

COWRA SHIRE

REGIONAL ECONOMIC DEVELOPMENT STRATEGY

2018 - 2022

Supporting Analysis



Cowra
Council

PREFACE

The NSW Government has assisted local councils and their communities to develop 37 Regional Economic Development Strategies across regional NSW. Each strategy is designed around one or more local government areas that form a functional economic region, as defined by economic data and community input. While the strategies have been developed using consistent methodology, each is a product of detailed data analysis and local community consultation to ensure ownership through a 'bottom-up' process: it sets out a vision for the region, the strategies and early stage actions required to achieve the vision.

Regional Economic Development Strategies articulate a framework for identifying actions crucial to achieving the regional vision. Projects listed within this strategy should therefore be viewed as example projects that have emerged from the initial application of the framework. Adoption of these projects would be subject to further evaluative processes.

The power of the strategy is its ability to be used on an on-going basis to identify additional high value projects over time. By complementing existing funding processes, these strategies present new opportunities to strengthen and increase investment in regional development across NSW.

Importantly, the strategy should be viewed as the first stage of a process that will assist those with an interest in the economic development of the region in planning their future economic activities: particularly councils, communities and local businesses. It provides a vehicle for engaging the community in a 'conversation' about regional needs and priorities, assists in bringing together key stakeholders and mobilising resources, and in so doing, can facilitate faster access to dedicated NSW Government funding, such as the Growing Local Economies Fund, as well as helping to capitalise on other economic opportunities.

This strategy is the culmination of collaboration between the Cowra Shire Council, Cowra Business Chamber, Cowra community and the NSW Government's Centre for Economic and Regional Development (CERD).

It is presented in two documents, the *Cowra Shire Regional Economic Development Strategy 2018-2022* which allows the reader to quickly and easily determine key content, while the accompanying *Cowra Shire Regional Economic Development Strategy – Supporting Analysis 2018-2022* details the strategy methodology, evidence and the strategy development process.

For further information about the Regional Economic Development Strategies program, please contact the CERD on 02 6391 3025 or CERD@dpc.nsw.gov.au.







Executive summary

The *Cowra Shire Regional Economic Development Strategy 2018–2022* (the Strategy) sets out an economic vision and strategy for Cowra Shire. It builds on the region's endowments and specialisations to guide investment over the next four years.¹ Economic principles suggest that endowments and specialisations play a key role in regional economy development.²

The Strategy leverages the region's current economic strengths and its unique history and favourable access to land and water, climate, entrepreneurial culture and lifestyle. These endowments are the basis of the region's current specialisations in dairy cattle farming; sheep, beef cattle and grain farming; crop growing; tourism; food product manufacturing; furniture manufacturing; and machinery and equipment manufacturing; as well as an emerging specialisation in aviation-related services.

THE VISION FOR COWRA SHIRE

To build an achievable and sustainable path to long-term economic prosperity while maintaining the quality of life of Cowra Shire residents. Leverage the favourable access to land and water, climate, lifestyle and unique history of the region and attract new residents who bring economic, social and cultural capital.

The objectives of this Strategy are to:

- sustain and develop the production of high-value agricultural products and subsequent distribution to markets through efficient transport links
- facilitate the growth of a successful manufacturing cluster
- attract more visitors who stay for longer to enjoy a variety of local and regional attractions
- develop an aviation hub that provides economic opportunities for new and existing businesses in Cowra Shire
- enhance the Cowra Shire community while maintaining its small-community feel by targeting the attraction of new residents who bring economic, social and cultural value to the Shire.

The first two objectives closely align with the region's existing specialisations in agriculture and manufacturing industries. Meanwhile, the third and fourth objectives focus on local opportunities in the tourism and aviation sectors. The final objective is more aspirational and aims to address key risks in the region around skill shortages, an ageing population, and hollowing-out of the working age population.

Sustain and develop the region's agricultural advantage

Agriculture is the largest industry in the Cowra Shire economy. The relatively high availability and security of water in the region, as well as its reliable rainfall and fertile soils, enable a variety of agricultural enterprises to thrive, including dairy, sheep, cattle, wheat, canola and viticulture. This strategy proposes to sustain existing specialisations in the sector, as well as developing the sector by addressing some of the barriers it faces.

The strategy proposes to sustain and develop this sector by improving the regional branding of agricultural products. It also proposes to work towards improving key transport links, which were identified as key barriers to growth for industry in the region. This will involve advocating for improvements to the highways and the railway lines that link Cowra and the Central West to domestic and export markets.

¹ *Regional Economic Development Strategies*, Centre for Economic and Regional Development (https://www.dpc.nsw.gov.au/programs_and_services/centre_for_economic_and_regional_development/projects)

² *Regional Economic Growth Enablers Report (2017)*, Centre for Economic and Regional Development



Facilitate the growth of a successful manufacturing cluster

The Cowra Shire economy is home to a cluster of manufacturing firms that specialise in different types of niche manufacturing—attracting entrepreneurs, a skilled workforce and showing good uptake of new technology and innovation. The cluster has developed over many decades, partly as a result of established manufacturers mentoring younger, newer entrepreneurs in the sector, but it faces rising energy costs and an ongoing shortage of skilled labour.

This strategy involves working with local businesses and the Cowra Business Chamber to improve labour force skills and opportunities. It proposes to coordinate programs to give young people a pathway to skilled work through vocational education and industry placement, and to coordinate staff upskilling plans.

It will also involve working closely with manufacturing businesses and agricultural businesses to advocate for sustainability and energy solutions, such as biomass, that leverage the existing endowments in the region and produce by-products (energy and fertiliser) that meet local demand.

Grow the visitor economy

Cowra Shire is endowed with a unique history and culture, a favourable location on a popular tourist route, nearby attractions (such as Wyangala Dam) and a promising food and wine scene. The POW Campsite and the Japanese Gardens and Cultural Centre are the main attractions, but visitors often choose to stay longer once they have discovered some of the other attractions.

This strategy proposes actions to convert as many of these day trips into overnight trips as possible. This will require increasing awareness of all of the attractions amongst visitors, potential visitors, and Cowra Shire workers who have contact with visitors. This can be done through improved cross-promotion between tourism operators, accommodation providers, and other sectors servicing tourists. It will also require Cowra Council and Cowra Tourism to work together and with other regional tourism organisations to develop a rich narrative that links all of the region's sights, history, arts and other activities.

Improving the aesthetics of public spaces is also proposed, such as a streetscape beautification program and further development of Cowra's POW Camp site and Japanese Gardens. Improvements to local rail infrastructure could also create further opportunities for heritage rail services in the region.





Develop the Cowra Aviation Precinct

Cowra Airport's location, quiet airspace, weather conditions and commercial land (with NBN FTTP³) affords aviation businesses a competitive advantage over businesses located in other regional airports or industrial precincts. Local entrepreneurs have already leveraged these advantages into successful business ventures.

This strategy proposes that Cowra Council establish a process to guide the future growth of this business precinct. That includes improving transport linkages between the Cowra Airport and the Cowra CBD, and supporting the establishment of other businesses at the airport, including a café. Once a critical mass has been reached, this is likely to attract advanced avionics and other specialised businesses that service the aviation industry.

The Cowra Council should also establish a process to guide the future growth of this business precinct. This would involve strategic planning for the airport and facilitating relationships between aviation businesses and other industries located elsewhere in Cowra Shire. Investigating options to limit further energy price increases (such as renewable options) are also part of this proposal.

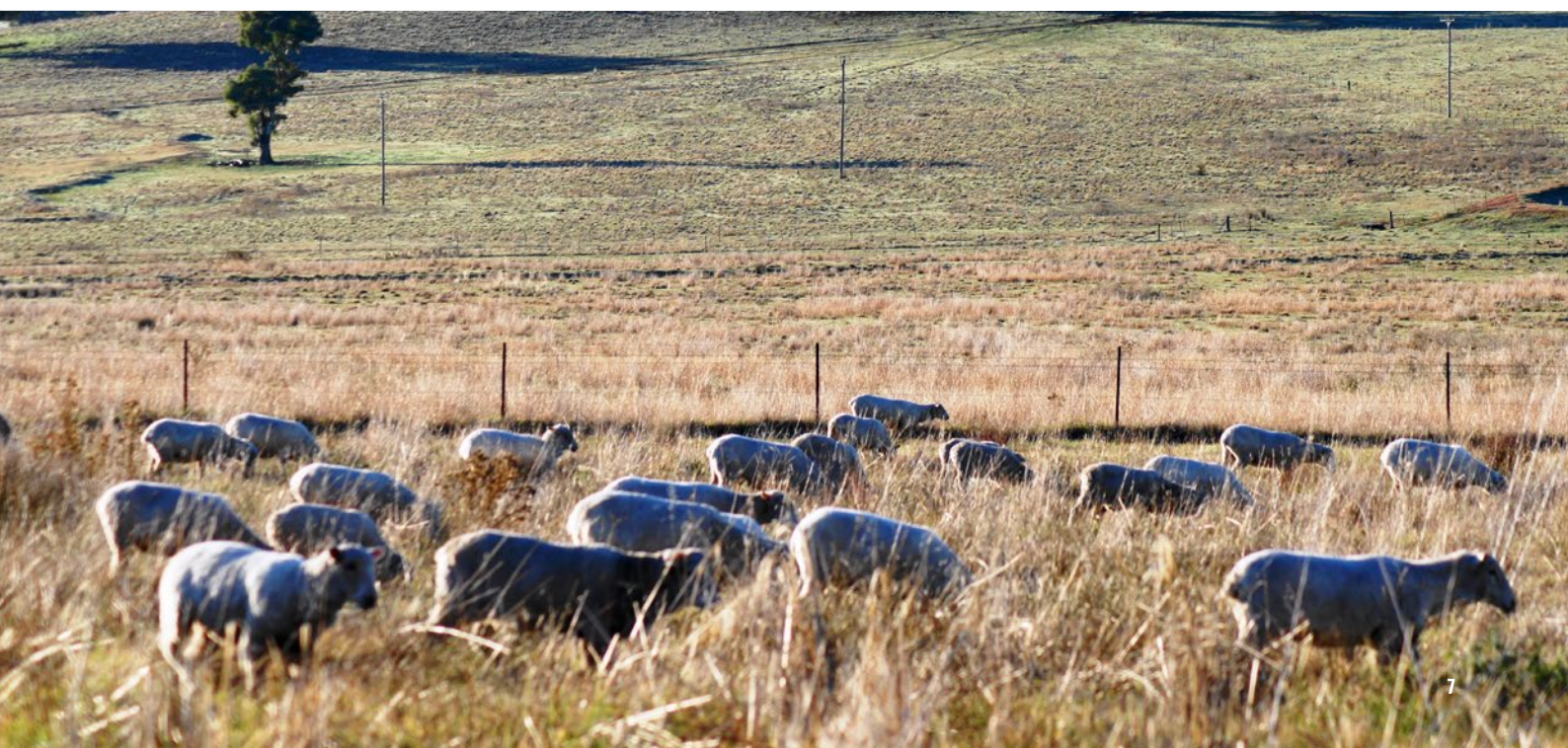
Enhance the Cowra regional community and attract new residents

Cowra Shire is a great place to live, raise a family and establish a business. Affordable house prices, a network of strong institutions, a small-community feel and natural beauty contribute to a lifestyle that is considered to be a strength for the Shire and one that residents want to preserve.

There is potential to increase the number of people moving to Cowra Shire without compromising its lifestyle to build on these strengths. In particular, the Cowra Shire presents an excellent alternative for young Sydney families struggling to enter the metropolitan property market and empty nesters looking for a tree change. Bringing new, skilled and diverse residents to the region will lead to a more vibrant, innovative and resilient community.

The Strategy proposes a partnership between the various Cowra Shire institutions to increase the sense of community and to showcase the benefits of a Cowra Shire lifestyle. It proposes direct marketing—to tourists, prospective conference managers and prospective residents—and improving the resources and amenities available to new residents, such as the 'Welcome Pack'. This marketing will focus on specialisations and opportunities in the Shire (manufacturing, agriculture, aviation and tourism). It also proposes a targeted campaign that promotes Cowra Shire as a place for retirees based on excellent health services, aged care facilities and amenity. This requires an upgrade to the Cowra District Hospital.

³ National Broadband Network fibre to the premises





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Cowra Shire Council

Introduction

The Cowra Shire is a Local Government Area (LGA) in the Central-West region of New South Wales. The LGA had a small population of 12,460 in 2016, most of whom lived in the town of Cowra. Situated on the Lachlan River, Cowra is at the intersection of two major highways and represents an important river crossing. The economy of the Cowra Shire focuses on agriculture, specialist manufacturing, healthcare and social assistance, education and retail trade.

The NSW Government has assisted Cowra Council in developing this strategy, using a best practice approach to regional development and building upon previous strategies developed for the region.

To provide maximum benefit to the community, such a strategy should be unique to the region and align with regional strengths and specialisations, and the aspirations of the businesses and residents in the Cowra Shire. It must clearly identify the strengths of the local economy, articulate a long term economic vision (i.e. decades into the future) that is based on achievable economic opportunities, and identify the immediate actions required to deliver that vision. The strategy must also take into consideration the regional risks and how to mitigate those risks.

This approach has been developed by the Centre for Economic and Regional Development (CERD) under the guidance of its Panel of Experts. Whilst Cowra Council is the ultimate owner of this Economic Development Strategy, the Council, local institutions, businesses and the broader community all have a role to play in implementing the Strategy.

Geographic parameters

A functional economic region is a concept that has been developed in the economic literature to more accurately reflect the boundaries of economic interaction, and it may include multiple LGAs.⁴ The CERD has identified 37 functional economic regions across regional NSW. These boundaries are informed by Australian Bureau of Statistics (ABS) data, such as residents' journeys-to-work, and a number of ratios that describe local labour market interactions. An iterative process then derives functional economic regions that are relatively self-contained for economic purposes. This analysis resulted in Cowra Shire being identified as a small functional economic region.

The Cowra Shire is surrounded by other towns and larger regional centres. Orange (population 37,182), Bathurst (population 33,587) and Parkes (population 9,964), as well as several towns of a similar size to Cowra (Forbes, Blayney and Young) are each within 100 kilometres of Cowra.

⁴ For example, Productivity Commission 2017, *Transitioning Regional Economies*, Study Report, Canberra p.5



Figure 1. The Cowra Shire Functional Economic Region.
Source: Centre for Economic and Regional Development

Regional strategic intent and direction

A Regional Economic Development Strategy needs to identify the aspirations and goals of the region and its economy, and lay out a pathway that its businesses, public agencies, and community can follow in order to reach those objectives. As well as steering the region towards its economic objectives, a successful Regional Economic Development Strategy must take into consideration the strengths and weaknesses of the region, as well as the capacity and capability of its industries, institutions and infrastructure, and identify actions that can foster these strengths whilst mitigating any weaknesses. However, the economic fortune of a region does not rest entirely in the hands of its residents. Exogenous factors, such as international and domestic megatrends, as well as the development of other parts of NSW, can present both opportunities and challenges to a region's development. For this reason, a Regional Economic Development Strategy should be viewed as a living document and updated at appropriate intervals to take changes in the external environment into account.

Objectives

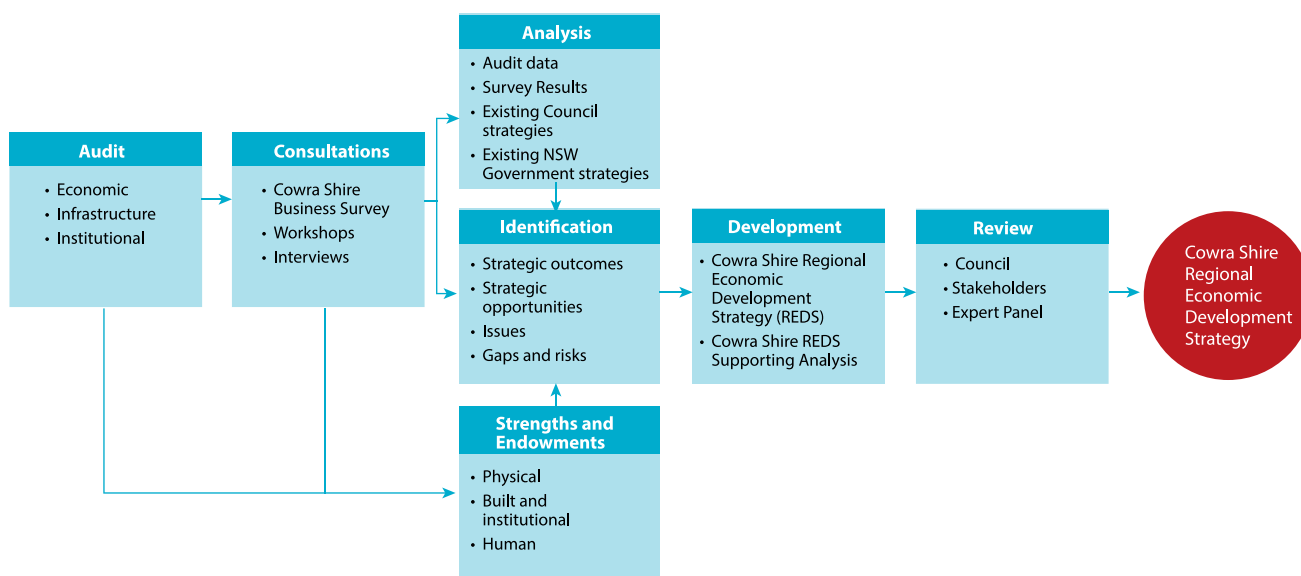
This document sets out an economic vision for the Cowra Shire into the future, and identifies the elements of the strategy for economic development and the immediate actions that can be undertaken in the next four years to pursue this vision. The specific objectives of this Regional Economic Development Strategy are to:

- articulate a long-term vision that builds on existing sustainable strengths in the Cowra Shire and enhances those strengths;
- identify new opportunities to enhance the development, performance and competitiveness of the region; and
- list specific short-term actions that will set the Cowra Shire on the path towards sustainable development.



Strategy development methodology

The Cowra Shire Regional Economic Development Strategy has been undertaken using a methodological framework that is common to all Regional Economic Development Strategies across the state. It involves both detailed data analysis and consultation with, and the engagement of, regional key stakeholders. The steps involved in the process are shown below in Figure 2. An extensive community engagement process was conducted which involved workshops, a survey (the Cowra Shire Business Survey), telephone and face-to-face interviews with businesses and members of the community. Appendix 1 provides details of the consultation process.



Timeframe

This Economic Development Strategy articulates a long term economic vision for the Cowra Shire. The main purpose of this document is to guide the actions, policies and investment in the Cowra Shire that are required over next four years to commence the attainment of the vision. The proposed strategies and associated Action Plan within this Economic Development Strategy aim to set the region on a feasible, achievable and sustainable path to long term economic prosperity.

Strategic context

This Regional Economic Development Strategy aims to facilitate the continued prosperity and quality of life of Cowra Shire residents. However, it is only one part of a suite of plans available to assist the Cowra Shire achieve its aspirations. As such, this document, along with other strategies (such as the Cowra Environmental Strategy) sits under the Cowra Shire's Community Strategy. This Regional Economic Development Strategy has been designed to align with the NSW Government's *Making it Happen in the Regions: Regional Development Framework 2016*.



Economic Audit

Regional profile and historic context

Regional overview

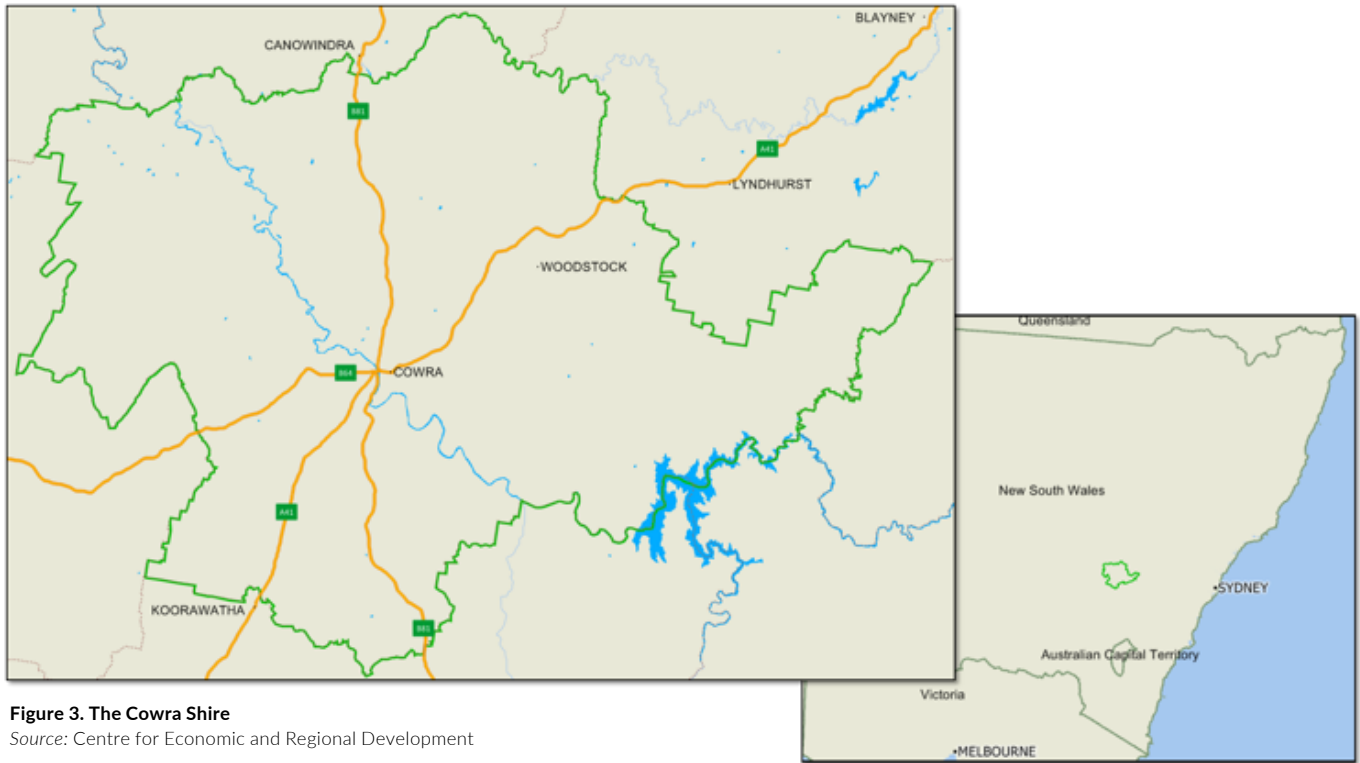


Figure 3. The Cowra Shire
Source: Centre for Economic and Regional Development

The Cowra Shire economy has historically specialised in highly productive agriculture, with a predominance of fertile alluvial soil within the region and a temperate climate. The main agricultural outputs of the region are sheep, grains, beef and dairy cattle.

During World War II, Cowra was the site of a prisoner of war (POW) camp, with a mass breakout of Japanese prisoners resulting in the deaths of 231 prisoners and four guards. The site of the POW camp and Japanese cemetery are reminders of Cowra's role during the war and have become tourist attractions. In addition, the Cowra Japanese Garden and Cultural Centre was established in the late 1970s to recognise and develop the relationship between the people of Cowra Shire and Japan. The garden and cultural centre are also key tourist attractions within the Cowra Shire.

Employment in the Cowra Shire is highly self-contained. The region does not draw workers in, with 90 per cent of the jobs in the LGA held by Cowra Shire residents. Nor does the region export labour elsewhere, with 88 per cent of the Cowra Shire workforce working in the Cowra LGA.⁵ As such, businesses in Cowra have access to a relatively small pool of labour in the region.

⁵ The most popular places of work for Cowra Shire residents outside the LGA are Cabonne (4 per cent) and Orange (2 per cent).

The Lachlan River

The Lachlan is the fourth longest river in Australia, with a course of 1,440km. It begins its journey on the western fringe of the Great Dividing Range in the Southern Highlands near Goulburn, and runs in a predominantly westerly direction to terminate in a confluence with the Murrumbidgee River the Western Riverina region near Oxley. The Lachlan is characterised by its intermittent flow at various points along its length. This is caused in part by the increased irrigation demand throughout the catchment, and also by the extensive wetlands it has along its course and at its terminus.

Despite its intermittent nature, the Lachlan floods on average every 7 years. Forbes, and to lesser degree Cowra, experience the brunt of the swell, with many upstream tributaries feeling the effects. During times of low or zero flow, the River is susceptible to accumulating pollutants and nutrients in the sediment which are then flushed downstream quickly in the next rain event. The average flow per year in Cowra is 834GL.

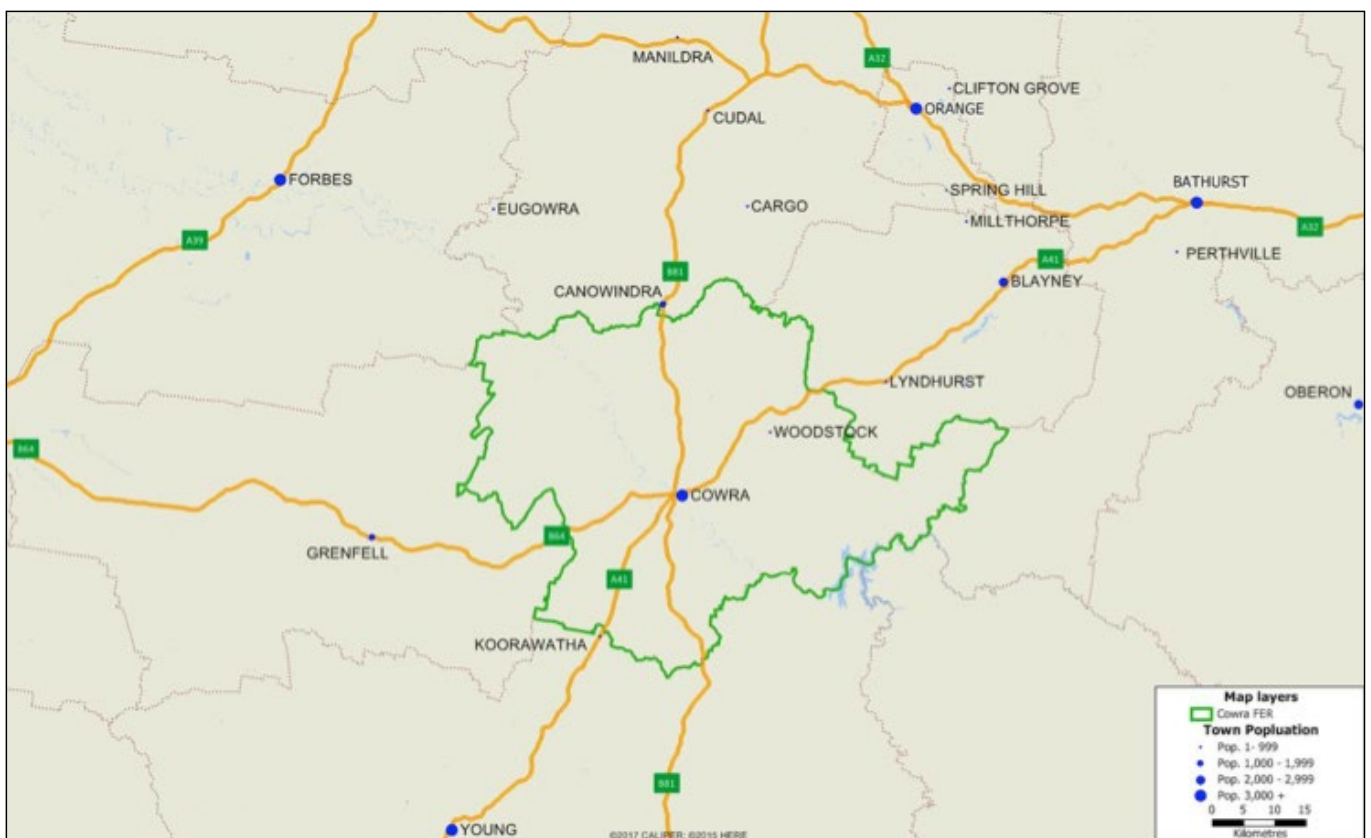


Figure 4. Regional Centres and Towns surrounding the Cowra Shire. Source: Centre for Economic and Regional Development

Demographic profile

Population and housing

The 2016 ABS Census reported the population of Cowra Shire to be 12,460. Of this population, 8,225 lived in the town of Cowra, the largest in the LGA. According to ABS population data, the population of Cowra and the greater Cowra Shire have been relatively stable since 1991 as shown in Figure 5. Since 1991 the population of the Cowra Shire has only increased by 0.67%, from 12,377 to 12,460.

The median rent for Cowra was \$185 per a week, which compares favourably to the median weekly rent for Regional NSW (Rest of NSW excluding Greater Sydney) of \$270.

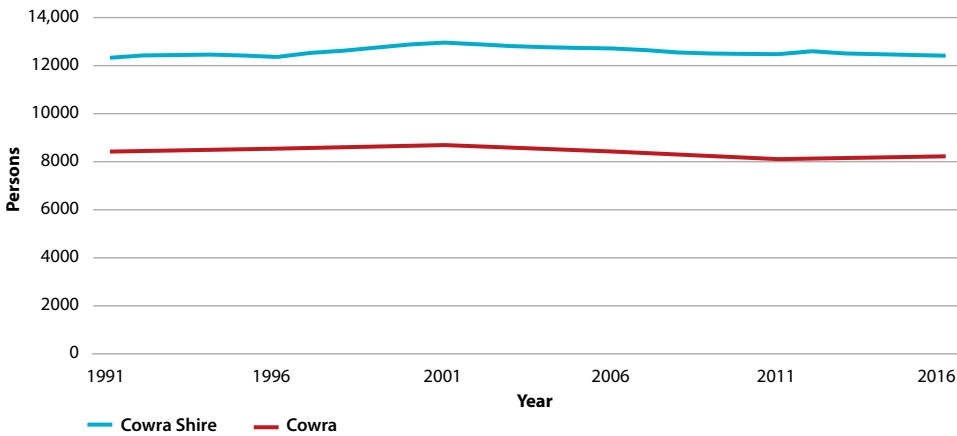


Figure 5: Historical Population of Cowra Shire and Cowra

Source: ABS, 2016 Census of Population and Housing (Usual Resident Profile)

Age profile

The median age of the Cowra LGA was 47 according to the 2016 Census while the median age of the NSW population was 38 years. Figure 6 compares the distribution of the Cowra Shire population with the distribution of the population across NSW using LQs. The blue columns indicate the proportion of the Cowra population in different age groups whilst the orange

line shows the average population share for NSW. When compared to NSW as a whole, Cowra Shire has a greater proportion of its population over the age of 50 (where the blue columns exceed the orange baseline) and a smaller proportion of it population in the 20 to 49 age group (where the blue column falls short of the orange baseline).

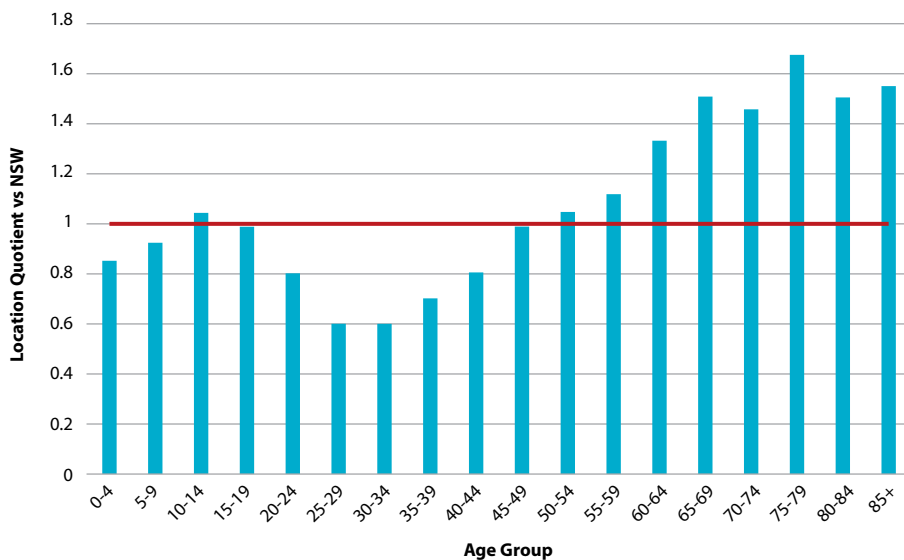


Figure 6: Cowra Shire Population Distribution vs Regional NSW

Source: ABS, 2016 Census of Population and Housing (Usual Resident Profile)

According to ABS data, regional parts of NSW tend to have older populations than the Sydney Metropolitan Area, with the median age in Regional NSW as at the 2016 census being 43, compared to 36 for Greater Sydney. To take account of this systemic difference between regional NSW and Sydney, the age profile of the Cowra Region has also been compared to the age profile of Regional NSW, as shown in Figure 7. It is apparent that the over and under representations in the Cowra Shire age profile relative to NSW demonstrated in Figure 6 are also evident when Cowra Shire is compared with Regional NSW, although the differences are less marked. Nevertheless, Cowra Shire has an ageing population and a 'hollowing-out' of the workforce age cohorts.

Workshop feedback and interviews suggested that this underrepresentation of residents between 20 and 50 results from the limited educational and employment opportunities for school leavers in the region. This underrepresentation of the working-age population in the region is also reflected in skill shortages (e.g. in specialist trades) across the Cowra Shire.

In recent years, net internal migration to the Cowra Shire has increased, as illustrated in Figure 8. The 2016 ABS Census reported the population of Cowra Shire to be 12,460. Of this population, 8,225 lived in the town of Cowra, the largest in the LGA. According to ABS population data, the population of Cowra and the greater Cowra Shire have been relatively stable since 1991 as shown in Figure 5. Since 1991 the population of the Cowra Shire has only increased by 0.67%, from 12,377 to 12,460.

The most common age group for Cowra Shire residents migrating out of the region is between 20 and 24.⁶ Figure 9 shows the most common intra-state destination of migration out of the Cowra Shire as Bathurst, Orange, Wagga Wagga and Sydney LGAs. These both suggest that migration out of the Cowra Shire occurs due to limited educational and employment opportunities in the region for school leavers.

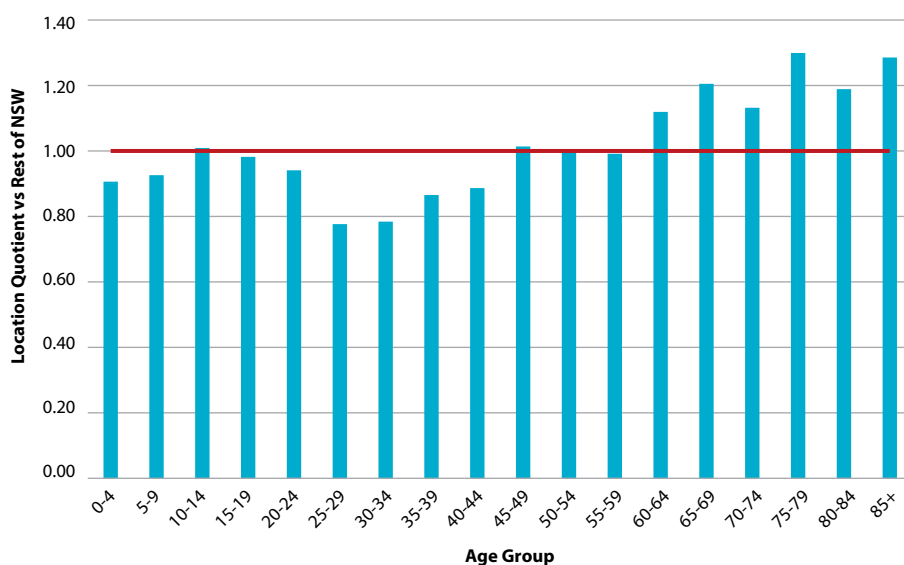


Figure 7: Cowra Shire Population Distribution vs Regional NSW

Source: ABS, 2016 Census of Population and Housing (Usual Resident Profile)

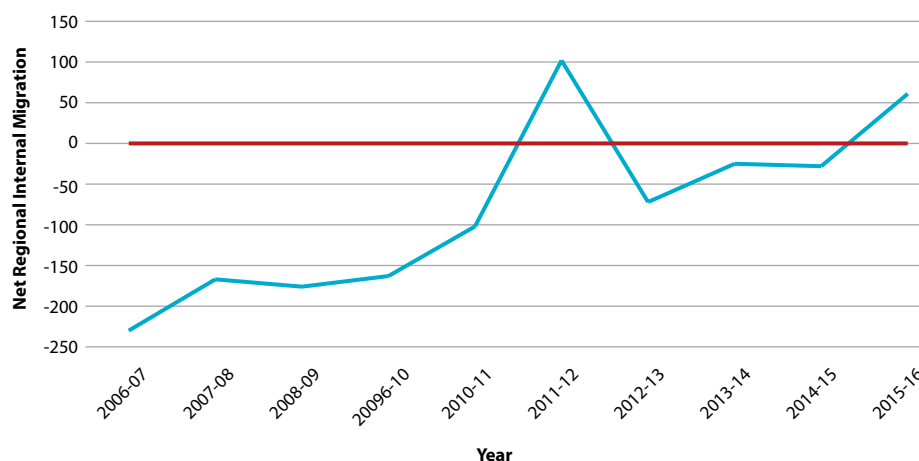


Figure 8. Net Regional Internal Migration for the Cowra Shire

Source: ABS, Regional Internal Migration Estimates 2006-07 to 2015-16

⁶ Population Explorer, NSW Department of Planning and Environment (<https://migration.arup.digital/>)

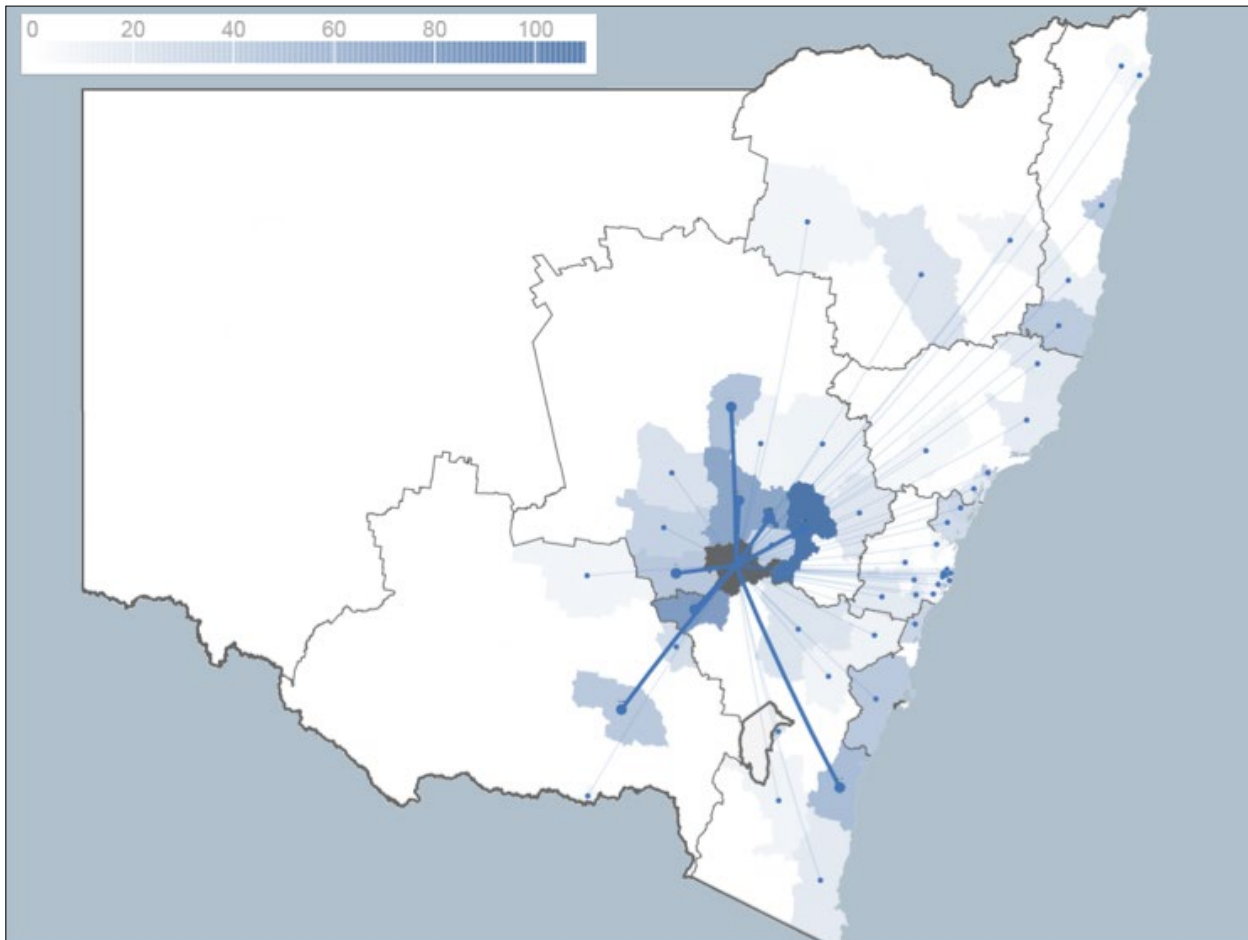


Figure 9. Intra-state Migration out of the Cowra Shire⁷
 Source: NSW Department of Planning and Environment

Population forecasts

The NSW Department of Planning and Environment project the ageing trend for the Cowra Shire to continue over the medium term. Figure 10 shows the projected population pyramids for the Cowra Shire for 2016, 2026 and 2036. At each ten year interval, more Cowra Shire residents move into older age groups. Between 2016 and 2036, the median age group in the region is projected to rise from 45-49 to 50-54 years. This has important implications for the resilience of the regional economy as it could exacerbate the underrepresentation in the working age cohorts.

The Cowra Shire historically has had quite a stable total population. However, internal migration trends indicate that younger groups are those most likely to leave the region, perhaps in search of work and educational opportunities in other parts of the state. Combined with ageing trends, this has led to an underrepresentation of those in the 20 – 49 age group in the region. This low population growth and history of younger cohorts leaving the region represents a key risk for the Cowra regional economy.



⁷ Population Explorer, NSW Department of Planning and Environment (<https://migration.arup.digital/>)

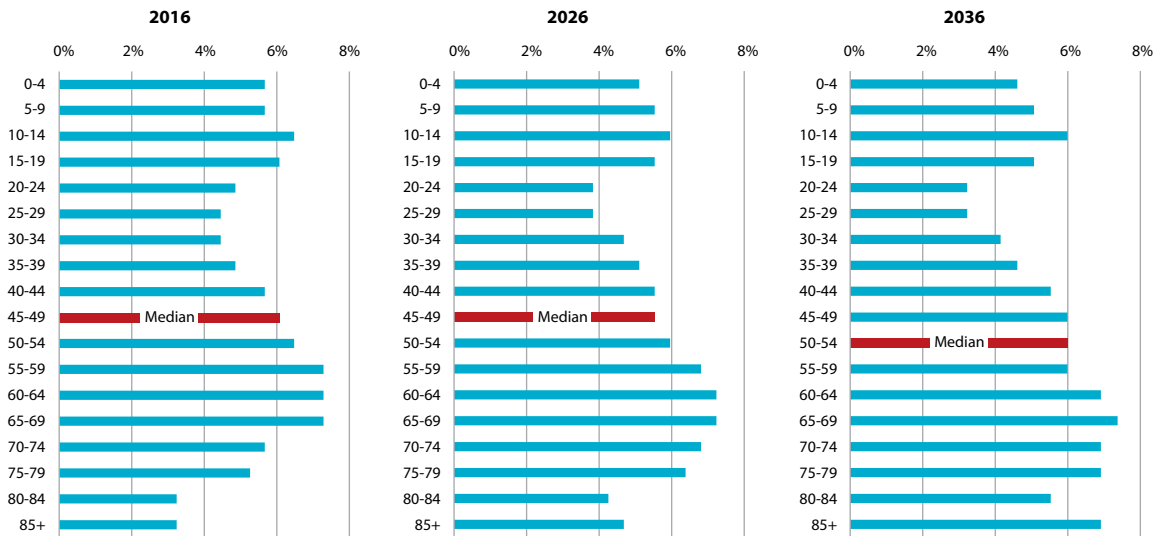


Figure 10: NSW Planning and Environment Age Distribution projections for the Cowra Shire
 Source: NSW Department of Planning and Environment

Income, occupations and unemployment

As shown in Figure 11, according to ABS data the Cowra Shire reported a lower level of household income in 2013-14 than both Regional NSW and all of NSW. The median income for the Cowra LGA was \$37,811 in 2013-2014 (with an average income of \$44,766), lower than the median income for NSW of \$46,879 (with an average of \$62,798) and that for the Rest of NSW (excluding Greater Sydney) of \$42,445 (with an average of \$52,933). The difference in income may be explained by the lower proportion of working age residents and the higher proportion of retirement age residents in the Cowra Region compared to Sydney and the rest of NSW.

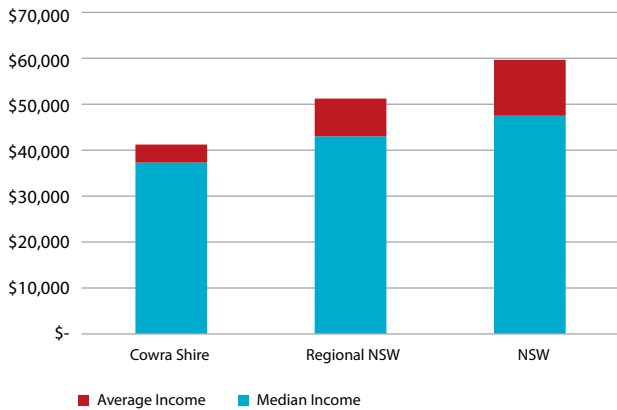


Figure 11: Median and Average Income
 Source: ABS, Estimates of Personal Income for Small Areas 2011-2015



Historically, income levels in the Cowra Shire have grown slightly slower than those in the rest of NSW. This could be partly as a result of a higher proportion of older people in the region and low representation of workers in industries that have had high wage growth in recent decades (e.g. Mining). Figure 12 shows the historical average wage and salary income for residents in the Cowra Shire and NSW since 2002. From 2002 to 2015, average wage and salary income in the Cowra Shire grew by 3.58% per annum compared to 3.93% per annum for NSW. In 2002, the average income for the Cowra Shire was \$26,089, representing 72% of the average income for NSW of \$36,125. In 2015, the average income for the Cowra Shire was \$44,766, representing 71% of the average income for NSW of \$62,798.

The 2016 Census showed that a relatively high proportion of Cowra Shire workers were managers and labourers when compared to Regional NSW (i.e. NSW excluding Greater Sydney). As Figure 13 illustrates, 17.9% of workers residing in the Cowra Shire were managers (compared to 13.0% in Regional NSW) and 15.5% were labourers (compared to 11.4% in Regional NSW). Only 13.5% of the Cowra Shire's workers were Professionals, whilst professionals made up 18.1% of the workers in Regional NSW. These comparisons are summarised in Table 1 below which shows that the Cowra Shire has specialisations in several occupations (Managers, Labourers, Sales Workers and Machinery Operators and Drivers) when compared to Regional NSW using Location Quotients (LQs).⁸

TABLE 1. Occupational Location Quotients for the Cowra Shire

Occupation	Location Quotient vs Regional NSW (2016)
Managers	1.38
Labourers	1.36
Technicians and Trades Workers	0.91
Professionals	0.75
Clerical and Administrative Workers	0.82
Sales Workers	1.05
Community and Personal Service Workers	0.91
Machinery Operators And Drivers	1.08

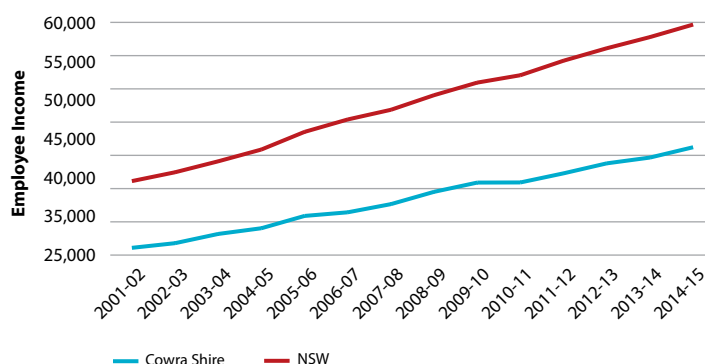


Figure 12: Average Wage & Salary Income

Source: ABS, Estimates of Personal Income for Small Areas 2011-2015



Figure 13: Occupations in the Cowra Shire and Regional NSW

Source: ABS, 2016 Census

According to the 2016 Census, unemployment in the Cowra Shire was 6.5% in 2016, which was slightly below the unemployment rate for Regional NSW (6.6%) and above the unemployment rate of NSW (6.1%).

The Cowra Shire has higher proportions of managers and labourers, and a lower proportion of professionals than the rest of the state. This high number of managers is as a result of the many agricultural enterprises in region. Meanwhile the low proportion of professionals may represent skills shortages locally or that local businesses meet their service needs in regional centres or Sydney.

⁸ Location Quotients are a measure of regional specialisation. They compare the proportion of an attribute in a region with the proportion of that attribute across a larger referent group (such as NSW).

Economic profile

Economic snapshot

The Centre for Economic and Regional Development has produced an Input Output table for the Cowra regional economy based on the ABS Input Output Tables for New South Wales.⁹ The data generated can be used to identify those economic sectors in the regional economy that are generating wealth and underpinning the economic performance of the region. It thus helps us to help understand the economic strengths of the region, and can be used to help develop a strategy to enhance the region's economy through strategy that will build on existing strengths in framing the REDS.

The Gross Regional Product (GRP) of the Cowra regional economy is estimated at \$537 million for the 2015-16 period, which represents approximately 0.1% of NSW Gross State Product (GSP) and \$43,098 GRP per capita.

Cowra is a net importer, with exports out of the region estimated at \$131.5 million and imports into the region estimated at \$181.6 million. Using the Input Output industry classifications, the largest exporting industries by value are Sheep, Grains, Beef and Dairy Cattle; and Meat and Meat Product Manufacturing. Conversely, the largest importing industries in the region also include Sheep, Grains, Beef and Dairy Cattle; as well as Fruit and Vegetable Product Manufacturing; and Wholesale Trade.

In terms of value added, it is estimated that the Agriculture, Forestry and Fishing industry and the Healthcare and Social Assistance industry had the highest value added, equal to approximately 10 per cent of the Cowra regional economy.¹⁰

The Meat and Meat Product Manufacturing industry in Cowra is very self-contained. According to the regional Input Output table, 97.3% of the industry's inputs are sourced from within the LGA, with the primary input coming from the Sheep, Grains, Beef and Dairy Cattle Industry. In contrast, the Sheeps, Grains, Beef and Dairy Cattle industry is more outward facing with 28.1% of its inputs imported into the region from elsewhere.

Employment

In developing a REDS it is also important to have a focus on employment and to identify those industry sectors that underpin jobs for people in the region and may attract workers to move into the region. There are tools available to help understand the structure of employment in the region and to identify industry specialisations that drive employment. In terms of a REDS, a strategy can then be developed to help build on those specialisations,

TABLE 2: Gross Value Added for the 5 Largest Industries in the Cowra regional economy

Industry	Gross Value Added (\$m)	Proportion of Cowra Regional Economy	Proportion of Cowra Regional Employment	Per Capita Value Added (\$)
Agriculture, Forestry & Fishing	59.6	11.1%	17.3%	75,063
Healthcare & Social Assistance	48.5	9.0%	13.3%	79,770
Manufacturing	37.6	7.0%	8.8%	93,069
Education and Training	33.5	6.2%	8.5%	86,563

⁹ The regional input output tables were generated using the GRIT method and IO9 software.

¹⁰ Gross Value Added (GVA) measures the value of goods and services produced in a region.

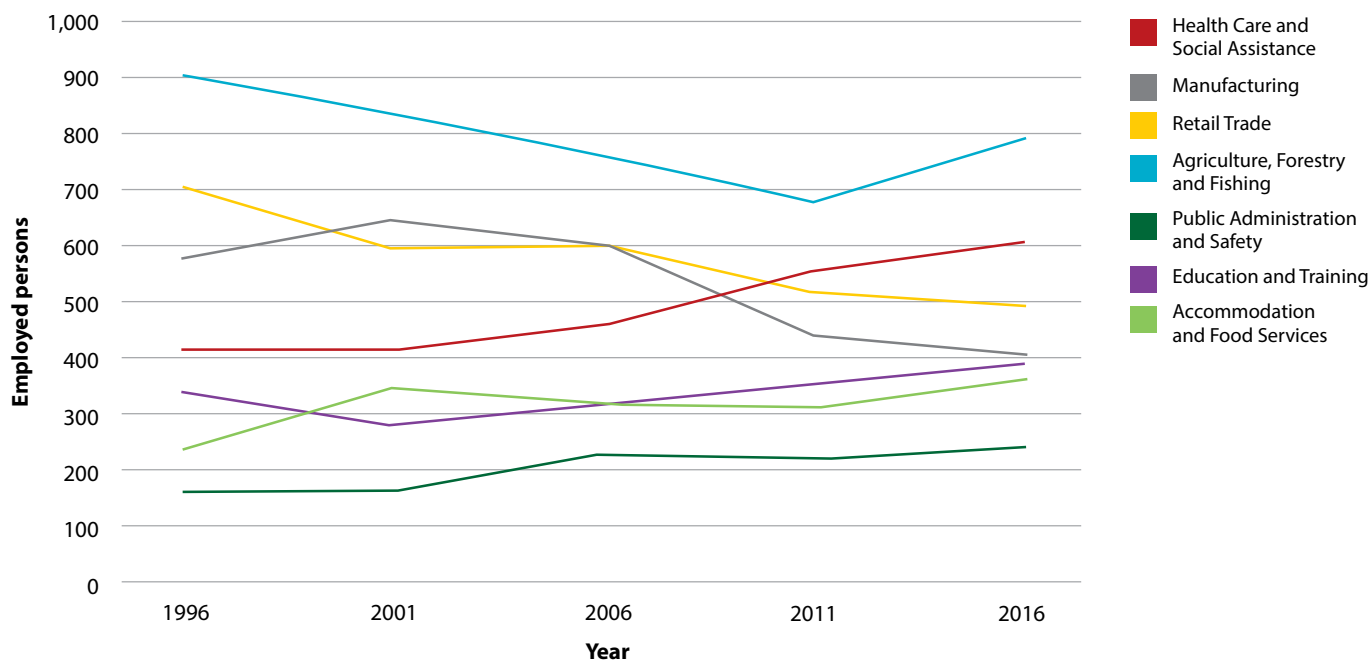


Figure 14: Historical Employment in the Cowra Shire.
Source: ABS, 2016 Census

Historically, the largest employing industries in the Cowra Shire have been Agriculture, Forestry & Fishing; Manufacturing; Retail Trade; and Healthcare and Social Assistance. As shown in Figure 14, employment in Agriculture, Forestry & Fishing, Retail Trade and Manufacturing have generally been declining over the past two decades. This decline is consistent with broader trends across the state given the exposure to labour-saving technological change experienced by these industries.

Employment in Agriculture, Forestry & Fishing was also impacted by the Millennium drought between 2001 and 2011. Since 2011, employment in the industry has recovered somewhat, led by strong growth in Dairy Cattle Farming, Sheep, Beef Cattle and Grain Farming, Agriculture and Fishing Support Services and Other Crop Growing.

Employment in Health Care and Social Assistance, Education and Training, Accommodation and Food Services and Public Administration and Safety have steadily increased over the past two decades.

Industry employment share

The 2016 Census reports that there were 4,426 people employed in the Cowra Shire LGA.¹¹ As illustrated in Figure 15, the largest employing industries in the region were Agriculture, Forestry & Fishing (794 persons); Healthcare & Social Assistance (608 persons); Retail Trade (491 persons) and Manufacturing (404 persons).¹²

¹¹ Caution should be used when using ABS employment figures due to changes in Census reporting methodology between 2011 and 2016. See Appendix 2

¹² Some of the largest individual employers in Cowra are in these sectors (Sarajane Furniture, Breakout River Meats and NSW Department of Health).



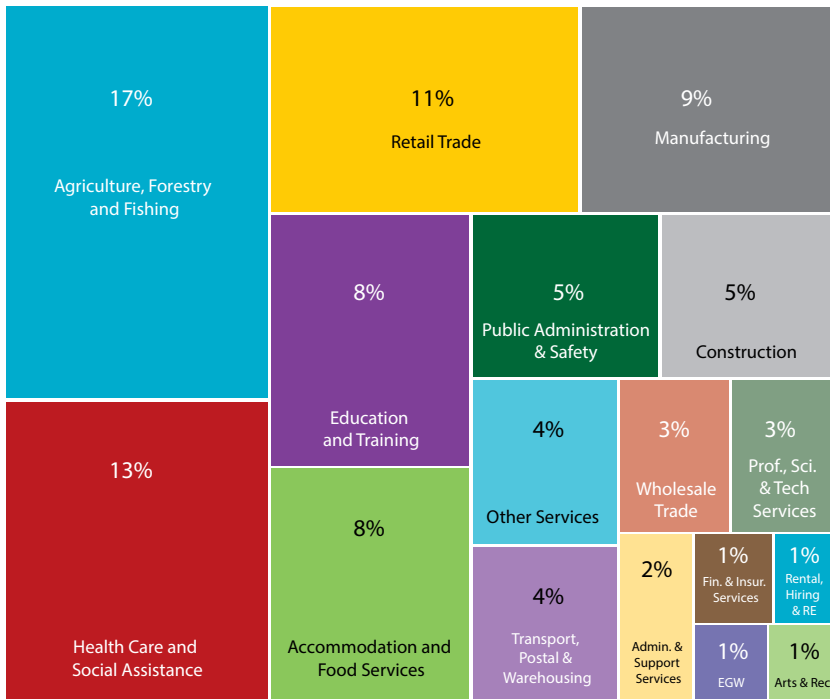


Figure 15: Employed Persons in the Cowra Shire (2016)

Source: ABS, 2016 Census

Identifying the largest employing industries in a region provides a good overview of the local economy. However, such analysis typically emphasises traditionally labour intensive, non-basic industries like Retail Trade; and Health Care and Social Assistance. A more useful way to understand a region's economy is to compare the proportion of local people employed in industries with the equivalent proportions in the state or nation.

Agriculture and Manufacturing continue to remain prominent industries in the Cowra Shire. In recent years, Health Care and Social Assistance has grown to become one of the largest employing sectors. Meanwhile, employment in Retail Trade has continued to decline.



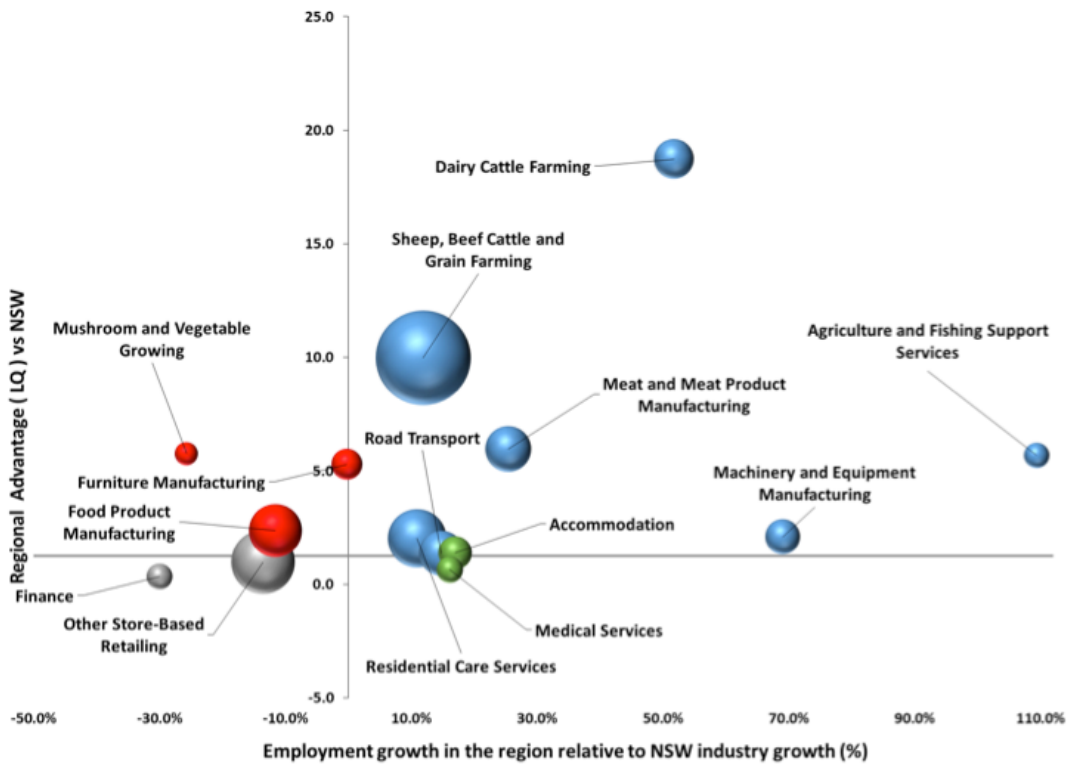


Figure 16: Location Quotients and Employment Growth for Industries in the Cowra Shire
 Source: Centre for Economic and Regional Development

Industry cluster analysis

Regional specialisation

LQs¹³ provide a useful measure of industry specialisation in the Cowra regional economy compared with industry specialisation at the state level. An LQ measures the ratio of the share of regional employment in a particular industry and the share of employment for that industry across NSW. The higher the LQ, the more specialised a region is in that industry relative to the State.

Figure 16 charts the industries in the Cowra regional economy. The size of each bubble indicates the relative size of each industry in terms of employed persons in 2016. The vertical axis indicates the LQ for an industry, with those above the line indicating a specialisation when compared to NSW (i.e. an LQ greater than 1.25). The horizontal axis indicates how fast the industry grew between 2011 and 2016 when compared to industry growth across NSW, with those industries to the right of the axis growing faster in the Cowra regional economy than in NSW.

This analysis shows that Sheep, Beef Cattle and Grain farming is a key industry in the Cowra region, making up 12.14% of employment at the time of the 2016 census. The region also has a high degree of specialisation in this industry, with an LQ of 9.9. The industry also grew at a faster rate in the Cowra region as it did across NSW between 2011 to 2016 (exceeding the industry growth rate across NSW by 12%).

The analysis also indicates that the Cowra regional economy has strong specialisations in Dairy Cattle Farming (LQ of 18.74), Machinery and Equipment Manufacturing (LQ of 2.10), Meat and Meat Product Manufacturing (LQ of 5.95) and Agriculture and Fishing Support Services (LQ of 5.69).

Growth in these industries in the Cowra Shire also outstripped growth in these industries across NSW during the period from 2011 to 2016. Furniture Manufacturing (LQ of 5.29) was also a strong specialisation for the region. However, employment in this industry grew at the same pace as it did across NSW.

Over time Cowra had developed a variety of specialisations in niche manufacturing industries when compared to NSW:

- Furniture Manufacturing (e.g. Sarajane Furniture)
- Fertiliser and Pesticide Manufacturing (e.g. Central Milling)
- Food Product Manufacturing (e.g. Windows Farm Foods, Breakout River Meats)
- Aircraft Manufacturing (e.g. Brumby Aircraft Australia)

¹³ Location Quotients are a measure of regional specialisation. They compare the proportion of an attribute in a region with the proportion of that attribute across a larger referent group (such as NSW).

Employment in the Accommodation industry also grew much faster in the Cowra region than it did across NSW during the period, leading to the Cowra regional economy having a slight specialisation in this industry (LQ of 1.38). Accommodation is one of the Australian and New Zealand Standard Industrial Classifications (ANZSIC) industries that reflects the effects of tourism. However, there is no specific ANZSIC industry that attempts to capture all of its impacts. Analysis undertaken by CERD indicates that 14.2% of employment in the Cowra Shire is impacted by Tourism. This ranks 9th out of the 37 FERs analysed in the study, and makes it the second highest ranked non-coastal FER in Regional NSW (behind an FER in the NSW Ski fields). This supports the conclusion that the Cowra regional economy has a strong specialisation in Tourism.

The Cowra Shire's existing specialisations in Agriculture, various types of manufacturing and Tourism represent great opportunities for the region.

Shift-share Analysis: The changing nature of employment

Shift Share Analysis is a widely used technique to analyse regional economies where there is a specific interest in the growth or decline in a particularly macroeconomic variable; most often employment. Shift-Shift Analysis is used to identify the Regional Shift component of growth in a region, which seeks to capture the role of factors unique to that region that have a positive or negative impact on its employment growth. A detailed overview of Shift-Share Analysis is contained in Appendix 3.



TABLE 3: Regional Shift between 2011 -2016 in Cowra Shire for Largest Industries

Industry	Employed persons (2011)	Industry size (2011)	State Shift	Industry Mix Shift	Regional Shift	Total growth in employed Persons (to 2016)
Agriculture, Forestry and Fishing	737	17%	78	-8	48	118
Retail Trade	496	12%	53	-24	-14	15
Manufacturing	415	9%	44	-130	95	8
Health Care and Social Assistance	534	13%	57	61	0	118
Accommodation and Food Services	313	8%	33	29	-7	55
Education and Training	341	8%	36	27	4	67
Public Administration and Safety	208	5%	22	1	23	45
Wholesale Trade	169	4%	18	-54	4	-32

Table 3 above shows the Regional Shift in employment growth for all ANZSIC level 1 industries employing more than 5% of the Cowra Shire workforce in 2006. The total growth in employed persons between 2011 and 2016 has been split into the three components: State Shift, Industry Mix Shift and Regional Shift. The regional shift component for Agriculture, Forestry and Fishing and Manufacturing was very positive, indicating that the region has an advantage in these two industries after controlling for state and industry trends. Given these advantages, economic theory suggests the region should continue to focus on these two industries if it is to pursue sustainable economic development. Public Administration and Safety also had a small positive regional shift component, although the industry only made up 5% of total employment in the region in 2011.

The Regional Shift component for other large industries in the region was either close to zero or negative. Retail trade in particular had a negative regional shift component after controlling for state and industry trends.

Shift-share analysis is based on 'point in time' measures, comparing employment in an industry as at August 2011 with employment in an industry as at August 2016. This means that caution should be exercised in the interpretation of these results, particularly with seasonally-reliant industries like Agriculture, Forestry and Fishing.

Figure 17 attempts to capture longer term industry trends, by tracking the historical regional shift component of employment growth (and decline) for the four largest industries in the region. The graph indicates that in general, the Cowra Shire has been very competitive in Agriculture, Forestry and Fishing, with jobs growth typically outperforming state and industry trends (where the solid line exceeds the dotted line). In contrast, Retail Trade has underperformed in the Cowra Shire compared to state and industry trends. Meanwhile, the regional shift component of Manufacturing has been sporadic, first falling then rising.

The recent rising trends in the regional shift component of Agriculture, Forestry and Fishing and Manufacturing indicate that region has a comparative advantage in these two sectors. Meanwhile, LQ analysis indicates that the region has specialisations in several industries within these two sectors. This analysis supports the case for focusing on the Agricultural and Manufacturing sectors in this Strategy.

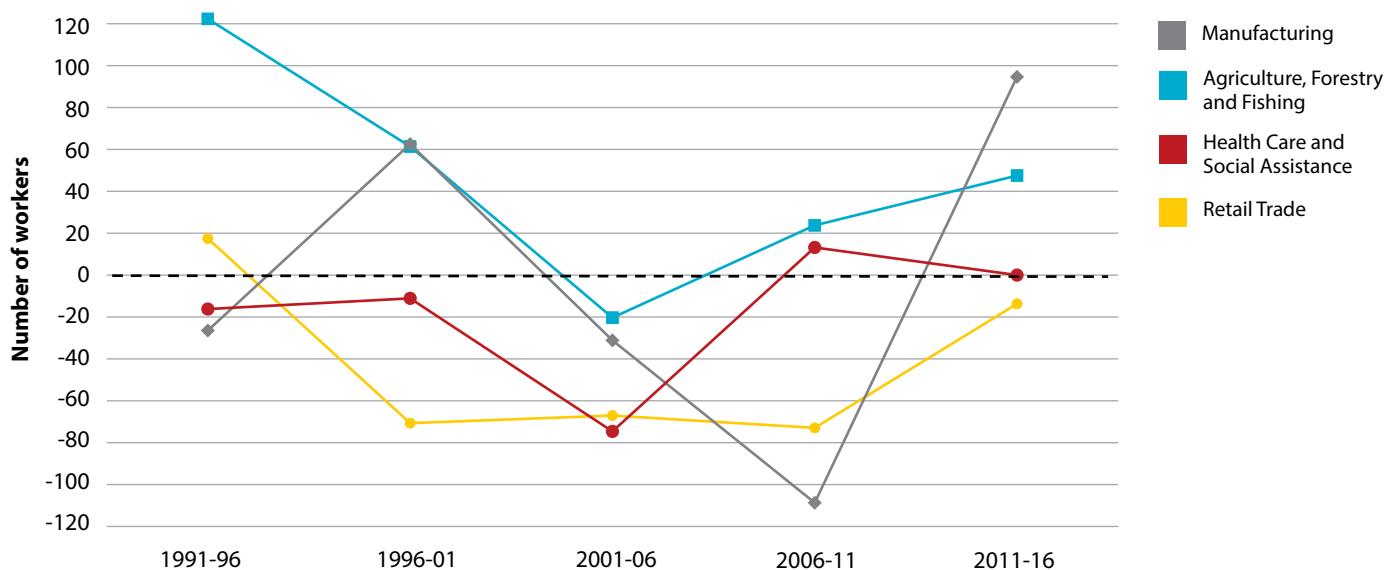


Figure 17. Historical Regional Shift Component of Employment Growth for Industries in the Region
 Source: Centre for Economic and Regional Development



Institutional Audit

Institutions play a fundamental role in the economic development process, having either a positive enhancing effect or a detrimental or limiting effect. An Economic Development Strategy should assess local institutional capacity and identify opportunities to build and capitalise on the institutional strengths that exist in the region. This section lists the key institutions in the Cowra region as well as their:

- role in the economic future of the Cowra regional economy;
- strengths;
- capacity and capability; and
- important linkages to other institutions.

Opportunities to improve on existing institutional strengths are described in the strategy chapter.

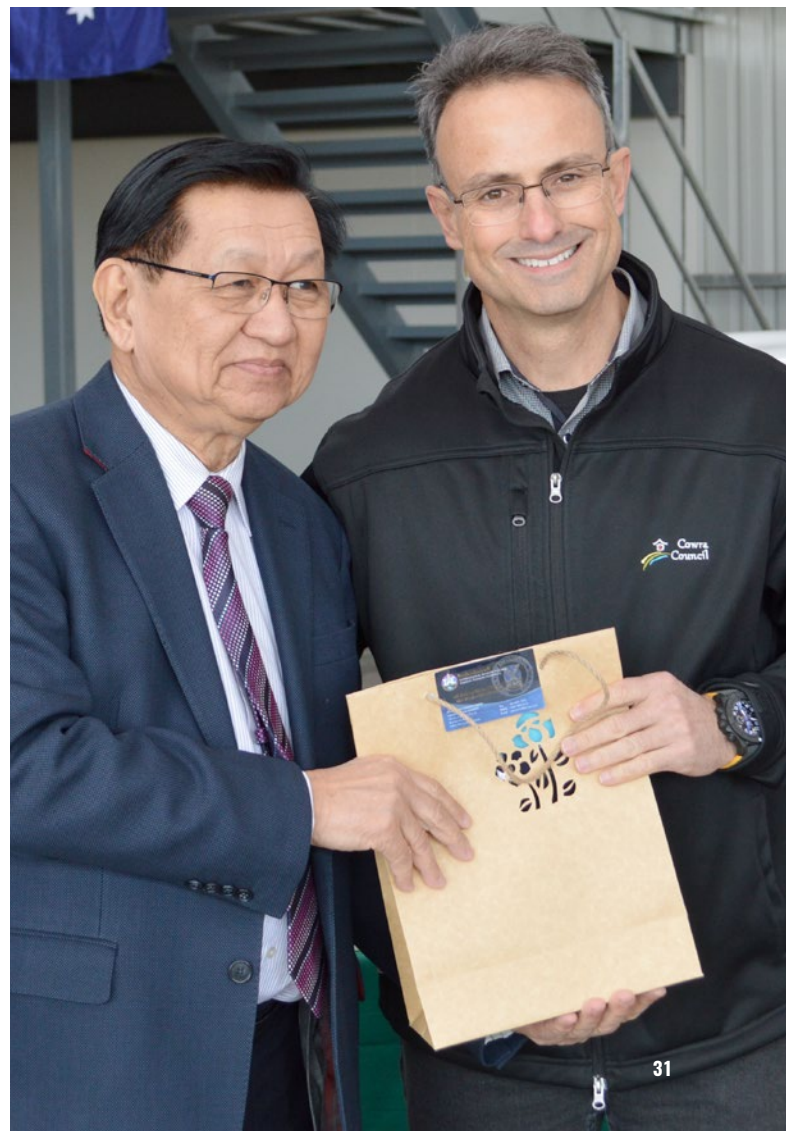


TABLE 4. Selected Institutions in the Region

INSTITUTION	ROLE IN ECONOMIC FUTURE OF THE REGION	STRENGTHS AND CAPACITY	IMPORTANT LINKAGES TO OTHER INSTITUTIONS
Cowra Council	As the local government, the Cowra Council plays a key regulatory, support and coordination role in the economic future of the region.	Maintains active relationships with local businesses and plays a strong leadership role in the region. Cowra Council has an Economic Development Strategy for the region for 2014 – 2017 and has been highly involved in developing the 2018 – 2022 Regional Economic Development Strategy.	<ul style="list-style-type: none"> • Cowra Business Chamber • Cowra Tourism • Cowra Van Park • Central NSW Councils (CENTROC)
Cowra Business Chamber	As the primary business network and advocacy group in the region, the Cowra Business Chamber has a key role supporting and representing business interests in the economic future of the region.	Very high level of membership amongst businesses in the region. Strong engagement with the manufacturing and agricultural sectors.	<ul style="list-style-type: none"> • Cowra Council • Cowra Business Chamber • Cowra Tourism • Other business chambers
Cowra Tourism	Cowra Tourism is the primary tourism body in the region. It has a vital role in organising and coordinating events and marketing in the tourism sector.	Only partially funded by the Cowra Council, Cowra Tourism has a high level of engagement from many tourism-related businesses in the region.	<ul style="list-style-type: none"> • Cowra Council • Cowra Business Chamber • Cowra Van Park
TAFE Western (Cowra College)	Cowra College aims to provide innovative training aligned with job opportunities in the region.	Cowra College specialises in agriculture, business, carpentry, computing, hospitality, and welding courses.	<ul style="list-style-type: none"> • Cowra secondary schools • Cowra-based Registered Training Organisations (RTOs)
Cowra Health Service	The public hospital for the district. Provides a direct source of employment as well as playing an important role in attracting residents to the Cowra Shire.	Emergency Department, domiciliary care services and obstetric services.	<ul style="list-style-type: none"> • Bilyara Hostel • Weeroona Aged Care
NSW Department of Primary Industries Agricultural Research and Advisory Station	As an agricultural research station specialising in the sheep meat industry, this institution has an important role in the economic future of the agricultural sector in the region.	Closely aligned with the major agricultural outputs of the region.	<ul style="list-style-type: none"> • Cowra Council Industry
Regional Development Australia (RDA) – Central West	A Commonwealth and state funded organisation responsible for the economic development of the Central West, RDA -Central West has an advisory, collaboration, awareness and promotion role in the economic future of the region. RDA – Central West has also produced a Strategic Framework for Regional Development Priorities 2017-2020 for the Central West region.	RDA - Central West maintains good relationships with businesses and organisations involved in economic development across the broader Central West region.	<ul style="list-style-type: none"> • Cowra Council • Central-West Councils
Central NSW Councils (CENTROC)	A voluntary regional collaboration of councils in Central NSW, CENTROC has an advocacy, facilitation and leadership role in the economic future of the region.	CENTROC uses its regional role to lobby for Central NSW priorities such as Bells Lines of Expressway, Telecommunications' services, Environmental Sustainability, Health, Infrastructure and Regional Development.	<ul style="list-style-type: none"> • Central NSW Councils • NSW Government Departments • Federal Government Departments
NSW Farmers' Association	NSW Farmers' Association is a state level farmers' organisation.	NSW Farmers' Association provides a range of advocacy and support services for its members.	<ul style="list-style-type: none"> • Local agricultural enterprises • State and national farmers' organisations



Infrastructure audit

Infrastructure is an important enabler of economic performance as customers and businesses rely upon the physical and organisational structures and facilities that exist in a region, or that link regions to other parts of the country or globe. An economic development strategy should assess local infrastructure capacity and identify the opportunities and limitations presented by the infrastructure in the region.

Roads

In the absence of direct rail and air services, roads are the most commonly used means of transporting freight and passengers to and from the Cowra Shire. Roads are also the most common means for Cowra Shire residents to get to work, with 71.2% of workers using a car to get to work according to the 2016 Census.

Highways

The town of Cowra lies at the intersection of the Lachlan Valley Way (B81) and the Mid-Western Highway (A41 and B64). The A41 links Cowra with Bathurst and Young, whilst the B81 links Cowra with Canowindra and Boorowa. These two highways, as well as the Olympic Highway (A41) intersect and cross the Lachlan River at Cowra Bridge. These roads are shown on the figure below.

Lachlan River crossings

The Mid-Western Highway crosses the Lachlan River at Cowra Bridge. Aside from Cowra Bridge, the only other crossings over the Lachlan River in the Cowra Shire are the low-level crossing beside Cowra Bridge, and Davidson's Bridge over 25 km downstream. Neither the low-level crossing nor Davidson's Bridge are suitable for heavy vehicles or high volumes of traffic and can be a concern during high water levels. The intersection of the Highways, as well as the sole heavy vehicle river crossing, create a bottleneck for resident, tourist and freight traffic in the centre of Cowra. This is exacerbated during high water levels when Cowra Bridge is the only river crossing in the region.

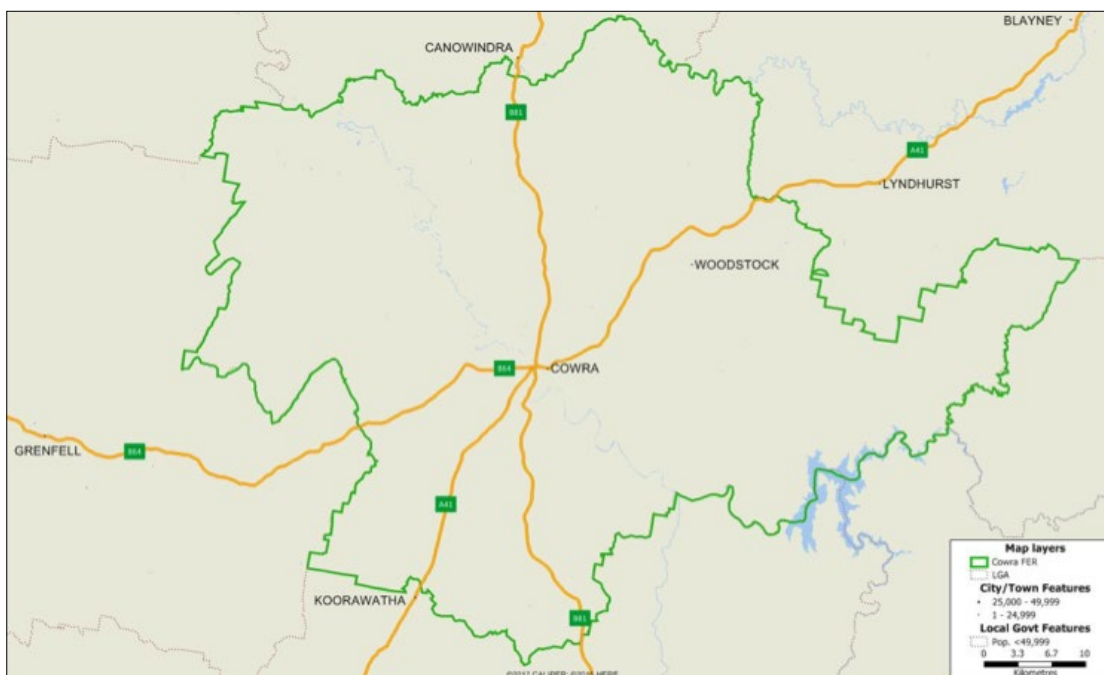


Figure 18. Roads in the Cowra Shire

Source: Centre for Economic and Regional Development

Cowra Airport

The Cowra Airport is a Certified Aerodrome under the Civil Aviation Safety Regulations 1998 (CASR). Located three kilometres South-West of the Cowra town centre, the facility is owned by Cowra Council. The airport site is approximately 200 hectares and comprises:

- a main 1630m sealed runway;
- a secondary 1166m grassed runway;
- two sealed taxiways;
- two sealed aprons;
- an airport terminal building;
- existing development at the rear of airport with several established aviation businesses; and
- the Cowra Airport Project subdivision¹⁴.

There are no regular air passenger services to Cowra Airport (the last commercial passenger services ceased in 2001). The nearest regular air passenger services are from Orange Airport (approximately 1 hour and 15 minutes' drive from Cowra).

Cowra Airport is mainly used by businesses in the region for light aviation activities such as:

- general aviation;
- pilot training;
- health service flights;
- defence;
- charter;
- aerial agriculture; and
- tourism.

Rail links

There are currently no direct rail services to Cowra.

This presents a challenge for agricultural producers and manufacturers in the region. Rail provides a lower cost means to transport commodities (such as grain) produced in the region to ports. Rail also provides a lower cost means to transport inputs (such as fertilisers, chemicals, fuel and bulk freight from ports and Sydney) required by businesses in the region. Rail linkages would provide the opportunity for local businesses to reach new markets, and for new industries to establish themselves in the region.

The 'Cowra Lines' and the 'Maldon to Dombarton' line are the two railway sections that are of most interest to businesses in the Cowra Shire. These two tracks are currently non-operational, with Transport NSW investigating their viability (see Appendix 4).



Other infrastructure

Wyangala Dam

Wyangala Dam is situated on the junction of the Lachlan and Abercrombie rivers about 48 kilometres upstream from Cowra. The dam's storage capacity is twice the volume of Sydney Harbour (at 1,217 GL). Wyangala Dam provides water to support irrigated agriculture across the valley around Cowra, Forbes, Condobolin and Hillston. It supplies stock and household needs for landholders and towns along the Lachlan River, environmental flows, flood mitigation services and hydroelectricity. Wyangala Dam is also a popular sport and recreation destination, and the site of Wyangala Waters Holiday Park.¹⁵

Cowra District Hospital

Cowra Health Service is a 34 bed district hospital that provides both acute and community based services, including an emergency department and a range of general and specialised medical services. Higher order medical services are available in larger regional centres such as Orange.

Cowra College

Cowra College is a campus of TAFE Western and aims to provide innovative training aligned with job opportunities in the region. Cowra College regularly offers full-time courses in hospitality, business, welding and aged care. It also offers a course in language, learning and literacy as well as a range of shorter courses.

¹⁴ The Cowra Airport Project subdivision is a 21 lot subdivision of industrial land located at Cowra Airport. Each freehold lot will be fully-serviced with water, power sewer and NBN FTTP with no landing fees. <http://www.cowraairport.com.au/airport-project>

¹⁵ WaterNSW <http://www.waternsw.com.au/supply/visit/wyangala-dam>



Cowra Regional Gallery

The Cowra Regional Art Gallery is a regional gallery located in Cowra's cultural precinct, together with the Cowra Library, World Peace Bell and the Cowra Civic Centre. The gallery opened in October 2000 and aims to foster an appreciation, awareness and enjoyment of the visual arts in the community and prides itself as an important part of the cultural life of the region. Each year it hosts the Calleen Art Award as well as a range of other temporary exhibits.

Industrial estates:

- CBD – Kendal Street retail shopping district
- William Street & Olympic Highway industrial cluster
- NW Industrial Precinct (Nangar Street and Pridham Street)
- Cowra Airport Development
- Sarajane Furniture Site – factory and logistics hub







Endowments

Endowments are tangible strengths that a regional economy possesses and can exploit. Physical endowments include agricultural land, climate, mineral and water resources, aesthetic appeal and location relative to major trade routes. Built and institutional endowments include hospitals and educational facilities, which may be the result of government decisions, or heritage buildings. Human endowments include abundant labour, specialist skills and entrepreneurship. Economic principles suggest that endowments play a key role in the economic development of each region.

The Centre for Economic and Regional Development in its *Regional Economic Enablers Report (2016)* found that

*“the future of individual regional economies is inexorably linked to their natural endowments, and attempts to retain or establish industries without an underpinning endowment are unlikely to succeed”.*¹⁶

Thus, a region seeking to encourage economic development needs to concentrate on the growth enablers of endowment-based industries, as well as building local leadership capacity, in order to capitalise on the opportunities that the region's endowments present.

Physical endowments

Water, climate and soil

On the whole, the Cowra regional economy enjoys good access to water and high levels of water security. Wyangala Dam, the Lachlan River and subterranean bores provide water to many agricultural businesses in the region. In addition to these sources of water, the region experiences average annual rainfall of 637.2 mm.¹⁷

The availability and security of water in the Cowra region, as well as its rainfall and fertile soils, enable a variety of agricultural enterprises including dairy, sheep, cattle, wheat, canola and viticulture.

Accessibility

Cowra is also located at the crossroads of two major highways, with several major regional centres and other similarly sized towns within 100 kilometres (e.g. Bathurst, Orange, Parkes, Forbes and Young). The Cowra Shire also has relatively good access to international airports and capital cities for a regional town (a two hour' drive to Canberra and a four hour' drive to Sydney), however there is a lack of regular air and rail services.

¹⁶ Centre for Economic and Regional Development, *Regional Economic Growth Enablers Report (2017)*

¹⁷ Bureau of Meteorology http://www.bom.gov.au/climate/averages/tables/cw_063023.shtml

¹⁸ NSW Department of Primary Industries <http://www.dpi.nsw.gov.au/content/research/centres/cowra/our-location>

CLIMATE IN THE COWRA SHIRE



The township of Cowra is situated at the upper reaches of the Lachlan River in the Central Slopes region of New South Wales.

The area enjoys a Mediterranean-type climate, with an average annual rainfall of 625mm. Summer temperatures are warm to hot, with a mean maximum of around 30°C whilst maximum winter temperatures reach 14°C. Frosts generally occur between May and September.

Soils are mainly derived from granite and sedimentary rocks (shale, mudstone) but in many cases are colluvium or alluvial and bear little association with adjacent rock types. The predominant soil type is red-brown earth and this has good productivity under sound management.

NSW Department of Primary Industries¹⁸

Lifestyle benefits

The results of the Cowra Shire Business Survey, workshops and interviews make it clear that lifestyle is an important strength of the region. Affordable house prices, small community feel and natural beauty were all referenced. All of these factors make the Cowra Shire a liveable region and attractive place to raise a family.

Built and institutional endowments

Unique history and tourism:

Cowra was the site of a Japanese POW breakout during World War II. This historical event continues to bring tourists into the region each year, primarily to visit the POW Campsite, POW Theatre and the Cowra Japanese Garden and Cultural Centre. Other tourism features include Wyangala Dam, Australia's World Peace Bell and Cowra Regional Art Gallery. Cowra is also situated on a popular 'grey nomads' caravan route between Victoria and Queensland.

The Cowra Shire is a popular tourist destination. Destination NSW reports that each year the Cowra Shire receives approximately 103,000 overnight visitors, of which 2,000 are from overseas.¹⁹ The region also receives 115,000 domestic day trips.²⁰ Of domestic overnight visitors, 38% are for holiday purposes, compared to 41% for NSW generally.²¹

Manufacturing cluster:

The Cowra regional economy is home to a manufacturing cluster. This centres around various sized firms involved in the manufacture of furniture, specialised agricultural equipment and food products. Regional clusters of economic activity can form due to a combination of factors that encourage concentration of an industries or types of industries. These

TABLE 5. Manufacturing Specialisations in the Cowra Shire

Industry	Location Quotient vs NSW (2016)	Number Employed (2016)
Food Product Manufacturing	2.42	170
Furniture Manufacturing	5.86	61
Specialised Machinery and Equipment Manufacturing	16.04	67

can include the realisation of economies of scale when supplying larger markets, infrastructure provision as well as positive externalities associated with large labour markets. The Cowra regional economy has an LQ of 1.42 when employment in the broad industry sector of Manufacturing is compared to NSW as a whole. However, when more specific industries are considered, as in Table 5, it becomes clear that the Cowra region has a strong specialisation in various niche manufacturing industries.

According to the Cowra Shire Business Survey and interviews, this manufacturing cluster has developed slowly over time. Large and established manufacturers in the region have been very supportive of younger, newer entrepreneurs in the sector. This mentoring role has been facilitated in part through the Cowra Business Chamber as well as through informal networks. As a result of this clustering process, the Cowra Shire now has a collection of large specialist manufacturers, as well as the entrepreneurs, a skilled workforce and good uptake of new technology and innovation that is typically associated with regional clusters.

Cowra Airport

The Cowra Airport is located on the South-West side of Cowra, approximately 3 kilometres from the town centre. The site occupies approximately 200 hectares and features two runways, one sealed the other grassed. It is a fully certified passenger airport, however, there are no regular passenger services to the site. Cowra Airport is mainly used by aviation related businesses that occupy the existing lots at the site.

Despite its lack of commercial air services, Cowra Airport has a number of features that give it an advantage over other regional airports. Firstly, the valley in which Cowra Airport is located enjoys a relatively high number of clear days, which make it attractive for aviation activities. The Cowra Airport Masterplan indicated that Cowra Airport has on average 149.5



¹⁹ Destination NSW, LGA Profile - Cowra

²⁰ Ibid

²¹ Destination NSW, Travel to New South Wales

²² Cowra Airport Masterplan, Beca Consultants Pty Ltd

clear days and 89.3 cloudy days per year, which compares favourably to other sites such as Parkes and Orange.²²

In addition to the number of clear days per year, interviews with businesses located at the airport indicated that the relatively low level of aviation traffic gave some businesses located at Cowra Airport a distinct advantage over other businesses located at small metropolitan airports or busier regional airports (e.g. Bankstown Airport). This was particularly the case for businesses that operated on a by-the-hour basis where comparatively more time is spent in the air rather than on the taxiway.

The location of the airport, in particular its relatively close proximity to the town of Cowra, also gives it an accessibility advantage over other regional airports. However, this could also increase the risk of noise complaints and negative externalities for residents.

The structure of Cowra Council's development of the airport, notably selling freehold lots rather than issuing leases, is an attractive feature for businesses. This is particularly important in specialised aviation industries that often require businesses to make significant improvements to the site to accommodate specialised plant and equipment. The services available at the Airport Development sites, including NBN fibre to the premises (FTTP), also make the freehold lots quite attracted for aviation and non-aviation businesses alike.

Local institutions

Local institutions appear to have a strong presence and play an important role in the Cowra regional economy. The Cowra Business Chamber and Cowra Tourism both have strong levels of engagement in the region. Interviews suggest that membership of these two organisations is very high on a per capita basis. In addition, the Cowra Council has strong relationships with many businesses of all sizes in the region.

Figure 19 shows the relationships between industries and institutions in the Cowra regional economy based on a sociometric exercise conducted during Workshop 1. Each node represents an industry or an institution located in the Cowra region. The lines between each node represent the relationships between each industry and institution (as indicated by the participants in the exercise who were asked to indicate their organisation's primary, secondary and tertiary relationships with other businesses or organisations). The thickness of the line indicates the number of relationships between nodes. The position of each node is a function of the relationships with other nodes; nodes with wider connections occupy a more central position on the diagram, while the size of the node indicates the weighted strength of relationships for that industry / institution. This weighting is calculated by summing up all the relationships to and from that node and dividing by the number of organisations in that node who participated in the exercise.

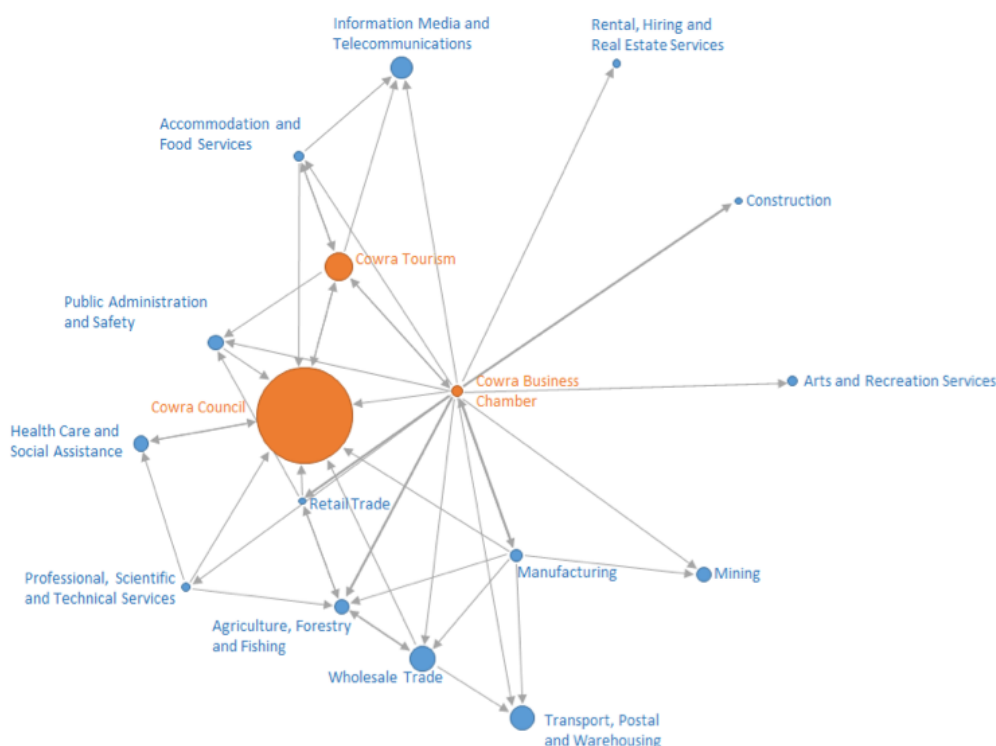


Figure 19. Network Map of Industries and Institutions in the Cowra Shire

Source: Centre for Economic and Regional Development

The central position of Cowra Council, Cowra Tourism and the Cowra Business Chamber indicate that these institutions have strong relationships with many industries in the region. Furthermore, the large size of the Cowra Council node indicates that it has many strong relationships with other organisations.

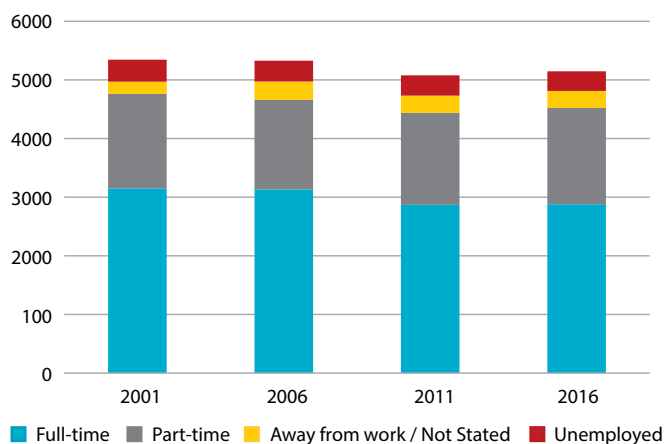


Figure 20. Labour force in the Cowra Shire
Source: ABS, 2001 – 2016 Census

Human endowments

Labour supply

The 2016 Census reported there to be 5,147 people in the region who identified as being in the labour force. Of this, 56.0% were employed full-time (compared to 59.2% for NSW) and 31.9% were employed part-time (compared to 29.7% for NSW). Since 2001, the makeup of the labour force has remained relatively constant, however there has been a substantial decrease in the size of the labour force. As illustrated in Figure 20, the number of residents in the region's labour force has declined from 5,328 in 2001 to 5,147 in 2016, a drop of 3%. This decline was more pronounced in full-time members of the labour force who fell by 9% from 3,150 in 2001 to 2,880 in 2016. If this decline continues, it will present a key risk for the region and could lead to skills shortages. Addressing this risk by attracting workers to the region is crucial to the future resilience of the Cowra regional economy.

Specialist skills

As noted in the economic audit, the region has a relatively high proportion of its workforce working as managers (17.9%) compared to NSW (13.5%). This is because farmers are typically classified as managers under the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The region also has comparatively high proportions of its workforce working as labourers (15.5% compared to 8.8% for NSW) and technicians and trades workers (13.4% compared to 12.7% for NSW).

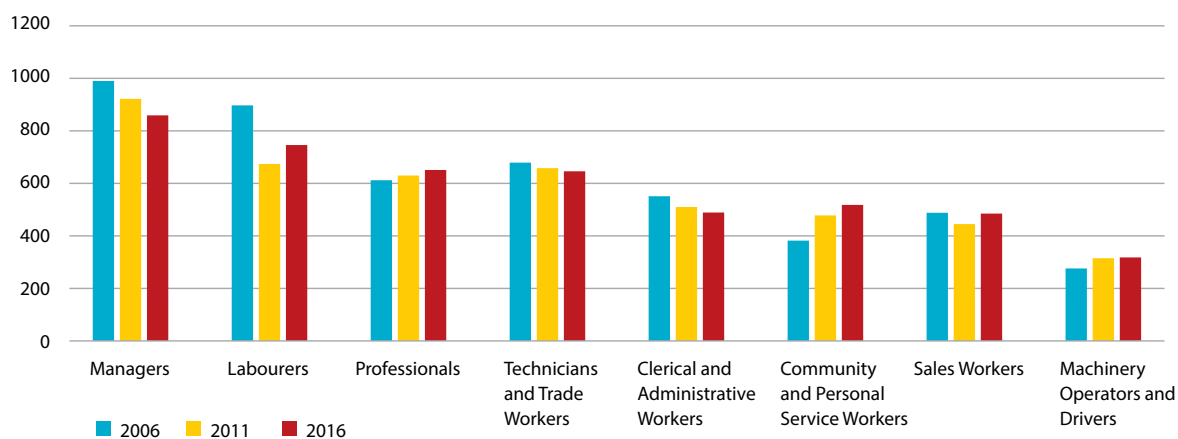


Figure 21. Occupations in the Region
Source: ABS, 2001 – 2016 Census



As Figure 21 above indicates, the composition of the workforce is fluctuates over time. In 2006, there were 990 managers in the region (representing 19.9% of the workforce). By 2016, this had declined to 859 and 17.9% of the workforce. However, during the same period, the number of professionals in the region increased from 612 (12.3% of the workforce) to 651 (13.5% of the workforce). At the same time, the number of community and personal service workers in the region rose from 382 (7.7% of the workforce) to 518 (10.8% of the workforce).

The Cowra Shire Business Survey and interviews indicate that there are shortages in specific skills in the region. For example, despite there being only a small decline in technicians and trades workers between 2006 and 2016 (679 to 646), businesses still reported that it was difficult to find specialist tradespeople in the region. In addition to these skills and occupational trends, businesses indicated that there was strong culture of entrepreneurship across parts of the regional economy.





Core competencies

Using the outcomes from the foregoing data analyses along with the evaluations made by the regional key stakeholders engaged in the consultation process, it is possible to identify the Cowra region's Core Competencies which represent the ability of the region to organise its endowments (land, labour and capital) in order to produce goods and services. They refer to the set of skills, technology, resource applications and management unique to that region.²³

The regional core competencies for the region, as determined in an exercise undertaken in Workshop 2, are shown below in Figure 22 (further detail about the core competencies for the region are included in Appendix 5).

Figure 22 indicates that Technology and Development is a strong core competency of the Cowra regional economy. This is also supported by the results of the Cowra Shire Business Survey, which indicated that 62% of responding businesses in the Cowra region undertook innovation activity in the last year (compared to 49% of businesses at the national level²⁴). Figure 23 shows the proportion of businesses in selected industries that undertook innovation activity in the previous year.

Management, Finance, Governance and Infrastructure were identified as neither strengths nor weaknesses in the Cowra regional economy as illustrated in Figure 22. During the Cowra Shire Business Survey, workshops and interviews, businesses had mixed sentiment about these core competencies. Management and Finance in the Cowra region were raised infrequently. Local, state and Commonwealth government regulations and processes were viewed somewhat unfavourably. Meanwhile, perceived infrastructure failings, in particular energy, rail and air access, and capacity of the Mid-Western Highway and Lachlan Valley Way, were often mentioned.

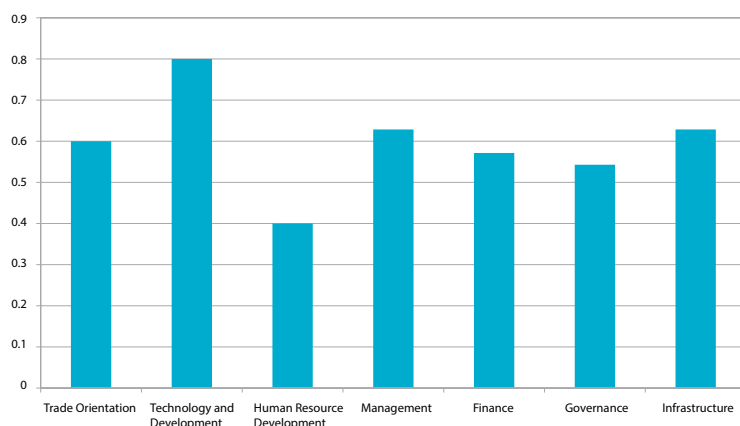


Figure 22. Index of Core Competencies in the Cowra Shire
Source: Centre for Economic and Regional Development

Human Resource Development was also identified as a weakness for the region. In the Cowra Shire Business Survey, workshops and interviews, businesses from all industries reported difficulties in attracting and retaining staff. Demographic characteristics and migration of school leavers to other regions and metropolitan Sydney (to pursue tertiary education or work) was frequently cited as a challenge for the region.

²³ Centre for Economic and Regional Development, *Regional Economic Growth Enablers Report (2016)*

²⁴ Centre for Economic and Regional Development, *Regional Economic Growth Enablers Report (2016)*

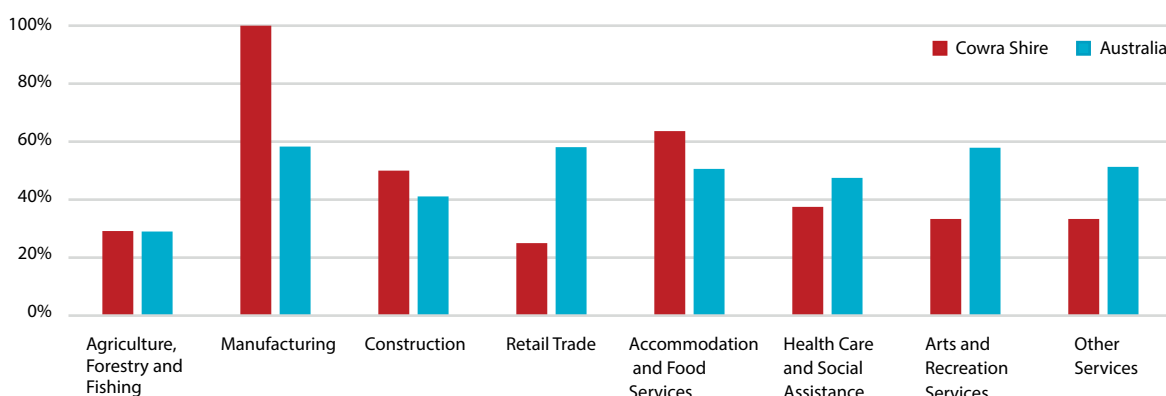


Figure 23. Innovation Activity in the Previous Year for Cowra Shire and Australia

Source: Centre for Economic and Regional Development and ABS, Summary of IT Use and Innovation in Australian Business 2015-16



Economic future of the region

Long term economic vision for the region

Regional economic development can take a variety of forms. The objectives of economic development are usually measured in terms of population growth, GRP growth, decreases in unemployment rates and improvements in quality of life. These measures are important for regional economic development. However, an Economic Development Strategy for the Cowra regional economy should be a reflection of the community's aspirations .

For this economic vision to be sustainable, it also must be based on the existing strengths of the region. Economic theory suggests that unless the strategies are built upon the endowments and core competencies in the region, they will not be successful.²⁵ In Cowra, this would involve leveraging the favourable access to land and water, climate, lifestyle and unique history of the region, as well as the mature manufacturing cluster and emerging aviation hub.

Based on stakeholder input at workshops and during interviews, it is clear that an economic vision for the Cowra region needs to be bespoke. Residents were conscious that the Cowra Shire had had steady population over the past several decades and this framed an economic vision for the region. In general, the residents of Cowra were not interested in pursuing rapid population growth. Many recognised such targets would be unsustainable and probably unobtainable. Neither were residents interested in emulating larger regional cities: a frequent sentiment expressed during the stakeholder engagement process was “we do not want to be Orange or Dubbo”.



A long-term, economic vision for the Cowra regional economy is one of sustainable economic growth. This will involve steady but modest population growth through attracting new residents to the region. However, it is important that these new residents are bringing skills into the region and are arriving into jobs.

The region produces high value, niche agricultural products and distributes these to markets through efficient transport links.

The region has attracted new residents who have brought economic, social and cultural value to the Cowra Shire.

The region remains a competitive place to do business and maintains its manufacturing cluster.

The region attracts more visitors that stay for longer to enjoy a variety of attractions in the region.

The new aviation hub provides economic opportunities for new and existing businesses in the region.

Figure 24. The five pillars of the long term vision for the Cowra Shire

²⁵ Centre for Economic and Regional Development, *Regional Economic Growth Enablers Report (2016)*

The majority of businesses surveyed in the Cowra Shire Business Survey intended to expand in the next four years, were cautiously optimistic about their futures and, to a lesser extent, the broader economy.²⁶ The Economic Development Strategy for the Cowra regional economy must therefore set out a road map for the LGA in the context of this cautious optimism about the region and the future of the businesses that reside there. Hence, the long term economic vision for the Cowra region has five pillars, which are outlined in Figure 24.

Economic opportunities and risks for the Cowra regional economy

In order for the Cowra regional economy to achieve the vision outlined above, it will need to capitalise on the available opportunities whilst taking into consideration regional risks.

Risks facing the region

The risks identified during the workshop were placed into the following broad categories:

- economic risks (relates to the impact of global markets, trade factors, inflation or transportation disruptions);
- production risks (relates to access to resources, profits, production costs, changes in energy prices, labour disruptions, production process failures);
- governance risks (relates to sovereign risk [not just domestic], regulatory environment);
- environmental risks (relates to resource depletion, pollution, natural and /or man-made disasters); or
- societal risks (relates to public liability claims against business, community attitudes toward development and pressure groups).

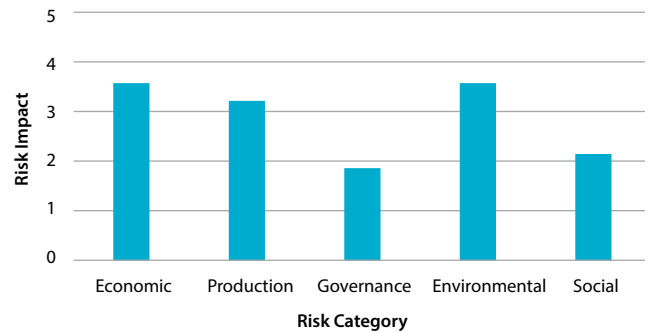


Figure 25. Weighted Risk Impact Index for the Cowra Regional Economy
Source: Centre for Economic and Regional Development

Figure 25 shows the relative impact of the risks identified during the workshop. This was generated using a 'likelihood and severity of the consequences' risk matrix approach as judged by the representatives of each sector. The figure indicates that environmental risks (i.e. drought or floods) is expected to have the largest impact on the regional economy.

Economic and production risks would also have large impacts on the region. These risks typically related to reduced access to skilled workers (a production risk) and technology (an economic risk). Access to labour is a key, long term risk to

²⁶ The Cowra Shire Business Survey indicated that the majority of businesses surveyed (61%) indicated that they planned to expand during the next four years. When asked about whether they expected their businesses to be better off financially in one years' time, 46% felt their business would be better off, only 5% of businesses surveyed indicated that they expected their businesses to be worse off while 49% suggested they would be the same financially. The majority of respondents (59%) felt that economic conditions in the region as a whole over the next four years would be the same. 30% of those who responded felt that there would be good times financially for the region, whilst only 11% felt that there would be bad times.

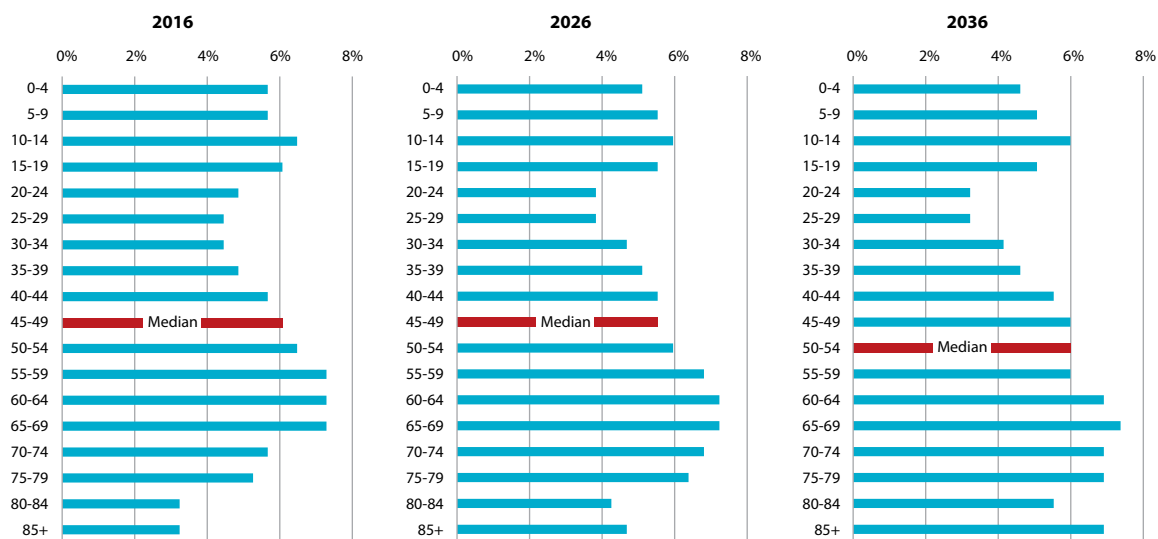


Figure 26. NSW Planning and Environment Age Distribution projections for the Cowra Shire
Source: NSW Department of Planning and Environment

the region based on the NSW Department of Planning and Environment's projected ageing of the population, with the median age band of residents set to rise from 45-49 to 50-54 years as illustrated in Figure 26.

In addition to the median age band rising, the proportion of the regional population in the working age bands is projected to fall over the coming decades. This, combined with the outward migration trends of younger groups described earlier presents a key risk for the region.

Economic opportunities

Based on the local endowments, core competencies and risks in the Cowra regional economy, the following opportunities have been identified:



TABLE 6. Economic Opportunities for the Cowra Shire

Opportunity	Relevant endowments and core competencies	Relevant sector (s)
Sustain and develop the region's agricultural advantage	<ul style="list-style-type: none"> • Water, soils and climate • Technology and Development • Human resource development • Infrastructure 	<ul style="list-style-type: none"> • Agriculture • Manufacturing • Education and Training • Energy
Facilitate growth of the manufacturing cluster	<ul style="list-style-type: none"> • Manufacturing cluster • Local institutions • Technology and development • Human resource development • Infrastructure 	<ul style="list-style-type: none"> • Manufacturing • Agriculture • Energy • Education and Training • Construction
Growing the visitor economy	<ul style="list-style-type: none"> • Visual and recreational amenity • Unique history and attractions • Local institutions • Technology and development • Infrastructure 	<ul style="list-style-type: none"> • Accommodation and food services • Arts and Recreation • Retail Trade
Develop the Cowra Aviation Precinct	<ul style="list-style-type: none"> • Cowra Airport • Quiet airspace • Conducive climate • Manufacturing cluster • Local institutions • Technology and development • Infrastructure 	<ul style="list-style-type: none"> • Aviation related industries • Manufacturing • Accommodation and Food Services • Construction
Enhance the Cowra regional community and attract new residents.	<ul style="list-style-type: none"> • Visual and recreational amenity • Lifestyle benefits • Affordable housing • Local institutions • Technology and development 	<ul style="list-style-type: none"> • Health Care and Social Assistance • Education and Training • Construction • Public Administration and Safety





Achieving the region's long-term economic vision

Regional Economic Development Strategies are high level plans that identify actions required to achieve the long term economic vision for the region. For these strategies to be executable and sustainable, they must be based on the strengths of the region, such as local endowments and core competencies. These strategies must also be developed in the context of the likely risks facing the region, and be adaptable and resilient enough to withstand these risks.

The first two strategies closely align with the region's existing specialisations in agriculture and manufacturing industries. Meanwhile, the third and fourth strategies focus on local opportunities in the tourism and aviation sectors. The final strategy is more aspirational and aims to address key risks in the region around skill shortages, an ageing population, and hollowing-out of the working age population.

Sustain and develop the region's agricultural advantage

Strategy overview

Agriculture is the largest industry in the Cowra regional economy, accounting for 16% of employment and 11% of gross value added. The relatively high availability and security of water in the region, as well as its rainfall and fertile soils, enable a variety of agricultural enterprises to thrive, including dairy, sheep, cattle, wheat, canola and viticulture. In addition to these favourable physical endowments, the agricultural sector benefits from a workforce characterised by a comparatively high proportion of managers (19.5% compared to 13.4% for Regional NSW [i.e. NSW excluding Greater Sydney]) as well as a comparatively high proportion of labourers (14.2% compared to 11.3% for Regional NSW). Furthermore, the sector also rated 'technology and development' as its highest core competency during the workshop process.

Potential benefits of sustaining the region's agricultural advantage

- Reduced timeframes and costs of moving agricultural produce to domestic and international markets.
- Improved integration with the manufacturing sector to increase valued added within the Cowra regional economy (e.g. meat processing, fruit and vegetable processing) and to collaborate on sustainable energy solutions.
- Improved business environment for new and existing agricultural enterprises.

Challenges and other considerations

- Susceptibility of the agricultural sector to exogenous risks (such as drought, weather and international commodity prices) with limited options for mitigation.
- Challenges in moving agricultural products to overseas markets due to limited transport links to ports and airports.
- Compliance issues (e.g. insurance) as well as shortages of labour at times during the year presents a challenge for agricultural enterprises.

Infrastructure priorities

- **Road and rail transport:** Freight transport is important to agricultural businesses in the region. Successful advocacy (potentially in coordination with other FERs) for upgrades to highways and rail links such as the Cowra Lines and Maldon to Dombarton Railway Line would reduce the long term cost profile of agricultural enterprises in the region. Competitive transport of industry inputs and outputs is important for the future of the agricultural industry in the region.
- **Digital connectivity:** Fast and reliable internet access (NBN rollout) as well as mobile reception in the Cowra Shire would facilitate on-farm uptake of spatial technology to enhance productivity.
- **Education infrastructure:** Local training facilities that cater to the needs of the industry.

Implications for stakeholders

- Close coordination is required between the agricultural sector as well as relevant institutions and government bodies (such as Cowra Council, neighbouring councils and CENTROC) to advocate for priorities for the region (such as transport and digital infrastructure as well as skills development opportunities).

Facilitate growth of the manufacturing cluster

Strategy overview

The Cowra regional economy is home to a cluster of manufacturing firms that specialise in different types of niche manufacturing. Manufacturing accounts for a large part of the regional economy, employing 11% of the workforce in 2011 (the 4th largest employing industry) and accounting for 7% of gross value added in the region.

Australian manufacturing continues to face challenges from overseas competitors that typically have lower wage and overhead costs than Australian operators. Ensuring that manufacturing continues to thrive in the Cowra Shire is important for the economic future of the region. As such, Cowra Council should endeavour to support the manufacturing businesses located in the LGA.

The Cowra Shire Business Survey, workshop and interviews indicated that rising energy costs and skills shortages were major challenges for manufacturing businesses in the region. However, innovation and technology, entrepreneurship, communication and institutions were identified as key strengths of manufacturing sector in the region. Cowra Council should work closely with the manufacturing sector to meet these challenges and ensure that the Cowra regional economy remains an attractive place to do business.

This strategy involves working with local businesses and the Cowra Business Chamber to coordinate programs to improve

human resource development in the sector. It will also involve working closely with manufacturing businesses and agricultural businesses to advocate for energy solutions, such as biomass, that leverage the existing endowments in the region and produce by-products (energy and fertiliser) that meet local demand.

Potential benefits of facilitating the manufacturing cluster

- Upskilling the regional labour force and providing high-income career paths for local school leavers.
- Improving collaboration between different sectors of the economy, such as increased integration with the agricultural sector creating further value add opportunities.
- Generating a source of sustainable, competitively priced energy for local energy-intensive businesses.
- Pioneering a new industry and establishing the Cowra regional economy and Cowra Council as leaders in a long term growth industry (renewable energy).

Challenges and other considerations

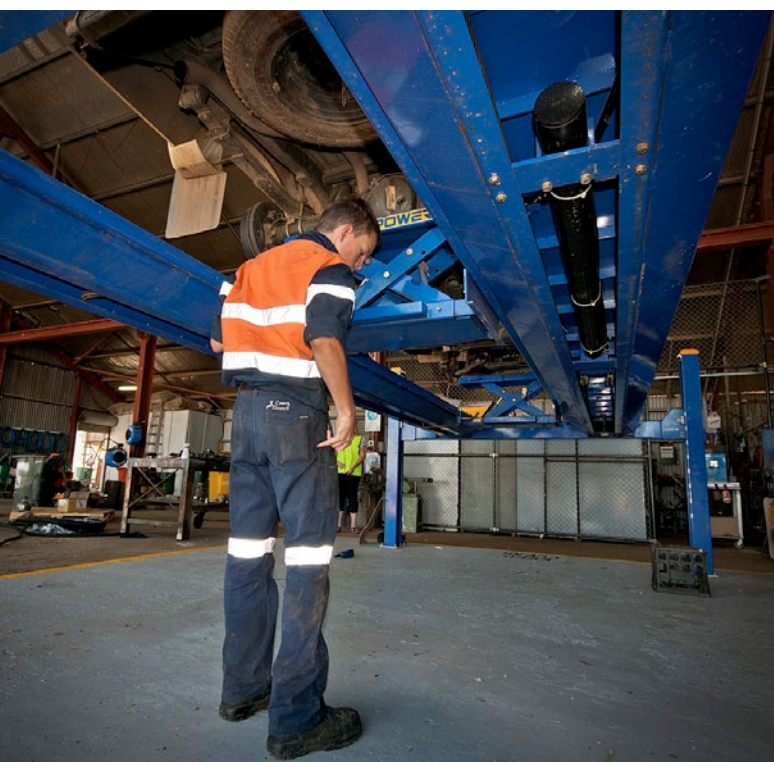
- Ensuring that any human resource development programs demonstrate results to ensure that they are sustainable.
- Requires significant capital investment to establish potential energy solutions.
- Requires experienced leadership to overcome regulatory hurdles and other challenges associated with public private partnerships.

Infrastructure priorities

- **Road and rail transport:** Freight transport is important to manufacturing businesses in the region. Continued advocacy (potentially in coordination with other FERs) for upgrades to highways and rail links, such as the Cowra Lines and Maldon to Dombarton Railway Line. Competitive transport of industry inputs and outputs is important for the future of manufacturing in the region.
- **Digital connectivity:** Fast and reliable internet access (NBN rollout) as well as mobile reception in the Cowra Shire.
- **Education infrastructure:** Local training facilities that cater to the needs of the industry.
- **Energy infrastructure:** Competitively priced and sustainable energy solutions are vital to ensuring that energy-intensive businesses remain in the region.

Implications for stakeholders

- Actions within this strategy may require significant financial input from manufacturing businesses, Cowra Council, NSW and Federal Governments.



Grow the visitor economy

Strategy overview

The Cowra Shire is endowed with a unique history and culture, a favourable location on a popular tourist route, nearby attractions (such as Wyangala Dam) and a promising food and wine scene. The POW Campsite and the Japanese Gardens and Cultural Centre are the main attractions in the region but visitors often choose to stay longer once they discovered some of the other attractions in the region. The Cowra Shire received 103,000 overnight visitors annually, of which 2,000 are from overseas. In addition, the Cowra Shire receives 115,000 domestic day trips per year. These represent potential opportunities for growing the visitor economy.

Cowra Council, in close coordination with Cowra Tourism, should aim to convert as many of these day trips into overnight trips as possible. This will require increasing awareness of all of the region's attractions amongst visitors, potential visitors and Cowra region workers that have contact with visitors. This may be done through improved cross-promotion between tourism operators, accommodation providers and other sectors servicing tourists. It will also require Cowra Council and Cowra Tourism to develop a rich narrative that links all of the regions sights, history and activities.

Cowra Tourism (which is partially funded by Cowra Council) is the body primarily responsible for tourism in the region. Cowra Tourism is responsible for developing Cowra's tourism strategy. However, it is important that Cowra Council and Cowra Tourism work together with the local tourism businesses to grow the visitor economy in the region. Cowra's tourism strategy may even involve coordinating with other tourism bodies or businesses outside the Cowra Shire to promote tourism in the broader region (for example, in a manner similar to the cooperation of businesses and towns along the Fossicker's Way route).

FOSSICKER'S WAY

Fossickers Way is a touring route in NSW that provides an alternative course between Sydney and Brisbane to traditional routes. The route encompasses nine member towns spread across four LGAs.

Fossicker's Way begins at Nundle, then takes travellers through Tamworth, Manilla, Barraba, Bingara, Warialda, Inverell, Glen Innes before culminating in Emmaville.

The route takes its name from fossicking opportunities in the region but also incorporates other activities into its marketing, such as music, wine, sport and museums.



Potential benefits of growing the visitor economy

- Increased tourism spend leading to more jobs and profits for local residents.
- Increasing the quality of life of current residents through improved recreational and cultural activities in the region.
- Improving communications between different sectors of the economy by strengthening institutions, leading to cross-selling opportunities.
- Increased visitation may lead to more people choosing to relocate permanently to the region, bringing new wealth and increasing the breadth and depth of the workforce.

Challenges and other considerations

- Difficulty in convincing businesses in the region that they are not competing with each other. Instead, they must see the Cowra regional economy as competing with other regions of Australia.
- Promoting all attractions in the Cowra Shire whilst maintaining authenticity.
- Engaging the retail sector with this strategy.

Infrastructure priorities

- **Community infrastructure:** Community buildings and multipurpose spaces to enhance the sense of community and promote the region's unique history and culture. e.g. civic beautification, turning the Civic Square into a cultural precinct, improving community amenities, expansion of the Cowra Regional Art Gallery to accommodate larger and more frequent temporary exhibitions.
- **Transport infrastructure:** Maintaining high quality roads is important for the region as 89% of domestic visitors travel by car.³⁰ However, advocating (potentially with other LGAs) for improvements to major highways and the establishment of passenger rail services linking Cowra with the rest of NSW is important for the visitor economy.

Implications for stakeholders

- Close coordination is required between Cowra Council, Cowra Tourism and other important organisations in the visitor economy.

²⁷ One accommodation provider estimated that between 5 – 10% of visitors extended their stay on check-in after hearing about some of the other attractions in the region.

²⁸ Destination NSW, LGA Profile - Cowra

²⁹ Destination NSW, LGA Profile - Cowra

³⁰ Destination NSW, LGA Profile - Cowra

Develop the Cowra Aviation Precinct

Strategy overview

Cowra Airport's location, quiet airspace, weather conditions and commercial land (with NBN FTTP) affords aviation businesses a competitive advantage over businesses located in other regional airports or industrial precincts. Local entrepreneurs have already leveraged these advantages into successful business ventures.

The Cowra Council should aim to enhance the strengths of these endowments to encourage new visitors, businesses and the development of an aviation cluster in the Cowra Shire. This may include increasing transport linkages between the Cowra Airport and the Cowra CBD and/or establishing a café at the airport, amongst other initiatives. Once a critical mass has been reached, this may attract advanced avionic and other specialised businesses that service the aviation industry.

The Cowra Council should also establish a process to guide the future growth of this business precinct. This would involve strategic planning for the airport and facilitating relationships between aviation businesses and other industries located elsewhere in the Cowra Shire.

Potential benefits of developing the Cowra Aviation Precinct

- Attracting entrepreneurs and capital into the region as businesses relocate or establish themselves in the aviation precinct.
- Once the aviation cluster reaches critical mass it may create the opportunity for new types of businesses to establish in the region (e.g. advanced avionics, aviation logistics businesses or even commercial passenger services).
- Increased numbers of tourists and business visitors to the region.
- Agglomeration and clustering benefits for existing and new businesses in the precinct, such as shared technology, knowhow and information.

Challenges and other considerations

- Increased commercial activity at the airport could lead to noise complaints from nearby residents.
- Heavy promotion of the aviation precinct could lead to reduced occupancy at other industrial estates in the Cowra Shire.
- Risk of lots remaining unsold for a significant period, representing a financial drain on Cowra Council and reducing the benefits of an aviation cluster.
- Increased commercial activity at the airport may lead to impact on the use of the site by other community and recreational groups and increase the risk of environmental impacts (e.g. fuel spillage).

- Selling freehold lots rather than offering leasing options may prevent capital-poor businesses (such as start-ups) from locating in the Aviation Precinct.

Infrastructure Priorities

- **Energy and other utility provision:** Competitively priced and sustainable energy, as well as sewerage and water services, are important for businesses in the precinct.
- **Transport and roads:** Businesses located at the airport will require easy access to the Cowra CBD, other industrial precincts and major highways.
- **Airport infrastructure:** Businesses located and the airport, as well as new businesses locating there will require the current airport infrastructure (e.g. runways) to be maintained or potentially improved.

Implications for stakeholders

- Increased development in the Aviation Precinct might 'crowd out' investment in other parts of the Cowra regional economy.
- Potentially increased traffic and congestion on Airport Road and Boundary Road.
- This strategy requires significant monetary investment from businesses.



Enhance the Cowra regional community and attract new residents

Strategy overview

The Cowra Shire is a great place to live, raise a family and establish a business. Affordable house prices, nearby attractions (such as Wyangala Dam), small community feel, school options and a district hospital make the region an attractive location for people of all ages. In particular, the Cowra Shire presents an excellent alternative for young Sydney families struggling to enter the metropolitan property market or empty nesters looking for a tree change.

The attractiveness of the Cowra Shire is borne out by the increasingly positive trend in net regional internal migration into the Cowra Shire over the past decade. Despite this growing trend of positive net migration, the Cowra Shire could seek to increase the number of people moving to the region by building on the existing institutional strengths, attractive lifestyle and the unique history and culture of the region.

The region should concentrate on attracting skilled labour to the region, with a particular focus on specialist trades and other skills shortages. Cowra Council should also strive to increase the sense of community and to showcase the benefits of a Cowra Shire lifestyle. This may involve direct marketing or indirect marketing methods such as attracting conferences and other events to the region to demonstrate the region's lifestyles. Partnering with the Cowra Business Chamber, Cowra Tourism as well as other community groups and organisations, Cowra Council should facilitate the move of new residents into the region. This may be achieved by promoting the region through a variety of channels as well as improving the resources available to new residents (such as the welcome pack).

Potential benefits of enhancing the Cowra regional community and attracting new residents

- Maintaining or increasing the size of the workforce in the region as the existing population ages by attracting skilled and unskilled labour.
- Attracting businesses and wealth into the region to stimulate additional clustering benefits, economic and income growth and career opportunities for residents.
- Increasing the quality of life of current and potential residents through improved provision of social and business services (i.e. agglomeration benefits through improved economies of scale).

Challenges and other considerations

- It can be difficult to maintain the momentum of this strategy as the benefits from attracting new residents to the region may not be immediately apparent to local businesses and the community.
- It is important to target individuals and families that contribute to the economic future or bring economic, cultural and social value to the region.

Social Infrastructure priorities

- **Community infrastructure:** Community buildings and multipurpose spaces to enhance the sense of community and promote the region's unique history and culture. e.g. civic beautification, further developing the cultural precinct, improving community amenities, expansion of the Cowra Regional Art Gallery to accommodate larger and more frequent temporary exhibitions.
- **Health infrastructure:** Upgrading the Cowra District Hospital to ensure the health services in the region continue to meet the expectations of the community and do not fall behind those of other parts of the Central-West where similar sized hospitals have received (or soon will receive) upgrades.
- **Digital connectivity:** Fast and reliable internet access (NBN rollout) as well as improved mobile reception in the Cowra Shire.

Implications for stakeholders

- Actions under this strategy are likely to require commitments of time and effort rather than large financial support.
- This strategy will require close coordination with different institutions within the region, such as the Cowra Council, Cowra Business Chamber, Cowra Tourism, Cowra Regional Art Gallery and Cowra Health Service.
- Increased movements of residents to the Cowra Shire from elsewhere may put additional strain on regional services such as schools.



REGIONAL ACTION PLAN



Sustain and develop the region's agricultural advantage

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Continue to advocate for the reinstalment and upgrade of the Blayney to Demondrille Rail Line.	The Blayney to Demondrille Rail Line is an important transport link for Regional NSW and provides an alternate freight route to Port Kembla.	High	High	Cowra Council (potentially through CENTROC) to advocate for upgrades	4 years	Transport for NSW Infrastructure NSW Cowra Council
Investigate options for composting organic waste at the Cowra Materials Recycling Facility (MRF)	Build-up of waste materials presently going to landfill with no capability or options for composting available.	Medium/ High	High	Cowra Council (through NSW & Federal Government programs and funding)	2 years	Cowra Council NSW OEH
Continue to facilitate and promote better utilisation of infrastructure and amenity at Cowra's DPI Agricultural Research and Advisory Station for testing innovation and technology in the sector	The presence of the DPI Agricultural Research and Advisory Station in the region represents an excellent opportunity to test new technology or methods with local agricultural enterprises.	Medium	Medium	Cowra Council (through NSW DPI)	3 years	NSW DPI Cowra Council
Establish a local working group to investigate opportunities to improve regional branding of agricultural products	There are established agricultural brands in the region but there is an opportunity to increase their penetration into metropolitan and overseas markets.	Medium	Medium	Industry (potentially through NSW Farmers) to investigate opportunities to improve regional branding	2 years	NSW Farmers
Provide support and advocacy to construct, operate and maintain the Maldon to Dombarton Railway Line	The Maldon to Dombarton Railway Line would be an important link to Port Kembla for producers in much of Regional NSW, including the Cowra region.	High	Medium	Cowra Council (potentially through CENTROC) to advocate for the Maldon to Dombarton Line	4 years	Transport for NSW Infrastructure NSW Cowra Council
Advocate with other councils for upgrades to the Mid-Western Highway and Lachlan Valley Way.	Limited overtaking opportunities on these highways limit freight and traffic volumes for businesses in the region.	Medium	Medium	Cowra Council (potentially through CENTROC) to advocate for upgrades.	4 years	Cowra Council
In conjunction with other Councils in the region continue to advocate for a fast transport corridor across the Blue Mountains connecting the regions to Sydney.	Limited overtaking opportunities on these highways limit freight and traffic volumes for businesses in the region.	High	Medium	Cowra Council (potentially through CENTROC) to advocate for a fast transport corridor	2 years	Cowra Council CENTROC
Determine the preferred route for a long term heavy vehicle bypass of the Cowra CBD.	Removal of heavy vehicle traffic from the main street of Cowra.	High	Medium	Council Planning and Infrastructure	2 years	Cowra Council (pending availability of grant funding)
Replace the deteriorating low level bridge as identified to favourably connect with current and potential future transport corridors.	The current low level bridge at Cowra is deteriorating and in need of replacement.	High	Medium	Council Planning and Infrastructure	2 years	Cowra Council (pending availability of grant funding)
Promote and build on the Skills Summit work	Work was recently done in the region around skills shortages in the agricultural sector. This work could be made publically available or promoted amongst relevant stakeholders.	Medium	Low	Cowra Council and Cowra Business to investigate ways to promote the Skills Summit work	3 years	Cowra Business Chamber NSW Farmers

Facilitate growth of the manufacturing cluster

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Develop a sustainable long term energy strategy options report for Cowra Council facilities	Sustainable, competitively priced energy is needed to ensure the manufacturing cluster remains in the region. However, renewable solutions require significant coordination between different businesses and industries which creates a great deal of uncertainty. Establishing an options paper would provide leadership in the space and signify Cowra Council's intent.	High	High	Cowra Council using external consultants (through NSW & Federal Government programs and funding)	18 months	Cowra Council C.L.E.A.N. Cowra Inc
Advocate for and support business pursuing sustainable energy projects.	Due to higher distribution costs for energy in regional areas, energy intensive industries in the region can face higher electricity costs and access charges than their metropolitan competitors. Renewable options, such as a biomass-to-energy plant would leverage the region's endowments but requires significant coordination between different stakeholders and local government.	High	High	Cowra Council using external consultants (through NSW & Federal Government programs and funding)	18 months	C.L.E.A.N. Cowra Inc Cowra Council Cowra Business Chamber
Facilitate the development of a Youth Attraction and Retention Plan that focuses on VET and industry placement	There are significant movements of youth from the Cowra Shire to other parts of the state after high school to pursue tertiary opportunities. Increasing awareness amongst school students of career paths in the region may encourage more to stay in the region.	Medium	Medium	RTOs partnering with larger local employers and visiting schools in the region to promote local apprenticeships opportunities.	3 years	Cowra Business Chamber RTOs Industry
Developing Specialised Manufacturing Economic Profiles and Investor Prospectuses	Developing specialised marketing for the businesses in the region could encourage domestic and foreign investment into regional industries.	Medium	Medium	Cowra Council working with NSW DPC and NSW DPI to coordinate the development of local profiles and investor prospectuses for delivery through an online portal	2 years	NSW Department of Premier & Cabinet NSW Department of Industry
Develop a project for the delivery of a second Lachlan River Crossing based on approved option (under consideration)	There is a single high-water river crossing in the region that creates a bottleneck and presents a risk for the region.	Medium	Medium	Cowra Council using external consultants (through NSW & Federal Government programs and funding)	2 years	NSW Transport/RMS
Coordinate the establishment and maintenance of a database of staff upskilling plans.	Many of the large employees in the region would like to upskill their employees but do not have enough to make running a course commercially worthwhile. By communicating with other firms in the industry, they may be able gather enough employees to make putting on a course worthwhile financially.	Low	Low	Cowra Business Chamber working with some of the larger employers to develop a training database. Starting with short or multiday courses, this program could potentially be expanded to include longer courses, or even staff exchange or sharing programs.	18 months	Cowra Business Chamber Industry
Establish a Working Breakfast series between Manufacturing and Professional, Scientific and Technical Services industries to facilitate networking	Inter-Industry relationship results indicate that although there is currently a weak relationship between these two industries there is a potential for a strong relationship between the two industries.	Low	Low	Cowra Business Chamber to pursue and develop with support from Council	12 months	Cowra Business Chamber

Grow the visitor economy

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Develop a business case for a Cowra Regional Art Gallery Upgrade and Civic Square Precinct Development.	An upgrade to the Cowra Regional Art Gallery would enable it to attract larger temporary exhibits and better showcase the history and culture of the region.	Medium	High	Cowra Council (through NSW Government programs)	6 months	Cowra Regional Art Gallery Cowra Council NSW Government
Develop the business case for a Tourist Steam Train line from Cowra to Woodstock.	Establishing this heritage train service may increase visitation to the region.	Medium	High	Cowra Council (through NSW Government programs)	2 Years	Cowra Council Lachlan Valley Rail Cowra Business Chamber Cowra Tourism
Continue to further develop Cowra's Peace Precinct	As one of the key attractions in the region, ensuring the POW Camp continues to improve.	Medium	High	Cowra Council (through NSW Government programs & grants)	12 Months	Cowra Tourism Cowra Council Destination NSW
Familiarisation program between different attractions in the Cowra Shire to facilitate cross-selling	Awareness of other attractions in the region amongst those in the tourism sector could be improved. Some staff in the industry have not visited other sites, or have not visited sites for several years. Increasing awareness amongst staff in the industry could increase cross-selling opportunities in the sector.	Low	Medium	Cowra Tourism or Cowra Council could subsidise entry to different sites for those working in the sector. Alternatively, Cowra Tourism or Cowra Council could organise internal familiarisation tours to different sites.	12 months	Cowra Tourism
Gallery partnership with other regions	It is difficult to attract temporary exhibits to a single regional location like Cowra. A formal partnership with other galleries in the region could assist in luring more exhibitions.	Low	Medium	Cowra Regional Art Gallery to leverage its existing relationships with other Galleries in the region.	3 years	Create NSW Cowra Regional Art Gallery Destination NSW
Working group to develop and encourage a narrative between tourism aspects of Cowra	Linking the different attractions in the region would encourage more visitors and convince them to extend their trip.	Medium	Medium	Cowra Tourism finalise the Cowra Tourism Plan.	2 years	Cowra Tourism Cowra Regional Art Gallery Japanese Gardens POW Camp Body / Organisation Destination NSW
Continue to refurbish the Cowra CBD amenity and streetscape	A more attractive street facade across the CBD of Cowra may encourage tourists to walk and discover more attractions in the region (e.g. Cowra Regional Art Gallery).	Medium	Medium	Cowra Council (through NSW Government programs)	4 years	Cowra Council Cowra Business Chamber NSW Government

Grow the visitor economy cont'd

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Draft a project for improvements to The Japanese Garden car park in conjunction with a sculpture park at the same location	Developing the infrastructure at the Japanese Garden site will enable increased visitation.	Medium	Medium	Cowra Council (through NSW Government programs)	2 years	Cowra Tourism Cowra Council Destination NSW Japanese Gardens
Advocate for improvements to the Wyangala Water State Park.	Wyangala Water State Park is key attraction in the region and ensuring that it is of a high standard to continue to attract visitors.	High	Medium	Cowra Council and Cowra Tourism	4 years	Cowra Tourism Cowra Council
Investigate partnership with Orange, Cabonne and Blayney Tourism Group	Orange, Cabonne and Blayney tourism organisations are working closely together. Cowra could benefit from close collaboration with this partnership.	Low	Low	Cowra Tourism to approach Orange, Blayney and Cabonne Tourism Group.	3 years	Cowra Tourism Destination NSW
Investigate partnerships between caravan parks to promote the region – potentially look at partnerships with parks in other regions	Other regions have developed a formal network of location (e.g. Fossicker's Way) to promote tourism in the region. Given the Cowra Shire's location on a popular tourism route, this could present a good way to market the region.	Low	Low	Cowra based caravan parks to leverage existing relationships and approach caravan parks in nearby regions (potentially through Cowra Tourism).	2 years	Cowra Van Park Cowra Holiday Park Cowra Showground Raceway and Paceway Trust
Investigate commissioning a feasibility study for weir on the Lachlan River	Improving the appearance of the area around the river would increase amenity and may attract more tourists to the region.	Medium	Low	Cowra Council (through NSW Government programs)	4 years	NSW Office of Water (State Water) Cowra Council NSW DPI
Investigate indigenous awareness opportunities – particularly within the Arts space	Indigenous history and culture currently plays a limited role in the region. Developing this aspect of the region and incorporating it into the broader narrative for the Cowra Shire could attract more tourists.	Medium	Low	Cowra Council (through NSW Government programs)	3 years	Cowra Council Indigenous organisations

Develop the Cowra Aviation Precinct

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Investigate opportunities for a shuttle service between Cowra Airport and Cowra CBD	One of the key advantages of Cowra airport is its proximity to Cowra. Currently there are informal arrangements in place for visiting pilots to travel into the Cowra CBD using FlyOZ vehicles but this could be improved with a formal arrangement.	Medium	Medium	Formal shuttle arrangement to be agreed between Cowra Council and FlyOz.	12 months	Cowra Council FlyOZ Cowra Business Chamber
Investigate formal linkages between airport, aviation industries and accommodation providers	Currently pilots arrive and only have informal accommodation recommendations.	Low / Medium	Low	Cowra Business Chamber facilitating networking events between relevant businesses.	12 months	Cowra Business Chamber
Determine what needs to be done and what a new multipurpose airport terminal building at Cowra Airport should contain/be capable of achieving before drafting a business case for potential funding.	The old terminal building contains asbestos and is no longer fit for purpose given current and future projected growth at Cowra airport.	Medium	Low	Cowra Council to obtain grant funding for the engagement of an external consultant to investigate and develop a project that would deliver further growth at Cowra Airport.	24 months	Cowra Council
Develop a renewable energy project for Cowra Airport	Sustainable and competitively priced energy is an important concern for businesses at the airport and potential businesses looking to locate there.	Medium	Low	Draft a brief for consultants to develop, price & deliver a renewable energy project at Cowra Airport.	4 years	Cowra Council
Develop Stage 3 (and possibly stage 4) of the Airport Subdivision as per the Airport Master Plan.	With 9 of the currently subdivided 21 Lots under offer, Stages 3 and 4 of the airport development plan may need to be pursued sooner than anticipated.	High	Low	Council to draft and develop the next stages of Cowra Airport. (Subject to availability of Grants/Government Funding).	4 Years	Cowra Council Cowra Business Chamber NSW Grant Funding

Enhance the Cowra regional community and attract new residents

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Provide funding for construction and rollout of Cowra's Adventure Playground to be located at Bellevue Hill	The Cowra Community highlighted the lack of interactive playground amenity for youth and the resident community in Cowra, as well as the benefits improved amenity could provide for the visitor economy in close proximity of the Japanese Gardens.	Medium	High	Cowra Council to build and construct with the provision of State grant funding (subject to grant funding)	12 months	Cowra Council Cowra Community and Adventure Playground Committee
Refresh Council Welcome Pack	The current welcome pack is in need of refreshing and does not meet the needs of current people looking to relocate (i.e. it is not available online)	Low	Medium	Cowra Council (through locally based external contractor)	6 months	Cowra Council
Investigate online options to improve communication between businesses and Cowra Council.	Cowra Council currently communicates with business primarily through the postal service (e.g. rates notices). This could be improved by developing an online communication link with residents and businesses in the region.	Medium	Medium	Cowra Council (through locally based external contractor)	18 months	Cowra Council (dependent on grant and/or financial assistance)
Promotion of Cowra Economic Development Strategy	Awareness of the Cowra Economic Development Strategy 2014-2017 amongst businesses in the region was quite low.	Low	Medium	Cowra Council promoting the Economic Development Strategy through local media channels, social media channels and its web portal.	6 months	Cowra Council
Conference attraction Program (dependent on facilities upgrades and/or development) – focusing on specialisations / opportunities in the region (Manufacturing, Agriculture, Aviation, Tourism and Health Care & Social Assistance)	People may not be aware of Cowra as a relocation option (either for work or retirement). Conferences hosted at facilities in the region could promote the benefits of relocating to the Cowra Shire.	Medium	Medium	Cowra Council (through locally based external contractor)	2 years	Cowra Tourism Cowra Business Chamber
Upgrade/replacement of the Cowra District Hospital	Similar hospitals in the region (Parkes, Forbes and Mudgee) have had recent upgrades/replacement or are in the process. Cowra District requires updating/ replacement of hospital facilities to meet the changing needs and expectations of the Cowra community and region.	High	Medium	Cowra Council with the assistance of Cowra Health Services and the Cowra Business Chamber.	24 months	NSW Health
Partner placement / referral program	Finding a job for a partner or spouse is a barrier faced by many families or couples considering relocating to the region.	Low	Low	Cowra Council and Cowra Business Chamber developing a database or jobs board internally and making it available on the business chamber portal.	12 months	Cowra Council Cowra Business Chamber

Enhance the Cowra regional community and attract new residents *cont'd*

Initiative	Issue	Cost	Priority	Implementation	Timeframe	Responsibility
Investigate a targeted campaign to attract working-from-home residents to the Cowra Shire	The lifestyle benefits of living in the Cowra Shire made it well suited to work-from-home businesses. However, awareness of this lifestyle in metropolitan regions could be improved.	Medium	Low	Cowra Council (through locally based external contractor) – dependent on the availability of grant funding.	2 years	Cowra Council Cowra Business Chamber
Investigate marketing / education partnerships to promote Cowra as a destination for schools from other regions	Improving awareness of the Cowra Shire's unique history and culture through increased school visitation is an important way to grow the Visitor Economy.	Medium / High	Low	Cowra Council (through locally based external contractor) – dependent on the availability of funding programs.	4 years	Cowra Tourism Cowra Council
Investigate a targeted campaign / regional profile that promotes the Cowra Shire as a place for retirees to locate due to health services, aged care facilities and amenity	The lifestyle benefits and health facilities in the Cowra Shire make it an attractive place for retirees to relocate to, however, awareness of the region amongst metropolitan residents could be improved.	Medium	Low	Cowra Council (through locally based external contractor)	4 years	Cowra Council Health Council Cowra Business Chamber

Regional Action Plan Implementation Review Process

This Action Plan includes projects that will be operated by the Cowra Council, other organisations (such as Cowra Tourism and Cowra Business Chamber), as well as private businesses. It is recommended that Cowra Council appoint an Advisory Committee made up of representatives from the Cowra Council, other institutions and industry to monitor the progress of the Regional Action Plan. This Advisory Committee would meet quarterly to track the progress of actions identified in the Action Plan. After two years, the Advisory Committee would conduct a formal review of the

Action Plan and produce a brief report card to be published as an addendum to the Regional Economic Development Strategy. This would also provide an opportunity to update the Action Plan for new or modified actions. After four years, the Advisory Committee would also begin the process of updating or refreshing the Regional Economic Development Strategy.



APPENDIX 1

Strategy Development

This Economic Development Strategy was prepared by the Cowra Council with the assistance of the Centre for Economic and Regional Development. An extensive community engagement process was conducted which involved workshops, a survey, telephone and face-to-face interviews with businesses and members of the community. Figure 27 below provides an overview of the consultation process.

Cowra Shire Business Survey

To capture input from as many businesses in the region as possible, the Cowra Shire Business Survey was developed and launched. The survey was deployed online and Cowra Shire businesses were invited by email and mail, with contact details obtained from Cowra Council's database.

The survey aimed to:

1. Identify the characteristics of businesses located in the region
2. Gauge the outlook for businesses in the region
3. See how businesses in the region view the local business environment
4. Understand the relationships businesses in the region have with each other and business outside the region.

There were more than 130 responses to the Cowra Shire Business Survey with a completion rate of over 80%. On average, respondents took about 13 minutes to complete the survey (approximately 20 questions).

Workshops

Workshops provide a useful way to obtain qualitative input from a diverse group of people. They also allow participants to present ideas, hear from others and ask questions. Two workshops were held during the process of preparing this Economic Development Strategy. Both workshops invited a selection of business and community leaders and were hosted by the Cowra Council.

Workshop 1

The first workshop sought to understand the business environment. Quantitative information collected from the Cowra Shire Business Survey and desktop research was presented to the participants and feedback gathered. Through a SWOT framework, the characteristics of Cowra from a business perspective was discussed (A summary of the SWOT Analysis is included at Appendix 3). The infrastructure needs of each organisation, as well as their relationships with other organisations in the region was also obtained.

Workshop 2

One month after the first workshop, the participant from the first workshop as well as some newcomers were invited to attend a second workshop. At this workshop, the results from the first were presented to the participants and feedback was gathered. The participants were arranged in tables according to the industry sectors they represented. Using this arrangement, the core competencies and infrastructure needs of each sector were discussed. The current relationships

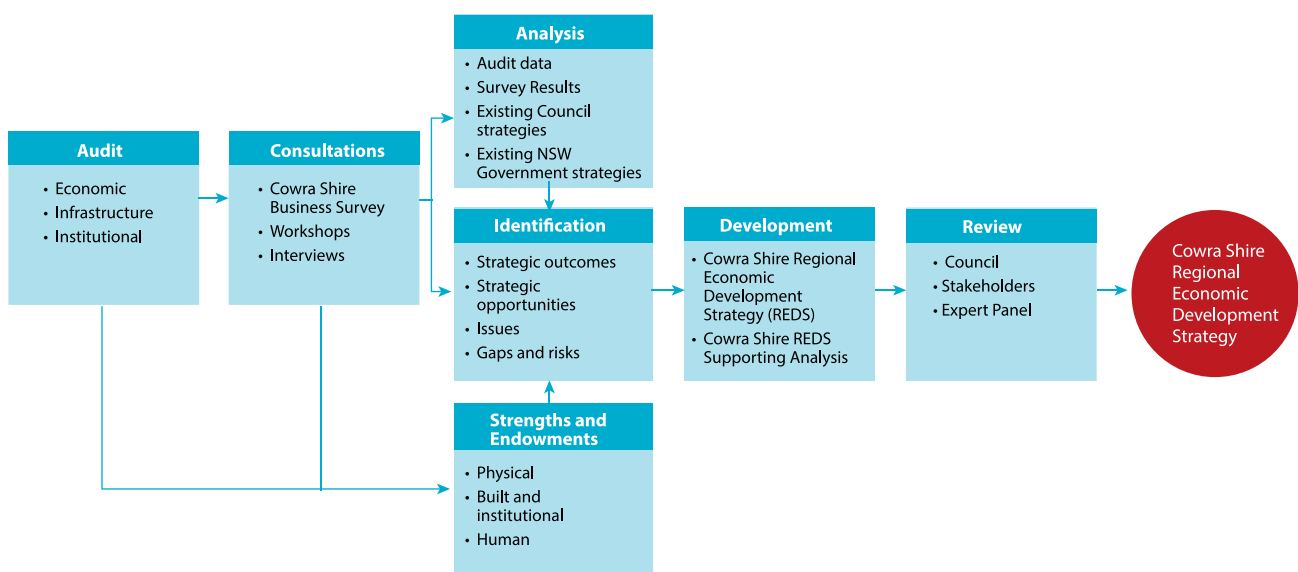


Figure 27. Cowra Shire Regional Economic Development Strategy process

between each industry sector, as well as the potential future relationships between each sector were gauged through discussion and a written questionnaire. Following the workshop, the results of the workshop were summarised and provided by email to participants seeking feedback.

Interviews

Following the workshops and survey, a series of informal in-person and telephone interviews were held with workshop participants and other members of the community. These interviews sought to:

- Clarify, understand and investigate issues or concepts raised in the workshops and survey
- Identify issues or factors in the Cowra Shire that were not raised during the workshops or survey
- Identify, discuss and understand core competencies and endowments within the Cowra Shire
- Canvass for the long-term economic vision for the Cowra Shire
- Identify and / or discuss potential economic development strategies to pursue the vision.

APPENDIX 2

Shift-Share Analysis

Shift Share Analysis is a widely used technique to analyse regional economies where there is a specific interest in the growth or decline in a particularly macroeconomic variable; most often employment. The interest in shift share analysis arises from its ability to partition employment change in a given region into three distinct components.

The interest in shift share analysis arises from its ability to partition employment change in a given region into three distinct components.

1. Changes in regional employment resulting from changes in the state economy. That is, employment will increase or decrease as a result of broader economic conditions. This component is called the **State Shift**.
2. Changes in regional employment that are a result of boarder industry specific trends. For example, an increase in demand for agricultural products will result in an increase in employment in agricultural industries. This component is called the **Industry Mix Shift**.
3. Finally, changes in employment which results from unique regional factors that are not related to broader economic and industry factors. This component is called the **Regional Shift**.

The total employment change in the region is called the **Total Shift**.

Shift Share Analysis is concerned with the 'share' that each of these 'shifts' hold in the total change in employment (the Total Shift). This relationship is also described by the following expression.

Total Shift = State Shift + Industry Mix Shift + Regional Shift

The Regional Shift component is of most interest to those involved in regional and economic development. This is the residual change for the region, after accounting for State Shift and Industry Mix Shift, and is attributed to characteristics or competitiveness unique to the region.

APPENDIX 3

Regional SWOT Analysis Summary

Table 7 below shows the results of the SWOT Analysis plenary discussion that took place in Workshop 1. This distilled the results of the individual and table SWOT analyses for the Cowra Shire in an open discussion.

TABLE 7. SWOT Analysis of the Cowra Shire

STRENGTHS	WEAKNESSES
Location	Location (remoteness)
Climate	Road and rail access
River / water	Small labour force: youth (choices and opportunity) and access to training
Lifestyle	Ageing population
Strong business base	Communication between businesses (particularly small businesses)
Flat land	Reliance on commodity prices
Aged Care	Have to leave town for specialist health services
Ageing Population	Regulation and compliance
Unique tourism	Not a marginal seat
Diversity of business	
Access to services	
THREATS	OPPORTUNITIES
Shadow of larger regional towns	Regional co-operation
Predominantly agricultural which is susceptible to nature	Energy production – renewable
Energy cost / supply	Innovation- food production
City centric government policy	Health services – aging population
Lack of State Government policy (e.g. no decentralised agencies in Cowra)	Tourism – leveraging off the region
Hospital upgrade is not happening	Internet bandwidth comparable to cities
Government regulations	E-commerce
Internet bandwidth comparable to cities	Intensive agriculture industries
E-commerce	Development at the airport
Complacency in entrepreneurship (no risk taking)	Transport – rail
	Political recognition of the region (e.g. Cowra REDS pilot)

APPENDIX 4

The Cowra Lines

The 'Cowra Lines' links Cowra, Young and Demondrille with the Main West Railway Line at Blayney. The 'Cowra Lines' also join with the Main Southern Line at Demondrille.

The 'Cowra Lines'

The non-operational rail lines from Blayney to Demondrille and Koorawatha to Greenethorpe, known as the 'Cowra Lines', were progressively suspended from operation between 2007 and 2009 due to declining freight volumes, high maintenance costs and safety concerns. Following this suspension, the councils of Blayney, Cowra, Weddin and Hilltops (previously Harden and Young) undertook an independent review and strongly supported the reopening of the Lines.

In mid-2013, Transport for NSW and the councils entered into a Memorandum of Understanding to develop a sustainable and integrated road and rail freight model for the region.

A Registration of Interest process conducted in late 2013 identified that there was market interest in the Cowra Lines from suitably qualified and experienced private sector proponents.

As a result, in 2014 the NSW Government held an 'open tender' inviting private sector proponents to submit tenders on how they would restore, operate and maintain the Cowra Lines on a commercially sustainable basis.

The tender process was completed in April 2015. A comprehensive tender evaluation revealed there was too much uncertainty in the ability of the tenderers to return the lines to full service and run a commercially sustainable business without significant government support.

Cowra Lines - Reviewed 16 Jun 2017; Transport for NSW³¹

The Cowra Lines and the Maldon to Dombarton Railway Line represent a means for producers in the Cowra regional economy to access domestic and internal markets. Re-establishing either rail line would likely reduce the costs associated with bringing freight and agricultural products out of the regions.

The Maldon to Dombarton line would allow trains from the 'Cowra Lines' to connect with Port Kembla via the Main Southern Line without having to go through the busy Sydney rail network.

Maldon to Dombarton Railway Line

The proposed Maldon to Dombarton Railway is a 35-kilometre single-track rail freight line between the Main South Line at Maldon (in the Southern Highlands) and Dombarton (near Port Kembla), in the Illawarra region of NSW.

Construction on the line started in 1983 but was suspended in 1988 due to an economic downturn and the forecast growth in coal traffic not eventuating. By this time, around 25km of earthworks (such as major cuttings and embankments) had been completed and ballast had been installed. A bridge and tunnel portals were also partially built.

If completed, the Maldon to Dombarton Railway could provide additional rail freight capacity in and out of Port Kembla and the Illawarra, helping to cater for the forecast long-term growth in NSW freight when a future demand for passenger services may constrain freight. However, the existing capacity on the Illawarra network is adequate in the short to medium term.

Registration of Interest process (now closed)

In October 2014, Transport for NSW opened a Registration of Interest (RoI) process for the Maldon to Dombarton Railway project inviting the private sector to propose how they would construct, operate and maintain the line.

Submissions closed in April 2015 and Transport for NSW undertook a comprehensive evaluation of the two proposals received which included advice from independent experts. Neither proponent was able to meet the RoI evaluation criteria.

The RoI showed that the Maldon to Dombarton Railway would need substantial ongoing State Government funding and policy support to make it commercially sustainable and that the existing infrastructure is sufficient to manage the short to medium-term rail capacity requirements for the Illawarra.

Transport for NSW debriefed both proponents on the ROI outcome and will use this information to inform future options available for implementing the Maldon to Dombarton Railway project.

Maldon to Dombarton Railway Line Reviewed 28 Jun 2017; Transport for NSW³²

³¹ (<https://www.transport.nsw.gov.au/projects/current-projects/cowra-lines>) accessed 5 July 2017

³² Transport for NSW <https://www.transport.nsw.gov.au/projects/current-projects/maldon-to-dombarton-railway-line>

APPENDIX 5

Core Competencies

Core competencies represent the ability of a region to organise its resources (land, labour and capital) in order to produce goods and services. They refer to the set of skills, technology, resource applications and management unique to that region.³³

Figure 28 shows the results of the core competencies scoring exercise undertaken in Workshop 2. This figure is based on the strength rating for each of the 8 core competencies given by each of the industry groups present. These core competencies are:

- strength of the domestic economy
- trade orientation
- technology and development
- human resource development
- management
- finance
- governance
- infrastructure

Sector Core Competencies

Figure 28 indicates that Education and Training; Health Care and Social Assistance; and the Professional, Scientific and Technical Services sectors have the highest supporting core competency index in the Cowra regional economy. Manufacturing and Agriculture, Forestry and Fishing also have relatively high supporting core competencies, while Construction and Retail and Wholesale Trade have lower supporting core competencies. .

Figure 29 shows the same Index of Sector Competence, although this time it is weighted by the importance of the core competencies identified by each industry group present during the exercise. Figure 20 indicates that Education and Training; Manufacturing; and Agriculture, Forestry and Fishing have the highest supporting core competency index in the Cowra regional economy.

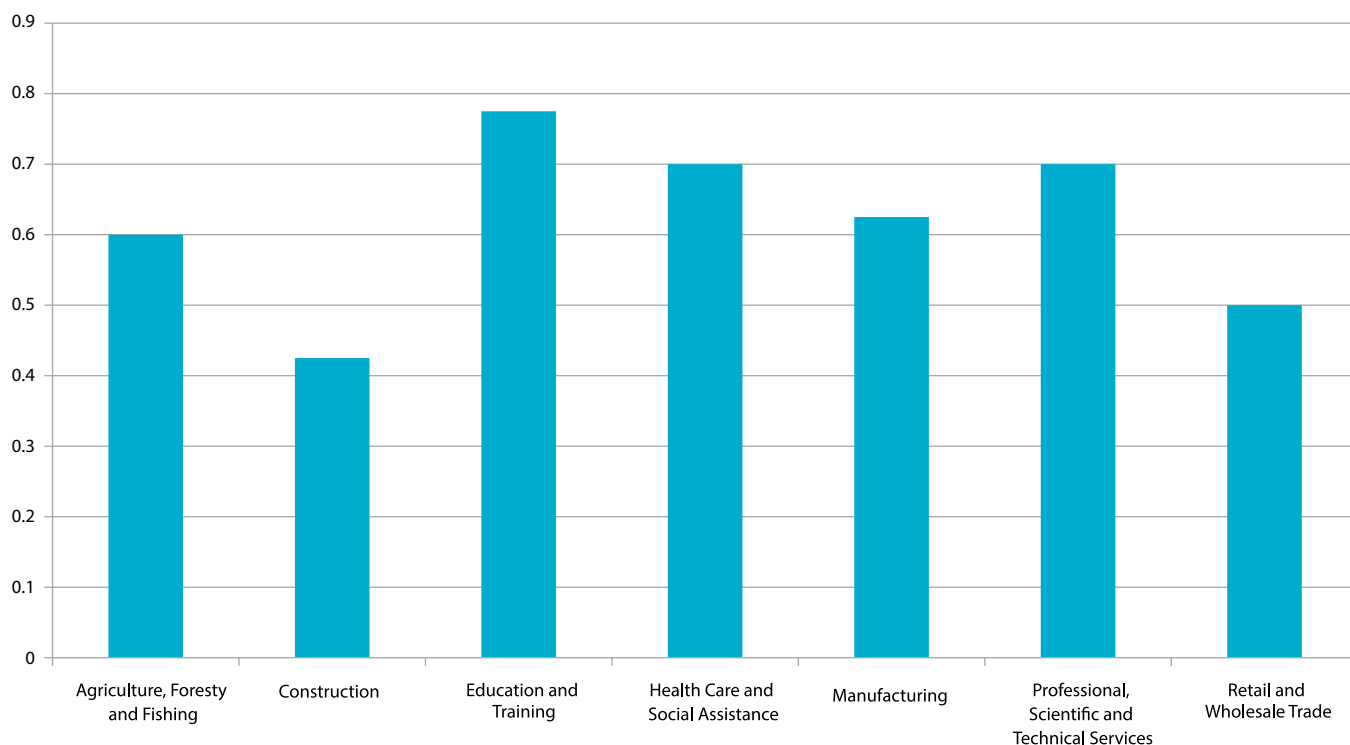


Figure 28. Index of Sector Industry Competence

Source: Centre for Economic and Regional Development

³³ Stimson, R. Stough, R. and Roberts, B., *Regional Economic Development: Analysis and Planning Strategy*, 2nd Edition, Springer, p 213

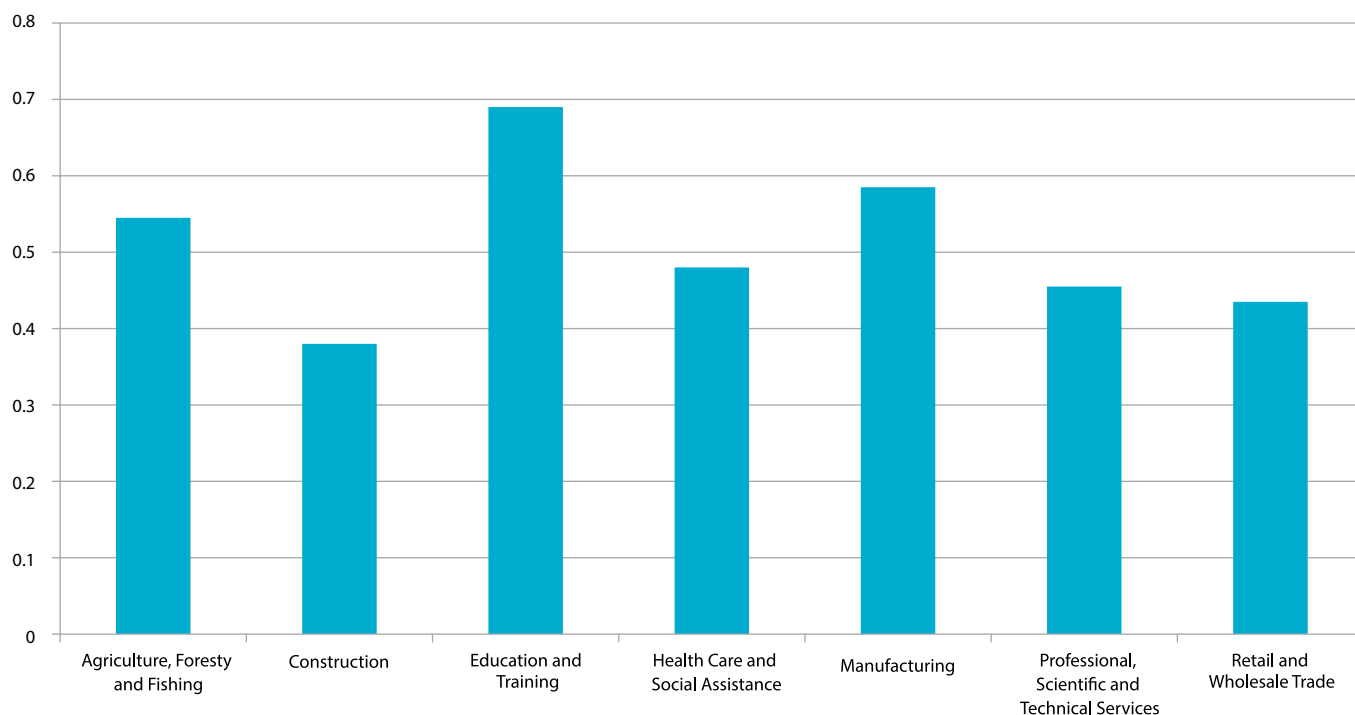


Figure 29. Index of Sector Industry Competence (weighted by importance)

Source: Centre for Economic and Regional Development

Region Core Competencies

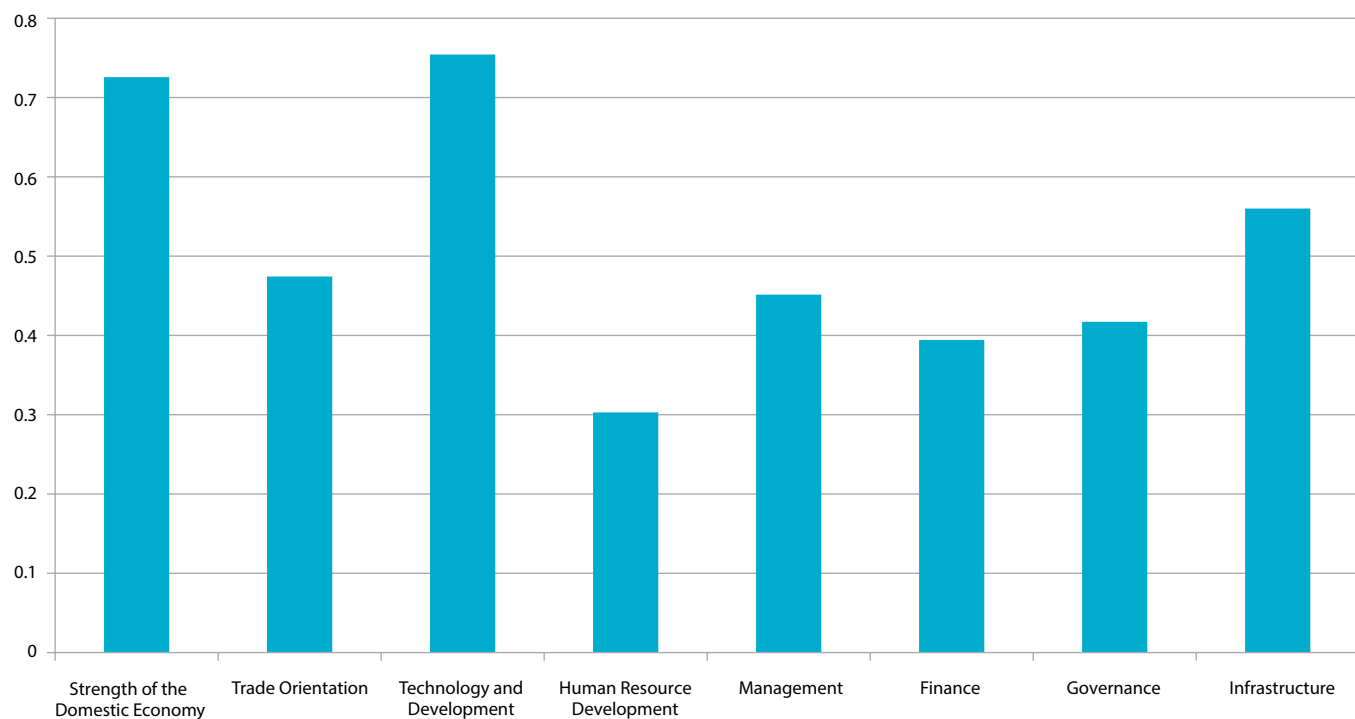


Figure 30. Index of Core Competencies in the Cowra Shire

Source: Centre for Economic and Regional Development

Combining all of the core competency ratings from each table provides a regional core competency. Figure 30 indicates that Technology and Development is a key strength for the Cowra regional economy. This is also supported by the results of the Cowra Shire Business Survey, which indicated that 62% of responding businesses in the Cowra region undertook innovation activity (compared to 49% of businesses at the national level³⁴). Figure 31 shows the proportion of businesses in selected industries that undertook innovation activity in the previous year.

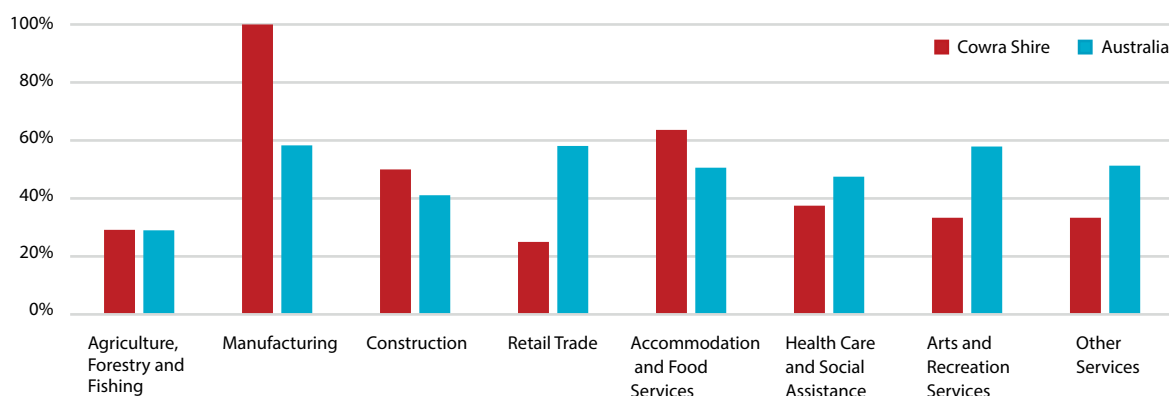


Figure 31. Innovation Activity in the Previous Year for Cowra Shire and Australia

Source: Centre for Economic and Regional Development and ABS, Summary of IT Use and Innovation in Australian Business 2015-16

The Cowra Shire Business Survey also indicated that for most industries, responding businesses in the Cowra regional economy were more likely to have a web presence than businesses nationally.

The Cowra Shire Business Survey indicated that most businesses in the region sourced the majority of their inputs from other businesses in the Cowra region. The only inputs where businesses were more likely to look outside the LGA were specialised services, such as Information Media and Telecommunications; Financial and Insurance Services; and Rental, Hiring and Real Estate Services. Given the inland location of Cowra, with limited connections to ports or international airports, it is not surprising that the local input suppliers are so important for businesses in the region.

Management, Finance, Governance and Infrastructure are of average strength in the Cowra regional economy.

During the Cowra Shire Business Survey, workshops and interviews, businesses had mixed sentiment about these core competencies. Management and Finance in the Cowra region were raised infrequently. Local, state and Commonwealth government regulations and processes were viewed somewhat unfavourably. Meanwhile, perceived infrastructure failings, in particular energy, rail and air access, and capacity of the Mid-Western Highway and Lachlan Valley Way, were often mentioned.

Human Resource Development, however, was identified as a weakness for the region. In the Cowra Shire Business Survey, workshops and interviews, businesses from all industries reported difficulties in attracting and retaining staff. Demographic characteristics and migration of school leavers to other regions and metropolitan Sydney (to pursue tertiary education or work) was frequently cited as a challenge for the region.

³⁴ ABS Business Characteristics Survey 2015-16.

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