



northern
beaches
council

Economic & Smart Communities
Strategic Reference Group

DRAFT MINUTES

ECONOMIC AND SMART COMMUNITIES STRATEGIC REFERENCE GROUP

held via Zoom on

WEDNESDAY 18 AUGUST 2021

Minutes of the Economic and Smart Communities

Strategic Reference Group

held on Wednesday 18 August 2021

via Zoom commencing at 6:00pm

ATTENDANCE:

Committee Members

Cr Sue Heins

Saul Carroll

Andy West

Stuart White

Microsoft Australia

Drew Johnson

Manly Business Chamber

Peter Middleton

Newport Residents Association

Ngaire Young

Northern Beaches Campus, TAFE NSW

Vacant

Geri Moorman

Gordon Lang

Alexander Coxon

Matthew Aderton

Chris Wilcocks

Council Officer Contacts

Nikki Griffith

Manager, Place & Economic Development

Deb Kempe

Team Leader, Economic Development & Tourism

Tamara Lukic

Governance

Visitors

Cr Sarah Grattan

Nathan Pratt

NDP Economic Development

Rob Hall

ID The Population Experts

1.0 ACKNOWLEDGEMENT OF COUNTRY

As a sign of respect, Northern Beaches Council acknowledges the traditional custodians of these lands on which we gather and pays respect to Elders past and present.

2.0 APOLOGIES

Note: Cr Walton resigned from the SRG.

Note: Cr Grattan attended the meeting as a visitor.

Apologies were received from Mayor Regan and Kath McKenzie.

3.0 DECLARATION OF PECUNIARY AND CONFLICTS OF INTEREST

Adderton declared his candidacy in the upcoming local government elections. He noted that whilst there is no real pecuniary or conflict of interest, he wished to make this declaration in the interests of transparency.

4.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

4.1 MINUTES OF ECONOMIC AND SMART COMMUNITIES STRATEGIC REFERENCE GROUP MEETING HELD 19 MAY 2021

CONFIRMED

That the Minutes of the Economic and Smart Communities Strategic Reference Group meeting held 19 May 2021 are hereby confirmed as a true and correct record of the proceedings of that meeting.

G Lang / S Coxon

6.0 AGENDA ITEMS

6.1 NORTHERN BEACHES - ECONOMIC HEALTH CHECK – ROB HALL

UPDATE ON THE ITEM

Rob Hall from ID The Population Experts presented on the draft Economic Health Check report on Northern Beaches (NB). A copy of the presentation is at Attachment 1.

R Hall discussed the main findings of the report:

1. Economy in a good position prior to COVID-19
2. Population and tourism growth
3. But not enough to address degraded jobs shortage
4. Highly skilled and creative specialisations
5. Strategic Centres
6. COVID-19 and Future Potential

Opportunity & Challenges

- Remote work
- Commercial opportunities
- Slower population and tourism growth
- Online shopping
- Risks or possible blockers

DISCUSSION

Following the presentation by R-Hall on the Economic Health Check report on Northern Beaches (NB), the group was asked to consider and provide their input to four questions. A copy of the SRG's group input is at Attachment 2.

6.2 COUNCIL'S BUSINESS SUPPORT SERVICE UPDATE – DEB KEMPE

UPDATE ON THE ITEM

Deb Kempe, Team Leader Economic Development updated the group on this item and sought their input on current business support service and what could be a more sustainable way in supporting businesses in relation to Council processes?

DISCUSSION

The group shared the following:

- A need for a separate tab only for business section on the Council website
- Confusion and a need for clearer promotions and if it comes from Council or Service NSW
- People are not aware of the support offered by Council, a need to get this information out and for catchy names that actually relate to the particular area "*no matter what you want to do we are here for you, we will do our best*"
- A need for FAQ's.

- Lack of understanding and a need for a consistency in grant application closing times.
- Leveraging business networks, and social media should be tagging with networks.
- To be a supportive business hub Council's website needs to be more user friendly with separate sections to website.
- Opportunity to link businesses and Council and what the NB Council can offer to businesses and create opportunities out of that.
- Council needs to be a leader and promote itself as a place to go to get the business help.
- Council to make the best use of local businesses and link it to local procurements .
- Business support service and when people Google it then this is linked to Council and local business chambers.
- Business Support Network providing free training, a new/updated version of Chambers of Commerce.

Nathan Platt director of NDP Economic Development noted three categories business enquire about from Council – **brand new business** open for advice, council running program, **business that are looking to expand** - in relation to town planning, **larger institutional investors** – is it suitable for my business.

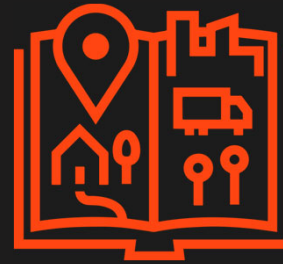
The meeting concluded at 8:09pm

This is the final page of the Minutes comprising 5 pages numbered 1 to 5 of the Economic and Smart Communities Strategic Reference Group meeting held on Wednesday 18 August 2021 and confirmed on Wednesday 17 November 2021

Northern Beaches

Presentation of Economic Health Check

18/08/21



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Economic Health Check

Northern Beaches

Economic analysis of the Northern Beaches Council Area focusing on the period 2016-2019. Forecasts are also presented to understand future opportunities and challenges.

- #01 Economy in a good position prior to COVID-19
- #02 Population and tourism was driving growth
- #03 But not enough to address degree job shortage
- #04 Highly Skilled and Creative Specialisations
- #05 Strategic Centres
- #06 COVID-19 and Future Potential



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01 Economy in a good position prior to COVID-19

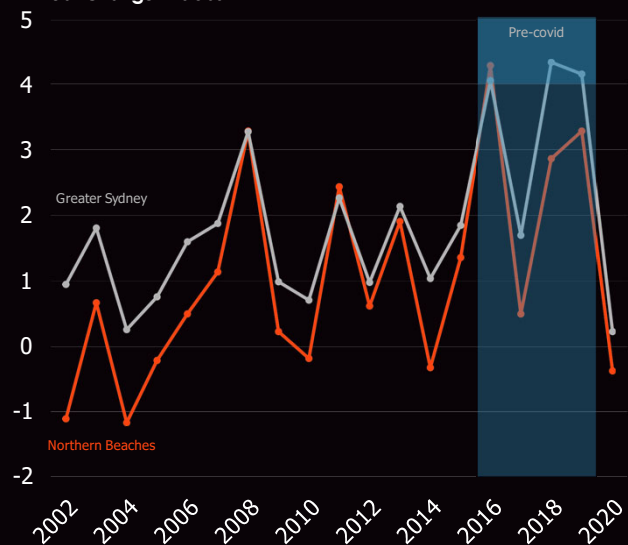
Analysis of headline economic indicators

A period of solid growth...
Just not as fast as
elsewhere

Jobs grew by 2,340 p.a. between
2016-2019

- Greater than 10-year historical rate of 1,682 p.a.
- But growth was much slower than Greater Sydney average (2.2% vs 3.4%)

Annual Change in Jobs



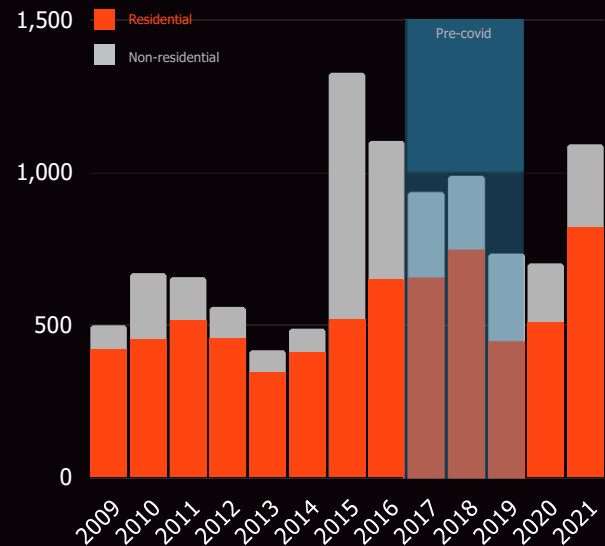
Source: NIEIR, 2021

Building approvals strong in recent years

Non-residential approvals typically support ongoing jobs

- Northern Beaches Hospital \$500m in 2014/15
- Education and Retail/Wholesale buildings were the main drivers of non-residential approvals in the 3 years prior to COVID-19

Value of Building Approvals, Northern Beaches \$m



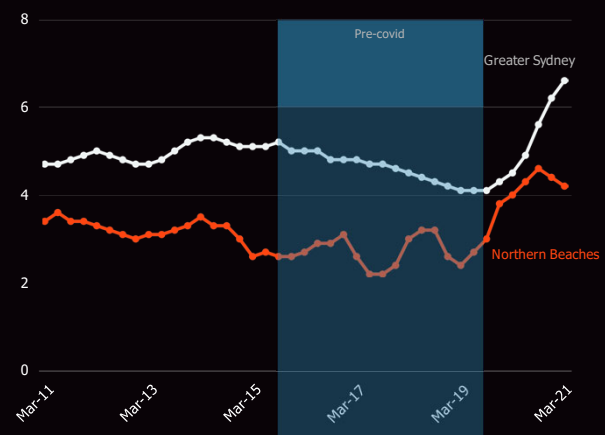
Source: ABS Building Approvals

Unemployment rate remains below the Greater Sydney Average

Highly skilled resident base leading to higher incomes and better labour force outcomes

- High participation and low unemployment
- Affluent community - household incomes +25% greater than Greater Sydney average
- Education attainment and skills higher than Greater Sydney

Unemployment Rate %



Source: Department of Employment, Small Area Labour Markets.

02 Population and tourism driving growth

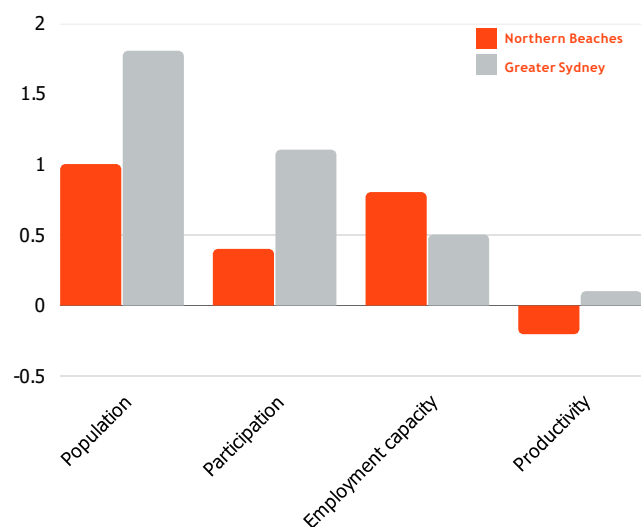
Drivers of recent growth (2016-2019)

Creating more jobs than growth in employed residents

But job creation appears to be in less productive industries

- Population a major driver of economic growth
- Net overseas migration is the major contributor to population growth
- Jobs growing faster than employed residents is good news
- Productivity relatively weak

Components of economic growth, 2016-2019
Average annual growth %



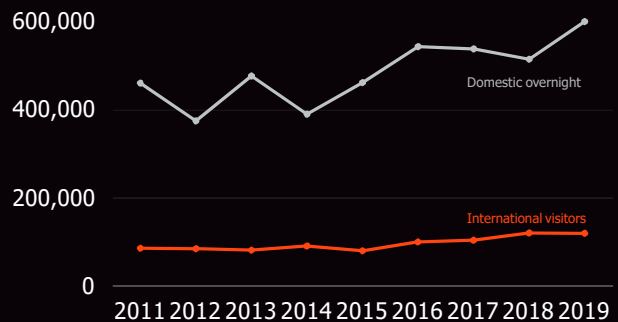
Source: NIEIR, 2021

Tourism activity has helped the economy grow faster than population limits

Strong growth between 2015-19

- Domestic overnight visitors +6.1%
- International visitors +3.4%

Overnight visitors, Northern Beaches



Airbnb properties, Northern Beaches

Number of properties that received reviews



370 in 2015



1,653 in 2019
(+350%)

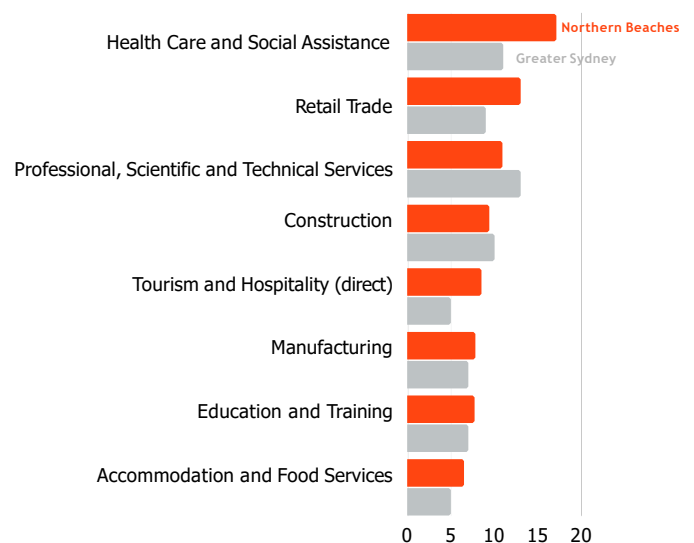
Source: Tourism Research Australia, 2021. Airbnb, 2021

Mixed business economy

Mix of household and business services

- Significant demand for goods and services with 274,000 people
- Tourism visitation supports a relatively high share of Retail, Hospitality and Arts and Recreation jobs
- Large number of Professional Services - but still a gap compared to Greater Sydney average.
- Manufacturing still prominent

Industry Mix (selected), 2019



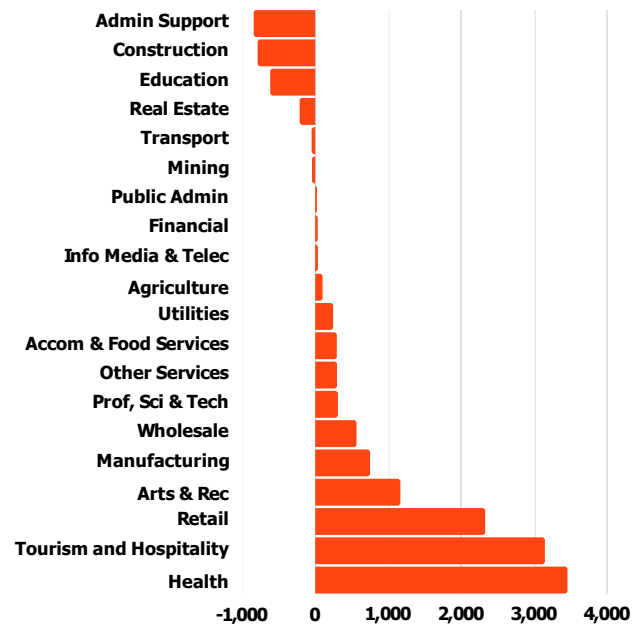
Tourism includes activities from other industries
Source: NIEIR, 2021

Health and tourism activity behind pre-covid job growth

Manufacturing & Wholesale important contributors

- 13 out of 19 industries grew 2016-19
- Health sector expansion across all sub-sectors. Driven by ageing, NDIS, and hospital development.
- Strong growth in international tourism visitation (+1m 2016-2019)
- Investment in retail (e.g. Westfield Warringah Mall)
- Manufacturing & Wholesale grown strongly (pharma and machinery)
- Construction activity down, with flow on impacts

Job change by industry, Northern Beaches, 2016-2019



Tourism includes activities from other industries
Source: NIEIR, 2021

03 But not enough to address degreed jobs shortage

Employed Residents vs Local Jobs Available

Moderate improvement in jobs available for locals...

But a large number still need to travel elsewhere for work

- 52% of residents work locally, 43% work elsewhere, 5% no fixed address
- Around 1 in 4 travel to Sydney / North Sydney LGAs

(ABS Census, 2016)

Jobs vs Employed Residents, Northern Beaches



Employed residents - live in Northern Beaches. Local Jobs - Jobs located in Northern Beaches
Source: NIEIR, 2021

Need for more degreed jobs in Northern Beaches

Is there a major opportunity to change this due to COVID-19?

Living in Northern Beaches (2016)

- 3,800 Advertising Managers
- 3,100 Business Admin Managers
- 3,000 Chief Execs live in Northern Beaches
- 1,700 ICT Managers

(ABS Census, 2016)

Jobs vs Employed Residents, Northern Beaches, 2016



-23,000
Degreed Job Deficit



-27,000
Professional &
Management Occupation
Deficit

Source: ABS Census of Population and Housing, 2016

04 Highly skilled and creative specialisations

Competitive industry analysis



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Specialisations across a range of industries. Clusters of related activity include Creative/Cultural, Health, Tourism/Households and Manufacturing/Wholesale

Level of specialisation - Northern Beaches

Compared to Greater Sydney (in LQ terms)

	Jobs	Value Added \$m
Arts and Recreation Services	1.62	1.48
Retail Trade	1.54	1.94
Agriculture, Forestry and Fishing	1.49	2.42
Tourism and Hospitality *	1.48	2.07
Health Care and Social Assistance	1.40	1.60
Other Services	1.38	1.66
Wholesale Trade	1.33	1.77
Accommodation and Food Services	1.22	1.46
Education and Training	1.09	1.03
Manufacturing	1.01	1.46
Construction	0.95	0.89
Rental, Hiring and Real Estate Services	0.93	1.27
Administrative and Support Services	0.83	0.94
Professional, Scientific and Technical Services	0.80	0.97
Electricity, Gas, Water and Waste Services	0.79	1.00
Information Media and Telecommunications	0.66	0.67
Public Administration and Safety	0.49	0.55
Transport, Postal and Warehousing	0.36	0.42
Financial and Insurance Services	0.29	0.35

Source: NIEIR, 2021 | * Includes activities from other industries

Specialisation by detailed industry - Northern Beaches

Compared to Greater Sydney (in LQ terms)

Industry	Jobs	% of total	Specialisation
Agriculture, Forestry and Fishing Support Services	402	0.4%	7.28
Non-Store Retailing and Retail Commission Based Buying	1,531	1.4%	4.90
Private Households Employing Staff and Undifferentiated	155	0.1%	2.78
Basic Chemical and Chemical Product Manufacturing	1,652	1.5%	2.55
Creative and Performing Arts Activities	1,171	1.1%	2.06
Other Goods Wholesaling	2,278	2.1%	1.90
Sports and Recreation Activities	1,975	1.8%	1.85
Residential Care Services	3,143	2.8%	1.73
Petroleum and Coal Product Manufacturing	132	0.1%	1.70
Library and Other Information Services	199	0.2%	1.68
Adult, Community and Other Education	2,812	2.5%	1.66
Social Assistance Services	5,811	5.2%	1.66
Medical and Other Health Care Services	6,840	6.2%	1.65
Other Store-Based Retailing	9,527	8.6%	1.57
Machinery and Equipment Wholesaling	2,368	2.1%	1.57

Source: NIEIR, 2021



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Admin HQ for Manufacturing Companies

Manufacturing industry has a higher share of white collar workers

- Blackmores in Warriewood (+400 staff)
- Dow Chemical Company, French's Forest
- Kirsch Pharma, French's Forest
- CONMED Linvatec (med equipment mfg), French's Forest
- Schaeffler (auto & industrial mfg), Belrose
- Galderma (skincare), Belrose



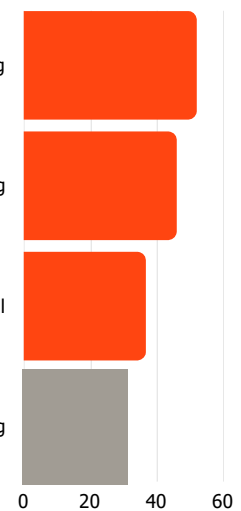
Managers and Professionals, % of total jobs by industry, Northern Beaches

Basic Chemical and Chemical Product Manufacturing

Machinery and Equipment Manufacturing

Manufacturing Total

Greater Sydney Manufacturing



Source: ABS Census of Population and Housing, 2016

Creative Sector

Industry Concentrations

In 2018/19, the most over-represented industries* in the Northern Beaches were Book and Magazine Wholesaling (4.1x the Greater Sydney average share of Cultural and Creative jobs) and Professional Photographic Services (2.5x).

The most over-represented occupations were Landscape Architects, Photographers and Authors.

* Over-represented means a higher share of Northern Beaches Cultural and Creative workers are in this industry compared to the Greater Sydney average.

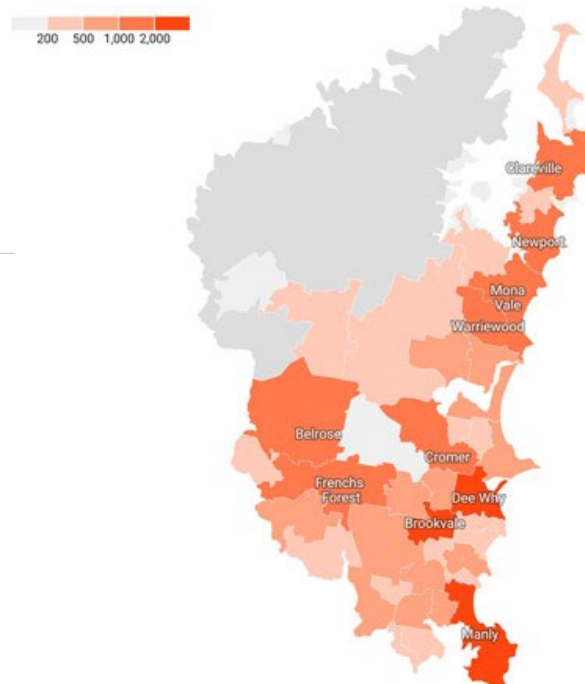


05 Strategic Centres

Analysis of spatial economy

Business Locations in Northern Beaches

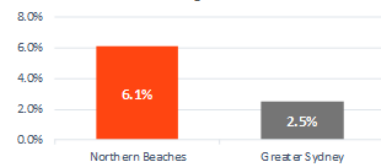
- Brookvale is the main commercial and retail centre
- Frenchs Forest houses the hospital and innovation/business park precincts. Identified as Strategic Centre by NSW Government
- Manly includes Manly Hospital



Home Base Businesses

Home based businesses

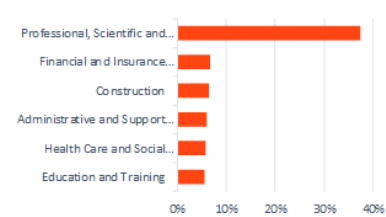
Share of residents working at home as owner/managers



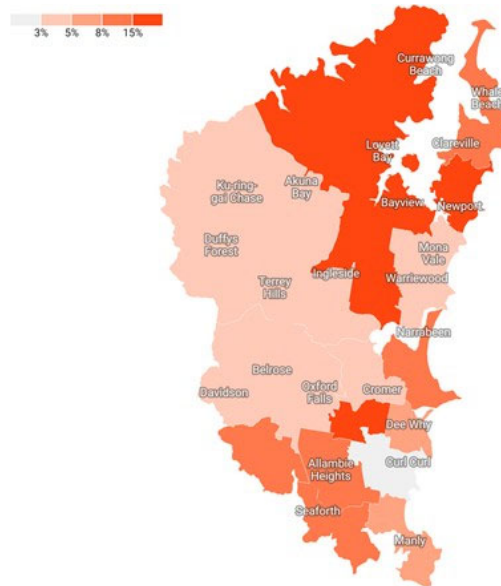
Source: ABS Census of Population and Housing, 2016

Top 6 industries for home based businesses

Share of Northern Beaches home based owner/managers



Source: ABS Census of Population and Housing, 2016



06 COVID-19 and Future Potential

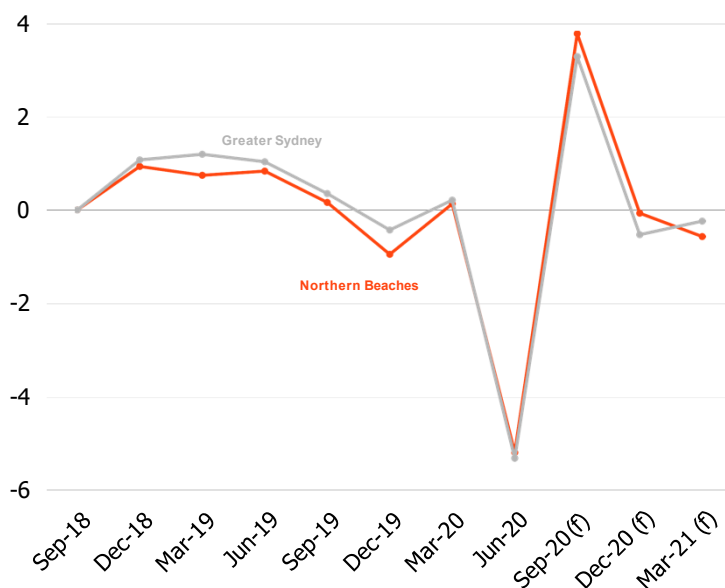
Forecasts, Macro forces and Conclusions

Substantial fall in the June Quarter 2020

Followed by a bounce back in September 2020

- Jobs in Northern Beaches fell 5.2% in June Quarter (5,800 jobs).
- Government stimulus 'saved' many jobs and supported the rebound in September.
- In March 2021, Jobs were 2.3% below pre-covid levels
- Latest lockdown will impact the recovery that was underway...

Quarterly Change in Jobs %



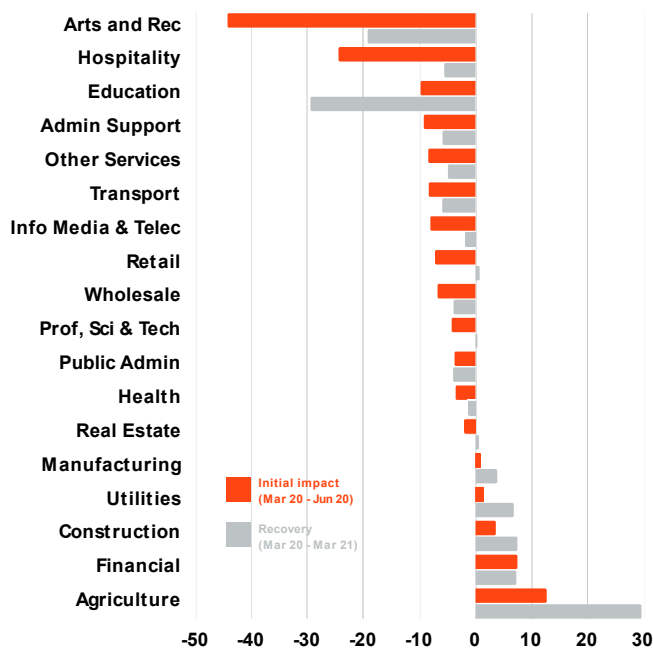
Source: NIEIR, 2021

Hospitality and tourism related industries most impacted

Impacted by Social distancing policies and reduced tourism visitation

- By March 2021, jobs had recovered to pre-covid levels in 8 out of 19 industries

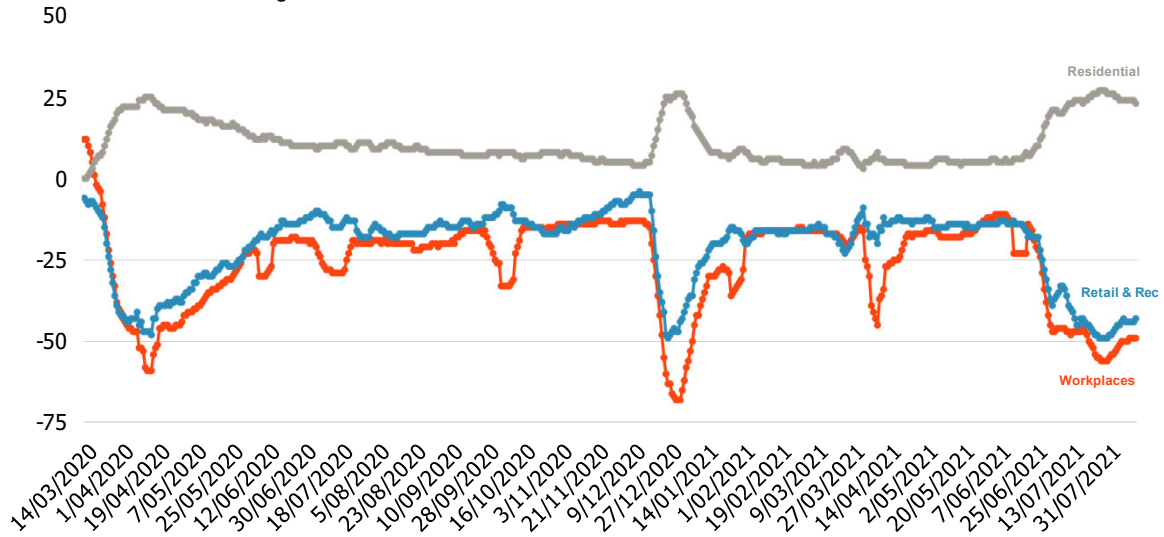
Quarterly Change in Jobs %



Source: NIEIR, 2021

Major changes to where we work and how we shop

Movement trends - % change from base week



Source: Google Mobility Report



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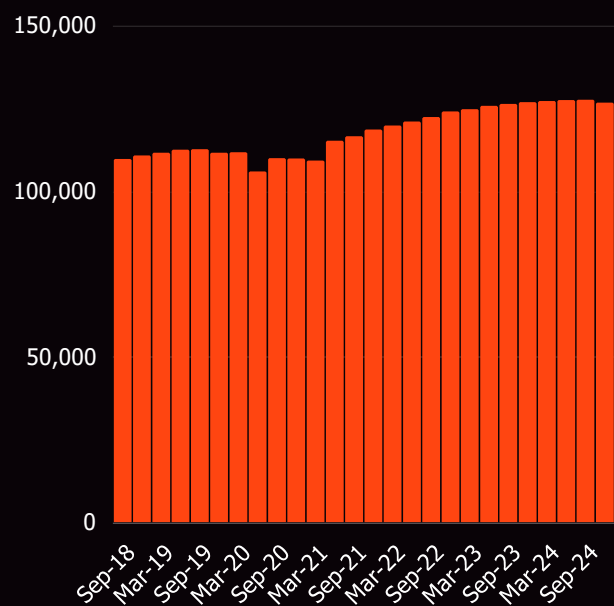
Jobs were forecast to be back to pre-covid levels by June 2021

Latest lockdown expected to delay this recovery

- Northern Beaches economy was forecast to recover faster than Greater Sydney (16.6% vs 12.5% between June 2020 to December 2020)
- By Dec 2024, jobs forecast to be around 2,000 below the pre-covid forecast.



Local Job Forecast, Northern Beaches

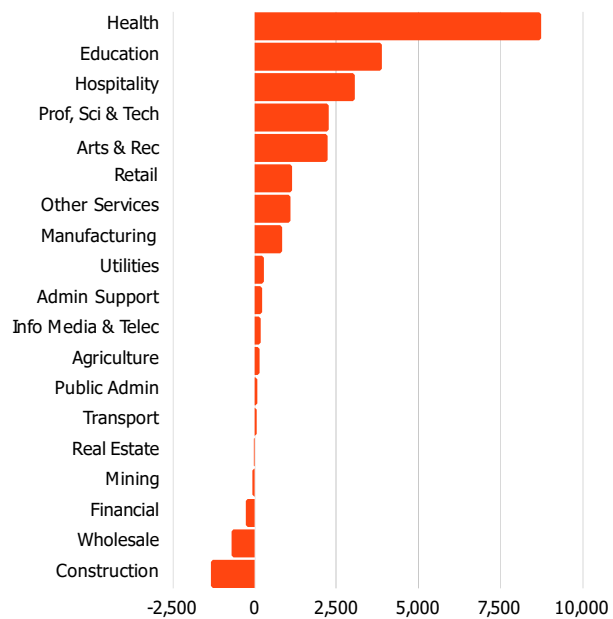


Source: NIEIR, 2021

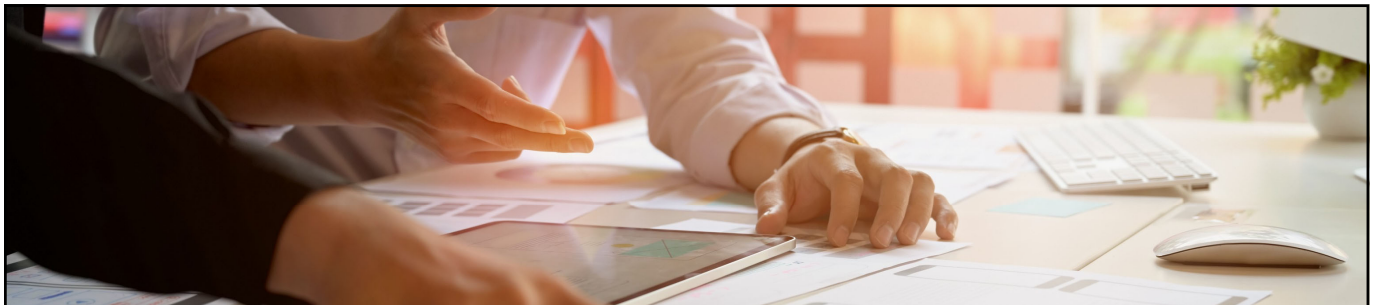
26

Hospitality and tourism expected to bounce back; Health care and social assistance and professional services to drive jobs growth from pre-COVID levels

Forecast Change in Jobs, Jun 2020 to Dec 2024, Northern Beaches



Source: NIEIR, 2021



Opportunity & Challenges

Remote work

60-75% of business services could be done remotely

Opportunity to encourage CEOs to move business closer to home.

Commercial opportunities

Co-working, incubators, accelerators, creative design clusters

Lead firms & insitutions

Commercial health science

Strategic Centres

Home based business market

Slower population & tourism growth

600,000 less people living in Greater Sydney by 2040

Impact on international tourism market

Online Shopping

Impact on Retail businesses in strategic centres

Need to diversify - health, co-working, commercial

Risks or Possible Blockers

Strategic public transport connections

Visitation levels

Land use (commercial vs residential)

Competition from other strategic centres

COVID-19 outbreaks

Economic & Smart Communities SRG group input to the Economic Health Check Report on Northern Beaches Presentation

Following the presentation by Rob Hall on the Economic Health Check report on Northern Beaches (NB), the group was asked to consider and provide their input to the following four questions:

1. To what extent have these statistics resonated with what you are observing in the community? What surprises you with the results that are coming in?
2. Building from the stats and the trends from the analysis what are some of the key elements to focus for the coming Economic Development Strategy, opportunities and also challenges; and what should be the focus area?
3. What are some of the KPIs and measures of success that should be included the economic development strategy?
4. What are some of the things that should be assessed going forward and achieved with the document?

To question 1. What are the key take out form the presentation and things that jumped out and surprised the group shared the following:

- A broad spectrum of manufacturing industry/businesses not only driven by industrial but also household demand.
- Approaching senior executives that live on the NB to have a conversation about potentials on the Norther Beaches and bringing their business to NB.
- New hospital and changing demographics impact on job growth in allied health, health at home and residential age care and a potential spin off might be the wellness and health together given the aging demographic profile.
- Review of other areas/Councils across the country, their marketing strategies, campaigns what are they doing that has worked well and that NB could be doing or doing better putting aside the current COVID-19 situation to bring back people or to get people out and spending money again.
- Scepticism about the recovery this time around, concern about cash flow positions of businesses and small business will be hurting the most.
- The current strong residential property market will have increased real estate agency and construction/trade employment - different to presentation.

To question 2. What are some of the key factors and opportunities that should be looking at the economic strategies the group shared the following:

- Education as a growing industry and a need for people to reskill and upskill.
- Availability of state funding, education with focus on job trainer, reskilling and upskilling mapped and targeted to employability opportunities.
- Mismatch on what is on offer and what the demand is for on at the Northern Beaches TAFE.
- The importance of focusing on the high value jobs, which benefit the community and focus on the right type of businesses.
- An opportunity for Council to market and promote the NB, what we are good at before COVID-19 ends and there are massive campaigns to draw people back into the city.

To question 3. What is something that NB does really well and can be done to attract attention and promote itself to others the group shared the following:

- From a tourism point, abundance and diversity in accommodation and a potential to build high-end tourism.
- Large creative industry and further opportunities to build on in this space.
- Natural health as a great potential for tourist attraction due to the NB natural beauty.
- A need for more strategic marketing campaigns.
- Enable companies and business to grow and make it affordable.
- Education not in terms of building universities but using the skillset of people on NB to create online NB university; and the knowledge NB can sell.
- Following a trend of people not wanting to go back to working full time in the city, gives an opportunity to promote NB as an all-inclusive/better alternative to working in the city.

To question 4. What sort of the problem are we trying to solve and how do we measure if the problem has been solved or not? What are we trying to achieve and how do we track it the group shared the following:

- Affordability, creative use of spaces and flexible regulations for people to try business opportunities and other measures for economic plan.
- The issue of people opening businesses with no prior education or training.
- A need for business hubs to support businesses and lobby for state support.
- Increasing NB Gross Regional Product (GRP).
- There will be more of an element of home base work than before COVID-19 – but there are employees that will prefer homes. With that there is opportunity for business that can service that. And how do we economically service that and benefit.
- The importance of promoting and marketing Northern Beaches.