

# Economic background paper

Review and analysis

for Lismore City Council

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Version Control			
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This report was prepared for Lismore City Council. In preparing the report, Astrolabe has made every effort to ensure the information included is reliable and accurate. Astrolabe is unable to accept responsibility or liability for the use of this report by third parties.

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We acknowledge the Widjabul/Wia-bal people of the Bundjalung nation, traditional owners of the land on which we work. We acknowledge their continuing connection to the land, sea and community. We pay our respects to the Widjabul/Wia-bal people, their culture and their Elders past and present.



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# Introduction

Lismore City Council (Council) is currently updating its Economic Development Strategy (EDS), a key part of Council's Integrated Planning and Reporting framework. As part of the update, Council has commissioned Astrolabe Group to develop an Economic Review and Analysis Background Paper (background paper) that provides the data, evidence and assumptions to underpin the new EDS.

The following report forms this background paper, which has been developed through:

- A horizon scan of relevant local, state and national plans and strategies influencing economic development in Lismore
- Collection and analysis of data to understand the current state of Lismore's economy, and how this has changed over time
- Targeted engagement with stakeholders

This paper should be read in conjunction with the Engagement Memo, which highlights key findings from discussions with key institutions and agencies operating in Lismore.

This paper is structured into three sections as follows:

## 1. Current state

- Highlights progress made of current Lismore Economic Development Strategy 2019 – 2024
- Presents synthesised review of the current state of Lismore's economy
- Identifies barriers and opportunities for economic development

## 2. Context

- Summarises the strategic, policy and economic landscape that impact and influence economic development in Lismore

## 3. Capability

- Identifies current institutional assets and endowments
- Identifies potential roles and responsibilities of key actors in Lismore's economic development



# Summary

## **Key considerations for the Economic Development Strategy update**

- Immediate focus should be arresting the decline of Lismore, by retaining and maintain existing business and institutional operation
- Skill shortages are impacting businesses across all industries, which is stifling activity within Lismore, or resulting in the leakage of certain functions to other areas. The attraction of talent is essential to halting further economic decline
- A key factor in the difficulty of attracting workers is access to affordable and safe housing. One essential element to addressing housing issues is the development of a specific key worker housing response, which caters to a broader definition of workers that fuel Lismore's economy
- The delivery of a range of housing typologies is needed to attract a diverse workforce and cater to varied population needs, particularly in the context of an ageing population and smaller household sizes
- A recovery roadmap is required to assist businesses in making decisions under uncertainty
- Lismore needs a clear identity that informs its vision and presents as a unifying voice for Council. This identity and vision will enable Council to define its priorities, and direct changes to land use, policies, investment, and spending
- Explore the use of collective impact in Lismore
- A learning and education strategy, and tourism strategy, should be developed in collaboration with key stakeholders and institutions
- Capitalise on the arts and culture sector – both as a way to foster community connection, and attract people to the region
- Shift away from Lismore's existing brand of 'resilience' that defines the place and its people by recent tragedies

## **Further analysis**

- Conduct an audit of land owned by Council to identify which parcels may be underutilised, and advocate for all levels of government to do the same
- Conduct an audit of employment and agricultural lands, to identify areas where Council may intervene to increase activity or productivity
- Identify future housing need against supply pipeline – may include monitoring applications, approvals and commencements, and supply



# 1. Current state

## 1.1 Existing Economic Development Strategy

Lismore's current Economic Development Strategy 2019 – 2024 (EDS) identifies 110 activities to be prioritised across short (1-2 years), medium (2-4 years) and long (4+ years) time horizons. These activities sit beneath six key economic opportunities:

- Enabling the agri-economy
- River city lifestyle
- Innovative and connected city
- Village lifestyle
- Tourism, culture and sport
- Growing professional services

A pre-engagement survey was sent to key stakeholders that asked how they each use the existing EDS. While some suggested that they used the strategy to understand Lismore's ambition and opportunities when developing their own plans, others noted that they don't engage with the strategy in any meaningful way. These stakeholders noted that they may seek out Council's assistance or advice directly as needed, or otherwise develop their plans without a substantial view to Council's strategy.

### Economic Development Strategy progress

Since the EDS was endorsed, 4% of activities have been reported by Lismore City Council as complete, with a further 37% underway (Table 1). A majority of the activities have not commenced due to a shift in Council priorities, as well as the significant impact of the 2022 floods.

Table 1 Summary of current EDS activities status

Activity status	# of activities	% of total
<b>Complete</b>	4	4%
<b>Underway</b>	41	37%
<b>No action</b>	65	59%



Details of activities that have been complete or are underway are highlighted in Table 2.

Table 2 Summary of underway and complete EDS activities<sup>1</sup>

Activity	Progress and achievements
<b>1. Enabling the Agri-Economy</b>	
1.1.1 Support initiatives that encourage regional leadership and grow regenerative practices to support adaptive agribusiness	<ul style="list-style-type: none"> <li>Completed regenerative practice training for Environmental Strategies Team on regenerative agriculture practices, and secured funding</li> <li>Partnered with SCU for regenerative practice mentors</li> </ul>
1.1.3 Develop guidance to assist the agricultural sector to leverage renewable energy and circular economy opportunities	<ul style="list-style-type: none"> <li>Contributed to Council's Resource Recovery and Residual Waste Strategy, which include actions towards a circular economy including establishing: <ul style="list-style-type: none"> <li>a circular economy working group and training</li> <li>a circular economy officer</li> <li>new business programs</li> </ul> </li> </ul>
1.1.4 Engage with industry to understand skills needs and workforce gaps and facilitate responses to Government	<ul style="list-style-type: none"> <li>Undertaken informal discussions with industry and the Northern Rivers Reconstruction Corporation including engagement in response to floods, which have been inputted into the NRRC workforce strategy</li> </ul>
1.3.4 Develop industry partnerships to drive the narrative that supports investment	<ul style="list-style-type: none"> <li>Developed promotional material, including an advocacy video suite, to support marketing campaign</li> </ul>
<b>2. River City Lifestyle</b>	
2.1.1 Work with stakeholders to shape each bridge-to-bridge project. Progress work to stage, fund and implement projects that enhance our unique river setting. These include riverbank renewal (Wilson's River, upstream and estuaries) and riverside infrastructure such as public boardwalks, jetties, walking bridges, cantilevered buildings and community spaces.	<ul style="list-style-type: none"> <li>Linkages to be established by a Rail Trail route from South Lismore to the CBD</li> <li>Commenced Rail Trail project after funding received</li> </ul>
2.2.1 Conduct annual red tape audit and review	<ul style="list-style-type: none"> <li>Conducted an audit in 2020</li> </ul>
2.2.2 Interrogate carparking rates for development to facilitate more cost-effective development	<ul style="list-style-type: none"> <li>Held preliminary internal discussions</li> </ul>

<sup>1</sup> This table does not include activities that have been flagged as underway but do not have specific details regarding progress



<p>2.2.3 Improve collaboration between businesses, Regional Development Australia and Government to drive economic growth</p>	<ul style="list-style-type: none"> <li>• Held regular meetings with all stakeholders</li> <li>• Provided feedback to state government on business grant programs</li> <li>• Provided input related to process, target and achievability of programs including Stronger Country Community Funds, Growing Local Economies Fund and Building Better Regions Fund</li> </ul>
<p>2.3.2 Explore methods to futureproof the viability of the Lismore CBD through precinct definition and activation</p>	<ul style="list-style-type: none"> <li>• Contributed to development of Regional City Action Plan 2036</li> <li>• Developed Business Action Plan 2023</li> </ul>
<p>2.3.5 Build on the success of existing renewable energy projects to support the expansion of renewable energy assets in our business spaces along the riverbank.</p>	<ul style="list-style-type: none"> <li>• Installed electric charging stations in Lismore CBD</li> </ul>
<p>2.3.6 Establish Lismore as a city of adaptation and opportunity for flooding</p>	<ul style="list-style-type: none"> <li>• Developed proposal for Lismore as a centre of excellence for flood via the Regional Australia Institute Horizon Program, which was the winner of Series 2 2022</li> <li>• Currently supported by Council, and awaits development of a brief to support future engagement</li> <li>• Received national award</li> <li>• Discussions in progress</li> </ul>
<p>2.4.1 Explore and develop a 'sense of place' for the Lismore business centre to define special places and understand their meaning and usage</p>	<ul style="list-style-type: none"> <li>• Held preliminary discussions with businesses and government</li> </ul>
<p>3. Innovative and Connected City</p>	
<p>3.1.2 Provide incentives to take NBN from the kerb into businesses and establish a staged program for CBD wi-fi commencing in the innovation precinct.</p>	<ul style="list-style-type: none"> <li>• Developed business case and secured NBN coverage</li> </ul>
<p>3.1.3 Support the expansion of legal service facilities for students to practice client engagement in the Lismore CBD.</p>	<ul style="list-style-type: none"> <li>• Established the Living Lab Northern Rivers as a multidisciplinary collaboration initiative for flood research and recovery</li> </ul>
<p>3.2.1 Ensure Council is connected to business by moving council resources and/or offices back to the Lismore CBD.</p>	<ul style="list-style-type: none"> <li>• Identified site</li> <li>• Site reconstruction underway</li> </ul>
<p>3.6.1 Support improvements and reliability of service to Nimbin's Business Centre high-speed internet and power through Government grants and lobbying.</p>	<ul style="list-style-type: none"> <li>• Secured NBN coverage</li> </ul>
<p>4. Village Lifestyle</p>	
<p>4.1.1 Secure grant funding to develop master plans with communities that consider at a minimum; accessibility, carparking, heritage, amenity, street infrastructure, traffic, place identity and renewable energy opportunities.</p>	<ul style="list-style-type: none"> <li>• Clunes masterplan to commence</li> </ul>



4.2.1 Statutory land use plans are amended to include strategies that minimise the potential for conflict with important landscape features and the built environment.	<ul style="list-style-type: none"> <li>• Completed LSPS</li> <li>• Completed rural and nature based tourism DCP</li> <li>• Planned LEP biodiversity layer to be added</li> </ul>
4.3.1 Conduct annual red tape audit and review.	<ul style="list-style-type: none"> <li>• Conducted an audit in 2020. Received poor feedback, though no actionable outcomes</li> </ul>
<b>5. Tourism, Culture and Sport</b>	
5.1.2 Apply for annual festival and event grant funding	<ul style="list-style-type: none"> <li>• Secured grants, including \$145,000 from the Regional Tourism Bushfire Recovery Fund, which has not yet been delivered due to flooding</li> <li>• Secured smaller grants for programs including: <ul style="list-style-type: none"> <li>- Dark Science festival</li> <li>- Strengthening Rural Communities</li> <li>- Youth Week</li> <li>- Lismore Art Activations</li> <li>- Illuminate Nimbin</li> </ul> </li> </ul>
5.1.3 Define the space for festivals and events within our business centres	<ul style="list-style-type: none"> <li>• Delivered activations, including active transport, rail trail and public safety programs</li> <li>• Secured LGA-wide event permissions</li> </ul>
5.1.6 Enhance public realm spaces (street art, streetscapes and parks) to improve multi-purpose offerings that respond to changes in the environment.	<ul style="list-style-type: none"> <li>• Completed Lismore Park design</li> <li>• Conducted laneway bins competition. The Laneway Project has commenced using State Government funding</li> </ul>
5.2.2 Leverage the Northern Rivers Branding initiative for the Lismore LGA and incorporate it into the Regional Deal.	<ul style="list-style-type: none"> <li>• Contributed to Northern Rivers branding initiative</li> </ul>
5.3.1 Support the delivery of high-quality accommodation and conference/event venues.	<ul style="list-style-type: none"> <li>• Approached Quest to be provider of accommodation venue, through offer was ultimately rejected</li> </ul>
5.3.3 Deliver material to promote our sport and cultural endowments to attract new events and build upon existing	<ul style="list-style-type: none"> <li>• Grant secured for baseball facility</li> </ul>
<b>6. Tourism, Culture and Sport</b>	
6.1.3 Consolidate precinct and its connection with CBD through streetscape and wayfinding initiatives	<ul style="list-style-type: none"> <li>• Completed wayfinding study in laneways</li> </ul>



## 1.2 Current state of the Lismore economy

This section presents data on the current state of the economy, including population, workforce, economic and housing information. This summary highlights:

- Since 2016, the proportion of residents working in health and education industries have increased from 31% to 34%, while all other industries have decreased. During this period, the number of local workers employed in health and education also increased from 36% to 39%, while all other sectors decreased. The ability to attract and retain workers in health and education industries – namely health care and social assistance – will be essential to enabling Lismore’s economy
- Education and training, Lismore’s second largest industry, has seen a decrease in productivity since 2016. Alongside Construction and Transport, and Postal and Warehousing, these three industries have seen the greatest drops in productivity in Lismore since 2016.
- Lismore’s population and workforce is ageing – over a quarter of the workforce is over the age of 60 and will leave the workforce within the next decade to enter retirement. Lismore will need to attract and/or skill local residents to replace these skills
- At 1%, Lismore’s rental vacancy rate represents an extremely constrained market. A lack of housing availability significantly impacts the ability to attract workers to the region

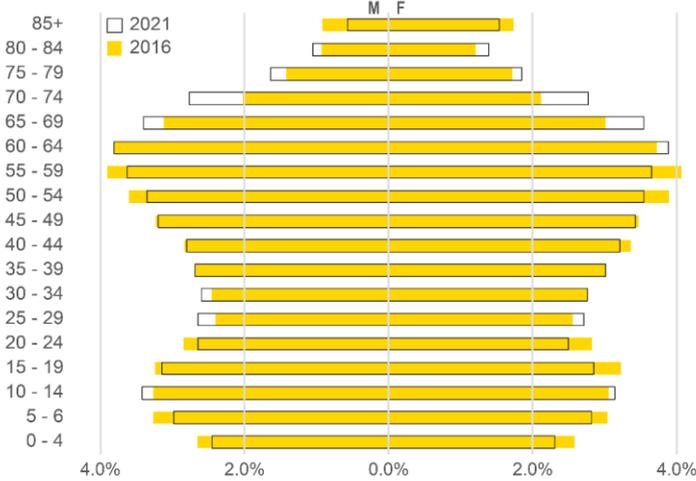
### Key definitions

- **Resident workers:** People that live in Lismore and may work in Lismore or elsewhere
- **Local workers:** People that work in Lismore and may live in Lismore or elsewhere
- **Knowledge intensive** industries: Information Media and Telecommunications; Financial and Insurance Services; Rental, Hiring and Real Estate Services; Professional, Scientific and Technical Services; Administrative and Support Services; Public Administration and Safety
- **Health and education** industries: Education and Training; Health Care and Social Assistance
- **Population serving** industries: Construction; Retail Trade; Accommodation and Food Services; Arts and Recreation Services; Other Services
- **Industrial** industries: Agriculture, Forestry and Fishing; Mining; Manufacturing; Electricity, Gas, Water and Waste Services; Wholesale Trade; Transport, Postal and Warehousing

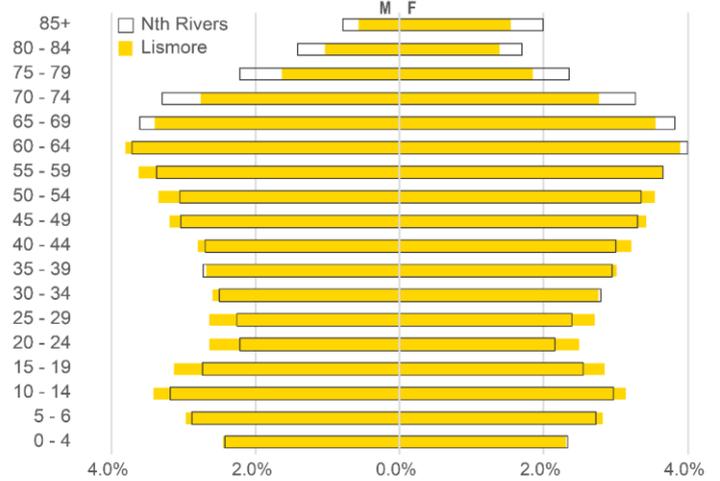


## Changing population

Lismore - 2016 vs 2021



Lismore vs. Northern Rivers - 2021



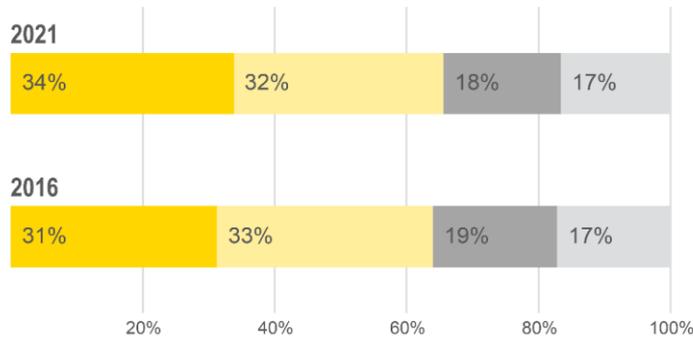
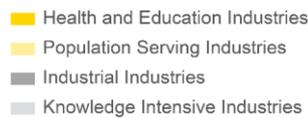
### Key insights

- Lismore's population is ageing. From 2016 – 2021, the proportion of residents above the age of 60 has increased from 18.2% to 20.5%
- Lismore has a younger population when compared to the Northern Rivers, where 24.5% of the population are over the age of 65

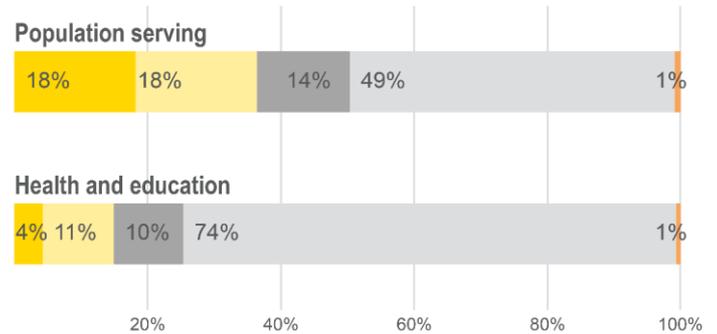
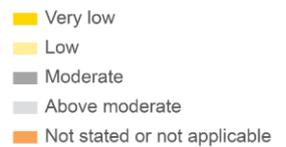
## Working residents

Working residents refers to people that live in Lismore and may work in Lismore or elsewhere in 2021

### Industry group breakdown (by number of employees)



### Income breakdown



### Key insights

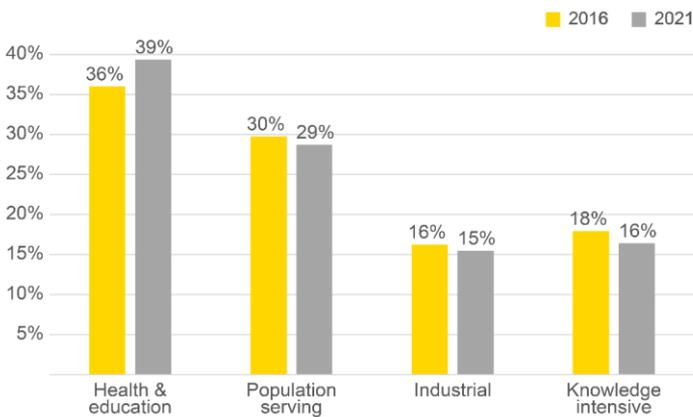
- 19,278 Lismore residents are employed
- Health and education and population serving are the largest industry groups, employing 34% and 32% of residents respectively
- Of the residents that work in health and education industries, 66% are in health care (4,300) and 34% are in education (2,200)
- From 2016 – 2021, the proportion of residents working in health and education industries increased from 31% to 34%, while all others decreased
- 50% of residents working in population serving are likely to earn lower incomes, this is double the share in health and education



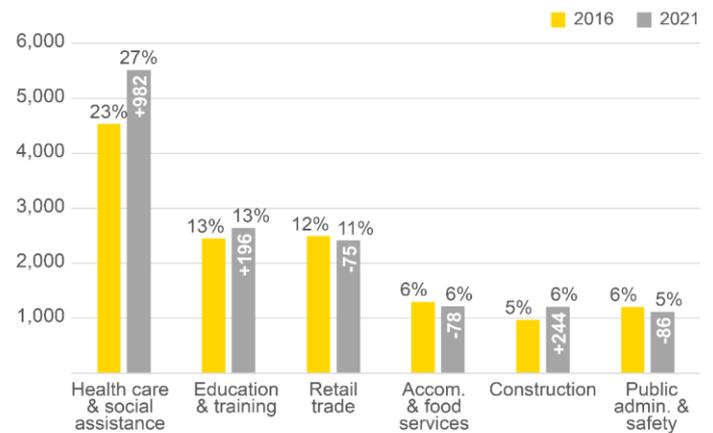
## Local workers

Local workers refers to people that work in Lismore and may live in Lismore or elsewhere

### Industry group breakdown (by number of workers)



### Largest industries (by number of employees)

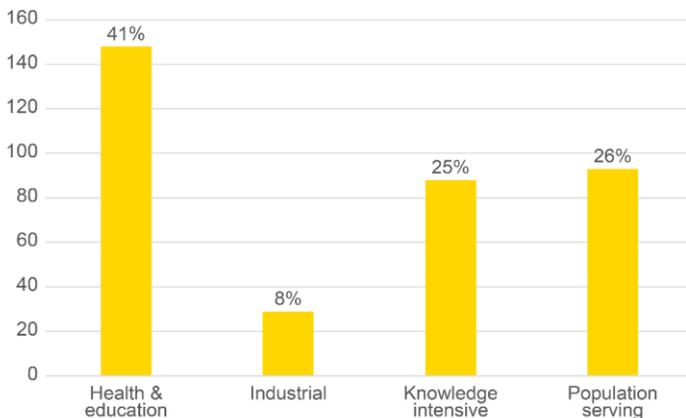


#### Key insights

- 21,537 people work in Lismore LGA
- Health and education and population serving industries are the largest employers of local workers, making up 39% and 29% of employed residents respectively
- From 2016 – 2021, the proportion of local workers employed in health and education increased from 36% to 39%, while all other sectors decreased
- The growth of the health and education industry group has largely been driven by health care & social assistance, which has grown by 982 workers since 2016
- After health care & social assistance, the construction industry experienced the second greatest total growth from 2016 – 2021
- From 2016 – 2021, Public administration and safety was overtaken by construction as the 5th largest industry

## Job vacancies and unemployment

### Job vacancies by industry groups (April 2023)



Date	Unemployment rate
Jun-16	8.6%
Jun-17	6.6%
Jun-18	6.0%
Jun-19	5.1%
Jun-20	5.3%
Jun-21	5.6%
Jun-22	5.8%

#### Key insights

- The unemployment rate in Lismore steadily decreased from 2016 to 2019. Since then, it has risen by 0.5 percentage points
- At April 2023, there were 148 job vacancies in Lismore - 41% of these are in the health and education industries
- Knowledge intensive and population serving industry groups make up a combined 51% of job vacancies



## Workforce exits

Workforce exits considers employed people aged over 60, to provide an indication of those likely to leave the workforce in the following 1 - 10 years from 2021

### Key insights

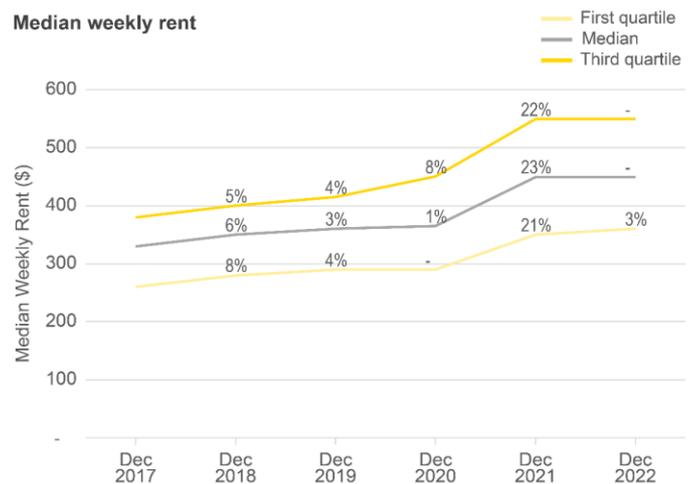
- Over 3,000 workers in Lismore are over the age of 60 - making up 27% of the workforce overall
- Over 1,000 workers working will likely leave the health and education industry within the next decade as they enter retirement
- 60+ year olds make up almost a quarter of the workforce in industrial industries

Date	Health and education	Population serving	Industrial	Knowledge intensive
Total employed 60+ year olds	1,124	747	815	510
% of industry aged 60+	17%	12%	24%	16%

## Cost and availability of housing

Date	Vacancy rate
Mar-16	0.7%
Mar-17	0.8%
Mar-18	0.7%
Mar-19	0.9%
Mar-20	1.4%
Mar-21	0.6%
Mar-22	0.6%
Mar-23	1.3%

### Median weekly rent



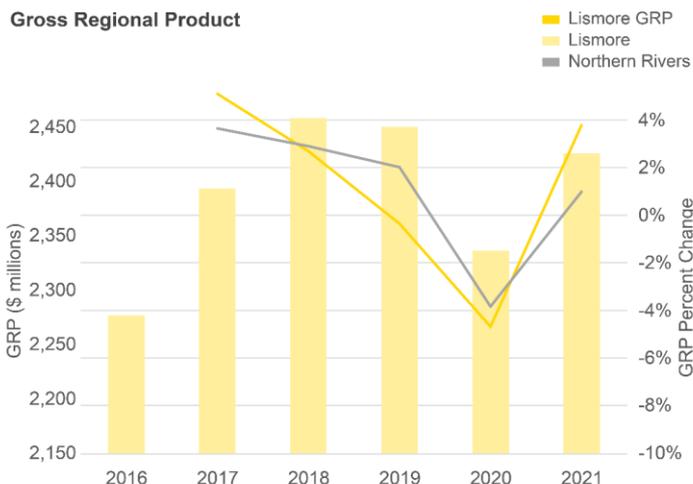
### Key insights

- Lismore's rental vacancy rate of 1.3% shows that it has eased since the pandemic, though still represents a very tight rental market
- There was a significant increase (21 - 23%) in weekly rent at the beginning of the pandemic (Dec 2020 - 2021), though rent has since stagnated for first quartile and median dwellings, with third quartile dwellings increasing slightly by 3%

## Gross regional product and value add

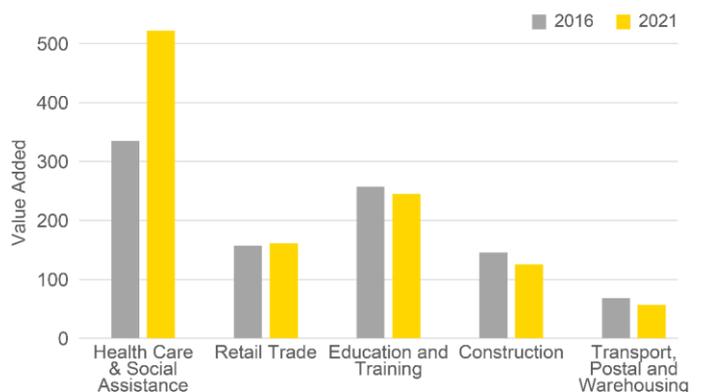
Value added by industry is an indicator of business productivity - it shows how productive industries are at increasing the value of its inputs.

### Gross Regional Product



### Lismore Value Add

Largest 3 ind. (2021), 3 industries with greatest productivity decrease (2016-21)



### Key insights

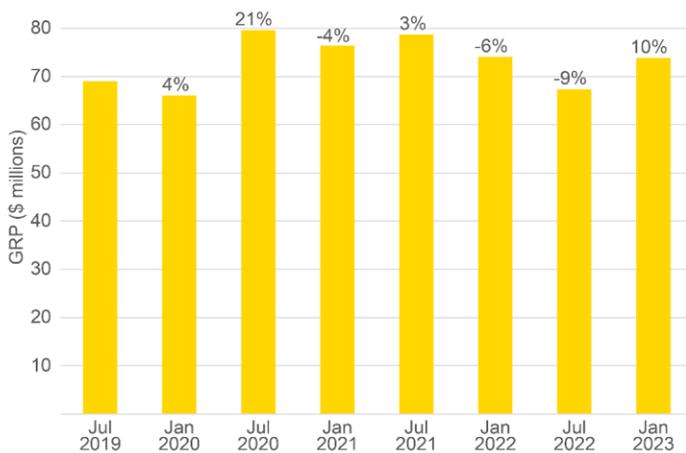
- Lismore's GRP decreased significantly at the start of the pandemic. This decrease occurred at a faster rate when compared to the Northern Rivers, though has since recovered at a higher rate. Lismore's GRP has not yet returned to pre-pandemic levels
- Health care and social assistance has experienced the greatest value add of all Lismore's industries (\$180m since 2016)
- Education and training, Lismore's 2nd largest industry, has seen a decrease in productivity since 2016. Alongside Construction and Transport, and Postal and Warehousing, these three industries have seen the greatest drops in productivity in Lismore



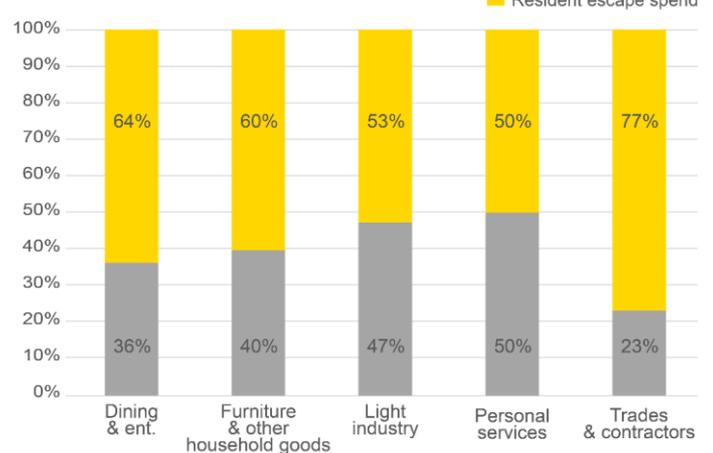
## Consumer spending

Visitor spend refers to money spent by people coming from outside Lismore LGA. Escape spend refers to money being spent by people leaving Lismore LGA for other destinations.

### Total spend within Lismore



### Resident local vs. escape spend (Jan 2023)



### Key insights

- Consumer spending in Lismore decreased by 9% when comparing January to July 2022 (pre and post February floods)
- Spending in Lismore almost a year post-floods (Jan 2023) is at 99.8% of the level of spending seen before the floods (Jan 2022)
- Lismore's residents are more likely to spend outside of the LGA when spending on dining & entertainment, furniture, light industry or trades. They spend as much on personal services within Lismore as they do outside of it.

## Visitor and escape spend

### Visitor spend (Jan 2023)

(Top 3 locations, top 3 spend categories)



### Escape spend (Jan 2023)

(Top 3 locations, top 3 spend categories)



### Key insights

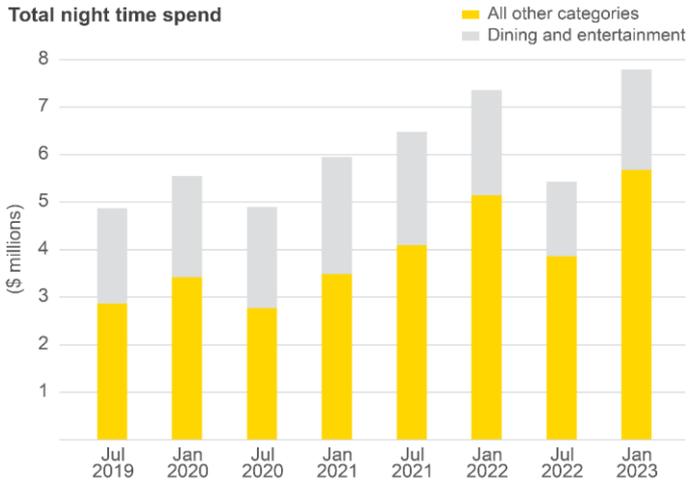
- People traveling from Casino, Altonville and Ballina account for the most visitor spend in Lismore LGA
- Visitors spend the most money on specialised and luxury goods and professional services
- Lismore residents spend the most money beyond the LGA in Ballina



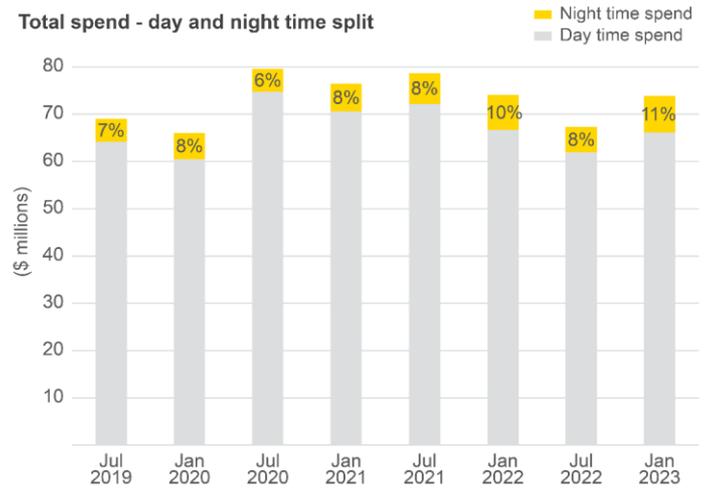
## Night time economy

Night time spending is defined as transactions that occur between 6pm - 6am

Total night time spend



Total spend - day and night time split



### Key insights

- Night time spending in Lismore peaked in January 2023 - making up a total of close to \$8 million
- Night time spending as a proportion of overall spend in Lismore is increasing, making up 11% of total spending in January of 2023

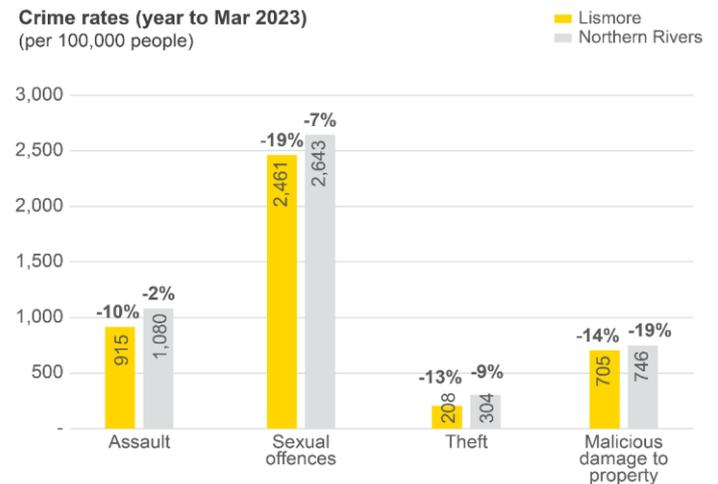
## Crime

Percentage denotes change in crime rate since 2018

### Key insights

- Crime rates are lower in Lismore when compared to the average of all remaining councils in the Northern Rivers
- Crime rates for assault, sexual offences, theft, property damage and robbery have decreased in Lismore since 2018

Crime rates (year to Mar 2023)  
(per 100,000 people)



## 1.3 Barriers and opportunities

### Retain and maintain

One of the key takeaways from engagement was the need for Lismore to focus on arresting the decline it has been experiencing, before embarking on the next horizon of economic development, which would focus on growth and new investment attraction. As the LGA recovers from the pandemic and floods, retaining and maintaining existing business and institutional operations should be the main priority.

### Education

One focus area should be addressing decline of the education and training sector by developing a learning and education strategy that outlines how Lismore can capitalise on its high density of education facilities. An essential component of this is the need to foster strong, working relationships with institutions such as TAFE and Southern Cross University to restore Lismore's role as an education centre for the region.<sup>2</sup>

This must be done hand-in-hand with a strategy to attract students back to Lismore, which doubles as an opportunity to begin building Lismore's future community, grow its workforce, and increase productivity<sup>3</sup>. Further, student and university spending drives significant demand for goods and services in regional areas – students spend approximately \$480m in their campus regions<sup>4</sup>.

Southern Cross University noted that data since 2013 shows that student enrolment in Lismore has plummeted. One factor contributing to this decline is perceptions of 'liveability' issues in Lismore, which impacts the city's ability to attract and retain students. A student retention strategy will require Lismore to address these issues cross the LGA, by improving safety, amenity, and leisure opportunities so students are encouraged to move to the area and stay long term.

### Skills shortages and housing

During engagement, multiple stakeholders noted being impacted by the flight of workers away from Lismore. This has resulted in significant skills shortages across all industries, causing them to stifle or reduce operations, or relocate functions to locations outside of the LGA with better access to talent.

One of the most significant barriers to the attraction and retention of skills in Lismore is access to housing – both in terms of availability and affordability. Cost and availability of housing is of course an issue that is not unique to Lismore, though may be felt by the community more acutely, as Lismore has previously had the competitive advantage of more affordable housing when compared to other LGAs in the Northern Rivers. Whilst the trend of rising house prices was evident prior to the

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<sup>2</sup> This strategy should be developed alongside TAFE's Northern Rivers Business Case, which identifies the role and course profile of its campuses in Ballina, Lismore, Casino and Wollongbar (currently under development at the time of writing). It will also decide the future of their Lismore campus location, and whether it remains in, or moves from East Lismore. TAFE noted that Council had not yet engaged with them during the process, so Council's vision for TAFE, or education more broadly, in the LGA has not been considered.

<sup>3</sup> 7 out of 10 Regional Universities Network (which includes Southern Cross Universities) graduates go on to work in a regional area. Knowledge and research in regions increase industry productivity through knowledge capital (source: The economic impact of the Regional Universities Network <<https://www.run.edu.au/wp-content/uploads/2021/05/RUN-Economic-impact-report-final.pdf>>)

<sup>4</sup> Source: The economic impact of the Regional Universities Network <<https://www.run.edu.au/wp-content/uploads/2021/05/RUN-Economic-impact-report-final.pdf>>



pandemic and floods, the issue has since been exasperated, as changing perceptions of which homes are 'safe from hazards' has impacted where people are willing to live, or can feasibly build.

The need for affordable housing for key workers is a widespread issue which Lismore will need to address in order to attract people with these essential skills to the LGA. With health care being Lismore's largest industry, Lismore should take a broader approach to the definition of a key worker, to encompass workers in the 'care economy' for example. This includes workers in aged, child and disability care who have lower incomes and are crucial to the growing industry and provide services to an ageing population.<sup>5</sup>

Affordable housing is also an essential precondition to preserving Lismore's thriving creative, arts and entertainment scene, as people working in the sector often have lower and less stable incomes, impacting their capacity to absorb increasing house prices. With affordability also comes the need for diverse housing typologies, to support smaller household sizes, an ageing population and varied worker and resident needs.

Council's approach to housing must consider housing delivery with a view to both a demand and supply perspective. In addition to identifying housing need into the future, it should also have a clear understanding of the production pipeline. This could include the centralised monitoring of applications, approvals and commencements, and supply chain components. This would provide Council with a detailed view at each stage of the delivery process, enabling focussed intervention to address blockages. Understanding the housing supply pipeline will also aid Council in providing confidence to potential investors and residents to the region.

### **Enabling decision making under uncertainty**

The shocks and stressors of the past 4 years have created an uncertain operating environment which hinders business decision-making, stifling economic activity or causing businesses to leave Lismore. Lack of clarity regarding insurability, which is essential to businesses continuing to operate and invest in Lismore, will likely result in the leakage of economic activity to beyond the LGA.

This issue is exacerbated by the lack of unconstrained industrial lands, as there are little immediate relocation options Council can facilitate to enable flood-affected businesses to remain in the LGA. There is a need for Council to provide businesses with adequate information that enables them to make considered decisions in uncertain circumstances – a 'recovery roadmap'. For example, a point was raised during engagement that a 'myth busting' exercise needed to be undertaken to communicate the outcomes of the work being undertaken by the CSIRO. This could highlight the phases and timing of the work, and provide an indication of what information will be available, and what strategic decisions will be made at each point.

Council should undertake an exercise to audit land under its ownership, to understand which parcels may be underutilised, and advocate for all levels of government to do the same. This would provide Council with a strategic view of which areas within the LGA can be best leveraged for new or different development.

This exercise could also be undertaken for employment and industrial lands, to identify areas or sectors where Council may intervene to increase activity or productivity. Council should use this information to develop an economic activity monitor, which centralises information on development

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<sup>5</sup> 40% of Lismore's health care and social assistance sector (equal to over 2,600 workers) are employed in residential care or social assistance services (Source: ABS Census 2021)



applications, investment value and the movement of businesses in and out of the LGA. This will help Council develop an informed view of their economic pipeline, and how they will need to respond.

### **Infrastructure**

There is a need for Council to undertake an exercise to prioritise how infrastructure across the LGA is repaired following the floods. It would be beneficial for Council to map the infrastructure that acts as enablers across multiple industries, to provide direction on where investment would reap the most benefits. This differs from a sub-sector approach to economic development, that considers industries in isolation of one another. For example, facilitating the delivery of housing across Lismore would contribute to addressing the issue of skills shortages that impacts all industries.

In alignment with the immediate economic development strategy, Lismore's approach to infrastructure in the shorter term should be characterised by repair to restore performance, as opposed to facilitating growth.

### **Monitoring land uses and allocation**

Lismore's recent floods have highlighted the significant extent to which the current allocation of land uses puts people and businesses in hazardous locations. In the immediate term, Council will need to make decisions regarding what economic activity should be prioritised, and outline the changes needed to ensure these activities remain. For example, if Council decides that it is essential to retain pre-flood levels of industrial activity within Lismore, it will need to make deliberate moves to trade-off other land uses so that this activity can be relocated to areas that are free of hazard.

Additionally, a significant amount of land across Lismore is classified as strategic agricultural lands, and agriculture is the 6<sup>th</sup> largest industry in terms of value added to Lismore's economy.<sup>6</sup> The industry is a key part of Lismore's identity and landscape, and should be leveraged to maximise value add to the local economy (for example, through AgTech). However, given Lismore's abundance of strategic agricultural land, Council should also investigate if there are areas where other land uses would provide greater benefits to the LGA.

Council should undertake an exercise to audit land under its ownership, to identify which parcels are underutilised, and advocate for all levels of government to do the same. This would provide Council with a strategic view of which areas within the LGA can be best leveraged for new or different development.

Council could conduct this exercise on employment and industrial lands to identify areas or sectors where Council may intervene to increase activity or productivity – which may include assisting the relocation of businesses to more appropriate sites, or targeted investment in enabling infrastructure. Council should use this information to develop an economic activity monitor, which centralises information on development applications, investment value and the movement of businesses in and out of the LGA. This will help Council develop an informed view of their economic pipeline, and how they will need to respond.

Should Council's response require the reallocation of land uses, it will need to prepare communities for a significant shift in some of Lismore's landscape. To do so, Council will need to present a strong

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<sup>6</sup> Agriculture, Forestry and Fishing. value added by industry is an indicator of business productivity in Lismore City. It shows how productive each industry sector is at increasing the value of its inputs. Industries that have greater value add in Lismore include Health, Education, Retail Construction, and Public Admin (source: <https://economy.id.com.au/lismore/value-add-by-industry>)



vision as a unified entity and demonstrate how their decisions have been made in the best interest of its diverse population.

Without buy-in from across Council on the changes required, there is a risk of the 'instability' that has characterised the organisation in recent years to continue. This instability has inhibited market confidence in investing in Lismore, and without change will likely result in further leakage of economic activity from the LGA.

### **United voice and vision for Lismore**

Creating a unified voice for Lismore will be challenging, particularly as Council has to advocate on behalf of a diverse mix of communities and business. It will be essential for Council to collaborate across its departments and branches to agree on a united vision, to guide changes in policy, land use, investments, and spending.

Key to a united vision is an identity for the LGA that speaks to both the changing role of Lismore in the context of the Northern Rivers, and the distinct areas of activity within the Council boundary. There is a perception amongst stakeholders operating in Lismore that Council has not been able to successfully communicate a clear brand and vision that plays to its competitive advantages and colourful history. The absence of a strong identity has resulted in a vision that shifts with personnel changes in Council, and an ad-hoc approach to pursuing opportunities, grants and policy development.

### **Collective impact**

Lismore may want to explore the opportunity of implementing a collective impact approach to economic development, which tackles large-scale change of complex systems that require cross sector coordination. In developing a united vision for Lismore, Council could look to collaborate with community members and private, government, not-for-profit and education institutions to develop a common agenda to achieve systems-level change. Australian practice and research indicates seven principles for successful place-based collective impact initiatives:

- Create and sustain a cross-sector decision making partnership
- Establish and sustain skilled backbone support
- Engage and mobilise cross-sector partners and networks
- Engage in co-design and robust planning
- Engage in continuous strategic learning
- Build capacity in all sectors
- Develop collaborative mindsets and practices<sup>7</sup>

### **Tourism**

The tourism sector also presents significant opportunities, with Lismore's landscape and location prime for growing demand in 'wellness tourism', according to key stakeholders in the industry. Lismore's existing and planned tourism endowments – such as Minyon Falls, the River Rail Trail, and Nimbin – should be key features of the tourism strategy for Lismore, being developed by Council.

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<sup>7</sup> Source: <<https://www.rch.org.au/uploadedFiles/Main/Content/ccchdev/1807-CCCH-PolicyBrief-30.pdf>>



Findings from stakeholder engagement suggests that Lismore has a substantial tourism budget in comparison to other councils in the Northern Rivers. However a significant proportion of the budget may not be used efficiently, with one example being ongoing grants for organisations or events that should have reached self-sufficiency. There is an opportunity for Council to review how the budget is being spent, and measure this against impacts and objectives to direct future spend.

### **Arts and culture**

Lismore's art and culture sector is a key strength of the LGA, and has the potential to play a pivotal role in defining the identity of Lismore, and fostering community connection. The community has been described by stakeholders as unique in the way it 'shows up' for local arts and entertainments events. Lismore and its surrounding community have a strong appetite for bespoke and bold experiences, which again highlights the opportunity to strengthen the role it plays in Lismore's economy.

A strengthened arts and culture sector can be key to addressing declining perceptions of liveability, by demonstrating that Lismore has much to offer by way of entertainment and leisure activities.

A key point of difference between Lismore and neighbouring LGAs in the arts and culture space is what has been described as an element of 'urban grit' that isn't present in the wider Northern Rivers. Leaning into this 'grit' may be a way to move beyond the brand of 'resilience' that has been associated with the region since the floods. While this brand recognises the strength of the community and businesses, it defines Lismore by its recent tragedies, which may negatively impact its image.



## 2. Context

### 2.1 Economic trends and targets

Global shifts and trends will go on to impact the economy at a national, state and local level. Key trends impacting Lismore include:

- The rise of Asia
- Digital disruption and accelerated innovation
- Towards net zero
- Ageing population
- Changing migration patterns
- Changing climate

Table 3 presents details of key economic trends, as identified across relevant visions and plans. Consideration of these trends, alongside the opportunities and challenges that they may bring will be essential in developing an economic strategy that is robust and resilient.

Table 3 Summary of macro-economic trends, opportunities, and challenges

Source Document	Trends, opportunities, and challenges
<b>20 Year Vision for Regional NSW</b>	<ul style="list-style-type: none"> <li>• <b>The rise of Asia</b> – global economic power is shifting towards Asia, and regional NSW is strategically positioned to service these growing economies and burgeoning middle class. Diffusion of economic activity across Asia is important for regional NSW to mitigate against risk of trade tensions, supply chains and reliance on any single nation.</li> <li>• <b>Rapid urbanisation</b> – Movement to regions is fuelled by acceptance of working remotely. Regional NSW offers diversity of choice in lifestyle options, affordability, family and careers.</li> <li>• <b>Digital disruption</b> – All industries are moving towards a digital transformation. Digital services and commerce have increased in prevalence and NSW needs to seize opportunities from this digital transformation.</li> <li>• <b>Rising uncertainty</b> – Global trade and economics are impacted by rising geopolitical tensions, epidemiological challenges and risks to supply chains. Climate change is highlighting vulnerabilities, while improved resilience and flexibility required to mitigate the impacts of uncertainty.</li> </ul>
<b>Northern Rivers Regional Economic Development Strategy – 2023 Update</b>	<ul style="list-style-type: none"> <li>• <b>Digital Transformation</b> – emerging technologies and applications across industries can support economic development through connectivity. Digital infrastructure is required to support industry.</li> <li>• <b>Changing Migration Patterns</b> – COVID-19 pandemic has enabled more people to work remotely and experience regional lifestyle benefits. This brings the challenge of labour force supply not necessarily meeting workforce needs in the local economy.</li> </ul>



	<ul style="list-style-type: none"> <li>• <b>Towards Net Zero</b> – the Northern Rivers has a role to play in renewable energy with environmental sustainability as a core part of its regional identity.</li> <li>• <b>Rising Uncertainty (changing climate)</b> – The Northern Rivers has been impacted by extreme climatic events since 2018, including bushfires, drought and floods which have affected businesses and the community. With the frequency and intensity of these events anticipated to increase in coming decades, a focus is needed on making flood and climate resilience central in the process to replace a range of infrastructure.</li> </ul>
<p><b>NSW Visitor Economy Strategy 2030</b></p>	<ul style="list-style-type: none"> <li>• <b>The Need for Health and Safety</b> – Following COVID-19 it is expected that visitors will expect to feel an increased need for health and safety. NSW has a variety of locations where people can avoid crowds and access health and wellness experiences.</li> <li>• <b>Ageing Population</b> – Australia’s ageing population will present workforce challenges, but also opportunities for the visitor economy through increased older travellers. Destinations will need to adapt to accommodate this demographic.</li> <li>• <b>The Acceleration to Digital</b> – Adoption of digital technology and e-commerce has accelerated since the pandemic began. The tourism industry will need to innovate at a faster rate to keep pace with technological change.</li> <li>• <b>The Growing Middle Class</b> – The world’s middle class is growing rapidly, particularly in China and India, resulting in increased demand for international travel. New markets, consumer trends and preferences will need to be identified.</li> </ul>

A number of national and regional strategies and plans have set targets to improve economic activity and development. Identifying and understanding these targets can help Lismore frame its role in achieving higher-level goals.

Table 4 summarises these targets and goals for considerations in updating the Lismore EDS.

Table 4 Summary of targets identified across national and regional strategies and plans

Source Document	Targets
<p><b>Framework for regionalisation – Regional Australia Institute (Rebalance the Nation)</b></p>	<p><b>Jobs and skills</b></p> <ul style="list-style-type: none"> <li>• Reduce the recruitment difficulty in regional Australia to below 40%</li> <li>• Increase the share of skilled workers employed in regional Australia to 80% of the regional workforce</li> <li>• Increase the school attainment rate of young people in regional Australia to 75% or above</li> <li>• Boost post-school qualification completion in regional Australia to 65% or above</li> </ul> <p><b>Liveability</b></p> <ul style="list-style-type: none"> <li>• Continue to increase the life satisfaction and wellbeing score of Australians living in regional communities to a score of 75 in the Regional Wellbeing Survey</li> </ul>



- Increase Regional Australia's Digital Inclusion Index (ADII) score to 73 or above (equal to metropolitan Australia)
- Improve access to transport services in and between regional communities
- Increase rental vacancy rates in regional areas to above 3%
- Ensure annual building approvals keep pace with population growth
- Lift the access to medical practitioners in regional Australia by over 100 FTE per 100,000 population
- Decrease the population classified as living in a regional childcare desert to below 2 million
- Increase the percentage of students in regional Australia who achieve at or above the minimum standard in NAPLAN testing (equal to metropolitan students) across each year level
- Strengthen access and opportunities for engagement in arts, cultural, community, and recreational experiences in Regional Australia

#### **Population**

- Over 11 million Australians are living prosperously in the regions by 2032
- Increase regional Australia's younger population share (aged 15 - 39 years) to 35% by 2032
- Double the proportion of new migrants settling in regional Australia by 2032

#### **Productivity and Innovation**

- Increase regional Australia's contribution to national output, boosting Australia's GDP by an additional \$13.8 billion by 2032
- Increase workforce participation in regional Australia to 68% or higher
- Increase new business and innovation in regional Australia

#### **Sustainability and Resilience**

- Regional Australia is trending towards net zero emissions by 2050, unlocking new jobs and industry opportunities
- 90% or more of regional Australia has a moderate to high capacity for disaster resilience

#### **Regional Development Australia Northern Rivers – Regional Economic Recovery Plan**

#### **Recovery Actions**

- All flood affected people have access to suitable medium-term housing (2022 – 2025)
- \$50 million in large infrastructure grants by 2023 (or until programs cease)
- CBD areas are back to pre-flood operating levels by 2025
- All enquiries serviced and \$20 million worth of local business grant funding supported by Council (ongoing)



**Lismore Regional City  
Action Plan 2036**

- Lismore City Council 100% renewable energy generation by 2023 (*Note: Council developed a Renewable Energy Master Plan in response to this goal, which although was endorsed by Council it was not resourced. It is doubtful that this target will be met*)
- NSW net-zero emissions by 2050

## 2.2 Plans and strategies review

Table 5 summarises key considerations, challenges and opportunities from local, regional and state plans and policies relevant to economic development.

The update of the Lismore EDS may need to be done with a view to these considerations, to ensure alignment with broader council, region and state plans and goals. There may also however be a need to revisit some of Council’s broader directions, should any of them conflict with the moves necessary to retain and maintain economic activity in Lismore.

Table 5 Summary of local, regional and state strategies and plans

Source Document	Key considerations, challenges, and opportunities
<b>Lismore Community Strategic Plan 2022 – 2032</b>	<ul style="list-style-type: none"> <li>• An economic asset of Lismore is its location and connections to other places – Lismore is an “established centre for health, education, retail, entertainment, culture and sport in the Northern Rivers”</li> <li>• Lismore has an opportunity to retain and train young people. Building more housing is an economic multiplier that will create jobs and training for young people and inject money into the economy</li> <li>• Flooding is a barrier to economic growth in Lismore. The LGA needs “more flood-free industrial land.” 3,170 businesses and approximately 18,000 jobs in the LGA have been directly or indirectly impacted by flooding</li> </ul> <p>Lismore stakeholders have identified a need for more support for diverse industries and businesses, including:</p> <ul style="list-style-type: none"> <li>• Alternative energy, agriculture, eco-tourism, medical marijuana, education, arts, entertainment, and hospitality</li> <li>• Inviting sustainable industries such as renewable energy</li> </ul>
<b>Inspire Lismore 2040 Local Strategic Planning Statement</b>	<ul style="list-style-type: none"> <li>• Lismore has seen construction and development projects in recent years in excess of \$294 million</li> <li>• The strategic location of a hospital, university, professional and retail sector in Lismore presents an opportunity for growth by providing investors with confidence about Lismore’s economic growth. The LGA is well-positioned for health and education sector growth</li> <li>• Lismore will need to continue attracting new and emerging industries to the region, including renewable energy, medicinal cannabis, which requires a supportive governance framework</li> <li>• The ongoing decline of retail in the CBD is a challenge which has been exacerbated since flooding events in 2017. There are opportunities in the CBD to build on its core and redefine its</li> </ul>



	<p>supporting activities to deliver cultural, professional, entertainment and housing land uses</p> <ul style="list-style-type: none"> <li>• Agri-tourism opportunities can enable businesses to build upon agribusiness activities and provide alternate revenue streams, which will require small scale tourism land use permissibility in the LEP</li> <li>• Council incentives for commercial and residential development in the CBD have not resulted in an increase in desired development types, which presents a challenge for revitalisation</li> <li>• Lismore will require improvements in cold storage and other agriculture serving infrastructure to position the LGA as an agriculture innovation centre</li> <li>• Environmental hazards such as flooding and bushfire present challenges for sustainable and economically viable development throughout the LGA</li> <li>• Council is exploring potential CBD changes that allow for increased housing provision, which would increase accessibility and housing choice.</li> </ul>
<p><b>Lismore Regional City Action Plan 2036</b></p>	<ul style="list-style-type: none"> <li>• Lismore is “located at the crossroads of key transport links connecting NSW and Queensland...effectively positioned to take advantage of opportunities for agri-business and freight infrastructure”</li> <li>• There is potential for a Northern Rivers enterprise gateway for agriculture and agribusiness at the Lismore Regional Airport and future rail freight terminal near Casino</li> <li>• \$1.8 million upgrade of Lismore Regional Airport and aviation centre and \$4.4 million instrument landing system will attract more general aviation services, training facilities and potentially agricultural freight</li> <li>• Lismore has a high concentration of creative practitioners and a large number of arts and cultural institutions in the city centre, including the Lismore Regional Gallery and Northern Rivers Conservatorium</li> <li>• Lismore has a comparative employment land advantage relative to surrounding LGAs such as Byron and Ballina, which have limited employment land due to environmental constraints</li> <li>• The 2032 Brisbane Olympics will create economic opportunities for Lismore and the North Coast region, including tourism, due to proximity and improved future linkages as a result of associated infrastructure spending</li> <li>• Lismore City Council set a target for 100% renewable energy generation by 2023. Council also developed the Lismore Community Solar Project and installed rooftop solar at Goonellabah Sports and Aquatic Centre</li> </ul>
<p><b>North Coast Regional Plan 2041</b></p>	<ul style="list-style-type: none"> <li>• The Northern Rivers Reconstruction Corporation (NRRC) will continue to implement its \$800 million Resilient Homes Program over the Northern Rivers, including Lismore</li> <li>• Regional priorities include expanding Lismore’s role as a regional city and expanding the LGA’s visitor economy</li> <li>• Proximity to Brisbane West Wellcamp Airport and the Bromelton State Development Area present opportunities for growing and supporting Lismore’s agricultural sector</li> </ul>



<b>Northern Rivers Regional Economic Development Strategy – 2023 Update</b>	<ul style="list-style-type: none"> <li>• The 2022 floods damaged 2,500 buildings in Lismore, with 850 severely damaged or destroyed and 2,000 people rendered homeless</li> <li>• \$350 million worth of Lismore Council assets were damaged, with an approximate rebuild cost of over \$1 billion</li> </ul>
<b>Lismore Flood Impacts and Recovery Statement (Sea &amp; Star Advisory, for LCC)</b>	<p>Impacts of flooding on Lismore’s economy and production over 2021-22 and 2022-23 periods:</p> <ul style="list-style-type: none"> <li>• \$400 million+ of lost production across Lismore’s economy</li> <li>• 3,170 firms and 18,000 workers directly impacted (4,145 firms total)</li> <li>• Lost production in the Retail Trade, Education and Training and Health Care and Social Assistance industries accounts for over 60% of total economic loss in the Lismore economy</li> <li>• Steady, medium-term recovery is possible, but will depend on restoring confidence in Lismore’s future and increased construction capacity</li> </ul>
<b>Lismore Flood Response (LCC)</b>	<p>Risks to businesses and insurance barriers:</p> <ul style="list-style-type: none"> <li>• Flood insurance is generally unavailable or unaffordable for residents and businesses in high-risk areas of Lismore</li> <li>• Insurance Council of Australia indicates that insurance will likely not be available in large parts of Lismore unless strategies are implemented to de-risk through mitigation and adaptation of flooding impacts</li> <li>• 89.8% of residents surveyed did not have flood insurance</li> <li>• Businesses surveyed have identified over \$38.5 million in anticipated repair costs due to flooding</li> </ul>

## 2.3 Northern Rivers

To develop a unifying vision for Lismore, Council will need to consider the role of the city and broader LGA in the Northern Rivers context. To do so, councils across the region will need to collaborate to unpack how they may operate as part of the larger regional network.

In undertaking this process, Council must consider major infrastructure investments underway across the region, and the impact that will have on Lismore’s role as a service centre. For example, the Tweed Valley Hospital Development (set to open early 2024) will impact Lismore Hospital’s catchment and demand for services.

As other areas in the region change and develop, Lismore will see its gravitational pull weaken, and it must make decisions in consideration of this, and shift efforts and investment towards competitive advantages.



Figure 1 below highlights the hierarchy of centres, the main economic activity in each location<sup>8</sup>, and some key investments underway across the Northern Rivers.

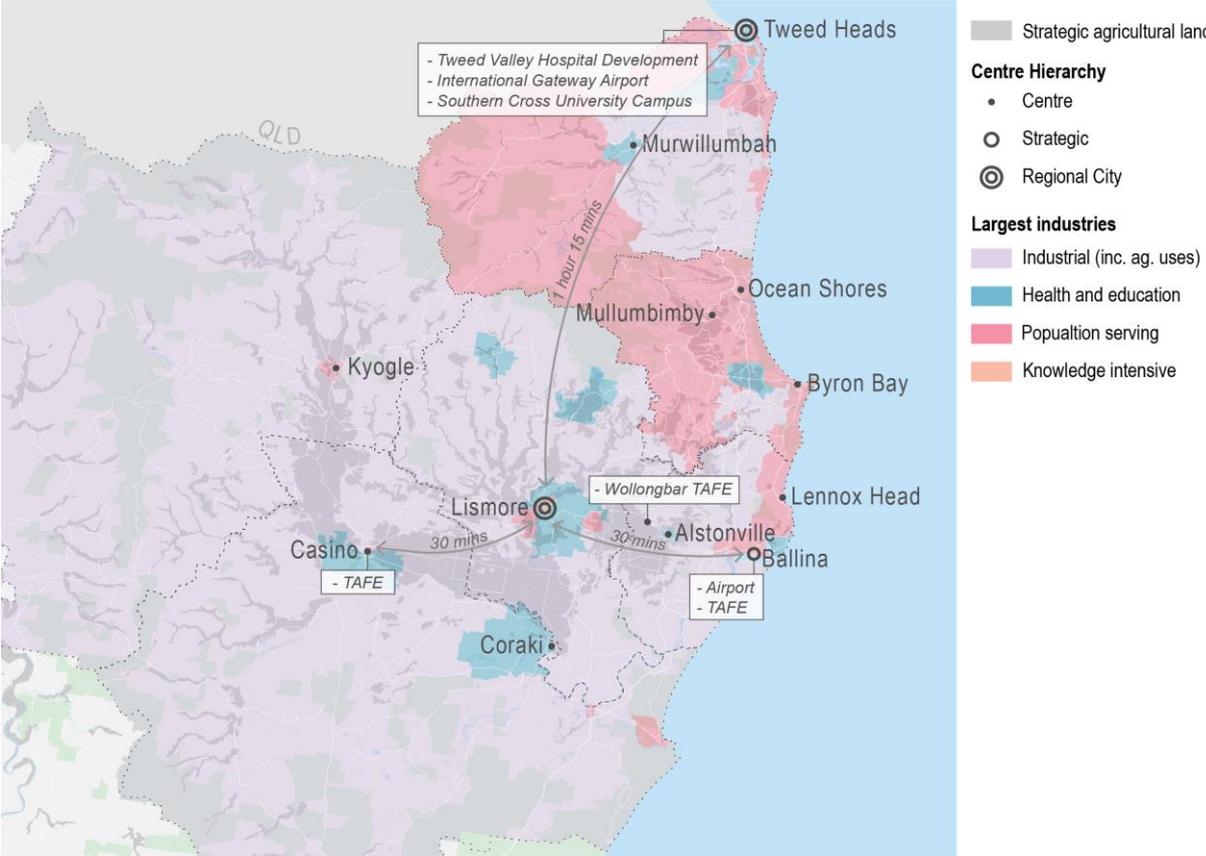


Figure 1 Northern Rivers context map

<sup>8</sup> Information presented has been collected at a Destination Zone level (Source: ABS Census 2021)



# 3. Capability

## 3.1 Lismore’s endowments

Lismore’s economic endowments are many and varied, with economic strengths differing from place to place. Understanding the spatial distribution of this activity helps identify the different priorities that Lismore should have in different areas.

Figure 2 below identifies Lismore’s endowments across the LGA, including tourism and agricultural assets, and anchor institutions.

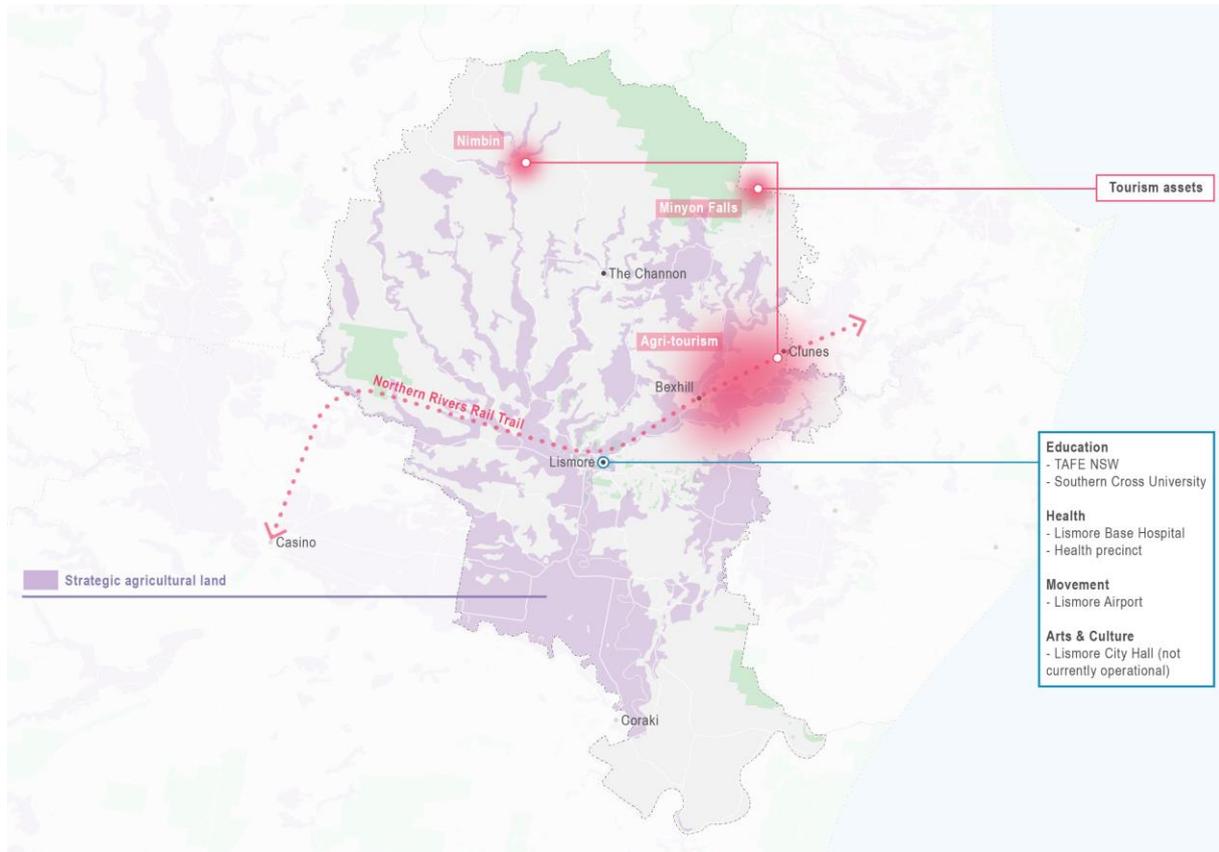


Figure 2 Map showing Lismore’s endowments

## 3.2 Roles and responsibilities

In developing and implementing the Economic Development Strategy, Council will need to take on changing roles to best suit each activity:

- **Buyer** – considered and targeted procurement and spending
- **Provider** – providing essential support and services to businesses and the community
- **Regulator** – ‘setting the rules’ to enable and encourage activity
- **Communicator** – leading with transparency through consistent monitoring, reporting and clear messaging



- **Convenor** – bringing stakeholders together to build a common agenda
- **Advocate** – building and leveraging relationships to promote Lismore’s vision and strengths

### **Council owned business**

In its role as a service provider, Council owns a number of businesses that sit within its organisational structure. This governance model should be examined, to understand if it is fit-for-purpose, such as from a risk, resource allocation or commercial perspective.

The development of the Economic Development Strategy should play a role in informing the activity of these businesses, without directing it at the expense of commercial returns, or increasing Council risk profile.

### **Governance**

While a strong economic vision for Lismore is essential, it will be moot without firm, long-term commitment across Council to deliver. Stakeholders across the board commented on how Council’s instability in recent years has highlighted a lack of direction and leadership. This has hindered Council’s ability to deliver on its plans, as priorities change with personnel (at both a political and administrative level), which impacts market confidence. Council will need to commit to, and advocate for its vision, and call on state and federal government to create a partnership that is invested in rebuilding Lismore.

### **Collective impact**

If Lismore were to explore the application of a collective impact framework, it will require involvement from a range of institutions and agencies to develop a common agenda driven by community needs, with each organisation taking on delivery roles determined by their skills and strengths.

A collaborative approach to problem solving and strategy implementation is of course not new, however collective impact goes beyond collaboration by requiring centralised infrastructure, dedicated staff and a structured process to ensure shared measurement systems, mutually reinforcing activities and continuous communication.<sup>9</sup>

Council may take on the role of the backbone support organisation, providing the centralised infrastructure needed to plan, manage and support the initiative through ongoing facilitation, technology and communication support, data collection and reporting, and handling of logistics and administration. Otherwise, Council may provide fiscal support to enable another organisation (e.g. a not-for-profit organisation) to provide the backbone structure.

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<sup>9</sup> Source: <[https://ssir.org/articles/entry/collective\\_impact](https://ssir.org/articles/entry/collective_impact)>





[astrolabegroup.com.au](http://astrolabegroup.com.au)