the community to present their thoughts on opportunities to create a more diverse and prosperous future. This supports the principles of a just and inclusive transition wherein economic, social and environmental concerns

are addressed and the costs and benefits that arise are equitably shared across the affected community. These sessions will occur in November.

Overall, good progress has been made on LEEP to date. While there will be unanticipated delays to the delivery of the final report, regional diversification efforts commonly take up to 10 years and require no less than \$150 million in investment over this period. It is imperative that this plan be accepted by the community, Council, government and industry, correctly identifying the local strengths and weaknesses that contribute to the specific and tailored assistance required over this period.

This committee meeting will provide the opportunity for Council staff to canvas other aspects of LEEP with the Council, and to discuss key matters.

Policy Implications

Nil

Financial Implications

- Budget approved - \$350,000 (\$250,000 cash contribution by DRNSW and \$100,000 of in-kind contribution by Council)
- Cost centre - 600261
- Expended to date - \$156,199.32
- Future potential impact – Project contingency of \$17,900.68 remains for this work.

Legal and Risk Management Implications

Nil

Attachments

Nil

Recommendation

THAT the Economic Development Committee receive the update on the Lithgow Emerging Economy Plan.

5.3. Review of the Lithgow Regional Economic Development Strategy

Prepared by Jonathon Edgecombe – Director Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

To update the Council on the status of the State Government's Regional Economic Development Strategy (REDS) update.

Commentary

The Department of Regional NSW proposes to update Regional Economic Development Strategies. Rather than develop individual strategies at an LGA level, these documents focus on Functional Economic Regions (FERs). These FERs are made up of one or more Local Government Areas in regional NSW that work together to create smaller economies with strong economic links. They are chosen based on where people travel for work, geography and supply chain analysis. With Lithgow's high degree of employment self-containment, it remains a single LGA functional economic region.

The original Regional Economic Development Strategy for Lithgow was developed in 2018. The update of this strategy could not have come at a better time. This review is closely aligned with the formation of the Lithgow Emerging Economy Plan, affording the opportunity to introduce alignment between the two documents.

The Draft REDS Update has been produced based on data analysis (predominantly from the Australian Bureau of Statistics), input from our stakeholder workshops, council submissions and the business survey. This input has ensured that the Update reflects local perspectives on the future of the Region. The REDS provides an evidence base to guide governments in making policy and investment decisions, providing a pathway for growth of industries that drive the economy and jobs. Since publication, regional NSW has endured shocks including bushfires, floods, COVID-19 and the mouse plague, and significant new economic opportunities have emerged. This REDS update aims to acknowledge each of these shocks, both positive and negative.

The main changes to the original document from the original version developed in 2018 are as follows:

Investment

- Acknowledgement of the \$50 million investment in ecotourism (Gardens of Stone) and the opportunities this provides.
- Development of the Maldhan Ngurr Ngurra Lithgow Transformation Hub.
- Proposals to upgrade the Great Western Highway.
- \$12 million of investment in the Thales Lithgow Arms facility

Employment and Population

- -2.2% population growth since 2018
- Housing vacancy rates sit below 1%
- Median house prices have risen by 15.3% since 2018.
- Proportion of the population above 55 years has increased by 1.2% since 2018.
- Unemployment has decreased 5% with job vacancies reaching an all-time high of 2,136 in 2021.

Much the same as the 2018 REDS, tourism, electricity generation and transmission, mining and manufacturing are identified as key engine and emerging industries which can be leveraged to diversify and grow the local economy.

Overall, the strategy has identified Lithgow's focus on maximising opportunities associated with economic diversification, it's desire to release and activate residential and employment lands, and Lithgow's emerging capabilities in renewable energy and circular economy industries.

Next steps

In the coming weeks, Lithgow will be invited to a presentation on the draft document which will provide more detail on the assumptions and analysis which sits behind the above findings. Council will also provide written feedback to DRNSW by 04 November 2022 prior to the final versions of the REDS updates for each region being publicly released by the end of the calendar year.

Policy Implications

Council is advocating for reasonably close alignment between the LEEP and REDS to ensure agreement on enablers and resultant actions, thereby unlocking the potential for strategic government and private industry investment in the region.

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact – N/A

Legal and Risk Management Implications

Nil

Attachments

Nil

Recommendation

THAT Council receive this update on the developing findings from a review of the Regional Economic Development Strategy.

5.4. Development of an investment prospectus for Lithgow

Prepared by Jonathon Edgecombe – Director Infrastructure Services

Department Infrastructure Services

Authorised by Director of Infrastructure & Services

Summary

This report provides an update to the Council on the outputs of the recent Investment Attraction Workshop undertaken by the Department of Regional NSW.

Commentary

In June 2022, representatives of Lithgow City Council and the Lithgow Emerging Economy Plan consultants attended an Investment Attraction Workshop coordinated by the Department of Regional NSW. The intent of the program, held alongside the development of Council's Emerging Economy Plan and the Regional Economic Development Strategy, is to assist both Council and DRNSW to:

- Build awareness and recognition of Lithgow,
- Establish direct contact to potential investors, in a targeted and strategic fashion,
- Provide support and services to potential investors,
- Build relationships with and support existing investors, and
- Provide opportunities to enhance the quality of Lithgow in the eyes of investors.

These analyses are developed with the understanding that it is often the case that Councils often pitch the same perceived opportunities in their area as do their peers. For example, claims that a particular location offers an “attractive lifestyle”, is “open for business”, is “centrally located” and offers “quality labour” are regularly made. Other times broad descriptors of potential investment opportunity are generic in description (advanced manufacturing, logistics) rather than specific i.e., advanced marine defence and allied manufacturing. As well, the assertions are often not grounded in true competitive advantages. The result is saturation of the market with loose claims that reduce the impact, perhaps entirely, of these marketing strategies.

By contrast, the focus here is intended to be on development of investment attraction processes that are tailored to defined target groups. These target groups are a combination of industrial sectors, geographic markets and other relevant factors (so long as they share similar characteristics that make it possible to approach them collectively). Such groups could include “developers and operators of grid-connected battery systems” for example. This targeted approach affords Council the opportunity to ensure the most effective use of resources, reflect the location's true competitive advantages (thereby offering a true differentiation from competitors), provides credibility and increases the probability of success.

Identifying these target groups occurs in two parts. Firstly, there must be an internal assessment of the location. In Lithgow's case by workshopping the region's strengths, weaknesses, opportunities and threats, it was possible to work toward answers to questions such as:

- Are there other concrete opportunities for businesses in this location?
- How do these advantages and opportunities compare to competitor locations?
- How to articulate and validate specific value propositions?
- What types of sectors, companies or activities can benefit from these advantages and opportunities?

Second comes an external market assessment which considers questions such as:

- Which sectors and types of activities are experiencing significant growth?
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- Where are they investing, how and why?
- Are there examples of recent investments in our part of the world or similar locations?
- How big is the pool of potential investors?
- Do the advantages/opportunities of our location match their key requirements?

The final step in developing an investment prospectus for Lithgow is the creation of a 'value proposition'. This value proposition articulates the benefits (value) of this location, providing a compelling reason for a company to invest locally. It can be based on one or several clear advantages or opportunities which are simple to understand, are convincing and achievable, and directly address the requirements of the investor.

As an example, suggesting that Lithgow is "proximate to Sydney" is non-descript. The target groups are too broad, it contains no practical information, and it does not address the critical requirements of a specific target group. A better example might be where bulk and affordable power is exploited to underpin an employment precinct ie., the value proposition could be "secure and sustainable electricity supply to support business critical, 24/7 uptime of datacentre servers".

A summary of the key endowments, strengths and challenges developed from this process are:

- Significant existing heavy electrical infrastructure
- Close proximity to Sydney (within 2.5 hours to the Sydney CBD)
- A significant quantity of potential industrial land if brownfield sites (former coal mines and power stations) can be re-purposed for employment uses.
- Significant quantities of water beginning 6000ML/pa (16ML/day) from mid-late 2024 and increasing as coal mines are retired
- Relatively cheap housing beginning with 1500 lots approved at Marrangaroo
- A cold climate relative to the rest of NSW
- Proximity to the Blue Mountains workforce
- Under-utilised rail infrastructure and buildings (owned by Pacific National)

The next phase is to identify potential investor target groups. Council staff will speak to some of these at the meeting.

This project is being aligned with the current work on LEEP and REDS.

Policy Implications

Nil.

Financial Implications

- Budget approved - N/A
- Cost centre - N/A
- Expended to date - N/A
- Future potential impact – N/A

Legal and Risk Management Implications

Nil

Attachments

Nil

Recommendation

THAT Council receive and discuss the update regarding an Investment Prospectus for Lithgow.

6. General Business
