PORT STEPHENS

ECONOMIC DEVELOPMENT AND TOURISM STRATEGY

2019-2021



PORT STEPHENS
COUNCIL

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ABOUT THIS PLAN

Port Stephens Council is committed to leading an integrated and collaborative approach to the delivery of the community's focus of a liveable and vibrant place supporting local economic growth (Port Stephens Community Strategic Plan 2018-2021 - Focus Area Four).

Council's leadership is focused on creating results that help make Port Stephens a better place to live, work and play. To achieve these goals Council must work collaboratively with community, business and government.

By building relationships, creating connections and growing trust, we can create an environment that supports business growth, injects vibrancy into our communities and drives the visitor economy.

This strategy has been designed to provide a way forward to achieving positive outcomes over the next three years to 2021. Key priorities have been developed after consultation with the community and business which align with other key strategic documents aimed at creating economic growth across the region.

Council's Economic Development and Tourism Team will lead the implementation of this strategy in partnership with the Economic Development Advisory Panel (EDAP) and other key stakeholders with a focus on four key strategic outcomes:

> Make business growth easier
> Attract events that drive economic outcomes
> Increase overnight visitor spend
> Create people friendly spaces

Population
71,716
(ABS ERP, 2015)

Employment
27,346
(ABS Census, 2016)

Gross Regional Product
$4.8 Billion
(Remplan, June 2018)

ABOUT PORT STEPHENS

Port Stephens is a significant economic hub and forms part of the Hunter Region, the largest regional economy in Australia. The Port Stephens' economy has a diverse industry and employment base built around the natural environment. Well established manufacturing, defence and aviation facilities together with access to markets in Sydney, the Hunter and the Port of Newcastle, are key strengths.

Port Stephens has a Gross Regional Product estimated at $4.88 billion per annum and a population of 71,716. Port Stephens GRP accounts for 4.11% of the overall Hunter GDP. The major employment industries include manufacturing, public administration and safety, retail trade, and accommodation and food services, collectively employing 56% of the 27,346 people working in the area. The local economy includes over 4,544 actively trading businesses.

Location and access to transport infrastructure creates a strong competitive advantage for Port Stephens, with key linkages to national markets via the M1 Pacific Motorway, Pacific Highway Corridor and New England Highway. These transport networks support a robust manufacturing sector at Tomago leading in metals manufacturing, heavy engineering, and light industrial.

Newcastle Airport is located in Port Stephens and is well recognised as a major economic driver for the Hunter, with over 1.2 million passengers per year and emerging international capability to increase visitation to the area.



Value-Added
$4.475 Billion
(Remplan, June 2018)

Total Output
$9.76 Billion
(Remplan, June 2018)

Tourism Output
$438 Million
(Remplan, June 2018)

Unemployment
4.7%
(ABS Census, 2016)

Major Employment: Industry, Public Admin & Safety
19%
(ABS Census, 2016)

Building Approvals
$435.2 Million
(ABS Census, 2017)

COUNCIL'S ROLE IN ECONOMIC DEVELOPMENT

Port Stephens Council understands the critical role it plays in the development of a strong and stable economy. The day to day role of Council has a fundamental effect on the ability to attract investment and grow the local economy. These core functions include land use planning, procurement, public asset management, development application processing time, environmental management and the design of our public spaces.

This influence however, does not occur in isolation and key to the growth of the Port Stephens economy is the development of strong partnerships with business, State and Federal agencies, industry organisations and neighbouring councils.

Council understands the constraints and challenges faced in the delivery of economic development and tourism outcomes, particularly in terms of resourcing and influence.

Council will lead industry with a focused approach to the delivery of actions which create genuine change for business across Port Stephens. By sharpening our focus, Port Stephens Council will build capacity in the local business community, facilitate employment opportunities and increase the wellbeing of the resident population.



CHALLENGES AND OPPORTUNITIES FOR PORT STEPHENS

The scope and diversity of the Port Stephens economy presents ongoing challenges for both Council and industry.

By understanding our challenges, we can prioritise opportunities to create proactive partnerships which support the development of a strong economy with a vibrant local business and active investment.

Council will focus efforts on those opportunities that provide the best return on investment across our community.

Ageing Population

Between 2011 and 2016, the population of Port Stephens increased by 4,793 residents. Over 90% of this growth came from residents aged 55 and over. In contrast, the younger age cohorts showed either limited or negative growth over the same period. With 37% of the population of Port Stephens aged 55 plus (compared to the NSW average of 28%) opportunities need to be developed that harness the skills and engagement of this sector. As the population increases and continues to age, the demand for support services and Infrastructure is expected to increase providing an opportunity for employment in these industries.

Volunteering, mentoring and ambassador programs along with retraining will assist in growing a skilled labour force. The Hunter Research Foundation has identified that a key strategy for increasing the productivity of a region is increasing its workforce, specifically by engaging the 60+ cohort.

Town Centre Revitalisation

Nelson Bay and Raymond Terrace are noted as Strategic Centres as part of the Greater Newcastle Metropolitan Plan and are well recognised as key locations in creating place-based solutions to economic growth. Currently, town centres tend to be dated and particularly in the case of Nelson Bay, impacted by the seasonality of the tourism sector.

Through the development and implementation of strategic masterplans, public domain plans and planning controls which advocate for consideration of the agreed character of a centre, Port Stephens will continue to attract new residents (including critical workforce), new business and increased visitation.

Land Use Planning

Port Stephens contains a mix of rural land, town, villages and coastal areas that are major recreational, tourist and retirement destinations. In addition, Newcastle Airport has been identified as a regionally significant economic driver and a global gateway that provides capacity to support growth in defence and aerospace-related industries. Employment clusters in Tomago and Heatherbrae are also well located to capitalise on the road, sea and air trade routes that connect our region to global markets.

Whilst there may be development challenges in our local government area (e.g. flooding, aircraft noise, bushfire risk and more recently per- and polyfluoroalkyl substances (PFAS) contamination), creating opportunities to leverage the proximity to major global gateways, as well as the attractive and valuable natural environment and coastal and rural settings, can generate economic growth and diversity.

Infrastructure

With the costs of asset maintenance increasing faster than the available source of fund, infrastructure across Port Stephens is not always meeting the needs of business, residents and visitors. Investment in infrastructure is critical to creating an environment that drives prosperity and growth. Partnerships with other levels of government are required to secure this investment and ensure that Port Stephens can leverage opportunities for business and residents.

From a visitor economy perspective, the ability to increase yield is constrained by the limited range of product at the “top end” of the market. Ongoing investment in the development of new quality products and experiences such as the Port Stephens Koala Sanctuary, Birubi Point Tourism Interchange and the Tomaree Sports Complex will drive economic output and attract new investment in Port Stephens.

Labour Force and Employability

Port Stephens has a marginally higher unemployment rate of 4.7% (as of 2017) than the state average unemployment rate of 4.5%. In Port Stephens, 53.5% of those in the labour force work full-time, a lower rate than 59.2% for NSW and there are 33.6% who work part-time in Port Stephens, higher than 29.7% for NSW. The full-time/part-time ratio is likely a reflection of the older demographic and the prevalence of residents who are transitioning to retirement through reduced work hours. While there may be an opportunity to attract future residents to higher-paying employment in the region, this may require a fundamental change in the traditional employment and economic base.

Improving tertiary learning opportunities in related industry sectors such as aged care, tourism and marine industries will both provide greater options to disadvantaged students and create support for emerging sectors.

Industry Funding Models

For many years, Council has provided funding support to local business chambers, however, in line with the changing business environment, the traditional models of funding are no longer relevant. Port Stephens has a range of industry organisations and networking groups providing support services to business.

Council needs to determine how it can provide support to these organisations to ensure the best possible outcomes for all business in Port Stephens.

Tourism

With visitation expected to increase by 1.9% per annum for domestic markets and 5.4% per annum for international markets (2016-17 to 2026-27 - TRA State and Territory Tourism Forecasts 2017), Port Stephens is ideally positioned to leverage this increasing demand and reduce seasonal fluctuations through the development of high quality tourism products and experiences that increase overnight visitor spend during low and shoulder periods.

Digital Capacity

Port Stephens suffers from what is sometimes referred to as a ‘brain drain’ – which results in young, educated people leaving the area to pursue career and study options further afield. This has accentuated the ageing of the population in Port Stephens and in the future, will reduce the availability of the workforce across the LGA.

Developing innovative and relevant digital infrastructure to drive ‘smart city’ initiatives and build digital capacity across the LGA will be critical to the future economic prosperity of Port Stephens.

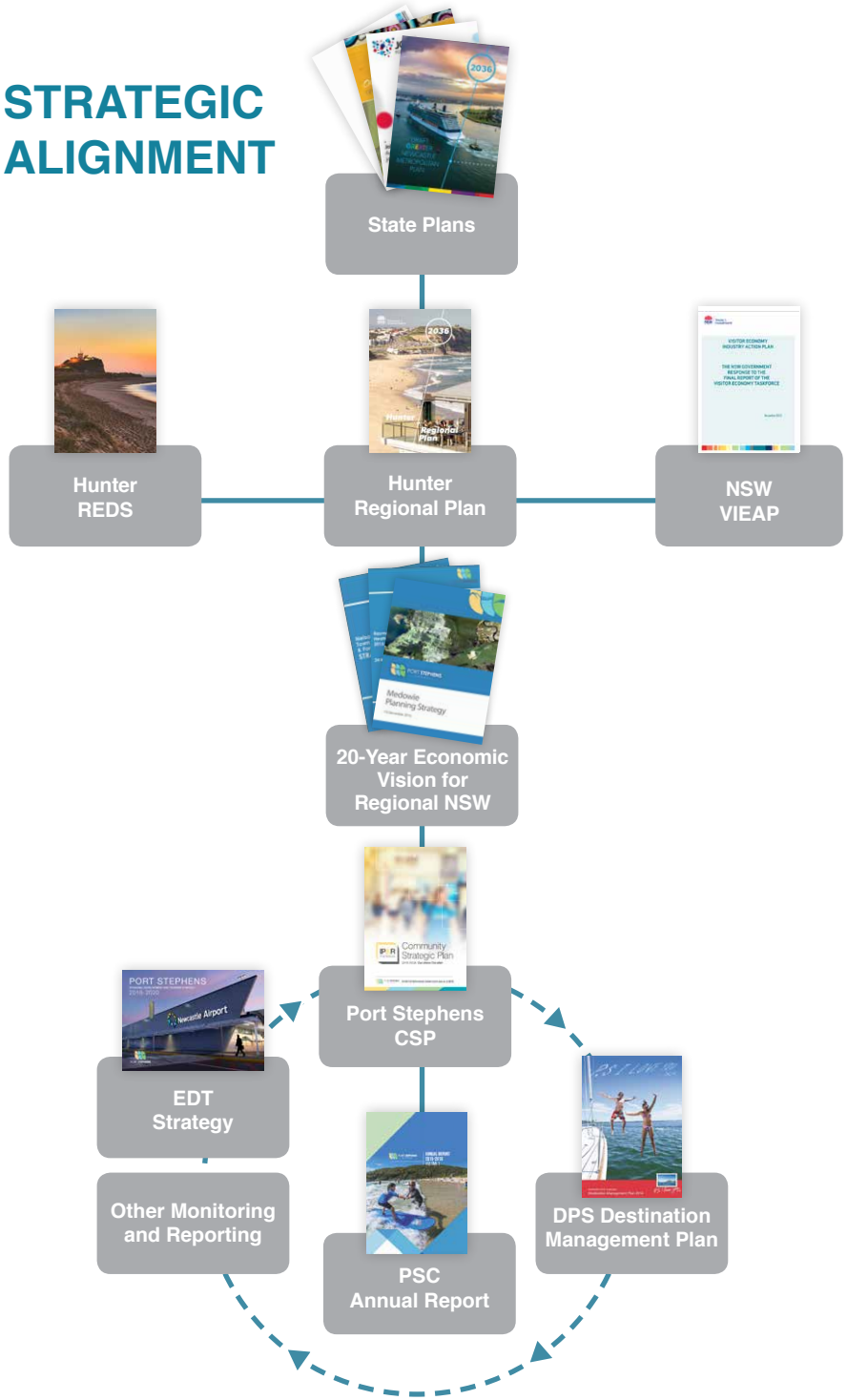
Transport Connectivity

Whilst Newcastle Airport remains a key regional asset for Port Stephens, transport connectivity is less than optimal.

Strategies to increase pedestrian traffic within the town centres are ongoing, as are efforts to upgrade of the road from the Tomaree Peninsula to Newcastle, which is currently an hours drive in non-peak traffic.

Further upgrades to the M1 and further investment in the Newcastle Port Container Terminal will expand opportunities for international growth and distribution business in Port Stephens.

STRATEGIC ALIGNMENT



Hunter Regional Plan 2036

The Hunter Regional Plan 2036 guides the NSW Government's land use planning priorities over the next 20 years to achieve the stated vision of "the leading regional economy in Australia with a vibrant new metropolitan city at its heart". It acknowledges the importance of Greater Newcastle and sets the following regionally focused goals:

- The leading regional economy in Australia
- A biodiversity rich natural environment
- Thriving communities
- Greater housing choice and jobs

Regionally significant priorities for Port Stephens include:

- Protecting the functioning of the Newcastle Airport, and supporting its growth; and
- Maximising opportunities being created by growing international transport connections, which will make the valuable natural environment increasingly accessible to international tourists

More locally, the Hunter Regional Plan outlines priorities for the strategic centres of Raymond Terrace, Nelson Bay and Newcastle Airport/Williamtown (noting it as a Global Gateway) and a number of future housing and urban renewal opportunities across the Local Government Area.

Greater Newcastle Metropolitan Plan – Economic Prospects to 2036

Commissioned by the Department of Planning and Environment to inform the inaugural Greater Newcastle Metropolitan Plan 2036, research shows the economy is likely to grow more strongly in the next 20 years than it did in the last two decades, supported by the right policy, and public and private investment to reach population targets.

Of significance to Port Stephens is a focus on higher value-added industries and growth in the services sector, including new initiatives to reinvigorate tourism and education. This plan also notes Newcastle Airport will require a significant shift from an origin airport to a destination airport, which in turn will require tourism infrastructure, including hotels and conference facilities to draw in business tourists.



Hunter Regional Economic Development Strategy (REDS)

Port Stephens Council together with seven local Hunter Councils are working in collaboration with the NSW Government to develop a Regional Economic Development Strategy (REDS) for the Hunter. The REDS will be used to inform regional development policy and identify actions that can be undertaken to support economic growth and enable faster access to dedicated State funding, such as the Growing Local Economies Fund.

The REDS will consider the strategic context of the Hunter region; significant industries and activities; regional endowments; barriers, issues, constraints and threats; and opportunities for the Hunter.

This strategy is consistent with the outcomes and initiatives as outlined in the Hunter REDS.

NSW Visitor Economy Plan

The NSW Government established the Visitor Economy Taskforce to consult with Industry and other stakeholders and to prepare a strategy to achieve the NSW Governments' 2020 target of doubling overnight visitor spend.

The recommendations and actions in the Visitor Economy Action Plan are those which the Taskforce has assessed as being key to accelerating overnight visitor expenditure to NSW.

The Plan nominates seven strategic imperatives:

1. Increase visitation
2. Grow physical capacity
3. Renew and revitalise NSW destinations
4. Improve the visitor experience
5. Increase visitor spend
6. Make NSW more competitive





A vibrant and liveable place supporting local economic growth

OUR VISION

A vibrant and liveable place supporting local economic growth

Purpose

Build relationships, grow trust and create connections to support the development of a strong local economy.

STRATEGIC OUTCOMES

Making business growth easier

Council has a key role in creating an environment where business can thrive. By fostering a business enabling environment, Council can facilitate the growth of innovative and successful business which are both strong and globally competitive.

With over 4,500 active businesses operating across Port Stephens, a major focus will be the delivery of opportunities for growth in existing business. We will provide the incentive, tools, strategies and support to foster diversity, growth, innovation and resilience across Port Stephens. Council will work to attract new investment through the development of a vibrant and attractive environment for business to establish and invest.

Key Priorities

> Increase the capacity and competitiveness of business
> Advocate for business
> Facilitate evidence-based decision making
> Support effective business networks which demonstrate clear outcomes
> Coordinate the Economic Development Advisory Panel

Increase overnight visitor spend

Port Stephens is recognised as one of the key regional tourism destinations in NSW and attracts a broad range of domestic and international visitor each year. Year ending September 2017, Port Stephens welcomed 2,170,700 domestic visitor nights, 723,500 day visitors and 198,600 international visitor nights. These visitors spent an estimated $534 million (or almost $1.5 million per day) across the LGA and directly employed approximately 2,221 people.

Port Stephens is a sophisticated tourism destination with established product. The popularity of the destination to both domestic and international visitors is directly tied to the unique natural environment of Port Stephens including the Worimi Conservation Lands, Tomaree National Park and the Port Stephens - Great Lakes Marine Park.

Supporting these natural assets this is an extensive range of tourism product and experiences such as whale and dolphin watching, surfing, quad bike riding, bushwalking, mountain biking, fishing and sailing. Accommodation across the destination ranges from holiday parks and self-contained units through to luxury beachfront homes and resorts.

Port Stephens Council recognizes the economic, environmental and social benefits that a vibrant and sustainable tourism industry provides through increased employment, investment, and infrastructure. Council is committed to the conservation of the natural assets on which the visitor economy depends whilst supporting investment in the development of quality tourism product and infrastructure development. These assets encourage overnight visitor spend, positively impact the visitor experience, promote awareness of Port Stephens and drive the construction of new facilities and infrastructure.

Key Priorities

> Provide strategic and financial support to Destination Port Stephens
> Develop strategic plans to guide the sustainable growth of the visitor economy
> Build trust and understanding in the strategic value of the visitor economy
> Build partnerships with Newcastle Airport, neighbouring councils and key stakeholders
> Encourage development of high quality tourism products and experiences

Attract events that drive economic benefit

Council's new leadership has identified events as a key opportunity for growth across the LGA, not only for the economic benefit they generate, but just as importantly for the connections and vibrancy they create across our community.

Events are well recognised as drivers of visitation and visitor spend and provide tourism, trade and investment opportunities for Port Stephens. Events can also be a driver of infrastructure development through increasing demand and provide an opportunity for Council to reinforce its brand, stimulate the economy and smooth seasonal fluctuations.

Over the past five years, Council has built a strong reputuation as a regional event destination. The organisation has been focused on attracting and supporting events that align with our values and visions however, as more Councils recognise the economic benefits of events, attracting events becomes more competitive.

Council will continue to grow this sector and increase the benefits of events for business, residents and visitors across Port Stephens.

Key Priorities

- > Develop the Port Stephens Events Strategy
- > Increase the diversity and quality of cultural events
- > Educate Council and the community on the value of events
- > Work in partnership with key stakeholders to attract and deliver events
- > Seek increased funding and resourcing for events in Port Stephens

Create people-friendly and vibrant spaces

Placemaking requires a collaborative approach to managing the issues, challenges and opportunities across Port Stephens. It requires ownership from both Council and the community to create vibrant spaces that provide the opportunity for a diverse range of experiences and activities. These unique spaces should reflect the culture and identity of each community and ultimately, contribute to the wellbeing of those that use the space.

To grow business, Council will create a more desirable place to live and work, through the development of high quality residential areas, improved town centres, adequate infrastructure and quality industrial areas and business parks.

Effective placemaking is a fundamental driver of economic growth. By connecting the key elements of live, work and play, Port Stephens will attract more residents, more workers, more visitors and ultimately, more investment.

Key Priorities

- > Promote a place-led approach to design and development
- > Activate our public spaces
- > Develop and use cultural themes to guide placemaking activities
- > Promote processes and partnerships that create placemaking outcomes
- > Expand "Nelson Bay Next" beyond Nelson Bay



HOW WILL WE GET THERE?

STRATEGIC OUTCOMES	KEY PRIORITIES	MEASURES OF SUCCESS
We will make business growth easier	Increase the capacity and competiveness of business	Increase in business networking opportunities CBD Occupancy audit Annual business survey feedback Improvements across key economic indicators
	Advocate for business	
	Facilitate evidence-based decision making	
	Support effective Business Networks which demonstrates clear outcomes	
	Coordinate the Economic Development Advisory Panel	
We will increase overnight visitor spend	Provide strategic and financial support to Destination Port Stephens	Development of the DPS Strategic Plan Increase in the economic output of the visitor economy Destination Port Stephens Funding Agreement Key Performance Indicators Secure ongoing funding for destination marketing
	Develop strategic plans to guide the sustainable growth of the visitor economy	
	Build trust and understanding in the value of the visitor economy	
	Build partnerships with Newcastle Airport, neighbouring councils and key stakeholders	
	Encourage investment in high quality tourism product and experiences	
We will attract events that drive economic growth	Develop the Port Stephens Events Strategy	Development of one new cultural event per year Increase in the economic impact of events Increase in funding for events in Port Stephens Development and implementation of Port Stephens Events Strategy
	Increase the diversity and quality of cultural events	
	Educate Council and the community on the value of events	
	Work in partnership with key stakeholders to attract and deliver events	
	Seek increased funding and resources for events in Port Stephens	
We will create people friendly spaces	Promote a place based - design led approach across Council and the community	Success of town centre implementation panels Expression of the Next brand Delivery and success of Vibrant Spaces Program Increase in public art and performance
	Activate our public spaces	
	Develop and use cultural themes to guide placemaking activities	
	Promote processes and partnerships that create place making outcomes	
	Expand “Nelson Bay Next” beyond Nelson Bay	

Build relationships, grow trust & create connections to support the development of a strong local economy



PORT STEPHENS
COUNCIL

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