



IN PURSUIT OF PROSPERITY:

THE 'CORE' ECONOMIC DEVELOPMENT ACTIVITIES OF COUNCILS

Sasha Lennon, SC Lennon & Associates

When we talk about 'economic development', by virtue of the range of ideas and activities that the concept can cover, we are by necessity referring to an all-encompassing subject matter that can sometimes be challenging to articulate. In my travels throughout rural, regional and remote Australia, where I've engaged with a diversity of communities, all with their own unique attributes and characteristics, needs and challenges, aspirations and sensibilities, I've come to settle on the following definition of economic development:

'Economic development' is about the continuous improvement of a region or locale's level of income and capital (wealth) and the distribution of that wealth (through expenditure and jobs) to the community. Measured by advances in levels of investment, income generation and employment, economic development is also defined by improvements in education, skills, health, culture, community wellbeing, a sense of place and the natural environment.'

Characterised by the mutually-reinforcing connection between community, culture, environment and the economy, economic development is essentially about improving quality of life, or to capture the concept more succinctly, it is about 'prosperity'.

This notion of prosperity looks beyond improvements in industry output, gross regional product (GRP) and employment as the only measures of positive change. As fundamental as these traditional growth measures are, sustainable economic development requires long-term economic growth while also building on local community, cultural and environmental attributes which are inextricably linked with economic success.

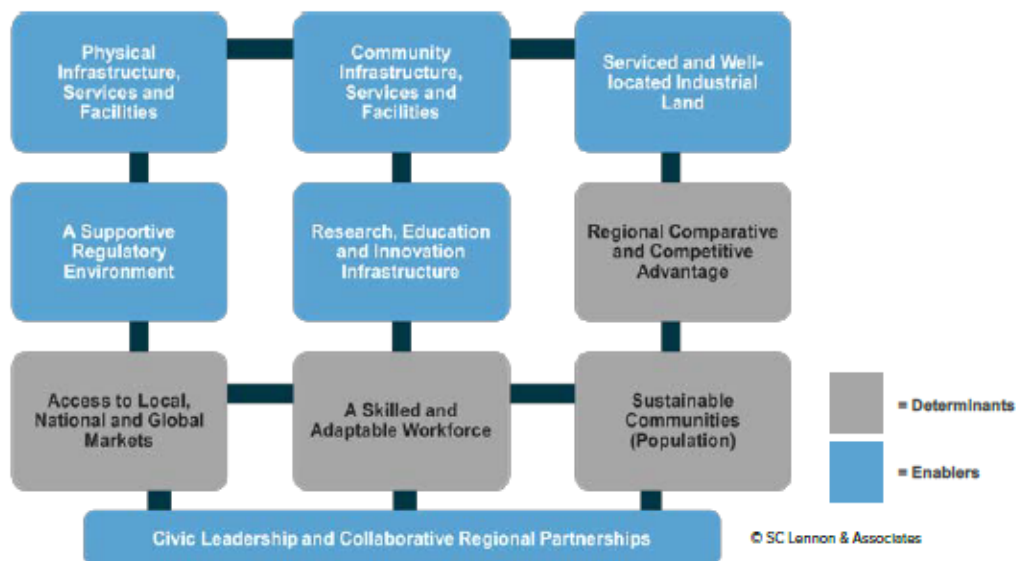
The definition provided above is necessarily broad. Of course, it's not the only definition one can use, and other descriptions of economic development may be more appropriate when seeking

to understand and address the needs of particular communities or interest groups.

For example, if we were to focus on the economic development challenges and aspirations of Indigenous communities, we might think more pointedly of 'Indigenous economic development' as the involvement of Indigenous people in employment, business, asset and wealth creation in the communities and regions where they live.

If we were focussed more specifically on, say, economic development as it applies to the cultural and creative industries, the definition again would be more specific to the needs of the interest group or the community in question. Nevertheless, while definitions of economic development can be many and varied, the underlying principles of asset and wealth creation and the generation of opportunities for meaningful and sustainable employment in local communities, are common to all.

Figure 1. The Determinants and Enablers of Economic Development



THE DETERMINANTS AND ENABLERS OF ECONOMIC DEVELOPMENT

Efforts to develop local or regional economies are most successful when they focus on the determinants of economic development, by building on local comparative and competitive strengths and advantages. A region's comparative advantage stems from its geography, the natural environment, amenity and location, its population and the availability of its natural resources. Businesses can use a region's comparative advantage to build a competitive advantage, which is developed through a combination of factors such as knowledge, human and financial resources, skills, entrepreneurship and the ability to innovate.

So, while business and industry drives economic growth and development, the role of Councils (and other key agents of change including State and Federal Government agencies, regional development organisations and infrastructure and service providers) is to influence the 'enabling environment' for economic activity, that is, the services, infrastructure and support mechanisms required to facilitate positive change.

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Having regard for the above, it becomes clear that a Council's 'economic

development role' cuts across all areas of the organisation's work and strategic objectives and typically involves multiple departments. What sorts of activities then should a Council's economic development unit focus on as its core functions?

The answer lies in four key areas of focus, what I refer to as: (1) preparing for prosperity; (2) enabling prosperity; (3) encouraging prosperity; and (4) promoting prosperity. Each is explained in turn as follows.

Preparing for Prosperity – Research and Information Brokerage, Planning and Place Management

Local government, in its capacity to identify, establish and nurture effective economic partnerships, can support local business establishment, innovation and entrepreneurship through its networking, facilitation and information sharing capabilities. In this sense, it plays an important role in the economic development space as a regional solutions broker or 'concierge'.

Often a first point of contact for the business community, Councils play a role in informing businesses of State and Federal Government assistance programs that are available to help individuals develop their business skills or to support businesses with access to support programs. This has been particularly important in the past year with the impacts of COVID-19 affecting

businesses across a diversity of industries, particularly those in the store-based retail, personal services, arts and recreation services and restaurants and cafes sectors.

COVID-19 has negatively affected the Australian economy by disrupting consumer demand and business supply. Consumer sentiment has deteriorated significantly, weakening demand across most industries. A number of Councils I have been working with in the past year, in regional New South Wales, South Australia and Queensland, have adopted a range of initiatives to help businesses manage the impacts of COVID-19. This includes, for example, providing local businesses with information on services including business planning and continuity management, financial planning and support, human resource management, marketing and promotion, taxation support, mental wellbeing support and other networking and referral services offered by key State and Federal Government agencies.

In preparing for prosperity, local government has an equally if not more important role to play in its capacity as a regulatory body and local planning authority. Strategic land use planning, development controls and other regulations have a significant impact on economic development outcomes and are perhaps the most powerful tools of Councils when working to facilitate and enable economic development.

Councils that work to establish and promote a regulatory and land use planning environment that is open, engaging and supportive of business opportunity will do well to support positive local economic development outcomes.

Councils can also influence a sense of place and the functioning of local towns and centres through master planning, development control, place activation and urban improvement programs, all of which serve to enhance a location's liveability and investment appeal.

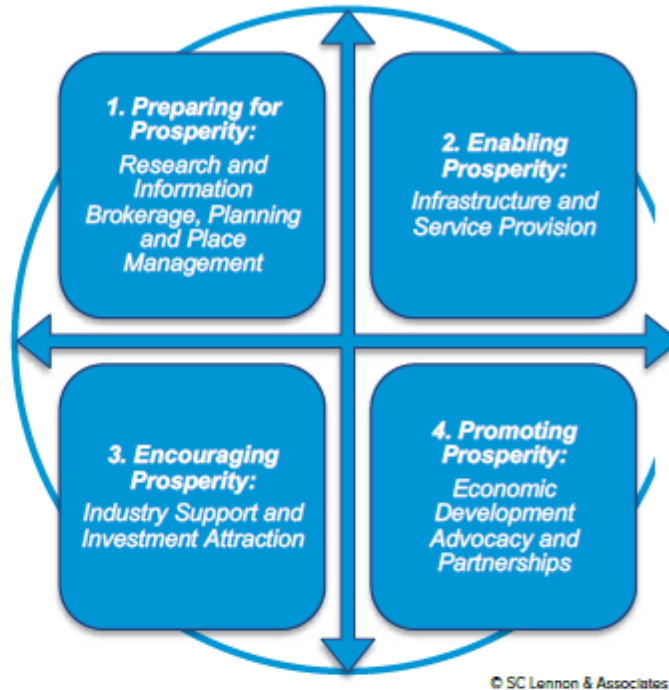
Lismore City Council in northern NSW for example, through its 'Shaping the Lismore CBD' project, has committed to the implementation of four place-based investment initiatives which were identified and developed through technical analysis (including economic analysis) and the facilitation of an Enquiry By Design process with local stakeholders. A suite of solutions were built around catalysing investment in projects and programs that aim to reinvigorate the Lismore CBD. Using cost-benefit analysis principles, the project identified priority investment proposals to catalyse the CBD's revitalisation.

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Enabling Prosperity - Infrastructure and Service Provision

Councils can ensure that the fundamentals for investment attraction and economic development are addressed by planning for and providing local infrastructure and services within their remit. This includes, for example, identifying and prioritising local infrastructure needs including 'lifestyle' infrastructure such as sport and recreation facilities and cultural infrastructure including museums, libraries and art galleries.

Figure 2. A Council's 'Core' Economic Development Support Activity Areas



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At a broader level, local government can collaborate with regional stakeholders including regional development bodies, government agencies and infrastructure managers to ensure that the needs and aspirations of industry and the community are addressed by planning for and providing regionally-significant infrastructure in an informed, planned and co-ordinated manner.

This includes, for example, education and training infrastructure and research and innovation infrastructure, that is, the facilities, resources and services used by researchers, educators, the science community and industry to conduct research and foster business innovation. The smart hub co-working space known as 'DaSH' in Lake Macquarie, NSW, and which has the support of Lake Macquarie City Council through its economic development company Dantia, is a great example of how local Councils can pro-actively bring together start-ups, small businesses and corporates to foster innovation through collaboration.

Encouraging Prosperity - Investment Attraction and Business Support

Investment is fundamental to economic development, and access to markets is a

key determinant of long-term economic growth. Local government can facilitate investment by promoting what the local area or region concerned offers prospective investors in a strategic and targeted fashion. It can pro-actively promote the region's 'tourism offer' as well as plan for and prioritise local infrastructure investment through an informed approach to destination management.

There are numerous examples of good investment prospectus materials produced and promoted by local government authorities. One of the more eye-catching I've seen in the past year or two is the 'Open for Business' campaign by Gunnedah Shire Council in New South Wales. Another, which is driven by the collaborative efforts of the Mackay, Isaac and Whitsunday Regional Councils in Queensland, is the multi-faceted 'Strong for Generations' promotional program developed through the Greater Whitsunday Alliance (GW3).

GW3, which is an independent, regional economic development body that represents and advocates for the Mackay Isaac Whitsunday region, and is funded by the three regional councils along with project and grant funding, takes a strategic and informed approach to developing a range of projects and programs

designed to attract and retain investment in key areas including resources, mining equipment technology and services (METS), agriculture and bio-futures. Projects which have assisted the region's key industries range from workforce planning, industry networking and local business support, through to local procurement planning and supply chain enhancement strategies.

Promoting Prosperity - Economic Development Advocacy and Partnerships

No one organisation has the knowledge, know-how or resources to effectively pursue a region's economic development agenda alone and positive collaborative partnerships are an essential ingredient of success. Local government and its partners in industry, government and the non-government sector provide a unifying voice for communities and for businesses when lobbying State and Federal Governments on key economic development issues. Local government has a key role to play in attracting government investment in enabling infrastructure by identifying strategic priorities and preparing business cases for key projects, which can be used to inform grant funding applications.

The Greater Whitsunday Alliance referred to above is just one great example of constructive, outcomes-oriented regional collaboration. The Joint Organisations model adopted by local governments throughout New South Wales is another.

Regional collaboration can take many forms and with a variety of outputs, all designed to progress a region's economic development agenda. For example, in Outback South Australia, the Outback Communities

Authority, with the support of Regional Development Australia Far North, produced the *oneOutback Prospectus* – a short, sharp and engaging document targeted at government agencies and prospective investors. An evidenced-based document, the *oneOutback Prospectus* sought to attract investment into South Australia's Outback to see projects of regional significance come to fruition.

In exploring how the region is best placed to leverage the Outback's competitive advantage, the *oneOutback Prospectus* identifies and promotes four prioritised, innovative 'region-building' investment opportunities which are economically sound, and community verified. One of these projects, the proposed sealing of the Strzelecki Track, has since received \$10 million in State Government funding to upgrade the first 50-kilometre section of the Track, with these works already underway. More recently, the Federal Government has committed \$100 million to seal priority sections of the Track. This is a great example of a collaborative approach to identifying and addressing regional priorities which will have significant positive economic development outcomes over the long-term.

The four broad categories of economic development activity described above provide a framework for Councils, both as a lead and in partnership with other organisations, to plan for prosperity and the wellbeing of the communities they serve. They provide a general guide only. The particular activities that a Council does focus its energies on will be determined by the outcomes of its economic development strategy, planning process and the identification of priorities for action.

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ABOUT THE AUTHORS

SASHA LENNON



Sasha Lennon is a Brisbane-based consultant with over 25 years' experience specialising in the preparation of regional economic development and tourism strategies, economic needs and impact assessments, business cases and strategic plans. He is the Director of consultancy firm SC Lennon & Associates Pty Ltd. Go to www.sashalennon.com.au.