

**Discussion paper
response
Submission
No 9a**

INQUIRY INTO REGIONAL DEVELOPMENT AND A GLOBAL SYDNEY

Organisation: Evocities

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The NSW Legislative Council's
Standing Committee on State
Development

Inquiry into Regional Development and a Global Sydney

Submitted by: Cr Kevin Mack – Chair of Evocities
Steering Committee and NSW Inland Forum
12 February 2018



evocities
REGIONAL CITY LIVING

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TERMS OF REFERENCE

1. That the Standing Committee on State Development inquire into and report on how Sydney's growing prominence as a global city enhances regional development in New South Wales, and in particular:
 - a. ensuring the regions benefit from the expansion of international trade, infrastructure, employment, tourism, innovation and research in the greater Sydney region
 - b. identify the sectors of the economy that can provide the greatest opportunities for regional development, including forecasts for jobs growth
 - c. how collaboration between levels of government, non-government and private sectors can assist the regions to benefit from Sydney's global position, and
 - d. any other related matter.

INTRODUCTION

The Evocities of Albury, Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga appreciate the opportunity to respond to this discussion paper. Evocities joint response to this discussion paper reflects the learnings made throughout the lifetime of the Evocities campaign and how a collaborative and research based marketing approach; with the support from all levels of Government, have had measurable benefits for the Evocities and Regional NSW.

The Evocities have prepared joint responses to the following questions:

- Q 10 a) What changes could be made to the Evocities framework to ensure that the benefits that flow into the regional centres are passed on to the surrounding towns and villages?
- Q 14 a) How can regional New South Wales develop as a brand?
- Q 32 a) What action can the NSW Government take to assist communities to challenge negative perceptions about regional living?
- Q 33 a) What does research indicate is the best way to support business relocation to regional areas?
- b) How can the NSW Government work with regional communities to assist them to market the comparative advantages of living and working in their region?
- Q 34 a) How can the NSW Government encourage and support local councils to identify regional relocation incentives that work to their individual strengths?

EVOCITIES REPOSES TO DISCUSSION PAPER QUESTIONS

Q10 a) What changes could be made to the Evocities framework to ensure that the benefits that flow into the regional centres are passed on to the surrounding towns and villages?

The core purpose of the Evocities campaign is to educate metropolitan residents about what regional NSW has to offer and combat long held misconceptions about regional city living. Evocities promotes not only the benefits of relocating to one of the seven cities but markets the idea that regional NSW offers valid alternatives to major city living.

Evocities marketing campaign and program of activities offers a proven formula, because it is based on an understanding that individuals are more likely to make the move if they know that the services offered within regional capitals are similar to those offered in a capital city. Therefore, brand awareness and knowledge of what regional cities have to offer is critical to the campaign. Evocities works because it gives metropolitan residents a feasible and practical alternative to their current situation which may include mortgage stress, long commute times and lack of family time.

The cities participating in Evocities know that they can't be compared to Sydney based on sheer size, but the services they offer can be; along with the added benefits of improved lifestyle and housing affordability. Evocities are able to offer services and facilities, such as universities, well equipped hospitals and career options that metropolitan residents are privy to in the major cities.

Successful marketing is about knowing and understanding your target market's needs and then connecting your fulfilment of that need with them. Evocities is concerned that if there is an attempt to create a campaign asking metropolitan residents to participate in a complete lifestyle change and move to a regional town of a population less than 10,000, there would be mix messaging, selling two separate propositions. The challenge should not be seen as altering the Evocities framework which sells a city change but rather create an extension framework that sells the country change in a program that delivers tactical actions for smaller communities based on the actual opportunities they have rather than funding short sighted promotional campaigns.

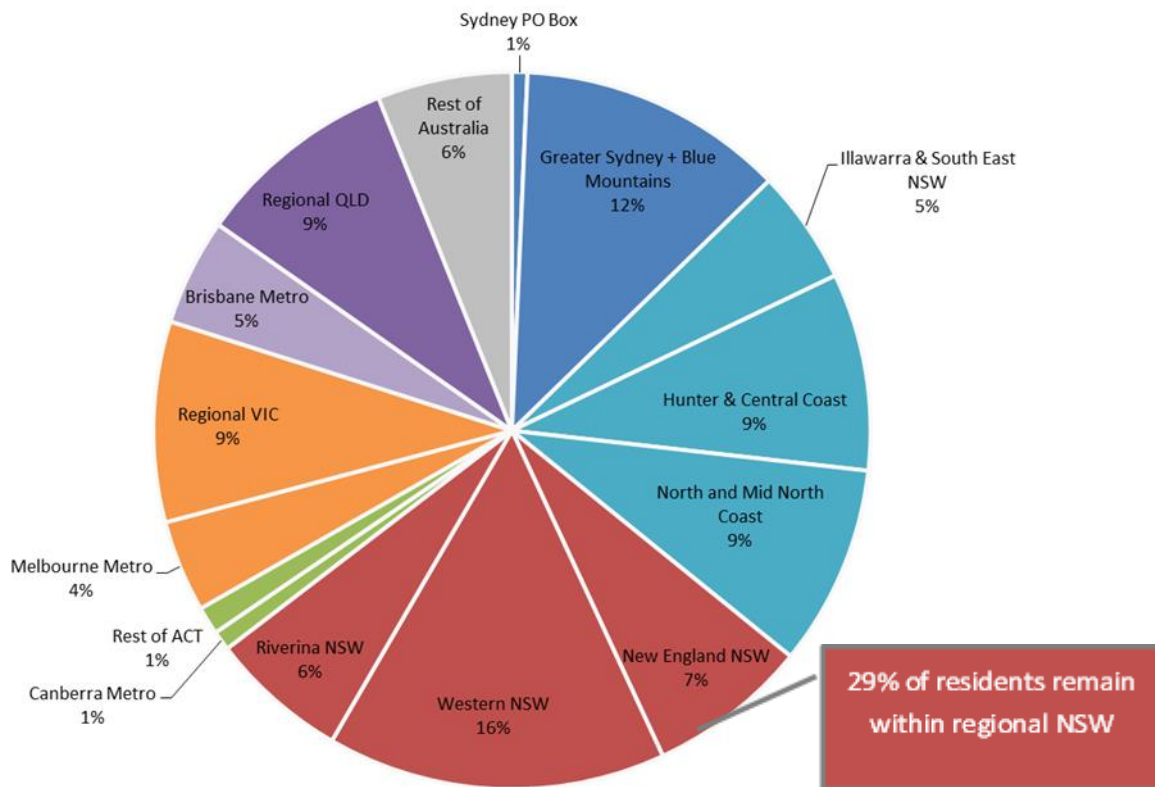
The seven councils which currently participate in and fund Evocities are large regional councils, which encompass a total land area of almost 35,000 sq. km and are made up of not only the primary regional city but also many smaller surrounding towns and villages. In contrast, Greater Sydney covers 12,367.7 sq. km and is made up of 35 local councils. As a very high level comparison of the amount of land regional councils are responsible for you start to get an indication that the vastness of responsibilities and management operations are completely unique to that of metropolitan councils. It is not square kilometres that are important, but it is what those square kilometres encompass; the towns, the villages, the small businesses and the communities. Evocities considers all of these endowments when promoting its regional cities.

The Evocities job search website (Evojobs) promotes all jobs within a 100km radius of each city. Evocities website and Facebook page promotes all businesses, cafés and restaurants within their entire region. By understanding the regional approach Evocities takes it becomes evident that by

participating in this project, not only are the regional capitals benefiting but also the surrounding towns, villages and regional NSW as a whole.

Evocities is of the firm belief that the current framework works to benefit all surrounding towns and villages of which their councils service.

Where Evocity Residents Are Relocating To



The regional benefit of Evocities is further supported by Australia Post movers’ data (September 2010 – December 2016), which indicates once individuals experience life in a regional city they are more likely to remain within the region rather than relocate to metropolitan areas. According to the Australia Post Movers Data, of those residents who are moving out of the seven Evocities, the majority are choosing to remain within regional NSW. Figure 2.3 shows which regions the residents are relocating to. From this graph you can see that the majority of residents (29%) leaving the Evocities are choosing to stay within regional NSW, another 23% are moving to coastal areas, while only 13% are relocating to Sydney.

Recognising the multiplier effect the campaign has and the benefits it can provide to the cities surrounding regions, Evocities may consider an expansion of the campaign to include other interested regional cities which have the ability to offer comparative lifestyle options to metropolitan areas. The expansion of the campaign would only be considered if supported by research to ensure that any extension of the existing brand would not undermine or diminish brand value. Assuming research findings were positive, any brand extension would require a commitment from potential Council partners and a reasonable investment by government to support the review, expansion and the

tactical rollout of the revised brand to build market awareness; based on past experience this would be in the order of \$1-1.5million.

Q14 a) How can regional New South Wales develop as a brand?

Evocities has a very clear brand that has been strengthening and developing over almost eight years. Our tag line “Regional City Living”, and our frequent reference to making a “city change” (not a tree change), is targeted at changing perceptions of metropolitan residents about regional cities and encouraging people to live, work and invest in an Evocity. Evocities showcases the abundance of opportunities in regional cities due to the lower cost of living, strong career and business opportunities and enhanced lifestyle.

Living in an Evocity means less time commuting, working and stressing, and more time for you and your family to enjoy NSW’s beautiful natural surrounds. Evocities success is due to its research based targeted marketing campaigns, shared resourcing and collaboration between councils.

Evocities is of the belief that its brand and campaign does raise the credibility of regional NSW, however, also understands is not fully representative of all areas of regional NSW, nor it is intended to be. However, when considering the diversity of Regional NSW it would be challenging to create a single brand that is able to do justice to the full versatility of the state.

With that in mind, any investment in branding for decentralisation of population or growth of tourism needs to be considered in context of the existing state and regional platforms, including Evocities. The selling of regional living (in a city, town or village) as a general awareness concept could be a role undertaken by the state government, however, this would only be aimed at raising general awareness of the great benefits of living outside Sydney. If Evocities was to amend its current framework to include additional regional cities, it would be essential that only cities with comparable advantages to metropolitan cities be targeted and that government funds be provided to market test any brand extension and if supported by research findings, the development and implementation of a comprehensive marketing strategy.

Q32 a) What action can the NSW Government take to assist communities to challenge negative perceptions about regional living?

Evocities, from its conception, has always maintained a hard line when it comes to promoting and protecting its brand, which is the key to its success. Evocities is not selling a tree change, not a sea change, but a city change; always focusing on the positive lifestyle, employment and education factors of the regional cities. The purpose of the Evocities campaign is to challenge misconceptions about regional areas and to educate metropolitan residents that there is more outside Sydney than just rural towns. This is not a new challenge, however, Evocities believes education is crucial, particularly in the form of mass marketing. Governments at all levels regularly refer to Regional NSW as ‘the country’, ‘the bush’ or ‘rural areas’, which is the case in some parts, but regional NSW is so much more, and it is these terms which bring about so many negative connotations for metropolitan residents.

Over many years numerous regional towns have invested finite resources in collaborative campaigns, including state government partnerships, that promote their geographic corner of the state with aim to ‘change perceptions’ with very little longevity or supportive framework. These efforts with small

budgets are simply drops in the ocean when considering the impact they have on the perceptions of small town living. Any framework developed by the NSW government needs to take well-structured, strategic approach and be consistently utilised and financially supported by all levels of government.

Evocities has an impressive track record for running successful campaigns. The most recent mass media campaign was partly funded by the NSW Government through the Regional Growth Marketing and Promotions Fund. The campaign worth close to \$600,000 saw a dramatic 45% increase in website visitation in the first month and over a 130% increase in enquiries in the first two months. This most recent campaign is proof that this form of mass marketing is very effective and continues to educate metropolitan residents about the advantages of regional cities. The costs, however, of marketing into metropolitan areas are very high, and therefore funds are vital to achieve the desired level of impact.

NSW Government funding and support are essential in continuing to challenge negative perceptions about regional living. The other challenge, however, is to ensure regional NSW continues to have the infrastructure and services in place which rival that of major cities and can continue to support the claims of campaigns such as Evocities, and allow for jobs growth within the regions.

Q33 a) [What does research indicate is the best way to support business relocation to regional areas?](#)

Evocities would like to draw your attention to a program run by the city of Nashville in Tennessee called Partnership 2020. The Partnership 2020 program (formerly Partnership 2000 and Partnership 2010) is a public-private partnership whose purpose is to recruit new businesses to the greater Nashville area. The partnership has been the driving force for the regional economy since 1990, with over 930 companies relocating operations to Middle Tennessee including the likes of Nissan, Amazon and Google. The relocation of major organisations and business expansion has resulted in an impressive 485,000 new jobs in the Nashville region¹.

The partnership is driven by the Nashville Area Chamber of Commerce and the Metro Government of Nashville and Davidson County with the support of business. The partnership seeks investment from companies and corporations through an annual contribution. The chamber's primary focus is economic development and their effort in this field has earned it the title of being the top economic development group in the USA. Another key player in the partnership is the Government of Tennessee.

Nashville's Prosperity Strategy has three strategic drivers:

- 1) Economic Prosperity – creating a diverse range of quality employment opportunities, with a focus on job creation in five target industry sectors while elevating incomes in the region. Differentiating Nashville as a leader in the nation with a strategic focus on attracting international investment, business recruitment, retention and expansion, and supporting small business and entrepreneurial growth.
- 2) Talent Development – preparing the region's K-16 (schools) pipeline as the next generation of talent with the skills needed to advance in a variety of existing and emerging fields. Continuing a focus on the attraction and retention of highly skilled and educated workers to generate the competitive talent necessary for businesses starting, growing or moving to the Nashville region.

¹Partnership 2020. Nashville Chamber. <https://www.nashvillechamber.com/membership/partnership-2020> (accessed 31 January, 2018).

- 3) Place and Liveability – proactively addressing the need to plan for a growing population, including regional transit, affordability and global connectivity while maintaining the Nashville region’s cost of living advantages and preserving its unique assets. Focusing on the region’s overall quality of place.

The Nashville region's economic development partners offer exceptional incentives to relocating and expanding. The Incentives come from three sources – State of Tennessee, Tennessee Valley Authority, and the local community. The incentive evaluation process is based on a variety of economic factors including capital investment, new jobs created, wages, etc. A qualified business that creates at least 25 net new jobs and invests at least \$500,000 in a 36 month period *may* qualify for an incentives package. Based on the project, the incentives could include job tax credits, infrastructure/training assistance, energy credits, low cost loans and grants or others².

Partnership 2020 is the perfect example of how a targeted strategy paired with collaboration between the public and private sector can have a major long-term, sustainable economic impact on a growing region. Evocities recommendation in the first instance would be to review any government department or programs which are not achieving a significant return on investment or are underperforming, and utilise those funds to provide direct financial incentives to private companies looking at expanding or establishing in regional NSW. Level of funding should be based on the achievement of capital investment and job performance outcomes.

Q33 b) [How can the NSW Government work with regional communities to assist them to market the comparative advantages of living and working in their region?](#)

Evocities throughout its campaign always focuses on what the Push/Pull factors are for exchanging a life in a metropolitan city to an Evocity. An example of a push factor would be traffic congestion; in a survey conducted on Evocity relocators in 2016, traffic congestion was one of the main factors that contributed to residents making the move, others included cost of housing and quality of life. Pull factors, therefore, included short commute times and affordable housing which in turn offers an improved lifestyle and more free time.

However, making an impact with marketing into the major cities is very cost intensive and the marketing of regional NSW cannot be seen as a once off campaign, the decision to relocate, particularly for families is not one that is made lightly, nor hastily and, therefore, there is no short term campaign which could achieve significant outcomes. Evocities has been in the market almost eight years and is still growing brand awareness. Campaigns must be targeted, research based and sustainable. Perhaps it would be beneficial for smaller towns to position themselves on the coattails of Evocities and utilise the appeal of the larger city near them to their advantage. An example could include undertaking digital marketing on a major cities property search page to promote the smaller towns housing affordability half an hour from the relevant city.

Consideration must also be given to how realistic it is in terms of return on investment, for all regional communities to be marketed as a live, work, invest locations. Regional NSW towns don’t necessarily

²Taxes and Incentives. Nashville Chamber. <https://www.nashvillechamber.com/economic-development/relocate-or-expand/taxes-incentives> (accessed 31 January, 2018).

need individual promotional campaigns to the Sydney market; they need to be supported in developing attraction programs that address their individual issues and opportunities. They need professional advice and guidance on how their issues in attracting the right people can be addressed through localised marketing and engagement tactics. For example, assistance in developing appropriate collateral to fill recruitment needs for a new major service or facility, or it could be supporting existing businesses to effectively target and attract skilled staff through targeted digital recruitment activity, or activities aimed at attracting entrepreneurs to fill empty shops.

Evocities believes it is important to focus on the individual strengths of the regions and for each program to be assessed on its individual merit and potential return on investment.

Q34 a) How can the NSW Government encourage and support local councils to identify regional relocation incentives that work to their individual strengths?

Similarly to Nashville's Partnership 2020 and the current City Deals place-based approach, Evocities believes that collaboration and partnerships are essential to any successful campaign. Like Evocities itself – seven cities with similar attributes and goals, who could be seen to be in competition with one another but instead formed a partnership. This partnership not only creates a stronger voice, but also allows the cities to learn from one another and feed off each others strengths. The collaboration allows the pooling of funds, knowledge and expertise which drives the success of the campaign. The seven cities do not have the human resources or funding capabilities to individually run a successful resident attraction campaign like Evocities.

Evocities believes it is important to allow ourselves to be educated by places like Nashville who set out 27 years ago to grow its region and recruit new businesses and has done so very successfully. The partnership between the Nashville Area Chamber of Commerce, Metro Government of Nashville and Davidson County and the Government of Tennessee has resulted in unprecedented growth for the Nashville region, from population growth to business to employment. In the 15 years between 2000 and 2015 Nashville's Metropolitan Statistical Area (MSA) grew by over 500,000³. Forbes magazine recently placed Nashville No. 6 on its list for Best Places for Business and Careers, No. 4 for 'Brain Magnets' for gains in people with college education and No.3 for cities to grow and prosper in the coming decade⁴.

The lesson here is sound economic strategies, paired with business relocation incentives and partnerships is a formula which has the potential to have an impressive economic impact on regional NSW. The current Regional Economic Development Strategies (REDS) being developed across NSW clearly highlight the strengths and natural endowments of each region and could be used to identify the strategic priority areas for future investment by the NSW Government.

³ Population. Nashville Chamber. <https://www.nashvillechamber.com/economic-development/relocate-or-expand/taxes-incentives> (accessed 2 February, 2018).

⁴ About Nashville. Nashville.gov. <https://www.nashville.gov/Work/About-Nashville.aspx> (accessed 2 February, 2018)

CONCLUSION

Evocities is a resident attraction initiative formed and supported by seven progressive and adaptable regional councils who are of the firm belief that collaboration, education and research are essential in achieving the best outcomes for Regional NSW. Evocities and the regional councils of Albury, Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga are eager to partner with the NSW Government to develop a new blueprint and deliver on its policy measures.

EVOcities = cities of **E**nergy, **V**ision and **O**pportunity