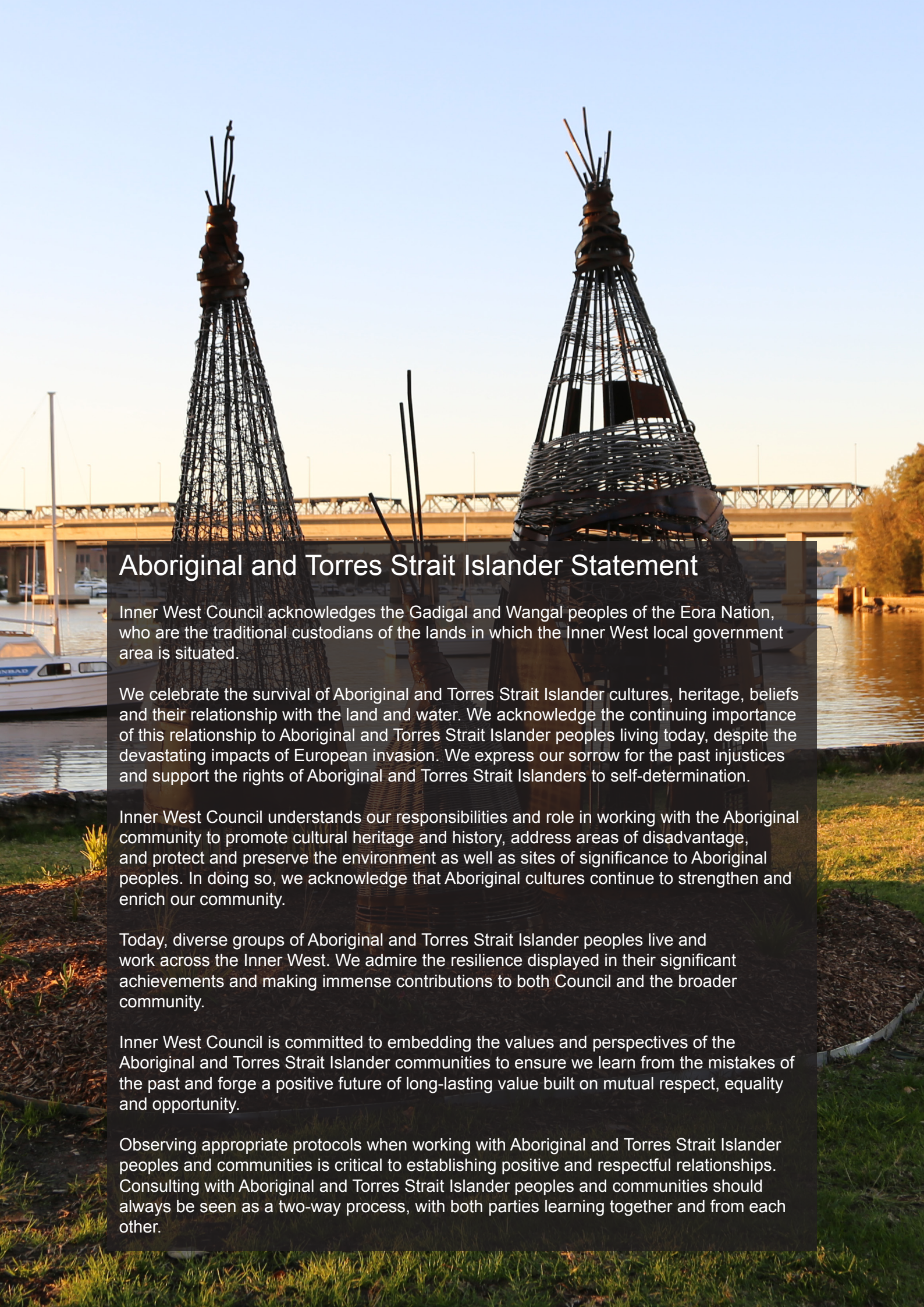


INNER WEST

# Draft Economic Development Strategic Plan





## Aboriginal and Torres Strait Islander Statement

Inner West Council acknowledges the Gadigal and Wangal peoples of the Eora Nation, who are the traditional custodians of the lands in which the Inner West local government area is situated.

We celebrate the survival of Aboriginal and Torres Strait Islander cultures, heritage, beliefs and their relationship with the land and water. We acknowledge the continuing importance of this relationship to Aboriginal and Torres Strait Islander peoples living today, despite the devastating impacts of European invasion. We express our sorrow for the past injustices and support the rights of Aboriginal and Torres Strait Islanders to self-determination.

Inner West Council understands our responsibilities and role in working with the Aboriginal community to promote cultural heritage and history, address areas of disadvantage, and protect and preserve the environment as well as sites of significance to Aboriginal peoples. In doing so, we acknowledge that Aboriginal cultures continue to strengthen and enrich our community.

Today, diverse groups of Aboriginal and Torres Strait Islander peoples live and work across the Inner West. We admire the resilience displayed in their significant achievements and making immense contributions to both Council and the broader community.

Inner West Council is committed to embedding the values and perspectives of the Aboriginal and Torres Strait Islander communities to ensure we learn from the mistakes of the past and forge a positive future of long-lasting value built on mutual respect, equality and opportunity.

Observing appropriate protocols when working with Aboriginal and Torres Strait Islander peoples and communities is critical to establishing positive and respectful relationships. Consulting with Aboriginal and Torres Strait Islander peoples and communities should always be seen as a two-way process, with both parties learning together and from each other.

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# Introduction

The Inner West Council's Economic Development Strategic Plan has been developed in collaboration with the community and key stakeholders. The Strategy is Council's road map to help guide the growth of the area's economy for the next three years.

The strategy acts on the following four key economic priorities in the Inner West Council's Community Strategic Plan:

1. Inner West is the home of creative industries and services
2. The local economy is thriving
3. Employment is diverse and accessible
4. Urban hubs and main streets are distinct and enjoyable places, to shop, eat, socialise and be entertained



This Plan aligns with a range of other relevant Council policies and studies such as the Employment and Retail Lands Strategy, Integrated Transport Strategy and the emerging Local Strategic Planning Statement. It draws on research and data on which those policies and studies are based and an analysis of emerging trends to help identify ways to strengthen and build the local economy into the future. The Plan will be monitored and reviewed to address the rapidly evolving policy and economic context to which it relates.

“The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process through by which public, business and non-government sector partners work collectively to create better conditions for economic growth and employment generation”

*(Source: the World Bank, 2017)*

**Objective:** The role of this strategic plan is to help create jobs by supporting the growth of the local economy and making it more competitive and resilient. This can only be achieved in partnership with a wide range of stakeholders.



CHANGE THE  
WORLD ONE

REFUGEE - RUN  
KITCHEN  
& FAIR TRADE  
GIFT SHOP

CHANGE THE WORLD  
ONE MEAL  
ONE GIFT  
ONE COFFEE  
AT A TIME



BY  
V:

EN AND ENJOY  
AQI BUFFET!  
way or dine-in  
Med \$14 / Lg \$17  
urtyard out back  
no corkage





# Inner West's Strategic Business Advantages

Operating within a high density inner city environment the local economy is driven by its diversity, highly educated and innovative workforce, a strong student base and business operators who are responding to the changing face of retail and other industries. The Community Strategic Plan has identified the need to promote Inner West as a great place to live, work and invest in.

The Inner West attracts innovative and creative industries which are found across our shopping strips, urban centres and industrial areas. These help define the local character that we are aiming to protect, support and build and present a positive profile for the area that can be used to help attract employment growth and investment.



Being on the door step to the City, one of the wealthiest central business districts in the region, and close to the airport, a harbour and a growing population, provides a significant advantage for the Inner West. Along with a highly educated local community as identified in the Community Profile, and over 20,000 businesses, the Inner West has many factors that can serve as attractors for new business and employment opportunities.

Council's recent Employment and Retails Lands Strategy has shown that these factors enable the Inner West to play a key role as a manufacturing hub, retail area, hospitality and creative arts centre. These features and the locational advantages of the area offer the opportunity to attract major new businesses into the area, and in particular offers great potential for the areas that are likely to experience major new development in the coming years, such as those in the Camperdown Precinct, Parramatta Road corridor and Bays Precinct. As a result opportunities may well arise for the Inner West to explore encouraging a range of new investments, from head offices, start-ups, global techs to large not for profits.

Through economic development work Council can examine how to work with other stakeholders to find opportunities

for all of our community members in the business world, including Indigenous people, people with disabilities and other minorities groups.

As the Inner West continues to work towards addressing population growth, housing affordability and pressures on the transport network, employment opportunities that enable residents to work close to home can help reduce the strains on our local infrastructure.

Population increases create new markets for businesses which can create local jobs. The increased need for residential development is a challenge for our local economy as it is critically important to retain our industrial and employment lands, as is outlined in Council's Employment and Retails Lands Strategy, so that our employment base is supported and enabled to develop.

The Inner West Local Government Area is situated on the lands of the Gadigal and Wangal peoples of the Eora Nation. Council is committed to working more closely with Aboriginal and Torres Stair Islander peoples to foster opportunities that promote employment opportunities, advocating for Indigenous Cultural Intellectual Property (ICIP) rights and promoting pathways for Indigenous start-ups.

# Inner West Economic Profile

The urban development of the Inner West, located 4-10 kilometres west of the Sydney Central Business District (CBD), dates from the early 1790s when the first land grants for a European settlement were made. Population was minimal until the 1850s, but significant residential and industrial growth occurred from the 1870s to the late 1960s. The population gradually declined during the 1970s to early 2000s then remained relatively stable for the next ten years. The growth then resumed, reaching a population of about 198,000 in 2018.

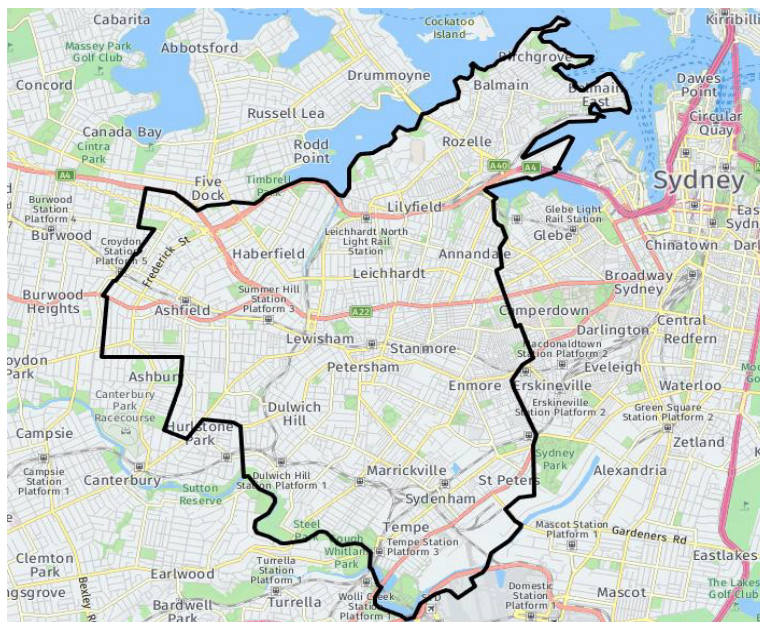
The Inner West economy has historically played an important employment role in inner Sydney, particularly in manufacturing and port related activities on the Balmain Peninsula. The area is also a destination for food and entertainment,

attracting a Sydney wide catchment.

Today, Inner West is facing a range of economic challenges and opportunities from major shifts underway in the global and Australian economy. They include economic transition to knowledge and services, loss of manufacturing jobs, disruption of business models, competition from residential development and changes to the way we work.

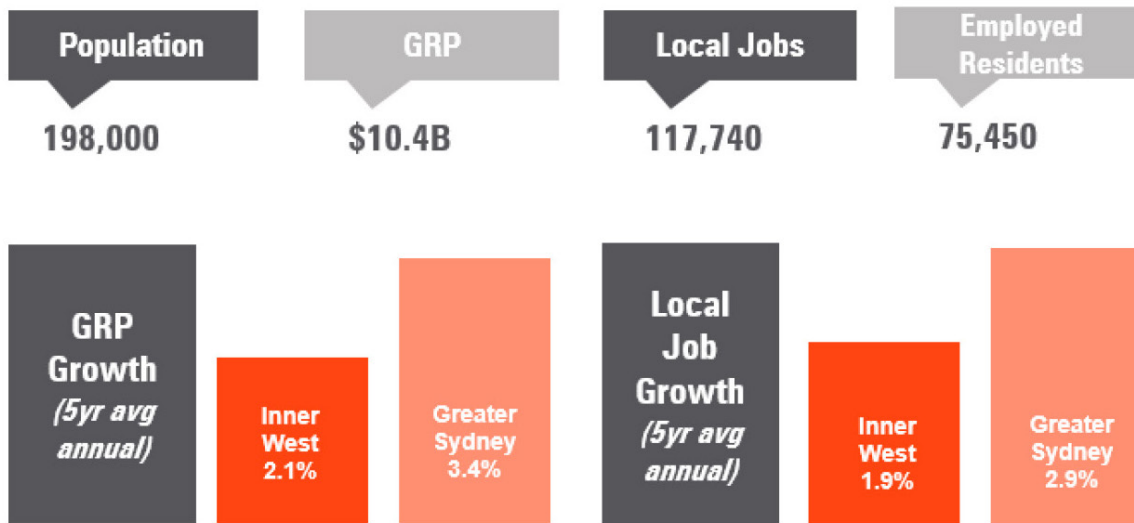
This report presents a story about the Inner West Local Government Area's (LGA) economy that can be used to inform strategic planning, investment priorities and ultimately the development of interventions to leverage opportunities and address challenges.

**Map 1 - Inner West LGA Boundary**

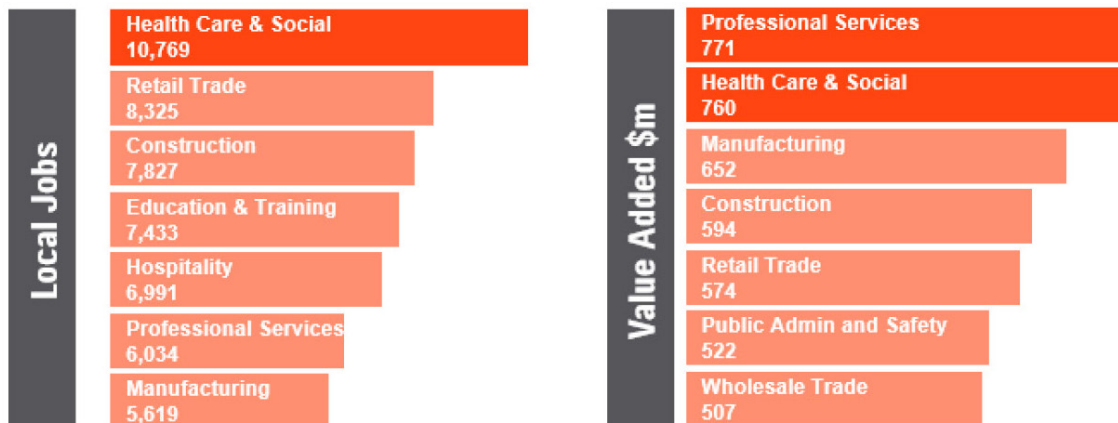




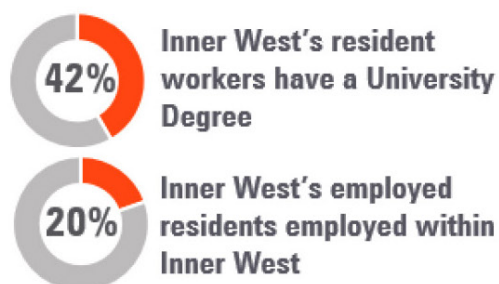
# Inner West Economic Snapshot, 2017/18



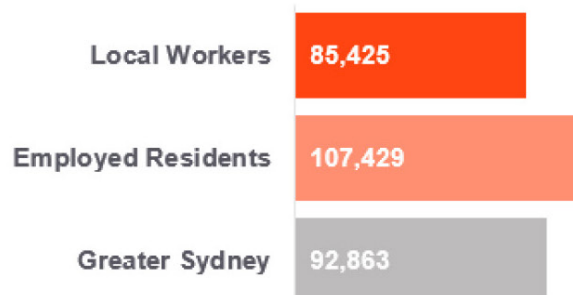
## LARGEST SECTORS



## Skills and Employment Gaps



## Average Incomes



## An economy dominated by population serving industries but with business services and manufacturing still a large part of the economy

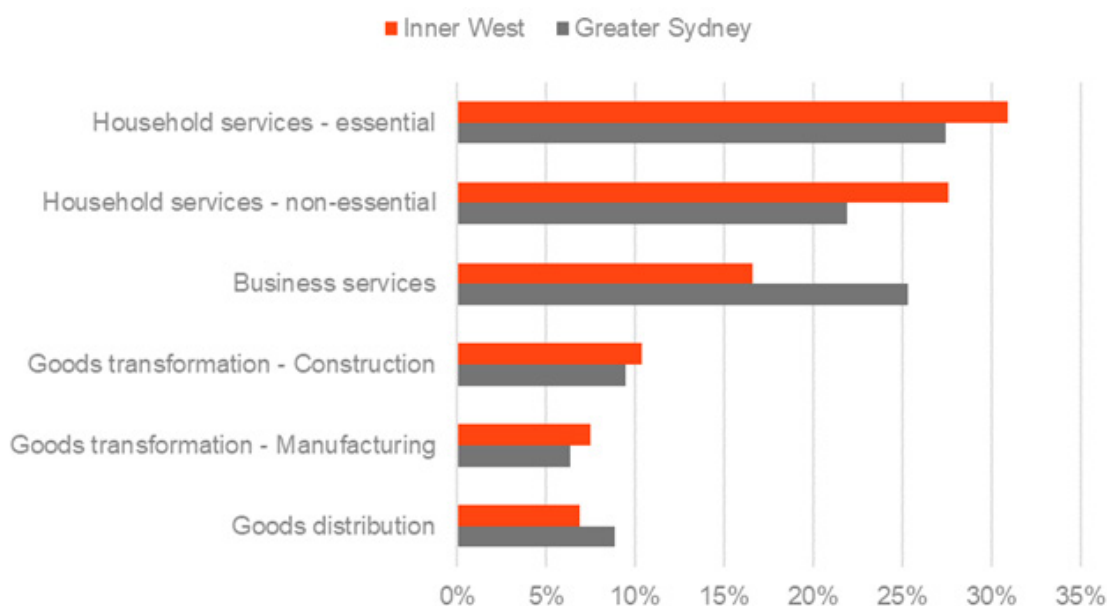
A large share of Inner West's economic activities is focused on providing essential (health, education and utilities) and non-essential (hospitality, retail, arts and recreation) services for the population. In 2018, 60% of the Inner West's economic activities, in terms of local employment, was in population serving sectors compared to 50% for Greater Sydney as a whole.

While population serving industries dominate, Inner West has a relatively high share of employment in goods transformation activities. In 2018,

manufacturing and construction goods transformation activities comprised 7% and 10%, respectively, of local employment, compared to 6% and 9% in Greater Sydney as a whole.

In terms of employment, economic activities in business services is underrepresented with only 17% of local employment, compared to 25% in Greater Sydney. However, the sector is highly productive, contributing 31% of total Value Added to the economy of the Inner West in 2018.

**Chart 1 - Structure of Economy, % of total jobs**



Source: NIEIR (2018)



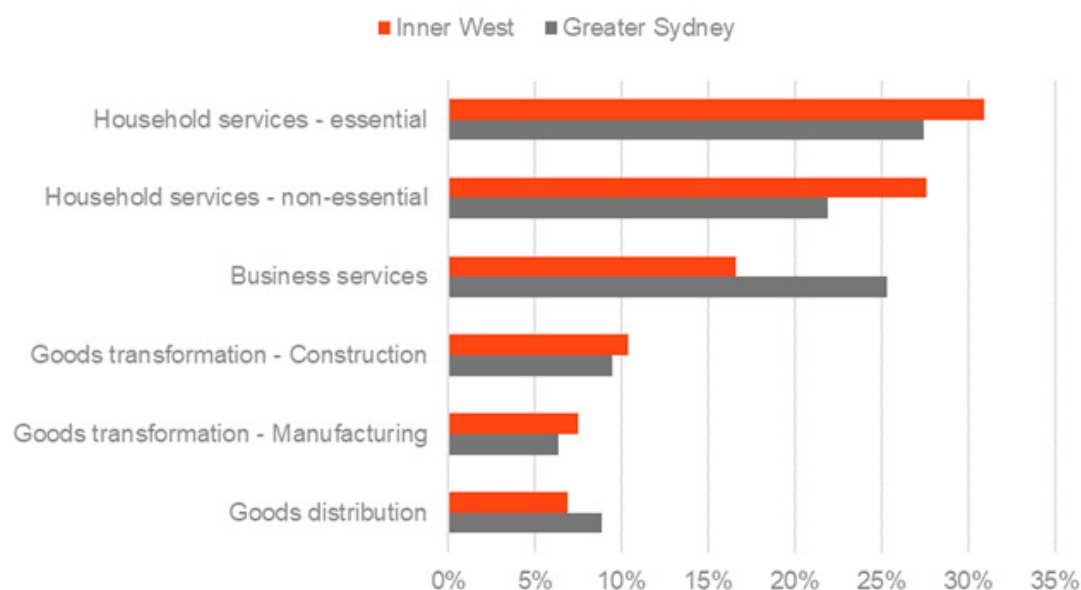
Looking at a detailed industry level, over 62% of local employments were in top 6 industries.

- Health Care and Social Assistance had the largest number of local jobs. Although jobs directly associated with general hospitals were low (590 jobs in 2016), there is a relatively high number of jobs in medical services areas adjacent to the Royal Prince Alfred hospital and numerous aged care facilities.
- Retail Trade was comparatively more active within the area, such as along the Parramatta Road. The industry accounted for more than 11% of total employment, compared to 9.6% in Greater Sydney as a whole.

- The recent surge in residential construction activities across Greater Sydney, including Inner West has propelled the employment in the Construction industry from 5th largest in 2013 to 3rd largest in 2018.



**Chart 2 - Top 6 Employing Industries, jobs**



Source: NIEIR (2018)

The productivity (value added) of industries reveals that Inner West’s economy is not just focussed on population serving industries. While not the biggest employing industry, Professional Services was the most productive industry, highlighting its importance as a driver of economic

growth. Around half of this industry is engaged in architectural, engineering and technical services and legal and accounting services. Manufacturing industries is also important from productivity perspective and is the third greatest Value-Adding industry.

**Chart 3 - Top 6 Value Adding Industries, \$million**

Professional Services	771
Health Care & Social	760
Manufacturing	652
Construction	594
Retail Trade	574
Public Admin and Safety	522

Source: NIEIR (2018)





## Competitive advantages in population serving and manufacturing industries with substantial advantages in high value adding industries

Local jobs within Inner West's economy have a significant competitive advantage in population serving industries and manufacturing industries. Particularly, the economy has substantial advantages in:

- Manufacturing industries relating to clothing, printing and furniture, where a large number of workers are agglomerated around Marrickville
- Café, restaurants and takeaway food services catering for local residents as well as national and international visitors to Inner West. Specifically, the businesses are amassed around economic hubs, Ashfield and Marrickville, around universities and hospitals, and tourist spots, such as Balmain.

- Health industries relating to allied health services, aged care facilities, childcare and social support services are agglomerated in Ashfield and Lilyfield.
- Other services, particularly personal care services relating to beauty care and automotive repair service.

An important feature of the Inner West's economy is the competitive industries within Inner West. Inner West's competitive industries are engaged in relatively more productive and/or specialised activities.



### List of Employing Industries, jobs

- Other Services
- Accommodation and Food Services
- Health Care and Social Assistance
- Retail Trade
- Manufacturing
- Public Administration and Safety
- Rental, Hiring and Real Estate Services
- Education and Training
- Arts and Recreation Services
- Wholesale Trade
- Administrative and Support Services
- Construction
- Professional, Scientific and Technical Services
- Transport, Postal and Warehousing
- Information Media and Telecommunications
- Agriculture, Forestry and Fishing
- Financial and Insurance Services
- Electricity, Gas, Water and Waste Services
- Mining

*Source: NIEIR (2018)*



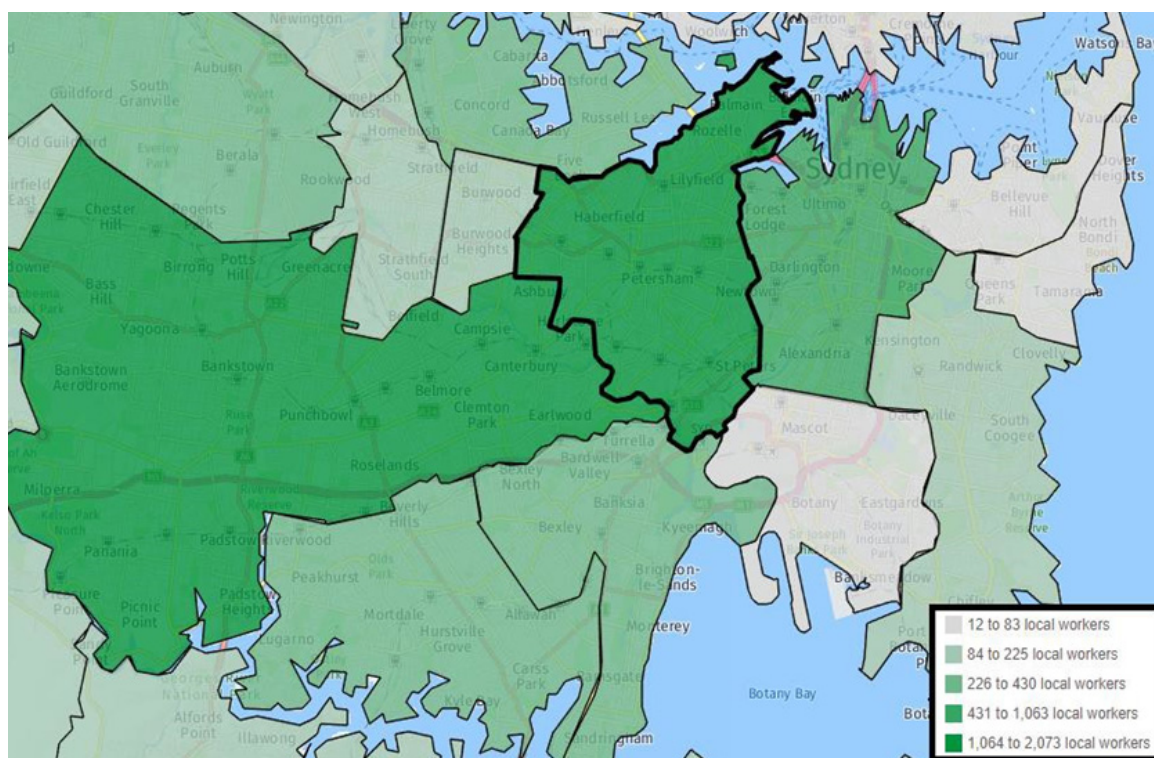


## Businesses are heavily reliant on workers from a wide area beyond the Inner West LGA boundary

Businesses are heavily reliant on workers from surrounding LGAs as more than 70% of Inner West's employed workers reside outside the LGA. Businesses draw on a very large catchment which is made possible by excellent road and public transport accessibility to Inner West's main employment precincts. The main locations of Inner West's workers from outside the LGA are from Canterbury-Bankstown LGA (12.3% of total workers) and City of Sydney LGA (6.4%).

However, there are a number of industries who have a relatively high share of workers who live and work in Inner West LGA. Arts and Recreation Services had the highest number of local resident workers with 61.6% and Professional, Scientific and Technical Services had the second highest proportion of local resident workers with 52.1%.

**Map 3 - Resident Location of Inner West Workers in 2016**



Source: ABS Census of Population and Housing 2016

# Priorities

This Plan focuses on three key priorities that can help drive the development local economy:

1. Making the Inner West a hub for economic and employment growth
2. Embracing the innovation economy
3. Supporting diversity in business growth

## **Priority 1 - Making the Inner West a hub for economic and employment growth**

With a growing population, low unemployment and a strong economy, the Inner West has a reputation for being a highly desirable place to live, work, play and invest. This is due to a range of factors including:

- proximity to Sydney and Parramatta CBDs and Sydney airport
- employment, educational and industrial precinct hubs
- “eat” streets offering chic restaurants and cafés
- small bars, heritage pubs and microbreweries
- access to public transport and cycle ways
- festivals, cultural events and art scheme
- open space and recreational areas

The sought after lifestyle and the liveability of the area enhances our

reputation and is an important feature to draw on in promoting it as a hub for economic growth and investment.

Protecting and enhancing the economic base provided by our industrial and employment lands is fundamentally important to supporting our local economy as is identified in Council's Employment and Retails Lands Strategy. While the Inner West only has an extremely small amount of undeveloped employment lands, our existing industrial lands form a strong economic base. Their value should not be understated with some industrial areas bucking national trends with a thriving manufacturing sector that remains a significant employer in the suburbs of Sydenham, St Peters, and Marrickville, as is highlighted in the Employment and Retails Lands Strategy.

Continuing pressure to convert employment lands to residential uses threatens the viability of local industrial and urban services and creates a vacuum of commercial activity that will impact on economic growth and the diversity of employment in the area that helps define our local character. Current issues include fragmented commercial space and a lack of retail anchors due to the small retail floor space that many developers favour. To address this Council will continue to retain and manage industrial and urban services through supporting provisions in its new Inner West Local Environmental Plan and undertaking a strategic review of industrial lands.



The new Local Environmental Plan will seek to deliver a framework that will safeguard the area's employment and industrial lands from competing pressures and support local employment and diversity of economic development.

The Inner West villages, urban centres and neighbourhoods have a unique character and culturally rich fabric. Council will continue to support the arts, creativity and cultural expression through events, public art, cultural celebrations, entertainment and live music. This will be strengthened by the development of a night-time economy policy that will support our growing visitor and night-time economy.

NSW Government plans for the development of the Parramatta Road Corridor present an opportunity for Council to help encourage the development of business precincts for a diversity of new employment activities that could reposition that area as a dynamic and vibrant place to do business. This could be achieved by tailoring commercial and business zones to provide greater flexibility and an opening for new business models particularly for small to medium sized businesses, such as facilitating increased residential densities to encourage the co-location of multiple uses in one building. This could help to capture innovation benefits from the clustering of industries. Similar opportunities will arise for the rejuvenation of other areas as plans to accommodate projected growth of

the population of the Inner West are developed under Council's new local environmental plan.

Council needs to liaise closely with representatives of the top industries to ensure they remain competitive and provide employment opportunities into the future. Council will also liaise with emerging local sectors as they seek to grow in the Inner West.

### **Potential Extension of Urban Centres Program**

Council currently has a Special Rate Levy scheme in place for businesses Marrickville, Newtown, Petersham and Dulwich Hill town centre areas. Funds collected under the scheme are applied in those precincts to a range of marketing, branding and event initiatives. This is known as the Urban Centres Program (UCP) which was introduced in the former Marrickville Council area and has proved successful in supporting local business in partnership with local business chambers. It is proposed to extend this scheme to other centres across the Inner West Council area.

The Special Rate Levy provides an opportunity for local businesses to work with their local business chamber to develop and apply local initiatives tailored to support their areas. Initiatives can be developed to promote their unique selling points and drive customer visitation.

The funds collected are quarantined for the sole purpose of being used in centres and villages to promote, brand and activate business zones. This may include social media campaigns to attract visitors, hosting of special events to encourage customer spend, updating local centre websites to promote the area and any other activity that aligns with an agreed local strategy.

The typical cost to an individual local business may be relatively small, e.g. \$250 per annum for a small local shop, but can collectively lead to a significant budget being available for local initiatives that all businesses can benefit from. The current scheme for Newtown generates approximately \$74,000 per annum.



## **Priority 2 - Embracing the innovation economy**

Advances in our digital technology are transforming the way we live, work, do business and engage in communities. The Inner West is a strong incubator for new ideas, innovation and emerging technologies to support growth in jobs and investment. There is a need to encourage innovation in business, research activities, education and in the cultural and creative industries to maintain the position of the Inner West as a core location for business and investment.

Technological developments are leading to a wide range of emerging 'Smart City' initiatives, many of which have the potential to help establish more sustainable and livable environments for people and enhance services. Smart City initiatives tend to focus on the use of data to make better decisions around the management of assets and services to meet the changing needs of communities.

Data can be used to identify who is coming to the area to work, shop, live, learn and play. This information can be used by Council to manage



service delivery and by businesses to tailor their products and services to particular market segments.

The former Leichhardt Council led the way with an early initiative to provide free local WiFi services in some of its shopping strips. As the technology has rapidly developed and new opportunities arise Council will explore further opportunities to provide digital infrastructure to support local economies. Opportunities to embrace new technologies will also be explored in partnership with adjoining councils.

The Inner West is a creative and innovative engine room for Sydney's economy and offers a good employment base for those in the sector, including industries who engage with nearby tertiary educational facilities. These industries embrace many new techniques of digital design, performing arts, creative arts, filmmakers, media and communication, architecture and design. Council will work with industry to support the development of a sustainable economic base through strengthening existing businesses and encouraging a culture that develops creative and innovative entrepreneurs and emerging businesses. Council is supporting the sector by facilitating access to government programs that support innovation and commercialisation along with the delivery of cultural programs and events that support and showcase local talent.

The expansion of digital and creative industries has increased the demand for suitable and affordable workspaces. Council has supported the establishment of a co-work space in Newtown. This collaboration

recognises that the digital and creative sector depends on operating in the same physical locations to maximise success through business to business interaction and to attract a diverse talent pool to these areas. Creating opportunities for increased shared use of spaces can support growth and respond to changing needs of the digital and creative sectors.

The Camperdown precinct on Parramatta Road offers great potential as an area underpinned by internationally recognised health and education institutions which can evolve to be a significant innovation precinct. The NSW Government's Parramatta Road Corridor Transformation Strategy identifies it as having "potential for an innovative business and research hub". This is echoed in the Greater Sydney Commission's Camperdown – Ultimo Collaboration Place Strategy which supports the establishment of a biotechnology hub in the area. Council will work with a wide range of stakeholders to help realise this innovative opportunity.

Council will also seek to play an active and influential role working with the NSW Government on the preparation of a masterplan for the Bays West Precinct including White Bay Power Station. This area also has the potential to deliver a major boost to the local economy through new employment and investment in the area.

Council will also work with Inner West Business Inc. to help attract new and innovative businesses, from start-ups to Indigenous.

### **Priority 3 - Supporting diversity in business growth**

The Inner West fosters the development of innovative small businesses in all parts of the economy. This is important to provide a wide range of employment opportunities for our diverse community. The Inner West can offer an attractive location for businesses seeking to explore new economic directions who can draw on synergies from working alongside businesses in growing new sectors such as environmentally responsible products. Council aims to be an exemplar in environment sustainability and renewable energy by continuing to developing strong locally lead environmental policies, divesting from fossil fuels and expanding rooftop solar. Council knows that businesses are interested in being more socially and environmentally responsible. Council is supporting businesses by providing information on ways businesses can save money in managing their energy use and waste. Council will examine ways to assist businesses to link with services or programs that will support a positive environmental impact through their operations.

In the retail sector major changes are taking place with shifting patterns of consumer spending. The Inner West is well placed to meet the needs of customers looking for specialty stores with characterful and innovative business offerings. Remaining competitive in a constantly changing economic environment requires business to undertake ongoing knowledge and skills development to

maximise their adaptability. Council, businesses and land owners need to work together to support growth by enhancing and renewing retail precincts to attract visitors and encourage thriving centres.

Council can help businesses to respond to, and take advantage of, change by providing information on emerging trends and business seminars. Council will continue to develop direct and tailored approaches in partnership with business improvement agencies and local chambers and associations to address local business needs.

It is important that Council has an understanding of the drivers of small businesses and continues to work with businesses, chambers, associations and government agencies to strengthen the local economy. Building a successful business takes a lot of time and dedication. Business owners can often feel alone and in need of guidance. Business networking is a valuable way to expand knowledge, learn from the success of others, overcome hurdles and stay motivated. By supporting and encouraging local business networks and industry clusters Council is able to stay abreast of emerging issues and challenges, working with businesses and partners to reduce impediments and enhance growth.

The Inner West's Aboriginal and Torres Strait Islander community, multicultural and LGBTIQ businesses make an invaluable contribution to the area's culture, heritage, and identity. Council



will continue to support these groups and will support Aboriginal economic participation and self-determination through initiatives that foster opportunities to celebrate Aboriginal and Torres Strait Islander cultures and history, promote arts and grow businesses to strengthen the Inner West identity and cultural richness. Council's role in supporting Aboriginal and Torres Strait Islander's economic participation will require exploring establishing partnerships to support economic development.

One important area of employment opportunities and business growth potential Council continues to support is women in business. Council has been running its Women in Business

program since 2014 to encourage and mentor women who are starting, or already working, in small businesses. The program will continue to be developed to help empower more local businesses to be run by women.

Council will continue to work to attract new employment generating business investment, with a focus on the area's competitive advantages in health, education, professional services and retail and will continue to develop strong linkages and partnerships with key stakeholders, businesses, organisations and networks to ensure enhanced delivery of business programs.

# Conclusion

The Council recognises the importance of retaining and generating business investment and employment for the benefit of all of the community. Council provides a wide range of economic development services for prospective and existing businesses and will coordinate and build on these services in accordance with this Plan.

Strategies and actions will be developed in accordance with this document with regular updates being made to Council when the approaches being taken can be evaluated and, if appropriate, amended to ensure the best possible outcomes are worked towards in accordance with the priorities in the Plan.









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**INNER WEST  
COUNCIL**

