

NQ3 Enterprise Strategy: New Agenda for Sustainable Regions

A search for an answer to the inexorable growth of our major cities has put public policy about regional development front and centre on the table of all political parties and planners. Politics aside, with all the talk of population growth and the “re-discovering” of the Regions as part of the solution to the declining quality of life in our major cities, the burning question for regional communities is, “Will this push for regional growth just spread the failings of our cities?”

Overview

Using Hinchinbrook Shire as a case study, as “a place of great environmental and cultural diversity shaped by the establishment and expansion of a local sugar industry”, Hinchinbrook is a contemporary study of a phenomenon which has and will continue affecting many regional populations which have relied on one industry: it is where there is an underlying realisation that one single industry, in Hinchinbrook’ case – sugar, raises questions of long term sustainability.

In recent years Hinchinbrook Shire’s population has been declining and now contains the highest proportion of people over 65 than any other Local Government area in Queensland. By 2016 it is projected that for the first time in the history of the Shire there will be more over 65 year olds than under 25 year olds. Planners and economists would argue that one productive industry is no longer enough to secure a community’s future.

The adjacent regional city of Townsville reflects a very different scenario of industry diversity with manufacturing, education and defence industries being significant employers. Employment opportunity will always be an attractor to intra and inter-state migration. Migration decisions need a certainty of employment and preservation of the value of a home – a factor which is not always present in declining, single industry communities.

This paper suggests that ‘edge towns’ and regional communities such as those within Hinchinbrook Shire can begin to turn things around when initiatives are developed that promote benefits that include:

- A capacity to attract state and federal government funds and grants when local initiatives demonstrate a capacity to deliver initiatives which address the social and economic effects of declining and/or aging communities and populations and,

- A strong sense of community arising which can mobilise the natural advantages (such as lifestyle, sea change and the like) of towns such as those in Hinchinbrook Shire.

Progress to date

The Hinchinbrook Growth Strategy has identified some key themes and findings including a need for urgent action to encourage population growth, particularly in the young family demographic and that a business-as-usual or 'doing nothing' approach which allows the continuation of a static population and its increasingly aged profile will reduce the quality of life for the existing community and reshape local identity.

To date, over 10 million dollars of State and Federal funds have been secured to begin the development of the TYTO Precinct, a new hub for technology and learning within the town. The final stage of the TYTO Precinct hub is planned to integrate business incubation and enterprise development facilities.

The Growth Strategy suggests that next steps for the Council to continue to facilitate the development of a more sustainable Shire would be:

- > Ensure operational planning supports the sustainability vision of the corporate plan.
- > Continue to connect with state and federal agencies to seek policy and funding support to deliver a sustainable shire.
- > Encourage all stakeholders to consider and comment on the findings and recommendations of the Growth Strategy.
- > Use the Growth Strategy as the discussion framework for the upcoming community planning process.

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Background

The renewed interest in Regional centres and communities is a topical response to the increasing quality of life concerns being experienced in our urban centres. Traditionally, the area most ignored by the growth management of our regional cities has been the townships and communities on their edges. The paradox is that many of these edge communities are suffering from the lack of growth and aging rather than the pains of rapid growth.

Readers may recall the fashionable phenomenon earlier this decade of Richard Florida's "creative" regions. The US academic Professor Florida asserts that metropolitan regions with high concentrations of high-tech workers, artists, musicians and others correlate with a higher level of economic development. Florida's work acknowledges diversity as the best way to sustainability. Although Florida's work addresses cities, Edge Towns could draw a conclusion that they need to be more diverse but to draw the conclusion that their solution lies in the development of creative industries yet again reflects a lack of understanding of the critical challenges facing these sub-regional communities.

It would be a stretch to suggest that our "edge towns" perfectly fit the Florida model but there is something to be learned from his work. He cited many centres where otherwise declining centres had revived.

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Australia's "edge towns" are well positioned to benefit from the increasing access to the internet and the emerging experiential economy. The challenge is to develop growth strategies that reflect the unique attributes of regional communities that its inhabitants treasure and love and wish to preserve but yet help transition their economic foundations to support vibrant and liveable communities of the future.

The Hinchinbrook Growth Strategy highlights five years of detailed research, consultation and strategy development and delivers an innovative development strategy for Hinchinbrook Shire Council on the border of Townsville City, in North Queensland. The Hinchinbrook Growth Strategy reveals the challenges of encouraging sustainable regional growth that also strengthens the identity and lifestyle of local communities.

This place-based approach within the regional growth context provides insights on how to deliver regional growth that nurtures rather than destroys the rich environmental and social diversity of our regions.

Why Hinchinbrook?

Hinchinbrook Shire Council understands that the long term vitality of the Shire is dependent on its role within the NQ Region. Hinchinbrook Shire is a place of great environmental and cultural diversity within a landscape significantly shaped by the local sugar Industry. As with many rural areas relying on a narrow industry base, it has been suffering the social and economic consequences of long term industry and workforce decline which in Hinchinbrook Shire's case, the population has been declining and now contains the highest proportion of people over 65 than any other Local Government area in Queensland.

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By 2016 it is projected that for the first time in the history of the Shire there will be more over 65 year olds than under 25 year olds. This has implications on population growth as well as demands on health services in the regional centre. There has been growing concern within the local community that something needs to be done if the lifestyle qualities are to be retained for future generations.

like many regional centres, Hinchinbrook has seen its young people leave to pursue education and career as well as lifestyle opportunities elsewhere

There is a growing view that in order to turn the tide of gradual decline, Hinchinbrook Shire needs to encourage quality local employment for families, particularly the 25-35 age groups. To achieve the scale of change that will impact on the significant challenges facing the Shire, Hinchinbrook Shire Council is considering the goal of doubling the Shire's population by 2050, i.e. encouraging the settlement of an additional 12,800 residents over the next 40 years to achieve 25,000 people by 2050 with a focus of employment opportunities across a number of industries including:

- tropical sciences
- eco-tourism
- cultural tourism
- agri-business technology
- lifestyle enterprise

(the latter offering contemporary technology attraction as it is defined as internet based research and service businesses employing knowledge workers based in the Shire but operating as part of a networked regional workforce).

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Agriculture is the dominant industry within the Shire with an extensive area under sugarcane cultivation. The Hinchinbrook Shire has a rich and diverse cultural history

that includes the original indigenous inhabitants, Italian (Sicilian), Spanish, Finnish and Irish influences.

Key Initiatives

Within its Economic Growth Strategy four “Priority” initiatives have been identified:

- > **The Wet Tropics initiative** which targets initiative targets the key long term employment opportunities in facilitating Tropical research, agri-business and eco-tourism within the Shire
- > **The Local Towns initiative**, which recognises that the long term future of the Shire is dependent on the growth of Ingham as a major regional activity centre within a network of vibrant smaller townships and communities.
- > **Coastal Settlements** as key lifestyle and economic assets. This initiative involves maximising the economic benefits of the recreational fishing industry, enhancing boating access, improving lifestyle services and amenities for residents.
- > **The Airport initiative** which seeks to maximise the economic and employment value of the existing airport infrastructure on the edge of Ingham by identifying the best commercial uses to leverage existing airport infrastructure.

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Business and Agricultural activities

In 2006–07, there were 1,386 businesses in Hinchinbrook Shire, 0.3 per cent of all Queensland businesses. Of these the region contained 477 businesses with a turnover under \$100,000 and 804 businesses with a turnover between \$100,000 and \$1 million. There were 105 businesses with a turnover of \$1 million or more (7.6 per cent compared with 11.1 per cent for Queensland). When compared to Queensland as a whole, businesses with turnover \$1M+, Hinchinbrook is significantly lower with 7.6% compared to 11.1%.

In socio economic measures, 41.2 per cent of the population of Hinchinbrook Shire Council Local Government Area (LGA) were in the most disadvantaged quintile. Compared with the 20 per cent average across Queensland, 0.0 per cent of the population of Hinchinbrook Shire were in the least disadvantaged quintile.

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NQ 2030 Vision

In 2010 Townsville Enterprise Limited facilitated a number of workshops with representatives from neighbouring shires in order to develop a Regional Economic goals and action plans to guide future decisions for the North Queensland region.

The twelve key components of the North Queensland 2030 vision are:

1. New urbanism – a focus on town planning to make places where people live, work and play
2. Transport connectivity between regions to allow productive community and business interaction
3. Regional unity and voice capable of making strong representation to state and federal governments on behalf of the region
4. A focus on adding value to what is produced in the region
5. World class infrastructure to support our expanded population (est. 330,000 in North Queensland by 2030) and our major export industries
6. A workforce and community capable of attracting and retaining talent and skills, particularly those young people schooled and trained in the region
7. Successful promotion of the region to the rest of the world – recognition at a national and international level of our special talents, attributes and competitiveness
8. Advanced tropical knowledge based industries and education, including the commercialisation of North Queensland’s scientific expertise and the development of supply chain businesses around that expertise
9. Retaining and enhancing our great lifestyle
10. A vibrant tourism industry encompassing world class events, eco and nature based experiences and cultural events, placing the North Queensland region as a destination in its own right.
11. Innovative use of water assets; water intensive industry, energy, upgraded dam infrastructure (lifting Burdekin Dam wall)
12. North Queensland is a powerhouse of the tropical world with multiple energy sources (clean coal, nuclear, solar, wind, biogas, cogeneration).

Macro Influences

Like many regional centres and communities, there are influences external to where we live that are shaping communities everyday. They are beyond the control Hinchinbrook Shire and its community and will influence the ability of Council and residents to secure a sustainable future. Some of these would have a greater impact on Hinchinbrook than larger urban centres such as the social trend of “Re-localisation”; the re-discovery of local communities as a counter to globalization (the “local global” phenomenon). The concept of valuing the lifestyle experience of local communities to respond to globalisation is a trend seen in sea-change and tree-change communities. People are drawn to the sense that leaving suburban life will mutually support small town community values and less materialistic lifestyles.

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Why a growth strategy?

Gradual and long-term social and economic change has provided Hinchinbrook Shire with the typical challenges of rural communities in transition. It has been widely accepted by all levels of government that such communities need:

- > more people to live locally
- > more young people to stay
- > more jobs that pay more
- > more business diversification
- > more training for new jobs
- > more people in the workforce

As with many communities on the edges of thriving regional cities, Hinchinbrook Shire's challenges are significant and urgent. The combination of industry transition, aging and more importantly the loss of well paid local jobs poses challenges that cut to the social and economic sustainability of these communities.

Aging is a well identified macro trend in the developed world and Hincbrook must be near the upper edge of the wider spectrum. Ageing has its obvious impacts on health and welfare but what is often not as well identified is the economic impact of aging communities. The hidden aspect of aging is the significant reduction in consumption spending. The less spent on goods and services the more the local economy shrinks. For communities suffering the decline of traditional industries, aging will further accelerate local economic and employment decline.

The most compelling insight from the consumption spending lifecycle and the studies performed on this aspect is that from the age of 50 – 65 there is a 50% reduction in consumption spending. In fact, the over 65's have the same level of consumption spending as under 25's. Whereas the consumption spending of under 25's that still live at home and not yet entered the workforce is undertaken by their parents the aging simply consume less. For Hinchinbrook Shire, the impact on local consumption spending will mean that without population growth they will lose significant spending power which will, in effect , to neutralise the economic impact of aging within the existing community, Hinchinbrook Shire needs 11.3% growth of its 25-64 age group.

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The work of Richard Florida and other social science studies demonstrates that aging communities need not only strong leadership but also and catalytic intervention to

halt their steady decline and the creativity and innovation which is driven by the 20-24 age groups and this is why cities thrive as knowledge centres and fringe towns struggle to find their place in a sustainable economy.

Fringe or edge communities such as Hinchinbrook Shire need to develop growth strategies that support their regional context and the growth of their region city. The economic strategy needs to be complimentary rather than competitive. The economy and workforce developed within Hinchinbrook Shire needs to contribute to the diversity and growth needs of the North Queensland Region.

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What is clear is that the family formation years of 25-44 are the critical foundation for a sustainable community. It's not the loss of the 18-25 demographic that is the key problem, it is the conversion of the 25-44 age groups to family formation that will keep businesses, schools and sports clubs open in rural and sub-regional communities.

In turn, the retention of youth to support the sustainability of a community requires youth to transition into long term quality local employment that will provide the security and financial capacity to raise a family. This means a youth employment strategy must have pathways from entry level employment to higher level incomes. Without this transition to well paid local jobs youth employment does not help build a sustainable local economy for communities such as Hinchinbrook Shire.

Growth Targets

To consolidate the future economic vitality of the Shire an ambitious goal of doubling the Shire's population, growth would focus on Ingham growing to a population of 9,600 people with an additional 8000 people to be absorbed into the existing townships within the Shire.

The growth strategy for Hinchinbrook Shire is focused upon consolidating existing communities and reinforcing the service centre role of Ingham. The future of the Shire is dependent on **all** townships benefiting from population growth.

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Securing Ingham's Future

The results of Councils' Economic study and the Shire wide community survey confirmed that the revitalisation of Ingham must not only protect community lifestyle but also provide outcomes that will increase local employment. Revitalising Ingham is about making the town a destination.

As a practical solution, the various Ingham initiatives will support revitalisation in a number of ways:

- > Venues for training and skill enhancement for new enterprise opportunities
- > Opportunities to host small business and start-ups with particular reference to tourism and footloose industries
- > Enhanced lifestyle and cultural infrastructure to attract a broader resident and workforce population.

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Success measures

To bring these initiatives into context the employment benefits flowing from initiatives are a 10-year target of 200 new jobs as an achievable employment target, which will have an economic impact on the local economy of between \$12 million and \$20 million per annum, reflecting that employment has significant multiplier impact on edge communities such as Hinchinbrook.

Ingham Enterprise Initiatives: Regional Benefits Snapshot

- > Over \$330 million direct benefits
- > 70% benefit flow to Townsville/Thuringowa.
- > Delivers a multiplier of 11 for every dollar spent
- > 200 job target will deliver 400 to 500 new residents
- > Establishes Wet Tropics Gateway for Townsville Region

Identifying the important actions

It is clear that actions that stimulate and encourage high skilled, local employment are a priority area for initiatives.

Urgent catalyst actions are needed to rebalance its economic and social foundations to secure the community's future and contribute to the regions ongoing prosperity. The Hinchinbrook Coast Growth strategy provides a framework for the sustainable economic development of Hinchinbrook Shire.

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The key aims of this strategy are to facilitate the:

- > Expansion of business and skills in Hinchinbrook Shire with the key activity centre being Ingham
- > Expansion of the number of quality local jobs within Hinchinbrook Shire with emphasis on industries and occupations that offer long term potential. Here the Draft Growth Strategy has identified four Priority Initiatives that were noted earlier in the paper.

Some cornerstone principles “General Success Secrets” are can be drawn from the Hinchinbrook Growth Strategy:

- After 5 years of detailed research, consultation and strategy development the Report has delivered an innovative growth strategy for Hinchinbrook Shire Council with a premise that edge towns in a similar position are well positioned to benefit from the increasing access to the internet and the emerging experiential economy
- The study finds that although challenges of encouraging sustainable regional growth are real and that an aging population has major implications both social and economic, such trends can be a catalyst to growth that also strengthens the identity and lifestyle of local communities
- An investment in sustainable growth to “reshape” the community of Hinchinbrook Shire can be a fertile ground for catalysing community spirit and enhancing regional liveability benefiting rural and urban communities
- The Strategy has demonstrated that innovative place-based approaches can secure significant State and Federal funding and will provide a cornerstone and catalyst to the long term vitality of an edge town.

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