

Business Paper



Economic Development Committee

to be held at

Council Administration Centre

180 Mort Street, Lithgow

on

Wednesday 19 June 2024

at 6:00 PM

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1. Acknowledgement of Country

Acknowledgement of Country

Lithgow City Council acknowledges Wiradjuri Elders past and present of the Wiradjuri nation - the original custodians of the land on which the Lithgow's communities reside. The Council also extends our respects to our neighbouring nations.

Declaration of Webcasting

I inform all those in attendance at this meeting, that the meeting is being webcast and that those in attendance should refrain from making any defamatory statements concerning any person, Councillor or employee, and refrain from discussing those matters subject to Closed Council proceedings as indicated in clause 14.1 of the code of meeting practice.

2. Present

3. Apologies

4. Declaration of Interest

Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Oath or Affirmation of Office

Councillors are reminded of the Oath or Affirmation taken of office, made under section 233A of the *Local Government Act 1993* when elected.

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

Conflict of interest

A conflict of interest is a clash between private interest and public duty. The test for conflict of interest:

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

There are two types of conflict:

- **Pecuniary** – regulated by the *Local Government Act 1993* and Office of Local Government. A person with a pecuniary interest should at least disclose and not vote, but it would also in these cases be appropriate to leave the chamber.
 - **Non-pecuniary** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, a person
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with a non-pecuniary interest can choose to either disclose and vote, disclose and not vote or leave the Chamber.

- Local Government Act 1993 and Model Code of Conduct
For more detailed definitions refer to the *Local Government Act 1993*, Chapter 14 Honesty and Disclosure of Interest and adopted Code of Conduct.

Identifying problems

1st Do I have private interests affected by a matter I am officially involved in? **2nd** Is my official role one of influence or perceived influence over the matter? **3rd** Do my private interests conflict with my official role?

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 440AAA(3) of the *Local Government Act 1993* (pecuniary interests) and the Model Code of Conduct it is necessary for you to disclose the nature of the interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

A Declaration form should be completed and handed to the General Manager as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at

5. Administration Reports

5.1. Review of the Future Jobs and Investment Authority Issues Paper

Strategic Context for this matter:

Strengthening Our Economy To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

Author: Jonathon Edgecombe - Director of Infrastructure and Economy

Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Economy

Executive Summary

This report seeks to advise the Economic Development Committee of the general tenor of the Administration's proposed response to the NSW Government's 'Future Jobs and Investment Authorities Issue Paper'.

Administration's Recommendation

THAT the Economic Development Committee endorse a response to the NSW Government's 'Future Jobs and Investment Authorities Issue Paper' that aligns with the key points outlined in the body of the report.

Attachments

1. FJI A-issues-paper-clean [5.1.1 - 33 pages]
2. 240528 MR Houssos FJIA CW [5.1.2 - 3 pages]

Reference to any relevant previous minute

Nil

Background and discussion

On the 28 May 2024, the NSW Government announced the release of an 'Issues Paper' which proposes a pathway forward for its Future Jobs and Investment Authorities. This is open for public comment up to a closing date of 12 July 2024. Minister Houssos's recent media release which speaks to this process is attached alongside a copy of the Issues Paper itself.

As the Council are aware, Lithgow is ahead of the game with respect to the transitioning of our own economy and we are ready to participate in this process when it materially commences. In fact, at our current rate, it is expected that Lithgow's aligned form of governance vehicle will have made progress on several initiatives by this time.

It is suggested that Lithgow City Council make a submission to the Issues Paper that aligns with the following six key points:

1. There is a lot to praise in the paper and the Council should highlight this. Collaboration across a multi-stakeholder model and linking mines and power stations (something that the recent legislative amendment that established the expert panels did not do) for example.

2. Council should strongly suggest that Lithgow should not be combined with Mid-Western in terms of the NSW Government's approach to regional transition. Our two regions are too disparate for there to be effectiveness in a coordinated approach. For example, Mid-Western's coal mines are predominantly export which is the exact opposite of the situation in Lithgow. Including Lithgow with Mid-Western just dilutes the problem faced by this region and will make the forming and effective operation of the authority challenging.
3. There are still significant problems surrounding funding and the timeframe of unlocking it. The allocation to regional economic transitions post-coal is still funded by an allocation of just \$22.5M per year, even though the report itself acknowledges \$4.8 billion in revenue was derived by the state government from mining royalties. Less than half a percent of income from mining activity is being afforded to transitioning economies. Instead, the Government should align itself with the findings made by the Grattan Institute where a much greater percentage of royalties are allocated to this purpose.
4. The measures of success proposed within the paper leave a lot of room for improvement. These seem to solely relate to job creation, investment and 'government coordination'. There is no mention of measuring improvements to educational attainment or matriculation to university, for example, which the Australian Productivity Commission reference as the best 'bang-for-your-buck' in terms of economic transition in regional areas.
5. The knowledge sector missing from the collaborative governance model. Lithgow Council has experienced first-hand the benefits of engagement with leading scholars and experts in defining the pathway for transition efforts.
6. It seems that the forecast job losses on Page 13 do not reflect that the closure of Mt Piper is to be phased, with scaling down occurring in 2028 and 2032 as it moves to firming and backup. The immediacy of Lithgow's issue is lost without this recognition.

With Council's endorsement, this response will be drafted and submitted by the deadline of 12 July 2024.

Consultation and Communication

Nil

Policy

Lithgow Council's submission will align with the core concepts endorsed by the Lithgow Evolving Economy Plan.

Legal

Nil

Risk Management

Nil

Financial

- Budget approved - Nil
- Cost centre - Nil
- Expended to date - Nil
- Future potential impact - Nil

5.2. Project Update - LEEP Initiatives

Strategic Context for this matter:

Strengthening Our Economy To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

Author: Jonathon Edgecombe - Director of Infrastructure and Economy

Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Economy

Executive Summary

This report provides the Economic Development Committee with an update on several projects and initiatives endorsed by Council within the Lithgow Evolving Economy Plan.

Administration's Recommendation

THAT the Economic Development Committee accept the project update relating to LEEP governance, the Adaptive Skills Hub, Employment Lands Strategy Review, and the Place Branding and Marketing Strategy.

Attachments

Nil

Reference to any relevant previous minute

Min. No.: 24-33 – Ordinary Meeting of Council held 26 February 2024 (adoption of the suggested LEEP governance model)

Min. No.: 23-217 – Ordinary Meeting of Council held 27 November 2023 (adoption of the LEEP Interim Action Plan)

Background and discussion

Please note the following brief status update regarding several LEEP initiatives included within the Council's endorsed Interim Action Plan.

Governance

Action 1 of the LEEP Interim Action Plan requires that Council “establish a governance vehicle for collaboratively managing the regional diversification initiative including actions arising from this Action Plan. Additionally, Action 4 of the LEEP Interim Action Plan requires that Council “establish formal mechanisms for collaboration between the Committee and partners, key actors, and committed stakeholders. with responsibility for aspects of the economic diversification initiative.”

In short, this requires that Council establish the lead committee which is representative of all three levels of government, Centennial Coal, Energy Australia, Western Sydney University and the Mining and Energy Union.

The Administration has written to all stakeholders of the lead governance committee of LEEP. Centennial Coal, Energy Australia, Western Sydney University and MEU have committed to their involvement and will send appropriate representation. However, both the NSW and Australian Governments have declined to send a formal representative, noting that they are both working to set up their Future Jobs and Investment Authorities and Zet Zero Economy Authority, respectively. Instead, the Administration has proposed that both the NSW Government and Australian Government nominate ‘observers’ to participate in the program and thereby ensure they retain an awareness of what is occurring as Lithgow moves forward in its transition.

It is intended that this group meet in late-June.

Similarly, the Administration has written to various representatives throughout the community to form the working groups required to meet the objectives of Action 4 above. Invitations have been distributed to the following:

Working Party Details		
STEAM and Innovation	Hydrogen and Transport	Planning and Precincts
<ul style="list-style-type: none"> • Council – Emerging Economy Coordinator • Council -- Economics Specialist • Commonwealth Department of Employment and Workplace Relations – Regional Employment Facilitator • WSU – Campus Manager – Karen Purser • Notre Dame – Campus Manager – John Dearin • TAFE – Lithgow Campus manager – Matt Felvus. • Lithgow High School – Principal - Foty Loupos • La Salle Academy – Principal - Glenn Carpenter • Marcia Ruf (for, and on behalf of, Lithgow Chamber of Commerce) • Mining and Energy Union: Southwestern District – District Director – Graeme Osborne • Mitchell Conservatorium of Music – Lithgow-based Deputy Director – Andrew Smith. 	<ul style="list-style-type: none"> • Council – Director of Infrastructure and Economy • Council – Emerging Economy Coordinator • Council -- Economics Specialist • WSU: School of Engineering, Design and Built Environment – Distinguished Professor Brian Falzon, Dean • University of Technology, Sydney – Dr Michelle Zeibots • Energy Australia – a technician or subject matter expert. • Centennial Coal, -- Executive General Manager, Projects and Strategy (or nominee) • Greenspot – Development Manager - Malcolm Macleod • APA – a technician or subject matter expert • Transport for NSW Chief Transport Planner, Customer Strategy and Technology - Simon Hunter 	<ul style="list-style-type: none"> • Council – Director of People and Places • Council – Director Infrastructure and Economy • Council – Strategic Land Use Planners • Council -- Economics Specialist • WSU: Institute Society and Culture -- Professor Louise Crabtree-Hayes • Department of Planning, Housing and Infrastructure – Central West Regional Director: Daniel Thompson • Department of Mining and Geoscience – Director Industry Reform: Tony Linnane

Adaptive Skills Hub

This proposal made to the Australian Government under the Local Jobs National Priority Fund 2023-25 is to pilot a Central West Adaptive Skills Hub over 18 months. There is confidence that, together with the support of participants, it will be able to sustain the effort longer term. The components of the Hub include:

- direct science, technology, engineering, arts, and mathematics (STEAM) teaching support to primary and secondary schools,
- workforce planning, and
- Factory of the Future and micro-credentialing.

The proposal leverages existing STEAM resources scattered throughout Lithgow within the local schools, TAFE and WSU building. Longer term, the Adaptive Skills Hub proposes to serve not only Lithgow but also the surrounding towns in the Central West including Mudgee, Oberon and Bathurst. The target group is primary and junior high school students.

The more settled view amongst structural adjustment economists is that building workforce and future workforce capacity, agility and adaptivity is the best investment in building resilience to economic disruption.

The funding body has reached out to Council to enter into negotiation regarding funding terms, with particular attention paid to scope, outcomes, performance metrics and program timeline.

The administration is exceptionally excited by the opportunity to progress a material project under the LEEP. Three meetings have been held to discuss the project, including the principals of Lithgow High School, La Salle Catholic School and Portland Central School and a representative of Western Sydney University. At the most recent meeting, the co-ordinators of the local TAFE also attended.

The agreement with the Australian Government must be finalised by 30 June.

The administration has also drafted a new position to administer the program and set up the Adaptive Skills Hub framework. A candidate is in mind, and initial meetings have been held to gauge their interest. This is a positive step forward.

The metrics to assess performance are open to negotiation and are in the process of collaborative development. Potential metrics that might be applied to this project are:

- Matriculation of Year 9 and 10 students into Year 11 and 12.
- Enrolments into STEAM-related subjects in local schools (current statistics are quite poor compared to state and regional averages).
- Equity and consistency of educational offerings across schools (particularly secondary schools) in the region.
- Comparative student-hours introduced to the yearly curriculum (essentially percentage uptake/interest for voluntary programs beyond the classroom)
- Development of productive education and industry partnerships throughout the district.
- Development of productive relationships between education providers throughout the district.
- Engagement with the broader community, including direct families of students.
- Skills development and capacity building of local teachers, particularly in primary schools.

Media will be developed for community consumption once the agreement with the Commonwealth Government is finalised.

Employment Lands Strategy Review

This project is progressing well. An industry forum has been held to consider the perception of the community and hear from their lived experience and understandings of the opportunities and barriers to local commercial and industrial development. A candidate site survey and analysis has also been completed, delivering a prioritised array of potential development precincts.

The report is now in draft form, having been presented to interested parties from the NSW Government and the Council administration on 7 June 2024.

A briefing session will be held once the document is finalised, to ensure the elected Council are comfortable with the methodology and findings, prior to exhibition and possible endorsement of the Council.

The next stage of this project is to undertake a deeper dive with respect to the infrastructure needs of these candidate sites and determine what opportunities exist in these precincts for their most efficient and effective development sometime in the future.

Place Brand Strategic Review and Marketing Plan

An RFQ was released to market for the undertaking of a strategic brand review of the Lithgow place and destination brand (inclusive of The Seven Valleys) and development of a marketing plan. Following competitive assessment, The Destination Marketing Store have been awarded the contract to conduct the strategic review and plan development.

The engagement for the Place Brand Strategic Review and Marketing Plan includes the conducting of brand consumer research on current place perceptions of both the LGA visitor market and of potential 'move to the district' relocators; stakeholder engagement and consultation; development of a place branding strategy; campaign strategy and basic campaign creative assets.

The Place Brand development and long-term marketing plan will form the basis of the marketplace positioning for the LGA, assist businesses in refining existing product or developing new product opportunities that align with the place brand. The establishment of a successful place brand will also be critical to marketing the lifestyle and destination benefits of the district in the staff recruitment marketplace for existing and new businesses establishing in the LGA.

Consultation and Communication

Ongoing engagement with the stakeholders listed for each project.

Policy

Each project identified above addresses a distinct strategy proposed by the Council's endorsed Lithgow Evolving Economy Plan and Interim Action Plan.

Legal

Nil

Risk Management

These projects arise from the risk of severe economic disruption in a post-coal era. These projects are priority early interventions to mitigate and minimise this impact.