

Norfolk Island Economic Development Implementation Plan

NIRC Project Update and briefing

Please see below update on the first phase of Economic Development implementation for the Norfolk Island Economic Development Implementation Plan including a summary briefing of time spent on Norfolk Island.

Public Engagements and group organisation engagements

Hindle met with a number of organisations on Norfolk Island to discuss the economic development works to be undertaken as part of the Implementation Plan contract as well as our approach to economic development. Organisations met with include:

- Australian Bureau of Statistics
- Norfolk Island Regional Councillors – project briefings (x2)
- Accommodation and Tourism Association
- Tourism Advisory Committee
- Commonwealth of Australia – Administrator
- Department of Infrastructure and Regional Development

There were also a number of Public engagements to outline our approach to economic development, outline the scope of the project and also answer questions regarding the project. These included:

- Radio Interview – 3rd August
- Community information session – 13th August
- Radio Interview – 17th August

Business and project engagements

Hindle has engaged with a number of businesses on Norfolk Island and people wanting to start or grow their businesses or undertake a project which may contribute to or provide infrastructure for the Norfolk Island economy. A focus of our approach to economic development is to assist those in the community to develop their businesses or start a business / project which in turn will support economic activity, growth and diversification. Hindle have thus far engaged with 61 Norfolk Island businesses and projects and while we cannot disclose individual business and project details due to confidentiality we have provided a summary of the types of businesses and projects we have engaged with and are continuing to support as part of the project:

- 61 meetings – various businesses and projects engaged
- 11 x Tourism and Accommodation providers – also includes providers with the ability/desire to host events (e.g. weddings, functions)
- 2 x Aquaculture/Fishing – we consider this to be a potential strategic opportunity for Norfolk, although it faces significant challenges. We are currently discussing this opportunity with a contact within the South Australian fishing/aquaculture sector.
- 3 x Art and culture
- 2 x Business development – includes opportunities to create co-work spaces
- 3 x Cottage industry
- 1 x Waste management
- 6 x Services
- 1 x Aged living sector
- 3 x Retail
- 4 x Recreation
- 2 x Media
- 2 x infrastructure – enabler for economy, other business activities, events and social enterprises
- 2 x Hospitality
- 1 x E-commerce business
- 1 x Export focussed – client would like to export a particular Norfolk-made product to mainland Australia
- 2 x Health sector opportunities

Observations

Having engaged closely with the business sector on Norfolk Island we have made a number of observations regarding the current economic and business climate of Norfolk Island. These observations along with individual business circumstances can direct how we support these business and projects as well as how we may work with NIRC and relevant authorities to unlock potential or remove hurdles to economic development or realise an opportunity which has been identified.

A summary of these observations are provided below:

- Obvious limiting factors:
 - Telecommunications
 - Freight – both land and sea (frequency, capacity and reliability)
 - Passenger flights – (current) total seats per week a definite limiting factor
 - Geography – distance to markets (also related to capacity to export high volume)
 - High dependence on tourism market
- Lack of business confidence and negative sentiment – this can be addressed in a number of ways and we see this as a critical component of Hindle’s business facilitation work
- Over-reliance on government for solutions and funding.
- Over-dependence by businesses (and the tourism economy as a whole) on third party and wholesale tourism providers for business marketing, packaged deals etc.

- Tourism dependence on a low-value market, elderly demographic and group tourism. We believe opportunities exist for NI and businesses to attract higher-value travellers and target new market segments.
- Lack of trust in Commonwealth Government and Norfolk Island Regional Council (NIRC). Initiatives generated by the Commonwealth and the NIRC are viewed with scepticism and mistrust.
- NIRC communications and initiatives can be hijacked by a minority of detractors and set a tone of negativity and counter-productivity. This may be addressed by considering options for improving relations and communications by the NIRC and could be incorporated into an NIRC Community Relations and Communications strategy.
- Lack of clarity on how tourism marketing budget is being utilised. While we suspect that much of this is a perception related to the trust issue it did come up in multiple conversations. May be addressed through improved relations and communications (Strategy).
- Opportunity to better define 'Norfolk Island' product and image and align marketing strategies

Strategic projects and recommendations for implementation

Thus far, we have identified a number of strategic projects which may unlock further potential in the Norfolk Island economy, provide infrastructure that supports business growth or may facilitate access to new markets. We are further exploring opportunities in these areas and connecting with resources who can support these projects on Norfolk Island. We will continue to inform the NIRC on opportunities to support or on implementation of strategic projects:

- Access to new tourism demographics
 - Develop the Norfolk Island 'product/s' for range of tourist demographics and align marketing strategy,
 - focus on higher value visitors.
- Access to new tourism markets
 - Currently NI competes with global tourism destinations serviced by Sydney, Brisbane and Auckland international airports
 - Explore options for new markets with less competition, first mover advantage exists with some of these markets
- Leverage of the KAVHA site and facilities as tourism infrastructure
 - Opportunity to develop model for management and economic leverage of KAVHA site with Commonwealth
 - Target of new tourism demographics and leverage unique product
- Support of professional services and remote working
 - Establishment of a business co-working space (currently working with a client on this)
 - Ability to 'trade' with the globe in online marketplace / remote servicing
 - Allow residents to develop professional skills
 - Reduce economic dependence on tourism
- Opportunities in commercial and recreational fishing as well as commercial aquaculture
 - currently working with contact in South Australian industry for advice on this and to support groups on NI looking to explore this option.
- Support and assist NIRC with opportunities for 4G telecommunications upgrade including funding application for 4G upgrade – as directed by NIRC

- Development of a NIRC Community Relations and Communications Strategy
- There are a number of businesses or projects which we also deem as strategic for this project however we cannot disclose detail of projects due to confidentiality.

We will aim to continue to keep the NIRC informed of the progress of the project and provide project updates and briefings where relevant. We also welcome any feedback which you may receive or opportunities which the NIRC may want to explore.

