There is no doubt that the health of a community is underpinned by a healthy economy. It is for this reason that Shellharbour City Council is committed to facilitating appropriate economic development within the Shellharbour Local Government Area and more broadly, in the Illawarra region.

Economic development activities should centre on building the capacity of a local area to improve its future and the quality of life for all. Successful economic development results in a sustainable increase in economic wealth, better education and health outcomes and environmental protection. Ultimately, it's all about people.

Shellharbour City Council has an enviable record of success in this area by being innovative in assisting local businesses and facilitating the development of a supportive business environment to enable sustainable business and economic growth.

It is for this reason that I am pleased to be able to present the Shellharbour City Economic Development Strategy 2014-2018 that will provide the overall strategic direction for the next four years. This strategy has been developed within the context of international best-practice and is consistent with the various federal, state and regional development plans that affect our area. It has also been informed by relevant research and analysis. Importantly, input has been provided by a range of stakeholders from the public, private and community sectors.

Successful economic development activities are the product of partnerships with public, business and non-government sectors working collectively to create better conditions for economic growth and employment generation. The appropriate role for local government is to facilitate the development of these links to enable collective effort to achieve desirable economic outcomes.

I would like to thank all those who have contributed to the development of this strategy and encourage further participation by a range of stakeholders in implementing the initiatives that will emerge over the next four years to develop and strengthen our local economy for the benefit of the community.

Marianne Saliba
Mayor Shellharbour City
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1.0 Introduction


Council’s Economic Development focus is on facilitating sustainable growth of:

• local employment opportunities
• local business and industry
• educated and skilled employees
• technology uptake and usage
• tourism visitors and expenditure

This Strategy has been developed with input form a range of stakeholders from the public, private and community sectors.

It has also been developed within the context of international best practice and is consistent with the regional planning of the Federal and NSW Governments.

2.0 What is Economic Development

Economic Development is a process of collaboratively organising for economic planning and action.

The World Bank defines the purpose of local economic development as being ‘to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation’. (World Bank, 2008)
3.0 Economic Development at the Local Level

The role of local government in economic development is to focus on building the economic capacity of a local area to improve its economic future and the quality of life for all. The support and strengthening of the local business community is central. Key elements include:

- Business retention and expansion
- Optimising partnership opportunities with other government agencies, private sector and community sector organisations
- Development and implementation of specific initiatives to support local business
- Creating a positive environment to attract new businesses
- Initiate business attraction activities that are based on competitive advantage rather than exclusively on community desires

Key determinants of long-term economic growth are: sustainable communities and population change; the development of human capital; access to external markets; exploitation of competitive advantage; and effective integrated planning with effective cross-sectoral and intergovernmental partnerships.

4.0 Shellharbour City Snapshot

Population Forecasts

<table>
<thead>
<tr>
<th>Forecast population 2013</th>
<th>67,537</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change between 2013 and 2031</td>
<td>11,609</td>
</tr>
<tr>
<td>Average annual percentage change between 2013 and 2031 (18 years)</td>
<td>0.89% per annum</td>
</tr>
<tr>
<td>Forecast percentage change between 2013 and 2031 (18 years)</td>
<td>17.19%</td>
</tr>
</tbody>
</table>

Forecast population change between 2013 and 2031 (18 years) **17.19%**
Population Age Structure

The age structure of Shellharbour City is projected to change dramatically over the next two decades.

Of particular significance is the projected strong growth of persons aged 70+ years – a growth well in excess of that projected for these cohorts for Wollongong and NSW as a whole.

This rapid growth will result in increased demand for health, aged care and other social and community services.

Shellharbour City’s Growth

Shellharbour City’s recent economic growth has been driven by population increase. Key factors include: a faster rate of population and employment growth than other Illawarra LGAs; dominant industries have been construction and retail; and two thirds of the workforce are employed outside of the LGA. A significant factor limiting growth is the lack of significant employment lands for industry sectors requiring large land parcels.
5.0 Shellharbour City Economic Profile

WORKFORCE PROFILE

29,396 people in the workforce
57.1% full time - 34% part time
56.6% travel outside of the LGA for work
79.2% use private vehicles - NSW 64.5%
39.2% complete Year 12 – 50.7% nationally
15.3% Bachelor degree – 19.7% nationally

UNEMPLOYMENT

Consistently above NSW and National averages

September 2013 quarter:

Shellharbour: 7.2%
NSW: 5.4%
Australia: 5.5%
6.0 Where do we need to focus?

Four key directions that have been identified to underpin the Economic Development Strategy:

- Business Support
- Business Attraction
- Education and Skills Development
- Technology

Each of the key directions is linked to the Community Strategic Plan 2013-2023.

Initiatives will be developed under each key direction to address different issues. The major issues of increasing local employment opportunities and growing specific industry sectors, such as Tourism, will be the subject of separate initiatives under the umbrellas of different key directions.

It is essential that Council continues to develop, maintain and leverage relationships to optimise results. By pursuing a collaborative approach, a broader array of resources can be drawn upon to achieve desired outcomes.

Future opportunities identified will require the involvement of other parties to assist in implementation – such as other government agencies, industry associations, private and community sector enterprises and individual community members.
6.1 Business Support

Shellharbour City Council has for some time focused on providing support for local businesses. Key elements of this support include:

- Establishment and continued operation of the Economic Gardening business support program
- Facilitation of the Shellharbour City Business Network
- Maintenance of strong relationships with other Federal and NSW Government agencies
- Building resilient relationships with local and regional business and industry representative organisations
- Leveraging of relationships with other government-funded and private sector organisations to provide business education, training and support services locally
- Ensuring Council’s business support activities match business and industry needs

Future Opportunities:

- Continue to expand the successful Economic Gardening program in collaboration with neighbouring councils and other possible partners, both government and private sector
- Continue facilitating the Shellharbour City Business Network as a mechanism to improve the success of local business owners and operators as a result of increased business knowledge and skills
- Extend business skills development training with the assistance of government and private sector providers
- Develop initiatives and partnerships to provide support to local entrepreneurs
- Institute a business mentoring program
- Encourage development of appropriate business clusters
- Facilitate partnerships to provide regional support for innovation research and development initiatives
- Investigate the viability of establishing a regional business start-up and incubation support initiative and/or facility
6.2 Business Attraction

The purpose of business attraction is to encourage investment and create employment.

To be successful in attracting appropriate businesses it is necessary to allocate resources to identify, boost and communicate the competitive advantage of Shellharbour City. This includes demonstrating the existence of a diverse and robust local economy and being an attractive locale. Key assets, processes and initiatives are required to create an appropriate business climate that grows existing business and attracts new businesses.

The key issues are:

- Workforce development - the existence of a qualified, skilled and productive workforce
- Physical infrastructure - transport linkages; utilities; appropriate sites; and access to technology hardware and support
- Supportive business environment - competitive/low cost; supportive, co-operative and enabling local government; existence of business/industry development initiatives; and collaborative relationships with government agencies and regional stakeholders
- Environment/amenity - maintain a desirable physical environment in which to live, work and recreate

Existing Council activities that support business attraction include planning for land use and infrastructure to support future development and effective planning and of delivery of community services - such as health, aged care and transport.

Future Opportunities:

- Identify and promote a Shellharbour City brand that targets economic development and is consistent with local tourism efforts - highlighting the lifestyle benefits of living, working and recreating in Shellharbour City
- Improved internal Council processes that affect business development - planning, development, licensing and permits
- Improved local business support services that identify import and export opportunities that have the potential of growing external markets
- Collaborate with regional stakeholders to enhance efforts to attract State and Federal Government funding for key infrastructure projects that encourage economic activity and attract private investment
- Facilitate partnerships to provide enhanced local capital sources – traditional debt, seed, venture and angel capital investment
- Collaborate with business and industry organisations to identify and address impediments to local business growth
6.3 Education and Skills Development

Demographic data shows the need for a general improvement of educational attainment within Shellharbour City. Community and economic benefit will be derived from an expanded skills base, aimed at enhancing workforce participation. Improved education attainment will improve individual job prospects and, in turn, life outcomes.

While there are few ways that Council can impact directly on improving education outcomes, there is considerable influence that it can exert on education and training providers to ensure that appropriate programs are delivered locally so that our residents will have appropriate qualifications and experience to be prepared for jobs available now and in the future.

It is particularly important that effective planning and collaboration is implemented by education and training organisations to ensure that programs are available locally to prepare residents well for jobs that will be created through the projected expansion of specific industry sectors.

Future Opportunities:

- Encourage education and training providers to deliver programs that match current and projected job opportunities
- Facilitate strengthened relationships between educational providers at all levels and industry to develop education curricula and pathways for students consistent with medium and long-term industry development trends
- Use information about regional skills shortages to inform the delivery of education and training programs locally
- Encourage skilled workers to relocate to Shellharbour City
6.4 Technology

One third of the Australian economy faces imminent and substantial disruption by digital technologies and business models. Deloitte Australia, 2011

Digital technologies offer great opportunities for Shellharbour City.

Advances in technologies and communications are providing increasing opportunities for Australians to live remote from their workplaces and educational institutions, to establish enterprises remote from a customer base and to remain connected with their families and friends.

These technological developments cannot be underestimated in their impact on the future development of Shellharbour City. There are, therefore, important opportunities that are available for exploitation to ensure the continued sustainable growth of Shellharbour City in both economic and community development contexts.

Shellharbour City Council also has opportunities to change the way it delivers services and engages with residents and ratepayers.

Developments include:

- Online services are displacing face-to-face services, with huge impacts on sectors such as retail, banking and education
- Broadband services and digital tools are enabling new patterns of work such as telecommuting for individuals and new forms of relationships between businesses - including offshore outsourcing
- Digitisation of information and entertainment resources is destroying the market for many traditional products such as books, newspapers and music on physical media such as CDs
- Online media is changing the way people find out about the places they want to visit, the experiences they want to have and the products they want to purchase
- Smart technologies are creating new opportunities for energy saving through efficiencies in our buildings and our energy grids
- People and businesses are becoming more demanding about how and when they interact with their governments, for both decision-making and service delivery
Digital priorities should focus on:

- Quality lifestyles and an attractive place to live and work
- Diversification of the local economy by providing opportunities for meaningful work in an environment that provides quality lifestyles
- Digital channels and provision of services to residents and visitors, with a focus on maritime visitation
- The non-government sector, particularly in health and aging services to enhance the quality of life for residents and to attract new residents for that quality

Future Opportunities:

- Online Services - Expanded digital channels for the delivery of city services to residents and to land and maritime visitors
- Leadership - Non-Government Organisation (NGO) sector; aged care; quality living
- Capacity Building - Focus on NGOs and human and health services
- Lighthouse Projects - Telehealth and social services provision
- ICT Sector - Attract a node of the University of Wollongong’s iAccelerate initiative and other programs into a co-working space
- Telework - Home based businesses and develop a co-working space with a focus on NGO and services sector
- Mobility - WiFi in disadvantaged areas and blackspots; content for Wi-Fi networks
- Open Data - Focus on data sets that will improve lifestyles in the city and the region in the long term