

Norfolk Island Economic Development Implementation Plan

Project completion report

The following project completion report follows the two interim updates for the Norfolk Island Economic Development Implementation Plan submitted in August and November 2017. This report includes a summary of time spent on Norfolk Island, engagements with the local community and businesses, a summary of economic observations and strategic opportunities as well as reporting against the delivery of the scope and proposal for the project. This report is intended to provide a summary of activities only and can be used as contextual background for the Implementation Plan, which has been developed by Hindle Enterprise Group (Hindle) as a result of this project. This report covers work carried out by Hindle between July 2017 and December 2017.

Public engagements and group engagements:

Hindle met with numerous organisations on Norfolk Island to discuss the economic development work being undertaken as part of the Implementation Plan contract, to gain feedback and insights into the Norfolk Island economy as well as to facilitate assistance with projects and opportunities identified on Norfolk Island. Organisations included:

- Australian Bureau of Statistics
- Norfolk Island Regional Councillors – project briefings
- Accommodation and Tourism Association
- Tourism Advisory Committee
- Commonwealth of Australia – Administrator
- Department of Infrastructure and Regional Development
- Norfolk Island Chamber of Commerce
- Unique Tourism Collection (UTC)
- Biosecurity – Department of Agriculture and Water Resources
- Norfolk Island Regional Council (NIRC) – Strategic Planning
- Norfolk Island Transitions Towns Movement
- Regional Development Australia (RDA)

There were also a number of public engagements aimed at outlining our approach to economic development and the scope of the project, as well as to answer questions and provide updates on the project. These included:

- Community information session – 13th August
- Regular radio interviews throughout project

Business and project engagements

A focus of Hindle's approach to economic development is to provide direct assistance to those in the community wishing to develop their businesses or start a business / project which in turn will support broader economic activity, growth and diversification.

During the project Hindle engaged directly with over 60 Norfolk Island businesses and projects from a wide range of sectors and industries. Support was provided in various forms, including:

- One-on-one coaching
- Business mapping
- Facilitation of connection with local resources
- Facilitation of connection with off-island resources
- Business strategy workshops and planning

Workshops

Following consultation with NIRC Hindle identified a number of subject matter areas of common need suited to being addressed through a series of targeted workshops. The workshops were designed to be interactive, ensuring engagement with participants. A summary of the workshops is provided below.

- *Microbusiness and Cottage Industries Workshop – 17th October*
 - Ran in conjunction with the Norfolk Island Transition Town Network
 - Objective to stimulate collaboration between microbusinesses and cottage industries
 - Focus on understanding and working through microbusiness challenges
 - Attention paid to opportunities for developing knowledge economy
- *Small Business and Retail Workshop – 18th October*
 - Objective to discuss how the small business and retail business models have changed and demonstrate opportunities for small business and retail in current environment
 - Focus on highlighting the shift in small business aided by technology
 - Focus on taking advantage of technology available to new industries such as drop shipping and freight forwarding – opening up opportunities for Norfolk Island businesses traditionally limited by freight costs and bottlenecks
 - Focus on the future of retail and small business in the age of Amazon
- *Business Marketing Workshop – 19th October*
 - Objective to cover basic marketing principles and demonstrate how to identify and target a market segment
 - Focus on marketing principles and foundations
 - Focus on how to identify and target your audience
 - Focus on understanding of marketing funnels and converting action from your marketing
 - Raise awareness of power of social media marketing and opportunities for marketing via social media
 - Demonstration of a paid Facebook marketing post

Observations and Strategic Opportunities

Having engaged closely with the business sector on Norfolk Island Hindle have made a number of general observations regarding the current economic and business climate on Norfolk Island as well as identifying a number of strategic opportunities to focus on during the course of the project and

inform the development of the Economic Development Implementation Plan. As part of the project, Hindle commenced work on a number of these strategic opportunities, while also engaging with community groups and the private sector who are themselves pursuing these opportunities. To stimulate further discussion and action a number of briefing notes were developed. These are also outlined below and attached in full to this project completion report. Actionable opportunities for the NIRC to consider have also been included where relevant in the forthcoming Economic Development Implementation Plan.

A brief summary of these observations and opportunities is provided below:

General Observations

- Obvious limiting factors to economic development:
 - Telecommunications
 - Freight – both land and sea (cost, frequency, capacity and reliability)
 - Passenger flights – (current total seats per week, limited ports and future of NZ flights)
 - Geography – distance to markets (also limits capacity for volume exports)
 - High dependence on tourism market
- Despite improved economic vital signs, there was a persistent lack of business confidence and negative sentiment from the community and businesses we engaged with early on in the project term. This sentiment has improved during the course of the project however.
- General over-dependence 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.
- Shift in retail trends to online retail as well as changes to duty free-shopping has impacted retail sector and also retail travel related tourism which has previously driven some of Norfolk Island's tourism (and retail) sector
- Lack of trust in Commonwealth Government and 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.
- Opportunity to better define 'Norfolk Island' brand, product and image and align marketing strategies
- Labour market in period of transition with Australian tax system implementation and lower incentives for uptake of multiple part-time employment opportunities.
- Local youth and young adults often leave Norfolk Island for tertiary education and career development resulting in a skewed demography and reduced entrepreneurial energy

Strategic Opportunities

During the course of the project Hindle outlined (included in previous project update reports) a number of strategic opportunities capable of unlocking further potential in the Norfolk Island economy, providing infrastructure to support business growth or facilitating access to new markets.

A brief summary is provided below:

- Access to new tourism demographics

- Develop the Norfolk Island 'product/s' for range of tourist demographics and align marketing strategy and marketing mediums
- Opportunity to attract higher value tourists
- Niche market development – food tourism, adventure tourism, recreational fishing, lifestyle retreats, sustainable community tourism etc.
- Access to new tourism markets (ports)
 - Currently NI competes with global tourism destinations serviced by Sydney, Brisbane and Auckland international airports – Thailand, Bali, Hawaii, NZ etc.
 - Explore options for new markets with less competition; first mover advantage exists with some of these markets – Newcastle / Hunter Valley, Toowoomba etc.
- Leverage of the KAVHA site and facilities as tourism infrastructure
 - Opportunity to leverage the KAVHA site with Commonwealth as a tourism infrastructure and unique tourism offering
 - Target of new tourism demographics and leverage unique product
- Support of professional services and remote working
 - Establishment of a business co-working space (currently being explored by private sector)
 - Ability to 'trade' with the globe in online marketplace / remote servicing, export knowledge and allow residents to develop professional skills
 - Reduce economic dependence on tourism
- Opportunity to explore alternative business models including community ownership models leveraging community spirit and self-reliance culture, leverage private and public land / resources and crowd-raising capital for community owned businesses.
- Feedback from businesses and community for assisted business and technology training and workshops to help Norfolk Island businesses engage more with the internet and harness power of social media and market platforms in advertising and marketing
- Opportunity to work closely with the youth and NI School to develop business skills and harness entrepreneurial energy to support local businesses and also drive new enterprises from local youth

Strategic Opportunity Discussion Papers

During the course of the project, some of the strategic opportunities identified were further explored with discussion papers drafted to assist in communicating the opportunity as well as to guide further investigation and implementation relevant to these opportunities. The discussion papers are briefly summarised below and are provided in full as attachments to this report:

- *KAVHA Opportunities*
 - Discussion paper exploring the KAVHA site as tourism infrastructure and opportunities for use
 - Presentation of a draft model for private enterprise engagement and use of the KAVHA site
- *Airline Route Development*
 - Update and discussion of airline route development for Norfolk Island
 - Discussion of possible new and future markets
- *Community Ownership of Projects*

- Hindle have explored and provided information on community ownership models as a means to undertake development in community and share economic benefit
- Provision of international and Australian examples of community models and how they can be initiated and implemented
- Provided discussion of opportunities and areas within the Norfolk Island economy where community ownership models could be further explored.
- *University of Newcastle (UON) Roadmap for the Pacific Project*
 - Hindle hold the belief that due to its constrained geography, current sustainable systems and government setting, Norfolk Island offers an exciting opportunity to examine sustainable development with a view to the circular economy, bio-economy and innovation implementation
 - Hindle have been in discussions with the UON International Centre for Balanced Land Use based at the UON Institute for Energy and Resources regarding the possibility for Norfolk Island to establish a formal project and explore being part of their Research Roadmap for the Roadmap for the Pacific project, a joint capacity building initiative of the University of Newcastle and the Secretariat of the Pacific Regional Environment Program
 - Through such a project Norfolk Island could be a leading example of truly Sustainable Development, attracting global attention and opening up numerous educational, tourism and broader economic opportunities
 - Hindle facilitated a project briefing and scoping visit on Norfolk Island with researchers from the UON International Centre for Balanced Land Use in December 2017.

This project completion report provides a brief summary of the activities carried out by Hindle Enterprise Group during the course of the Economic Development Implementation Plan project and demonstrates the delivery against project deliverables as outlined in the project proposal and scope of works. The Economic Development Implementation Plan is provided as a separate document, designed to be a practical and implementable plan, consistent with the scope of works provided by NIRC for this project, our observations and strategic opportunities identified during the project as well as the feedback provided to Hindle from the community, businesses and organisations we engaged with during the project. The plan also follows our grass roots approach to economic development and is designed relevant to the resources available for implementation.