



Hay Region Economic Transition Roadmap

Early Insights Paper

August 2025



Acknowledgement of Country

In the spirit of reconciliation, the Hay Shire Council and The Next Economy acknowledges the Wiradjuri, Nari Nari, and Yitha Yitha people, and the Traditional Custodians of the lands on which we live, meet and work.

We recognise our communities are made up of many Aboriginal and Torres Strait Islander peoples descended from additional mobs and clans who call the Hay Plains and Riverina region their home. We wish to pay our respects to Elders past and present, and recognise the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples in our region and across Australia.

About The Next Economy

The Next Economy (TNE) works with regions, government, industry and civil society leaders to build climate-safe, regenerative and socially just economies.

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Front cover image: Artwork on side of shop in main street of Hay township. Source: The Next Economy

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Introduction

As Hay navigates rising costs, climate pressures and the energy transition, there's an opportunity to rethink economic development in ways that are inclusive, place-based and future-focused. As part of this process, in parallel with real-time action already taking shape, this Early Insights Paper asks: *What makes our place, community and economy unique – and how can we build on that for a more resilient and prosperous future?* It is grounded in insights captured from engagement with over 240 local community members over the last 18 months.

The economy and economic development	<p>Section 1 outlines why the economy matters, and outlines the relationship between the Hay and Carrathool Regional Drought Resilience Plan (The Plan, which lays the foundation for this work), the Hay Region Economic Transition Roadmap (The Roadmap, which will turn The Plan's vision into real-time action), and this Insights Paper (The Paper) – which bridges the two by showing how Hay's economy works today, where change is needed and how it can evolve into a resilient economy.</p>
A snapshot of the Hay region	<p>Section 2 provides a broad overview of the Hay region in terms of landscapes, livelihoods and lifestyle alongside the external forces that also play a role in shaping the future of the region. Importantly, it begins to explore the proud history of agriculture in the regions and how both internal and external factors may influence its' future alongside newer, emerging industries such as in large-scale renewable energy development.</p>
Insights into the Hay economy	<p>Section 3 challenges us to rethink Hay's economy, a complex system of components, parts and actors that interact, evolve and adapt over time, in a way that navigates what's shaping the regions and how the economy might unlock better benefits for the community and local environment. Here we also share early insights in Housing Hay's Future, with housing being an important enabler for the future success of the region.</p>
Where to from here?	<p>Section 4 outlines next steps - focusing on activating priority strategic levers such as housing, primary production innovation, workforce development, and business diversification to drive immediate, high-impact action across the regional economy. These initiatives will be progressed through regional forums and action groups, where local participants will work alongside external stakeholders including industry leaders, government representatives and community organisations. This collaborative approach supports real-time learning, aligns efforts, builds momentum and fosters partnerships that deliver meaningful, locally led change.</p>

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1. The economy and economic development

Why focus on the economy?

“The economy is more than just markets and businesses and paid jobs. A broader view of the economy sees it as how a society provides for each other.” – Katherine Trebeck, Economic Change Lead at The Next Economy and international wellbeing economy expert

Many of the challenges individuals, organisations and governments face stem from how the economy operates and its impacts on people and the environment. To move beyond treating symptoms and reacting to crises, while important, the economy must be seen as a critical focus. After all, the economy is essentially how communities provide for each other – through markets, jobs, services through to unpaid work in homes, neighbourhoods and government support.

Looking at the market side, nearly every part of daily life – food, shelter, work and so on – has economic roots. The way the economy operates shapes how different resources are created and shared, and how livelihoods are secured. Income and wealth distribution matters. Evidence shows that unequal societies experience more mistrust, crime and poor health. A clear trend is evident: the more unequal the society the worse health and social problems are. Even how much time people have to participate in community activities, sport and helping neighbours is impacted by the economy because pressures to afford food, housing and so on can compel people to work longer hours and seek ways to attain additional income.

A different way to think about the economy

The economy is often treated as an end in itself, with growth indicators like GDP assumed to benefit everyone. However, this mindset tends to concentrate wealth in the hands of a few, while many continue to struggle. It allows environmentally harmful activities to persist as if their impact on ecosystems, public health and communities – and even the economy itself – doesn’t matter. The good news is alternatives exist that aim to distribute value more fairly and address the root causes of social and ecological issues. **In other words, the economy can be designed to support people and the environment, built around entities that do good. And, measured with metrics that reflect real needs.**

This is not a new concept. In Australia and abroad, there's a growing movement of economists and experts exploring how the economy as a system can be shaped for collective wellbeing. This is especially important at the regional level, where global and national forces are felt most acutely. The following section explores how regional economic development can respond to these challenges and opportunities.

The role of regional economic development

Regional communities across Australia are undergoing major socioeconomic change and uncertainty, driven by a myriad of forces including rising living costs, climate impacts, global market shifts and new national policies. These forces are reshaping regional economies — some regions may experience growth, while others may decline. Yet, they also open opportunities to build a resilient and prosperous future.

Without intervention, transitions tend to reinforce existing economic patterns, concentrating benefits along current pathways. Changing this requires deliberate work to understand and manage disruptions, and to create mechanisms that ensure new opportunities benefit all and help regions thrive.

How change is managed locally will shape the future of the Hay region.

The Hay region and community is a vibrant, resilient hub already taking measures to strengthen the region's economy and overall resilience. Critically, community perspectives have been, and will continue to be, central to this approach. They have largely shaped this Insights Paper and are shaping the Hay Region Economic Transition Roadmap (and the Resilience Plan before it).

Regions across Australia navigating change well are working with local public, private and community stakeholders to take direct action that improves economic opportunities, livelihoods and quality of life. They are broadening who is involved in and benefits from economic development - using **participatory processes** that support place-based planning, coordination and community leadership.

“Left to its own devices any transition in a regional economy will tend to concentrate the benefits within the existing pathways, flow patterns and structures of the current economy and social system; shifting that requires the creation of new mechanisms to change flows of benefits locally.”

– Paul Ryan, Australian Resilience Centre

Local governments and institutions play a key role in shaping regional economies and influencing decisions by investors, businesses, workers and governments. A **localised, ground-up and strength-based** approach to regional development allows communities to define what matters, build on strengths and identify what's needed to make their region a better place to live. These approaches shift power to local stakeholders and support adaptation that is effective, fair and grounded in local realities.

The Roadmap development process is working to strengthen the enabling conditions and local collective capacity to manage change and drive development of a local economy that serves the future the community wants for the region. More specifically, this approach incorporates:

- **Ground-up development:** identify existing economic activities, skills and behaviours that already contribute to wellbeing
- **Local strengths as building blocks:** help shape an economic roadmap that builds on what's already working and addresses what's not
- **Connecting inside and out:** link local assets and ideas with external partners and resources to explore new opportunities and co-create change
- **Navigating the transition:** deepen understanding of real economy to better accept and manage transition and pursue new directions that support wellbeing

The Hay and Carrathool Regional Drought Resilience Plan

Released in October 2024, the **Hay and Carrathool Regional Drought Resilience Plan** (The Plan), is a community-driven blueprint to guide the region toward a stronger, more adaptable future. Shaped by more than **300 stakeholders**, the Plan outlines **26 Priority Actions** across **five Strategic Pillars**, including community empowerment, climate-resilient economic development and systems coordination.

Rooted in the lived experience of the region, The Plan provides a framework for **direction-setting as well as informing and influencing** decisions across sectors including energy, agriculture and government. It defines what resilience looks like, where to focus, and how to get there – supporting action at local, LGA and regional levels to achieve the region’s 2035 vision.

Already, The Plan is influencing regional planning, investment and renewable energy negotiations including the development of the Hay Region Economic Transition Roadmap. Read The Plan in full via Hay Shire Council’s website:

www.hay.nsw.gov.au/Inside-Hay-Shire-Council/Economic-Development.

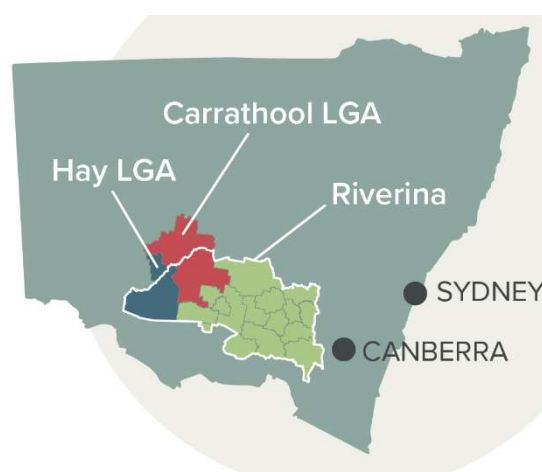
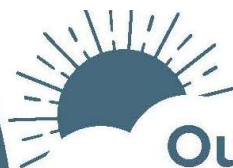


Figure 1. On next page - the 2035 vision, shared aspirations, strategies and actions emerging from The Hay and Carrathool Resilience Plan.

The Hay and Carrathool Regional Drought Resilience Plan

Theory of CHANGE



Our 2035 Vision

In 2035, our communities, including our local governments, institutions, businesses, industries and households, will have greater capacity to adapt to climate, environmental, social, and economic challenges and opportunities while remaining healthy and vibrant, with safe places to live, work, and raise future generations.

Strategies & Actions

✓ Inclusive and Empowered communities

Our communities look out for each other. We celebrate our unique strengths and contributions, support each other through hard times, and welcome diverse perspectives and experiences.

Actions:

- Community Impact Fund
- The Community Taskforce
- Community Hubs
- Community Passenger Network
- Inclusive Communities
- Community Welcome Committee

✓ Future Ready Businesses

Our region's workforce development ecosystem, local businesses and workers are thriving before, during and after drought and other disruptions.

Actions:

- Future Ready Businesses
- Workforce Development Ecosystem
- Training and Employment Pathways Hub
- Building Social Innovation Capacity
- Doing Business – Our Way

✓ Reimagined Care Economy

Our region has a sustainable care economy that improves people's lives, strengthens community capacity to adapt to stresses and drives the region's economic growth.

Actions:

- The Care Economy – Strategy & Coordination
- Growing Together – New Regional Childcare System
- Innovative Models of Care

✓ Placemaking with purpose

Our communities have liveable, resilient, and lively public spaces that contribute to people's health, happiness and wellbeing.

Actions:

- Housing Our Future
- Shaping Our Places
- Reimagining Our Visitor Economy
- Enabling Community Placemaking

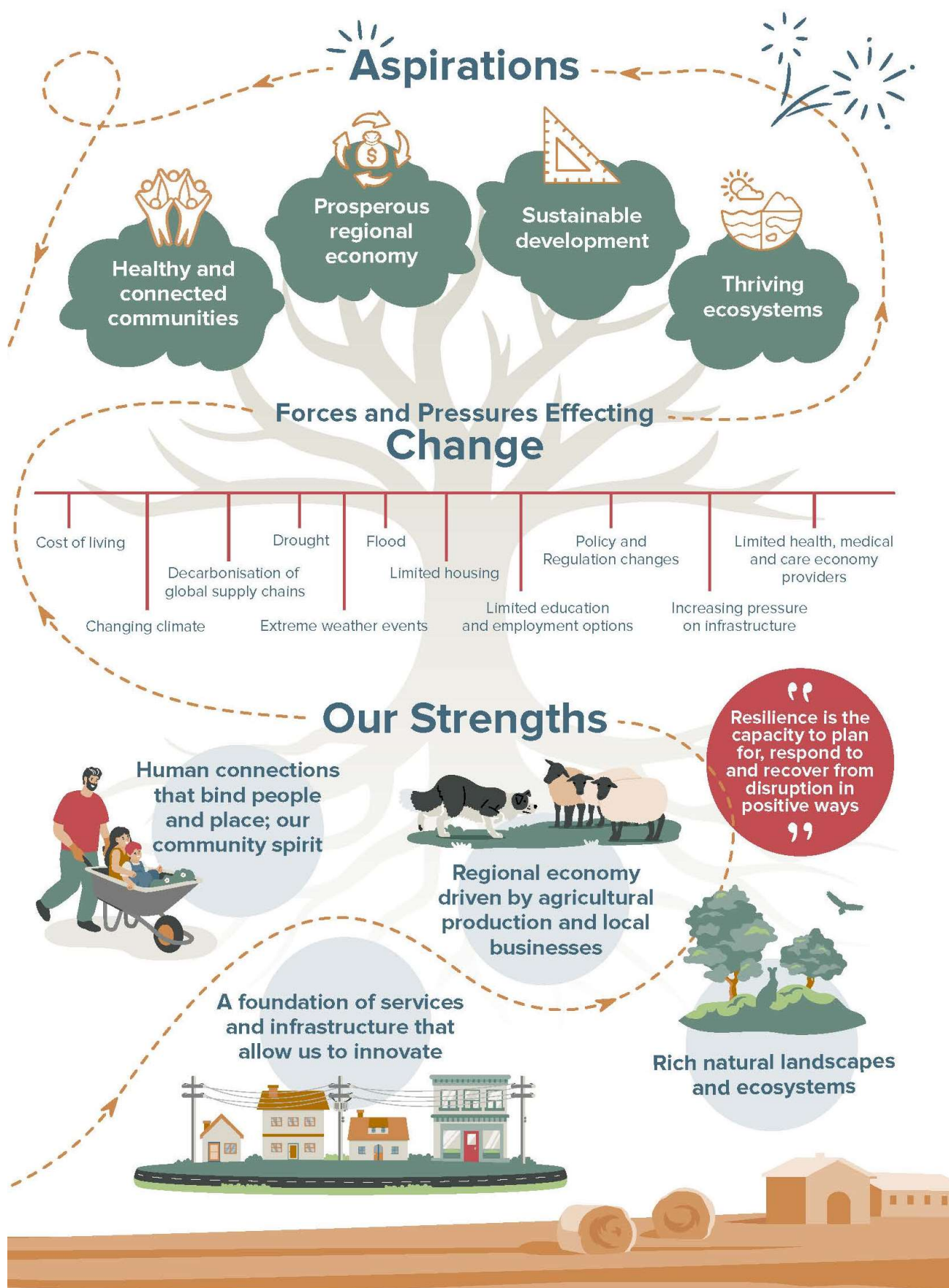
✓ Coordinated Action for Climate Resilient Economic Development

Our region is an innovative economic hub looking at the whole picture: building resilience to the impacts of climate change whilst driving a rapid transition to net zero emissions for a sustainable regional economic system that works for the benefit of people, the planet and our local places.

Actions:

- Our Community Changemakers
- Climate Resilient Councils
- Primary Production Innovation Network
- Regional Economic Transition Roadmap
- Every Drop Counts
- Climate Resilient Lifelines
- Regional Environmental – Economic Account
- Promoting Net Zero Regional Transport





Planning to action: the Hay Region Economic Transition Roadmap

The **Hay Region Economic Transition Roadmap** (The Roadmap) is a key Priority Action from The Plan. Led by Hay Shire Council in collaboration with community, business, industry and government, The Roadmap builds on insights from The Plan and will guide the region over the next decade by:

- focusing on the regional economic system, and
- identifying strategic levers and immediate actions across the system to align efforts, build momentum and drive change.

Grounded in local strengths and wisdom, and designed to make new connections and support practical, strategic action - The Roadmap helps drive economic diversification, climate adaptation and long-term sustainability in a shifting global and national context.

Real-time development, real-time impact

While The Roadmap is not expected to be finalised until the end of 2025, the process and outputs are evolving in real-time and already informing planning, shaping negotiations and unlocking shared value as the region navigates energy transition and infrastructure growth. For example:

- **Workforce development:** early insights are helping to identify workforce impacts and development opportunities across sectors with different stakeholders.
- **Housing solutions:** To address local needs and market gaps, Council is working with renewable energy developers, Engineering Procurement and Construction Contractors and housing providers to design and develop temporary worker accommodation for transition into long-term housing.

How can we mobilise diverse community capacities, knowledge, assets and resources to address local priorities and contribute to an equitable, low-emissions wellbeing economy?

– **Guiding question for The Roadmap**



Residents demonstrate strong leadership and work tirelessly to drive positive outcomes through development in their region.
Image source: The Next Economy.

Early Insights: Bridging The Plan and The Roadmap

The **Early Insights Paper** (The Paper) is a bridge between the Plan and the Roadmap. It builds on the rich picture of the region outlined in the Plan and explores how Hay's economy functions – what we're working with, what's working well and where action is needed in a transitioning global context. It is an important tool to help take stock of what has been learnt so far and highlight what is needed to manage change well to inform development of The Roadmap ongoing.

Building on engagement with over 200 people from Hay in 2024, it adds fresh input from over 40 local stakeholders, including landholders, producers, educators, care workers, service providers, small business owners and young people. These conversations explored people's roles in the economy, current dynamics, challenges and emerging opportunities.

The Paper aims to:

- Map Hay's provisioning systems and operating environment.
- Highlight key issues, gaps and strengths in the regional economic system.
- Revisit The Plan's strategies through an economic lens.
- Identify the most strategic levers for action in the current context to inform the next phase of Roadmap development.



Figure 2. The Early Insights paper is a bridge between the Plan and Roadmap to explore Hay's economic context.

The changing face of rural towns with economic roots in Agriculture

The Hay township was established as a point to cross the Murrumbidgee River along a well-travelled stock route, and by the late 1800s had become an essential hub for the surrounding pastoral district. The relationship between the Hay township and the agriculture sector was a symbiotic one, initially they relied on and served one another. The township enabled production of wool, sheep meat, cattle and horticultural crops to reach Victorian markets and provided goods and services, which in turn grew Hay's economy. Over time, this relationship has changed, reflecting changes in development, access, competition and mobility.

The development of the railway line connected Hay directly to Sydney in 1882, shifting transport of goods such as wool from river-steamer to train, and the economic focus from Melbourne to Sydney. As towns became interconnected, business activities could be conducted at a larger scale outside traditional regions and local economies became part of larger regional markets. This paved the way for centralisation and a weakening relationship between the agricultural industry and the Hay township, as industry was able to seek inputs and markets further afield.

This story is not uncommon in regional Australia, with many small rural towns now needing industry much more than those industries need their towns. Local industries do not necessarily drive local economies, and towns and regions increasingly need to be competitive providers of goods and services to retain economic benefits locally.

In recent years, amenity factors such as access to essential services, social infrastructure, proximity to work, affordability and lifestyle preferences (that change with age and across cultural demographics) have become key shapers of settlement patterns, further shifting the relationship between towns and their industries. This has been driven by increased personal mobility, wealth and the ability to work remotely. As the world continues to change, centralisation of activities, technology, and competition will provide both challenges and opportunities to towns like Hay and the region's local industries.

To find out more about Hay's history visit www.hay.nsw.gov.au/About-Our-Region

To learn more about the evolution of Australian towns visit Bureau of Infrastructure, Transport and Regional Economics (BITRE), The evolution of Australian towns, Report 136, 2014, Canberra ACT www.bitre.gov.au/publications/2014/report_136

Hay streetscape from the Gavin A. Johnston collection.
Source: Hay Historical Society via the Hay Shire Council



2. A snapshot of the Hay region

Community members across the Hay region's main communities (Hay, Maude and Booligal) have demonstrated resilience and adaptability in the face of change and disruptions. Local leaders are actively exploring ways to diversify the economy, and embrace opportunities in climate smart agriculture, energy, manufacturing, construction, professional services and transport. With the right tools and partnerships, the region is well-placed to thrive. The following section provides an overview of the region's unique landscape, how people generate the resources they need to live in the region, and the range of external pressures driving change across the region. For further information, refer pages 19-27 of the Plan.

Landscape

The Hay Shire is in the western Riverina region of south-west New South Wales. While the LGA's land area is relatively large – 11,326km², nearly five times the size of the ACT, its population is more modest at just shy of 3,000 residents with 76% of people living in the township. A rural area with fertile land, rich biodiversity, and a strategic location, the region boasts a proud agricultural legacy and deep connection to the unique landscapes and wildlife from the lower Murrumbidgee River and across the Hay Plains (the flattest region in the Southern hemisphere).

The region is predominantly dry grassland¹ of low and variable rainfall² between the temperate climates to the South-East and desert climates to the North-West.

Hay is centrally located between Adelaide and Sydney yet closer to Melbourne geographically. Despite Hay's central location to these population centres, the region is classified as being remote.

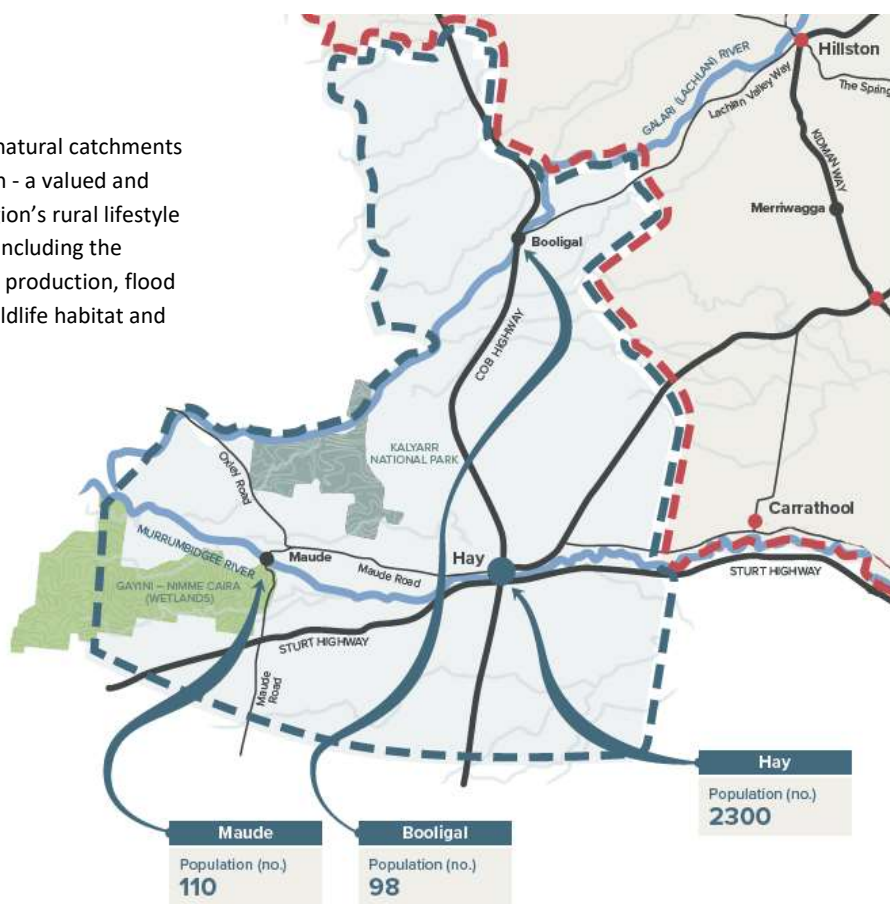
The Hay region is located on the traditional lands of the Wiradjuri, Nari Nari and Yitha Yitha people.

- **Wiradjuri land** extends over a large part of central NSW. Known as the land of three rivers, the territory covers hills in the east, the river floodplains, grasslands and mallee country in the west of the state.
- **Nari Nari lands** are situated across parts of the Riverina and lower Murrumbidgee regions. Nari Nari territory extends from the junction of the Murrumbidgee and Lachlan rivers to where the Hay township now rests, south across the lower Bidgee area near Boorooban. Home to one of Australia's most unique wetlands, Nari Nari country includes former pasture lands, wetlands, waterways and floodplains.
- **Yitha Yitha country** is in an area north-east of Balranald and south of Ivanhoe, incorporating the Lachlan and Murrumbidgee rivers.

¹ Bureau of Meteorology, *Climate classification maps, 2005*, <http://www.bom.gov.au/climate/maps/averages/climate-classification/>

² Bureau of Meteorology, *Climate statistics for Australian locations, 2015*, http://www.bom.gov.au/climate/averages/tables/cw_075031.shtml

Figure 3. The Hay region lies across two natural catchments within the Southern Murray Darling Basin - a valued and precious resource that underpins the region's rural lifestyle and provides critical ecosystem services including the provision of water for irrigation and crop production, flood regulation, visual amenity, recreation, wildlife habitat and cultural connection.



Livelihoods

In Hay, the landscape, local environment and lifestyle is fundamental to how people in the region generate the resources they need to survive, thrive and support their wellbeing.

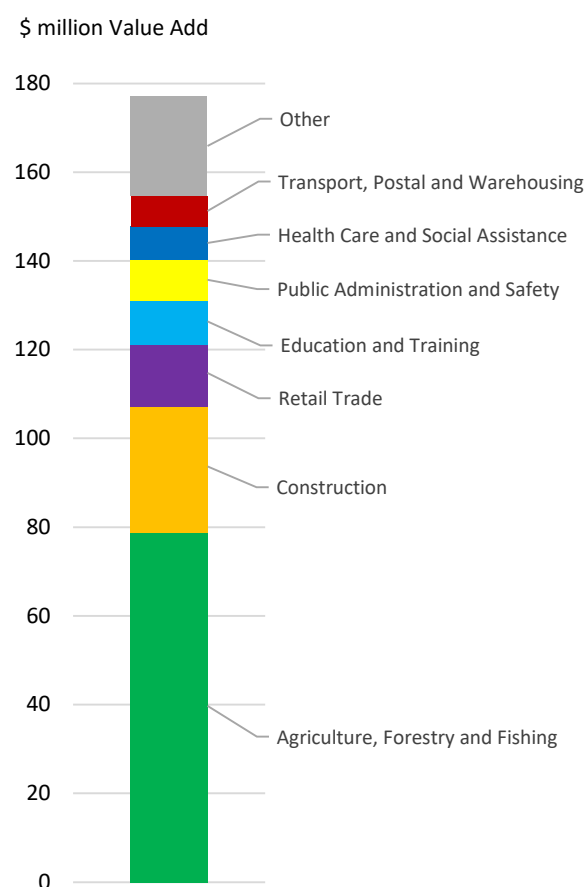
The region is known as one of the best wool growing merino regions in Australia and dominates much of the economic activity on the plains. Other key agricultural industries include; cotton (including one of the world's largest cotton gins), rice, corn, wheat; slaughtering and livestock production such as meat cattle, sheep and lamb; and horticulture including lettuce, rockmelon, broccoli, grapes and garlic.³ Availability of, and access to, water is a key factor in the productivity of these industries from year to year.

Hay has a growing construction sector and upward trends in economic activity in retail trade, health care services, manufacturing and transport since 2018/19. This is likely to continue to change over the next 5 years as the abundance of high-quality wind and solar resources are captured through the development of private initiatives and projects as part of the South-West Renewable Energy Zone⁴.

³ Hay Shire Council, *Economic Profile*, 2025, <https://www.hay.nsw.gov.au/Search/Economic-Profile>

⁴ EnergyCo, *South West Renewable Energy Zone*, 2025, <https://www.energyco.nsw.gov.au/sw-rez>

Figure 4. Gross Regional Product by industry 2023/24



- Transport support services have shown significant growth in value-added, being relatively small in 2018/19 (\$0.6m) and increasing over five-fold to \$3.7m in 2023/24.
- Hay is at the centre of the South-West Renewable Energy Zone, setting the region up to be a significant partner to major renewable and storage projects. The REZ is expected to drive more than \$17 billion in private investment into projects and infrastructure.
- The ratio of headline GRP to local industry GRP has decreased over the last 2 decades, indicating that the share staying with local industries has increased.

Hay Shire Council's Gross Regional Product (GRP) was \$212 million in the year ending June 2024, growing 4.5% since the previous year.⁵

Gross Regional Product (GRP) is typically used to illustrate the scale, structure and contribution of economic activity in a region to the national economy and productivity. While important, it does not show the full picture of how economic activity is working for the people living and working in a region, how wealth is distributed, or the outcomes that are being achieved locally. And while GRP is a preeminent measure (orientated towards growth and productivity), other indicators that focus on outcomes and outputs can tell a much more sophisticated story about the health and wealth of the region's economy and people, to support more strategic and deliberate decisions to be made about development and growth. Development of these indicators of success is a potential task for the region in the next phase of Roadmap development.

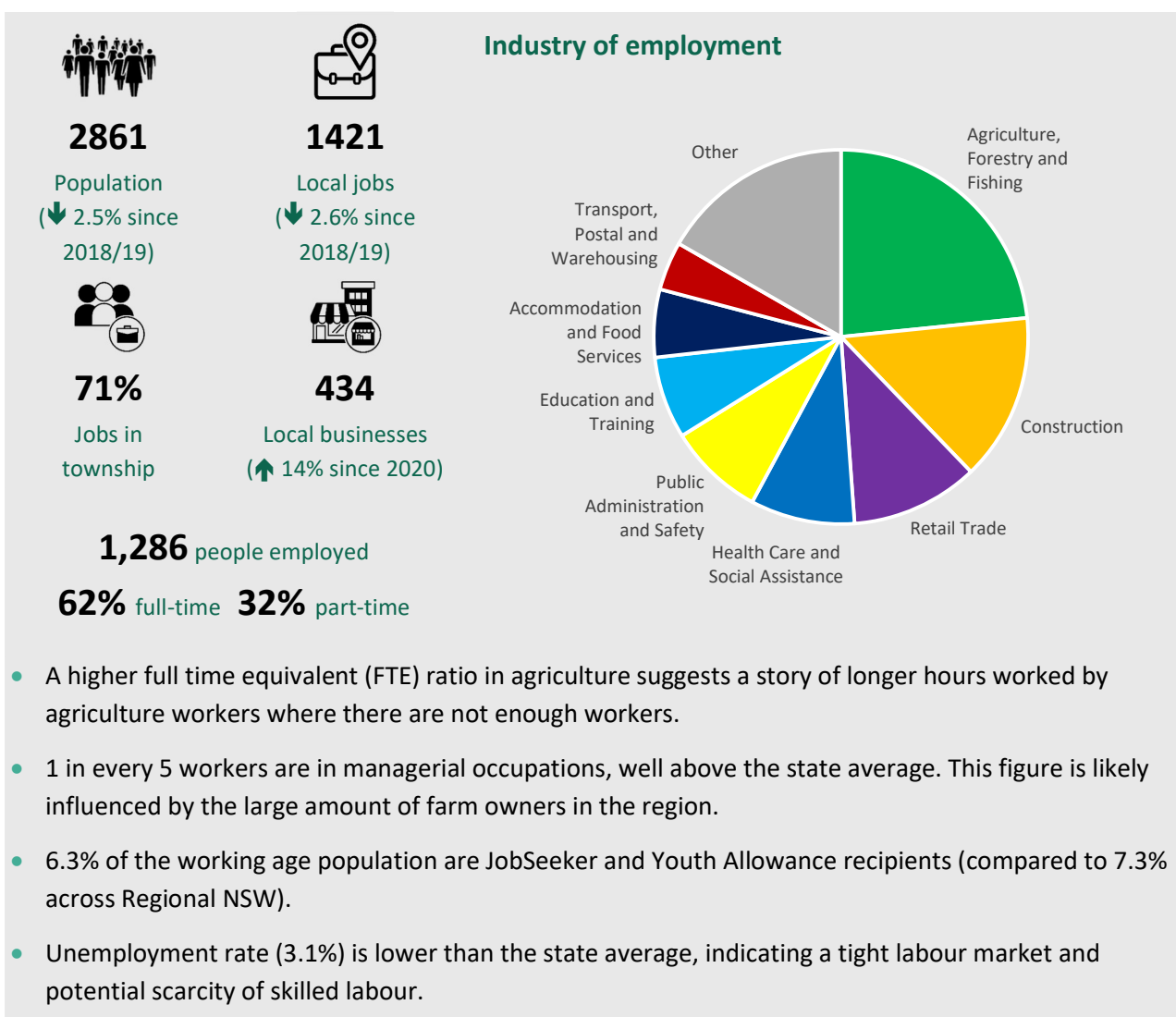
Residents and businesses in Hay are asking: how can economic development in the region support what the community needs more of, and at the same time take care of people, local businesses and local environment for generations to come?

The table on the following page highlights a range of indicators that provide some insight into the type and scale of resources flowing through and supporting the regional economy.

⁵ Informed decisions (.id), Hay Shire Council Gross Regional Product, 2024, <https://economy.id.com.au/hay/gross-regional-product>

Table 1. Trends between the township and rural areas making up the Hay Shire differ across components such as population, household income, sources of income and employment. These differences help to illustrate the dynamics emerging in the region's economic system and will be explored in more detail through Roadmap development.

Labour and employment across the Hay Shire Council area (2023/24)

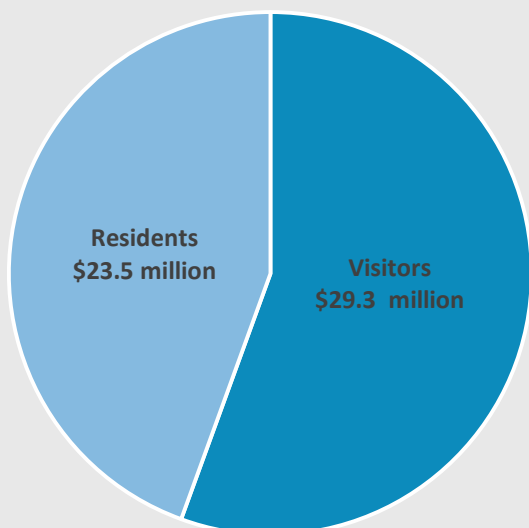


Household budgets and income

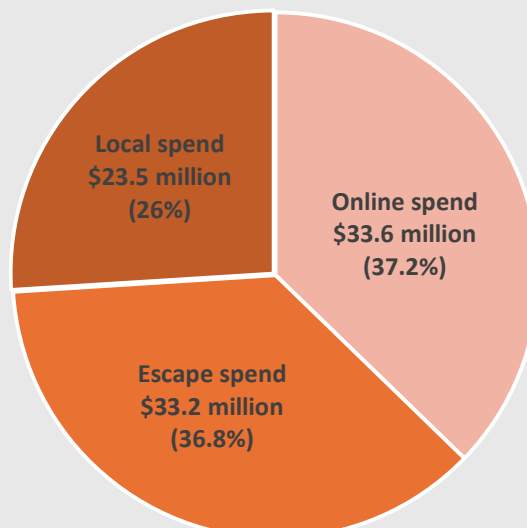
- The proportion of high household income (\$1-3k/week) is similar across the township and rural areas. However, 41% of households in town earn less than \$1,000/week, compared to 18% out of town.
- Sources of household income are primarily related to wages, business income and cash benefits, which represented 43%, 26% and 13% respectively in 2023/24.
- Housing costs have risen dramatically, increasing from 11.6% of total household expenditure in 2018/19 to 18.9% in 2023/24. This represents a difference of \$9,600 per household per year, resulting in reduced expenditure across other areas.

Economic flows - spend

Spend in the Hay economy 2024/25

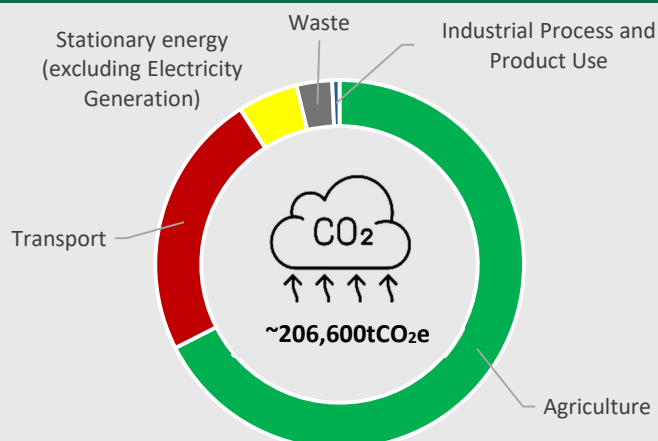


Resident spend 2024/25



- Resident escape spend refers to the amount spent by residents and local businesses on goods and services outside of the Hay Shire Council LGA
- Visitors spent more money in Hay than residents in 2024/25, including \$18m on consumer staples (including transport and freight), \$10m on discretionary spend (like dining out and non-essentials) and \$831K for services and other expenses. This includes approximately \$1m on fuel each month.
- There is high economic self-sufficiency in Hay (in 2021, 88.3% of resident workers were employed locally), however the economy is leaky (meaning that a high proportion of money flows out of the local economy via 'escape' and online spending rather than circulating locally).

Emissions



- 206,600t of carbon equivalent emissions were emitted across the Hay LGA in 2021.
- Agriculture contributed 68% of emissions followed by transport (23%), stationary energy (5%) and waste (3%).
- Land use, land use change and forestry emissions are not displayed in total municipal emissions.

Sources: Australian Bureau of Statistics (2021 census), economy.id (Economic Profile, data from National Economics (NEIR) Modelled Series 2023/24 and 2018/19), Spendmapp (2024/25 data), NSW Net Zero Emissions Dashboard (Local GHG Emissions 2021).

Lifestyles

Hay is valued as a great place to live, work and raise families. Surrounded by beautiful landscapes, fresh air, the Murrumbidgee River and wide-open spaces, Hay offers opportunities for fishing, camping and exploring. The vast plains around the township create a natural border that informs local identity. Most residents across the LGA access services in town and consider themselves 'from Hay'.

People consistently describe the community as 'close-knit.' Long-term residents know most people and how they connect into the Hay community fabric, often growing up together, marrying in, and knowing each other's stories across generations. Newer residents are typically drawn by marriage, employment or entrepreneurial opportunities. Young adults often enter local industries via family experience or connections, or leave for tertiary education, sometimes returning to raise families in the relaxed, safe and affordable lifestyle. Children and young people are afforded a relatively high level of freedom and independence, as parents find comfort knowing that the community will look out for them.

Local sporting clubs, especially footy and netball, are key focal points for building and maintaining social connections. They offer space to meet, share challenges, offer solutions and support. Meanwhile, commuting long distances for goods and services is part of life. Despite economic shifts, the seasonal nature of agriculture continues to shape the rhythm of life. Hay residents work longer hours than city counterparts, but many describe 'the Hay life' as comfortable, community-oriented and relaxed.

Hay residents pride themselves on their social connectedness, 'sense of community' and strong 'community spirit.' They want to see their families and others succeed, and support is often given knowing that what's good for the community is good for them too. These sentiments provide a common purpose and deep foundation for quality of life and the local economy.



The unique characteristics and strengths of the Hay region can be leveraged to support economic wellbeing and build a resilient economy. Image source: The Next Economy

The culture of 'helping out' is a big part of the Hay lifestyle – and underpins the regional economy.

- **Making life colourful:** Hay's remote location means limited access to big-city attractions – so residents 'make their own fun.' People voluntarily create, run and support homegrown activities like the Hay Rodeo, Booligal Sheep Races and Rainbow on the Plains Festival, and actively participate in sport, school and work-related initiatives. These efforts – and 'helping out' – contribute to everyone's quality of life.
- **What goes around comes around:** Often described as the 'beer economy' – people help each other knowing it'll be their turn another day. For example, a local business provided pro-bono livestock transport for the football club, which helped retain players. Months later, those players supported the business owner in return.
- **Hard times and across fences:** The community rallies in difficult times – like fundraising for a young father who suffered a serious injury. Farmers regularly communicate across fences to share knowledge, machinery and ideas – knowing changes on one property can affect others.
- **Developing capability:** Beyond institutions, capability is built peer-to-peer – through business advice, website design and hospitality skills – driven by a desire to help others succeed.

'The Hay lifestyle' is shaped by landscape, agriculture and remoteness – and underpinned by a strong 'sense of community' and culture of 'helping out.' Nurturing these will be critical to ensuring both the community and regional economy thrives into the future.

*"You just help knowing it will pay for itself in time." –
business owner and community member*

External forces shaping our region

A range of external forces, outlined in the table below, are reshaping regional economies across Australia. In Hay, the local economy continues to diversify in response to these evolving pressures. Some changes, such as shifts in the economic profile, labour force and demographics, are part of a slower, longer-term transition affecting much of regional Australia. Alongside these gradual changes, faster moving forces such as decarbonisation policies, extreme weather events, pandemics and geopolitical tensions have triggered more sudden and visible challenges.

These include housing shortages, rising cost-of-living pressures, post-COVID migration patterns, the shift to remote work and childcare shortages across the region.

Individually each of these changes create challenges and opportunities. However, it is the interactions between these changes and the unique dynamics that exist across Hay's regional economy that require particular attention to manage change well and act towards the future our region wants.

Table 2: External forces driving change across the region as identified by regional stakeholders

Shifts in global markets and trade

Rising tariffs and geopolitical tensions are increasing uncertainty and volatility in global commodity markets and disrupting trade relationships. From increasing the cost of inputs to market access concerns, these dynamics are making the conditions for agricultural export industries more precarious.

Transition to net zero and decarbonisation

Mandatory climate-related disclosures, alignment with science-based targets across supply chains, consumer demand, and regulatory pressures are reshaping national economies, sectors and industries. These pressures are driving the development of new national policies and regulations that (alongside clear market signals) have the potential to transform Australia's key economic sectors - as seen in the energy system and increasingly in the agriculture and land sector.

Climate Policy – adaptation, nature positivity and biodiversity loss

National and global efforts on climate adaptation, nature-positive initiatives and reversing biodiversity loss are driving land use change and increasingly influencing regional economies like Hay. These shifts are intensifying scrutiny on agricultural practices, accelerating the adoption of climate-smart technologies, and opening new opportunities for farm diversification, local value chains, and landscape-scale natural capital projects. They are also fostering more collaborative land management approaches, including partnerships with Indigenous groups.

Impacts of a changing climate and extreme weather events

As seasonal trends become increasingly variable and extreme weather events (such as heatwaves, droughts, and floods) grow in frequency and intensity, rural communities and industries are facing mounting challenges. These include impacts on production, efficiency, business viability, supply chain stability, worker health, labour availability, and the overall liveability of some regional areas.

Shifting Australian political context and policy objectives

New national policies and frameworks, such as the Powering Australia plan and the Future Made In Australia industrial policy initiative are driving new industry development in many regions and shifting the landscape of economic opportunity. In some regions and sectors, a lack of bi-partisan support and policy clarity is creating uncertainty. Consistent political signals, clear information and strategic planning at all levels of government are critical to enable informed decision making and investment.

Technological development

Ongoing shifts in technology are already affecting the region and will continue to do so. Examples include the phase-out of 3G telecommunications (explored further in Section 3), increasing machinery digitisation, reliance on digital systems for supply chain management and the growing use of artificial intelligence and geospatial data for automated production. These developments are reshaping how rural industries operate, demanding new skills, infrastructure and approaches to remain competitive and connected.

Social and cultural trends

Social and cultural trends are increasingly changing ways of living and working in Australia, presenting both challenges and opportunities for Hay. These include: online shopping expanding market access, remote work enabling young professionals to stay on family farms, cost-of-living pressures driving dual-income households and reducing time for community and extra-curricular activities, longer life expectancies, and shifting cultural demographics in regional areas.

Workforce

Australia's regional workforces and rural industries are undergoing a transformation. Factors such as rural population age, cultural demographics, local service needs, mobility and connectivity are shifting. At the same time, industry development and sector transitions increasingly require highly skilled, and technology-proficient workers. Nationally, training and workforce development efforts, policies and programs struggle to keep up with the scale and pace of this changing demand.

Regional development trends

Regional areas across Australia face challenges stemming from remoteness, low population density and the ongoing need to provide essential infrastructure and services including housing, medical and care services, well-maintained roads, as well as reliable water, energy, telecommunications and transport. These critical 'lifelines' sustain regional communities, reduce vulnerability to climate impacts and other disruptions, enhance regional attractiveness for new industries and workers, and are essential to ensuring quality of life and sustainable livelihoods.

Systemic change across agriculture

Australia's agriculture sector has a long history of leading research, development and innovation to support food and fibre production, establish new standards and adapt to changing climates and markets. However, increasing pressures require broader, more systemic changes and interconnected solutions across sectors. Local dynamics such as land use change, property aggregation, declining on-farm employment and shifting skill demands require careful management.

3. Insights into the Hay economy

Regional economies can be thought about as socio-ecological systems. That is, they are a series of components, parts and actors that interact, co-evolve and adapt over time to generate a range of benefits and outputs at multiple scales. The following section summarises early insights into the exploration of Hay's regional economic system through local discussions and engagement.

A series of interconnected clusters

In mapping Hay's economic system, including how the local economy functions, the flow of resources, and the dynamics, dependencies, tensions and relationships at play - a series of interconnected networks emerge (see Figure 5). These networks, or economic clusters, comprise of elements such as companies, organisations, resource flows and activities.

They form the foundation of the region's economy, existing because they derive advantages from their location, environment and the mutual proximity of various actors. They are dynamic and shift over time due to both internal (local) and external forces, as well as choices made in response to specific opportunities, challenges, constraints and the evolving spatial and socioeconomic context.

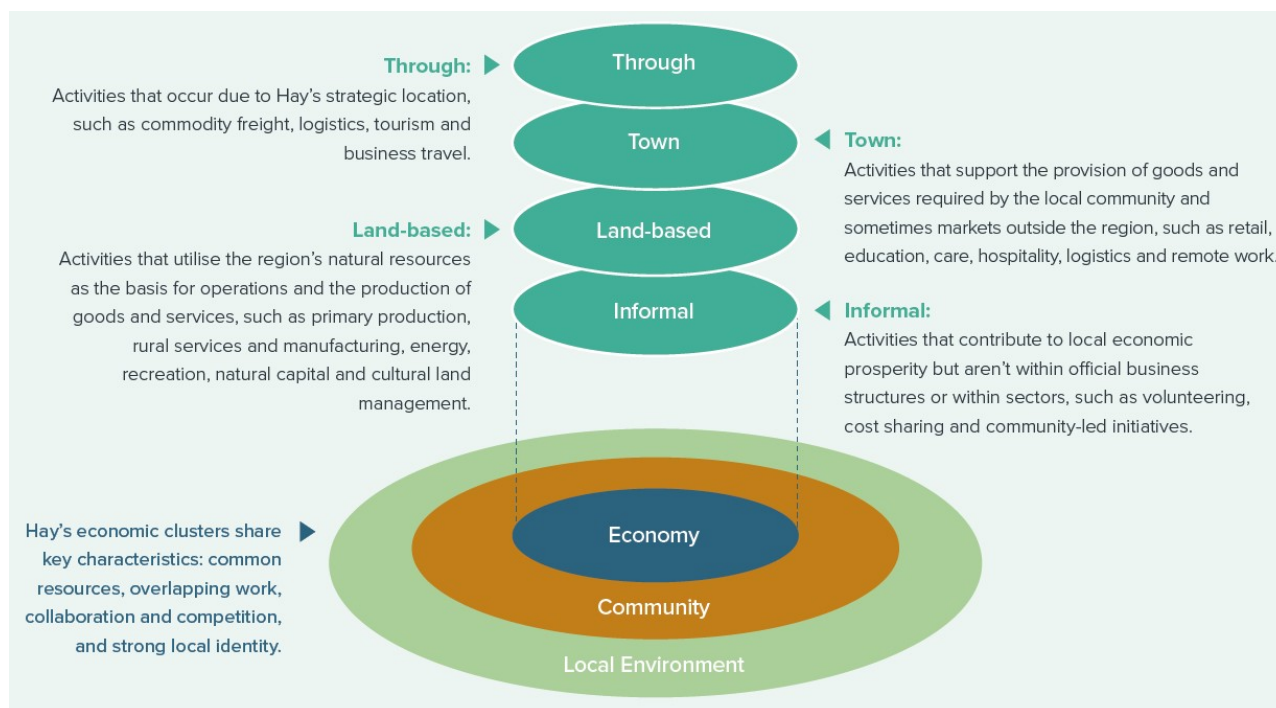
These economic clusters provide an organisational framework for exploring and understanding the flow of goods, services and people within Hay's economy. They help diagnose the region's strengths and challenges, and, crucially, identify realistic ways to create greater synergies and unlock new advantages and opportunities to shape Hay's economic future.

Adopting a cluster perspective shifts economic development efforts towards supporting the broader network of businesses and organisations, rather than focusing on individual enterprises. This approach views the enabling ecosystem as the primary unit of change, offering the opportunity to build on the region's unique strengths (rather than emulating other regions) and to develop tailored strategies.

Clusters share several key characteristics including:

- **Access to common resources:** Leveraging local conditions and context, as well as sharing resources such as skilled labour, knowledge, infrastructure, logistics and technological expertise.
- **Similar fields of work:** Specialisation in related sectors or production stages creates demand and supply for goods, services and labour within Hay and to other markets. This can lead to economies of scale, attract investment, and encourage other businesses in similar sectors to establish operations in the region. For example, the predominance of agriculture and intensive production across the region facilitates transport efficiencies, manufacturing opportunities and local specialisation in rural engineering, mechanical and irrigation.
- **Collaboration, complementarity and competition:** While competition between companies and organisations exists, their proximity, and the region's remoteness, facilitates both formal and informal interactions and collaborations. These relationships help achieve common goals, drive innovation and leverage mutually beneficial activities. This results in greater market efficiency and productivity gains.
- **Culture and regional identity:** Fostering a sense of community and shared identity, contributing to the region's culture, attractiveness and uniqueness.

Figure 5. Hay's economic clusters share key characteristics: common resources, overlapping work, collaboration and competition and strong local identity.



Repositioning the economy as a provisioning system

Unlike traditional economic discourse, repositioning the economy as a sub-set of the community and the local environment offers a vital shift in perspective. It moves away from focusing on the economy as a goal in its own right and instead sees it as a *provisioning system* that enables social and environmental outcomes.

This reorientation recognises that the economy functions within society, and the natural world - challenging the notion that these domains operate independently or that the community and environment exist to serve economic goals.

This perspective invites a more meaningful conversation about the kind of economic activity needed to support people in the Hay region and doing so in a way that meets local needs while protecting and enhancing nature.

The 'informal' economic cluster

The informal economy comprises a cluster of actors, relationships and activities not found within official business structures, formal sectors or regulated industries. Yet, the cluster contributes significantly to the region's economic prosperity with the elements that keep the community vibrant and liveable. Community members are key actors here. Examples of 'informal' cluster activities include:

- Volunteering for community organisations.
- Supporting neighbours and making phone calls to check-in or connect people and resources.
- Rallying around people during community events or times of hardship, such as drought.
- Sharing business costs, such as trucking logistics for livestock.
- Exchanging information and knowledge at local and family events, both within the region and with neighbouring areas.
- Establishing community-led organisations and initiatives to support young people in town.
- Community groups leading initiatives that address gaps in public services.

Local people continually find ways to make things work, often without contracts or formal agreements, with the contribution to economic outcomes of elements often unseen. However, it is these informal components that do much of the heavy lifting for the region's economy.

"We often do a call around: 'Is anyone in Griffith today? Can someone pick up a small part for me?' Ringing neighbours and seeing whether you can get a full truck of livestock on because you've got a couple of spare decks... all of those conversations happen all the time. There's no way to actually measure the monetary value of those, but we know that if it stopped the place would kind of grind to a halt." – Community member and producer

While Australia's accounting systems do not place a financial value on these types of activities and contributions, without this local capital and capacity, a significant portion of the region's formal businesses and actors would find it much harder to operate.



Flyers at the local supermarket demonstrate a lot of community led activities are occurring.

Image source: The Next Economy

Broadly, the ties and connections underpinning these informal networks and activities in the region are strong, resourceful and highly functional. This may be partly due to the region's remoteness, the size and characteristics of the community, and the close relationships among residents. The need for self-sufficiency and self-reliance likely drives the effectiveness of this constellation of actors and activities at any given time. How much attention is paid to the changing demographics and social fabric that make up this cluster, and what needs to be done to strengthen and adapt it over time, will be critical in ensuring the informal economy continues to serve the region in the future.

"Cost sharing benefits we can sometimes do because we know other people around us are doing the same kind of work." – Producer

The 'land-based' economic cluster

The next nested cluster, Hay's land-based economy, is a collection of formal businesses, organisations, actors and activities that rely on the land and the region's natural resources for their operations. These entities use local ecosystem services and functions as inputs for producing economic resources, products and other outputs. The intensity and extensivity of these activities vary based on access to land resources (especially water) as well as markets and local conditions.

The region has a long, strong and proud history of agricultural activity. This sector often draws significant attention in discussions about regional economic development due to its formal and recognised role in the local, state and national economies as well as in global supply chains. While agriculture in the region will continue to be a key focus, this economic cluster is intentionally framed more broadly (with agriculture as a sub-cluster) to encompass other land uses that are emerging as important economic functions for the region.

Potential for new and diverse opportunities will emerge as markets develop and Australian policy evolves. Emerging land-based activities include renewable energy production (harnessing solar and wind resources), natural capital and natural resource management (enhancing local ecosystem services) and tourism and recreational activities. Additionally, there is both existing activity and growing opportunity for contemporary Indigenous cultural land management and land-based economic activities supporting economic sovereignty, livelihood development and the regeneration of the natural environment.

Businesses within Hay's land-based economic cluster are geographically dispersed across the region and diverse in terms of activity (on-farm production to manufacturing to rural services), business size, operational footprint, ownership (local versus external), business structure (family versus commercial) and scale of financial outputs.

In the Hay region, land-based economic activities and networks face a range of pressures that differ from those affecting the informal economy and other economic clusters –many of which are beyond the control of any single business, group of businesses or even the region. Businesses and actors typically look outside the region for services and production inputs, often due to their limited local availability and the design of and pressures from broader systems and value chains.

Decision-making and the potential scale of land based economic activities are influenced by a range of factors driven from both within and outside of the region. These include:

- **Regional factors:** proximity and access to water, weather patterns, soil and vegetation conditions, local knowledge sharing, intergenerational practices, neighbour activities, and access to local human and infrastructure resources.
- **External factors:** climate and production conditions in other regions, input availability, market forces, consumer preferences, geopolitical developments, national policy, and competition for common resources.

For this cluster, location matters. It benefits from the concentration of businesses and activities in similar industries, which has, to date, often facilitated increased productivity and efficiencies – such as reduced transport costs, shared labour costs, easier access to skills, economies of scale, and opportunities for sustainability, circularity and efficient resource use. Existing social networks (formal and informal) support decision-making, local knowledge sharing and provide avenues for collaboration, cooperation and crisis support.

There is an opportunity to build on these organic networks, Hay’s unique location, and the ever-evolving group of businesses and activities in this cluster to foster business resilience, regional innovation, cluster diversification and broader regional economic prosperity.



Evidence of land-based economic activity are common across the region. Image source: The Next Economy

The 'town' economic cluster

The town economy refers to the network of local businesses and actors that supply goods and services in Hay, outside of the land-based economy. These businesses are vital to the ongoing sustainability of the Hay township and the broader region. The town economy includes, but is not limited to, retail shops, engineering and mechanical services, professional services, service providers, care and healthcare providers, education providers, remote workers, recreational and wellbeing businesses, and tourism enterprises. While these businesses may not always be in the township or on the main street, they generally share several attributes that bind them together as a cluster, such as:

- A focus on servicing local and regional needs, with operations that are often more personal and community-driven.
- Providing support to other local economic clusters through goods and services.
- Supporting local causes and community organisations.
- Local or community ownership.
- Playing a role in local events and contributing to the overall vibrancy of the region.

Some businesses in the town economy operate in a hybrid manner, serving local needs while also leveraging their unique location and specialisation to provide goods and services outside the region. This hybridisation appears to help build business resilience, allowing them to weather local disruptions or downturns.

The town economy in Hay is a significant employer for the region and is crucial for local job creation. It also plays an important role in household income diversification, especially for many farming families. The town economy shapes the community's identity, with changes in local services, main street activity and appearance, spending levels and access to goods directly influencing people's wellbeing, sense of place and perceptions of the region's economic health.

The town economy plays a critical role in stimulating the regional economy. For example, a local logistics and transport company owned and operated by a young, up-and-coming local business owner helps connect local businesses and community members with the goods they need from outside the region in real-time so they can minimise disruptions or avoid unnecessary travel. Or a well-established engineering business continues to grow and adapt its services to ensure it can meet the changing needs of the region as well as industries across Australia. When local businesses like these thrive, they keep money circulating within the community, help other businesses continue operating, and have the potential to attract and inspire new enterprises to establish themselves in the region.

"I've come from a community, not unsimilar to Hay, but I always found Hay's been really good in sharing each other's success and I think even with the wind farm announcements, you know, obviously some people missed out on ones and other farms got ones, but I feel like in Hay we all appreciate each other's success. Everyone's successes are all our success. It's not so much rivalry like in other towns, and I think that really contributes to our informal economy. And yeah, that we all kind of stick together and want to see everyone succeed."

– Community member and producer

Harnessing the potential of remote workers in Hay

Over the past five years, the Hay region has seen a significant influx of various types of remote workers. These include:

- **Individuals in Hay who benefit from lower living costs**, allowing them to make the most of their wages and enjoy more disposable income for personal use or community contributions.
- **Those who value the landscape**, local environment and lifestyle that the Hay region offers.
- **People with new or pre-existing connections**, often through friends or family ties that draw them back for a new phase of life. For example, those who move to the region after ‘marrying a farmer’ and continue professional careers remotely while also contributing to the farming business.

Hay also has a growing pipeline of FIFO (fly-in fly-out) workers who, while not remote from Hay, do work remotely from their home base and share traits with relocated remote workers. Their presence introduces new dynamics and challenges, but given the time they spend in the region, it’s worth exploring how their skills, networks and spending can be better engaged locally.

Understanding what motivates remote workers to move to and stay in the region offers a chance to rethink their role in Hay’s economy. These workers bring external income into the community over time, helping counter brain drain. Their labour is a locally produced service exported elsewhere, positioning remote work as a potential job-creating industry – with the right strategies, incentives, and infrastructure.

The 'through' economic cluster

Important enough to be distinguished as a stand-alone cluster, the 'through economy' is characterised by economic activities and actors that exist because of Hay's unique location in relation to other producing and destination regions. Situated on a major road freight route, Hay often serves as a midway point between several major cities and ports, both in east-west and north-south directions.

Affectionately known as the 'middle of everywhere', Hay is a valuable node for commodity freight (such as cotton, livestock, and grain), supply chain logistics (including viticulture and renewable energy components), transportation for business and personal travel, as well as regional tourism within NSW and beyond. These activities all bring outside dollars into the Hay region. By providing the goods and services required during stopovers in the region, businesses and actors in Hay's through economy facilitate the efficient movement of people, businesses and products and capture spend.

More than half of the region's economic activity, in terms of transactions, comes from visitors to the area. This includes not only tourists, but also those passing through for various reasons, such as local business, supply chain logistics, commodity freight and personal or business travel.

The focus of the through economy differs from that of the local tourism sector and the typical definitions of a region's visitor economy. While tourism plays a role, Hay's through economy is primarily driven by the activity of travellers, goods and supply chains passing through – not because Hay is a destination, but due to its strategic location on key trade, transport and tourism routes.

This distinction is important as it helps build an understanding of the needs this cluster serves and guides efforts to protect the corridors of movement across the region, positioning Hay as a significant and critical part of the value chains moving through the area.



Freight supply chains moving through Hay are dominated by the movement of several high-volume commodities – this trend is forecast to grow. Image Source: The Next Economy

Key dynamics across our regional economy

Regional economic development is about managing change and making informed choices. Adopting an economic systems thinking approach helps to build an understanding of how elements of the system are interconnected, and how interventions made (through unexpected changes or intentional choices) in one part will impact or influence change in another.

Understanding Hay's regional economic systems and the recurring patterns of behaviour that exist within it is important. This gives insight into the range of interrelated components such as agency, relationships, structures, power and processes that drives the region's economy. Understanding these dynamics can provide an opportunity to create positive shifts that support beneficial positive social, economic and environmental outcomes, as opposed to intervening in ways that exacerbate components that aren't functioning well. Dysfunctional dynamics reduce the ability or capacity for the economy to change, effectively holding the system back, hindering any efforts to address an issue within the problem area.

The Hay Region Economic Transition Roadmap approach facilitates exploration of participants' experiences of systems through identifying trends shaping the region and their probable drivers, depicting connections and highlighting relationships to develop strategies that work 'upstream' within the region's sphere of influence and control.

The following are a set of stories that describe key dynamics in the local economy to help stakeholders work with the complexity and identify strategic points to intervene and act.



Middle of everywhere/nowhere:

Hay's strategic location offers strong connectivity to external supply chains. Without continued investment in infrastructure and essential services, the potential for isolation and economic decline grows.



Capacity for local capture:

Events like the Mad Max production and transmission line development bring short-term gains with potential to capture longer term benefits with the right capacity, collaboration and resources.



Limits to success:

Parts of the economy that are dysfunctional or stuck can reduce the capacity for positive change and development. For example, ecological and social constraints, such as limited water, ageing infrastructure and housing shortages, challenge growth and require long-term solutions.



Small giant:

While 'punching above its weight' in terms of its economic and social impact relative to size, our region may experience the impact of big developments and economic changes more significantly.



Fragmentation:

Despite strong community spirit, there is an opportunity to connect parts of the business and community with differing interests, identity and circumstances.

Figure 6. There are dynamics within the local economy that can be leveraged to shape the region's future.

Middle of everywhere/nowhere

Hay benefits from its central location between major markets and services in Sydney, Adelaide, and Melbourne. This 'place-luck' brings particular advantages and opportunities for economic activity, as outlined earlier. These benefits depend on the continual development of critical infrastructure and lifelines such as telecommunications, roads, technology, and essential services, to ensure the region remains 'in the middle of everywhere'. Maintaining these systems is vital for keeping Hay connected to the supply chains, sectors and networks it relies on to do business. If attention is not paid to these enabling elements, or to broader system shifts at the state or national level that may impact the region, Hay's dynamic position could shift from being in 'the middle of everywhere' to 'in the middle of nowhere', risking decline in areas of the economic system.

Being 'in the middle of nowhere' is not always a disadvantage. Many locals see remoteness as both a strength and a weakness, fostering a tight-knit community. This sense of isolation has also driven innovation and collaboration in the informal economy, exemplified by initiatives like Hay Inc, a local organisation that provides opportunities for young people to gain agricultural skills, education and experiences. The initiative has cultivated a spirit of self-reliance and collectivism within the community.

The region risks reaching critical tipping points in its economic system if careful attention is not given to:

- maintaining population, essential infrastructure and lifelines,
- ongoing investment in the enabling ecosystem that supports economic activities and value chains, and
- adapting to broader system shifts at the state and national levels.

Crossing these thresholds could trigger sudden changes, moving parts of the regional economy from 'the middle of everywhere' to 'the middle of nowhere' – no longer an active part of vital supply chains, with negative ripple effects throughout the community and economy.

The 'middle of everywhere/nowhere' dynamic is best illustrated by the following examples:

- **Hay Airport:** Once an important stopover for domestic air travel when planes could not cover long distances, airport services declined as flight technology improved, and stopovers became unnecessary. With impacts on the local economy, this example demonstrates how external changes in the transport and aviation sectors can move a region from being a hub to disconnected from the system.
- **End of 3G telecommunications:** The abrupt end of 3G services has shifted the region from being hyper-connected to struggling with basic mobile phone access across vast areas. This has significantly affected regional serviceability, business efficiency and on-farm safety. For example, a local transport company reported that, whereas they previously managed client communications and business planning on the road, the loss of 3G means clients can no longer easily connect, timely call-backs are challenging, and opportunities to coordinate loads with neighbours are lost. As a result, both business owners and clients must spend more time off the road or in the evenings to manage transport operations.

Limits to development

‘Limits to development’ is one of the most recognisable dynamics, where elements and relationships within the regional economy constrain capacity to change – and, in some cases, lead to decline. This may be because they are ‘dysfunctional’ or limited by the ‘carrying capacity’ of the region’s natural resources.

These ‘sticking points’ can hinder efforts to address issues within a problem area, hold back progress, and create ripple effects across economic and social systems, limiting the potential for positive change.

Examples in Hay include the current housing context, limited access to childcare, capacity constraints of existing built infrastructure such as bridges and transmission lines, water access and limits, the semi-arid landscape and local ecosystem services and biodiversity.

Shifting the capacity of these key components and/or areas within the economy can have significant positive flow-on effects and serve as a key enabler for resilience.

*The **carrying capacity** of a region can be considered as the maximum level of economic activity and population size that a region can sustainably support with available natural resources such as water, land, natural assets, and energy without causing environmental and social harm.*



Residents have diverse perspectives and unique insights into housing solutions for the region.

Image source: The Next Economy

Housing Hay’s Future

Hay Shire Council, together with the local community and regional stakeholders, is exploring strategies to support appropriate housing development across our region. **Housing Hay’s Future** was identified as a key action in The Plan. As part of The Roadmap, Council is building the business case for new housing development models as well as exploring opportunities to leverage temporary worker accommodation needs for legacy housing in the region. Council is also working to build the capacity of the local private sector to drive an innovative, flexible, and adaptable local housing system that supports liveable, healthy, and resilient communities.

This work is time-critical to ensure the region is ready to leverage shared value partnerships with energy and infrastructure developers over the next five years. Over the past year, Council has conducted surveys and convened a series of focused discussions with various stakeholders to best inform this work. Early insights from this work are captured in Appendix A.

Fragmentation

The region has a diverse mix of community groups and businesses, and strong connections among people with shared identities or circumstances. However, fragmentation remains within the business community and weaker ties between groups with differing interests. When networks, connections and communication platforms among these groups are limited, key opportunities can be missed. These include collaboration and resource sharing, cross-promotion, attracting external investment, fostering strategic partnerships, increased buying and negotiating power, and coordinated responses to demand fluctuations and shared challenges.

To address these challenges, key actions in The Plan include the establishment of a local business-to-business network, a community action group, and a regional producer network. These actions highlight a shared understanding of the need to build stronger social capital and greater ties (see explainer, below) across businesses and community organisations to leverage synergies and create new opportunities for economic development, community wealth building and increased regional resilience.

Bonding ties are the connections among individuals who are emotionally close, such as friends or family, which result in tight bonds to a particular group.

Bridging ties are acquaintances of demographic diversity, such as class or race. These often come from involvement in organizations including civic and political institutions, parent-teacher associations, sports clubs, and religious groups. – Source: **Aldrich and Meyer, Social Capital and Community Resilience, American Behavioral Scientist, 2015.**

Capacity for local capture

Hay's regional economy has experienced a series of short-term surges in activity from external projects and major events, such as film productions like Mad Max and transmission line developments. 'Sugar hit' periods such as these have seen temporary increases in demand for local accommodation and services with external workers and suppliers brought in and often limited procurement from local providers. Limited local business collaboration, constrained capacity for value-adding and challenges in rapid scaling-up to service large contracts have played a role in the region's capacity to capture and sustain broader economic gains from these periods. This highlights both a vulnerability and potential opportunity for Hay's economy.

Through targeted efforts, such as improving business to business collaboration and investing in strategic services and infrastructure, the region can improve economic integration and **strengthen the foundations for long-term for local capture** that can better leverage future opportunities.

While there was scope for further benefit capture, many local property and business owners benefited from the 2022 in-region production of Mad Max. While direct benefits were mostly limited to these individuals, broader indirect and long-term gains were also felt. Income from housing rentals to production staff allowed property owners to renovate rundown properties faster than usual; these then became legacy housing for the wider market after production. Community groups and clubs saw increased membership, with the extra income supporting their long-term viability. Production staff supported local events, residents gained new skills and experience, and Hay's profile was boosted through production promotions and media. The Mad Max production team also experienced and benefited from Hay's informal economy, through the willingness of local businesses to do what was needed to ensure production ran smoothly.

Supporting business uplift to participate in the renewable energy sector

Many local businesses in Hay are interested in tendering and contracting into the large-scale renewable projects planned for the region. However, often there is limited existing capacity and resources to adapt operations to do so. The uncertainty surrounding the pipeline of work, contracting arrangements, timing and support available to obtain qualifications for tenders, coupled with the cost to prepare businesses to be ready to tender, limit the capacity of local businesses to scale and adapt operations or bring on new workers.

Hay Shire Council is proactively facilitating early engagement with local businesses and renewable energy developers to support business readiness - critical to scale regional workforce development. Up-to-date and accessible place-based data on the pipeline of activities and timing is required to enhance transparency and visibility of workforce and business needs over time, and, to support the capacity for businesses to mobilise.

The 'small giant'

The small giant dynamic describes the capacity of local actors, organisations and networks in Hay to achieve significant economic and social impact despite its small population size.

In this context, substantial economic activity and essential social and community services are provided by a network of dedicated individuals, businesses and community groups through informal networks and volunteerism. Collectively they act as a 'small giant' demonstrating remarkable self-sufficiency and resilience, supporting youth, running festivals and maintaining valued community networks in areas like sport and education. However, this strength also brings vulnerability: increasingly the burden is falling on a limited number of people and activities, creating risks of burnout and over-reliance. While this dynamic is a testament to the region's capacity and determination, it highlights the need to balance self-sufficiency with broader and inclusive participation to ensure long-term sustainability.

"We're really punching above our weight in terms of what we do in the economy, but by the same token, we're pretty exposed because of our population size and taking the impact of changes and development."

– Local producer

The small giant dynamic also plays out in how the region manages periods of rapid activity and development, as well as sudden shocks caused by events such as drought or business closures. While the region punches above its weight relative to its population base, it lacks the same buffer to absorb shocks as a region or town with a larger population and more resources.

"They're going to be huge construction projects – the same sort of infrastructure projects that are seen in places like Dubbo, which has got, what, over 40,000 people? The impact of that will be the same for us in Hay, but we're a really small community. They've got a bit more room to take those sorts of hits." – **Community member speaking about energy developments**

4. Where to from here?

The communities of Hay, like many regions across Australia, face a range of cumulative and cascading pressures. In parallel, they are increasingly being asked to take significant risks as well as efforts to tackle climate change and address biodiversity loss. At the same time, Hay is unique. And the way economic change is supported and managed locally through the decisions and actions of its local government, businesses and residents will shape Hay's future.

Driving local economic development

While the health of Hay's economy is vital for the future of the region and its communities, it is also a critical part of value chains and sectors across Australia who depend on the goods and services the region produces.

"We get really focused on a supply chain and product going one way. We've also got to point out that it's a value chain and if they {all stakeholders} don't back up and invest in the value chain, there's going to be a limit to development and negative impacts along the line. This is a huge area of exploration and opportunity for our region." – local beef producer

Traditional economic development policy has typically focused on attracting businesses from outside of a region to create positive cycles of development. However, local economic wellbeing and development more often comes from:

- expanding existing businesses or increasing current productivity,
- import substitution through new businesses moving into the region to provide goods and services for local consumption that were previously imported from outside,
- the creation of new businesses and initiatives that produce goods and services for 'export',
- supporting local entrepreneurs to put their capital into new ventures, and,
- building capacity for local and coordinated decision making.

Moving forward, the degree of change possible - and who benefits from it - will depend on how effectively transitioning sectors and regional development efforts engage with the region's unique strengths and comparative advantages. Success will also rely on how well these efforts build on the region's established identity and respond to evolving local conditions.

There is a rich array of ideas and concepts for designing and delivering regional economies that deliberately serve the needs of communities and the local environment. These include, but are not limited to, circular economy principles, community wealth building, place-based capital concepts, economic democracy, and doughnut economics.

Around the world, these approaches are being tested, and many examples offer potential lessons for Hay. These concepts and their relevance to the region will be explored further as part of the ongoing Roadmap development process. Refer to Appendix B for more detail.

A local 'stay longer' mindset

Local businesses and community members across Hay recognise the need to keep people, resources, skills, networks and local wealth in the region (circulating through the economy). They understand that once these assets leave, they are hard to get back. This 'stay longer' mindset is a key enabler of regional economic development and will remain critical going forward.

"Trying to attract outsiders to Hay is very hard. Hay is a long way away. It's a particular lifestyle. Hay people should spend more time focussed on keeping the people they already have here, instead of focussing on attracting new people." - local resident and migrant

A future economy of Hay, by Hay, for Hay

Hay may be small, but the region holds more local levers for economic resilience and prosperity than many realise. Its unique strengths can be harnessed to shape tailored, context-specific approaches. These approaches can:

- Broaden the economic base, reduce dependency on external forces and minimise vulnerability to decisions and changes made outside the region.
- Build diversity and redundancy into the economic system, helping to reduce the impact of change and disruptions.
- Expand the boundaries of local agency and influence over decisions affecting the region.
- Manage trade-offs.
- Maximise local benefits.

The **Roadmap** is facilitating and mobilising this work. Building on the region's strengths and identity, it provides an opportunity to broaden the number of local people involved in decisions about the economy and is helping give clearer direction on where to be more focused in planning and efforts to manage change well over the next decade as the Hay region navigates a range of complex transitions.

Understanding the local and external context, the range of unique strategic levers to focus on in the current context - and how to adapt focus and attention over time - the region can mobilise its' unique and diverse community resources for high-impact outcomes.

The Roadmap is not just a plan – it's a mechanism for real-time action.

Council is already activating several strategic levers to support a resilient and future-ready economy (see Table 3). They invite collaboration on these initiatives, and importantly practical actions that sit beyond Council's remit - galvanising and supporting businesses, community members and external stakeholders to co-invest in Hay's future and activate action across key levers.

As the Roadmap progresses, regional forums and action groups will continue to bring local, regional and industry stakeholders together to co-create actions and partnerships that drive positive change around the strategic levers identified already and others that may emerge.

By embracing a collaborative model that reflects Hay's unique strengths and priorities, the region is ensuring its future economy is shaped **by Hay, for Hay** - positioning itself to thrive through change, not just survive it.

Table 3. Strategic levers identified through the Roadmap process to date and next steps

<p>Housing Hay's Future</p> <p>Building an innovative, flexible and adaptable local housing system to promote liveability, wellbeing and resilience across communities.</p>	<p>Council is now proactively facilitating community involvement in local housing development and positioning itself to engage in strategic partnerships to increase housing availability in Hay. This includes exploring approaches that align with Hay's future growth and aspirations for liveability, affordability and lifestyle. These include: activating existing underutilised stock and new builds through new housing development models, unlocking local and external private sector investment, alternative housing typologies and construction, identifying opportunities for legacy housing through short-term worker accommodation, and 'fit-for-purpose' local planning, infrastructure and services (such as telecommunications, roads, waste and water). Early insights from this work are in Appendix A.</p>
<p>Primary production transformation</p> <p>Fostering a resilient and future ready regional production hub.</p>	<p>Local producers have emphasised the potential value of regional collaboration and landscape-level approaches to tackle pressures that cannot be managed at the farm scale alone. And to create opportunities for innovation and diversification that positions the region as a future-ready hub for primary production that supports community wellbeing, protects local resources, and sustains key value chains. This work will explore new models of collaboration, moving beyond traditional grower and production groups to build a regional network that creates shared local value and fosters innovation with strategic partners, value chains, and agricultural sectors across Australia. Priority areas include: natural capital management, on-farm emissions reduction and electrification, climate adaptation, industry and business diversification, workforce transformation, local value chain development and circularity, community energy, critical regional infrastructure (such as telecommunications, roads and industrial areas), efficient water use and expanding regional research and development.</p>
<p>Future-ready businesses and industry diversification</p> <p>Enabling a thriving and connected ecosystem of local businesses, industries and workers.</p>	<p>Local businesses across the region are looking to take proactive steps to strengthen their readiness and capacity – enabling them to make confident decisions, maintain operational continuity during disruptions, reduce economic leakage, and, importantly, respond to and capitalise on emerging opportunities and attract new investment. This work will focus on local content uplift, fostering cross-sector innovation and business collaboration, and supporting the development of new industries that create or leverage economic multipliers in the region. Priority areas include: circular systems, net zero transport, remote worker economies, new specialisations, local value chain development and integrated workforce development.</p>

Local leadership and community capacity

Supporting our diverse community to lead and steward positive change.

Community members across Hay recognise the importance of investing in local leadership to support, guide, and manage positive change. Their individual and collective efforts are what makes Hay's economy work and are critical to the future of regional economic development in the region.

Building on the success of the Hay Youth Taskforce, The Roadmap will pursue initiatives and partnerships to equip community members, young people and businesses with the mindsets and capabilities to drive innovation, strengthen the local economy and build social capital.

Already, through the Roadmap process, Council is piloting a community working group and fostering opportunities for broader and more diverse participation in economic development. This includes testing new models of ownership, decision-making, and community wealth building. Focus areas may include decentralised community energy, childcare access, First Nations leadership, health workforce shortages, aged care support and community hubs.

Appendix A: Housing Hay's Future

The Hay region is facing a range of housing challenges. Some achievable opportunities exist that could support an increase in housing supply, quality and diversity, to meet social and business needs as well as underpin the resilience aspirations of the region. This section explores Hay's current housing context, including insights and opportunities identified in the Housing Hay's Future community workshop in June 2025.

Housing Hay's Future is a strategic priority within the Hay Region Economic Transition Roadmap. Given the rapid pace of renewable energy developments in the region and Council's commitment to secure lasting housing outcomes for Hay this work has been fast-tracked in real-time. The following offers a snapshot of the housing insights gathered as part of the ground-up strengths-based approach with the community.

- **Hay currently has unmet housing needs across almost all areas of the population**, constraining the community both socially and economically. These unmet housing needs are impacting a wide range of residents, including low and very low-income households, young people, businesses employing local and seasonal workers, essential workers (e.g. teachers, health providers, the police, vets, etc.), professionals and local government, people in housing emergency, marginalised groups and older people looking to retire in Hay or needing supported living.
- **Over the next five years, housing demand is expected to surge due to the influx of construction workers** involved in renewable energy and energy related road and transmission infrastructure projects in the region. The cumulative impact of this workforce is yet to be fully determined. Most of the peak workers on renewable energy development sites will be housed on site in temporary worker camps, however it is expected there will be quite a number of supply chain, management and ancillary workers who will seek access to the local housing stock.
- **Hay is on a population growth trajectory**. In the next five years the demand for long-term housing is projected to increase considerably due to the number of long-term workers required to operate the renewables energy projects (over 70 workers) as well as other existing industries expanding and new ones establishing in the region.

Figure 7. Key facts regarding the housing context in Hay Shire Council LGA. Sources: Australian Bureau of Statistics (2021 census), realestate.com (June 2025) and NSW Government- Department of Communities and Justice (rent and sales data, April 2025)

1,373 Private dwellings within the LGA	91% 'Separate house' typology	12 'Flat/apartment' typology	76% Dwellings with 3+ bedrooms
133% Rise in median house prices since 2020	\$245, 000 Median house price	43% Owned outright with no mortgage (32% <i>av. NSW</i>)	34% Single person households (25% <i>av. NSW</i>)
223 Dwellings rented in the private rental market	45 Dwellings sold in the past 12 months	< 1% Rental vacancy rate since January 2022	9.7% rental yield (competitive)

Housing: A catalyst for Hay's future

Attendees of the Housing Hay's Future Workshop held in June 2025 described housing as a key enabler of economic development and community wellbeing, if managed well. They highlighted the following potential benefits:

Health and happiness	Improved wellbeing and quality of life through safer, more secure housing
Greater community spirit	Enhanced sense of belonging, social connection and community cohesion
Economic growth	Boosted levels of jobs and employment that can be filled, increasing local business capacity and productivity. Businesses will see opportunities for business expansion and the establishment of new industries. The population will grow, driving demand for local goods and services
Support for key sectors	Improved capacity to recruit and retain workers for essential services such as healthcare, education and police that provide sustained and expanded access to critical community services
Population growth and community vitality	Greater capacity to attract investment into public resources and services (education, health, transport), and more opportunities to expand community sports and leisure options

Factors influencing housing availability in Hay

Broad factors impacting current housing availability in Hay and influencing the region's capacity to meet anticipated future demand include:

- Insufficient housing stock, with few new builds underway.
- A large number of existing dwellings remain unoccupied.
- Existing housing typologies do not align with the shifting demographics and needs of the community.
- Quality is variable, with poor standards often linked to limited access to trades and the cost of refurbishment.
- Mismatch between the number of dwelling occupants to the size of houses.
- Rental properties make up a very low percentage of the overall housing mix.
- Limited attraction of commercial investment in new housing development.
- Housing demand and how the local community and landholders might participate in the housing ecosystem is not well understood.

What does 'good' look like?

For local community members, 'affordability' is the foundation of 'what good looks like' for Hay's housing ecosystem, alongside the following key elements:

- **Locally affordable:** people can find suitable housing at a price they can afford.
- **Diverse housing typologies:** to suit all stages of life as well as community and business needs.
- **Varied tenure options:** from short-term stays, rent-to-own models and long-term rentals.
- **A range of ownership models:** including those that distribute wealth and empower local decision making, such as community-owned and co-operative housing.
- **Appropriate location:** located around the township and region with consideration of accessibility and amenity.
- **Maintainability:** a range of options to suit different abilities and interests.
- **Construction:** homes are high quality construction and efficient (water and energy).
- **Technologically connected:** providing easy access to internet and telecommunications.
- **Efficient and effective:** Land and existing buildings are developed effectively and creatively.
- **Neighbourhood fabric:** Streetscapes and green spaces are prioritised with tree planting and community meeting places.

Managing the impact of temporary high housing demand on local affordability

Evidence indicates that large infrastructure development and construction projects carried out in regional areas can temporarily impact the local housing market, driving up costs for hotels, residential property, rentals, sales and related accommodation management services. While this short-term rise in demand can benefit local hoteliers, landlords, and property managers, for residents that are economically vulnerable with low incomes or receiving government support, it can become increasingly difficult to stay in existing leases or access affordable housing - sometimes meaning people are forced to move out of town.

The Hay population consists of a high percentage of low-income households compared with the state average (26% earn less than \$650/ week, compared with 16% across NSW⁶). In efforts to manage the demand for temporary worker accommodation during the life of renewable energy projects and other significant infrastructure construction, it is critical to consider the impacts on housing affordability and how this can be managed well, so that local people can continue to afford to live, work and thrive in Hay.

"If we manage the housing situation well, there will be increased community and social connection, because we've supported oldies and youngies." – Hay resident

⁶ Hay 2021 Census All persons QuickStats, Australian Bureau of Statistics, <https://abs.gov.au/census/find-census-data/quickstats/2021/LGA13850>

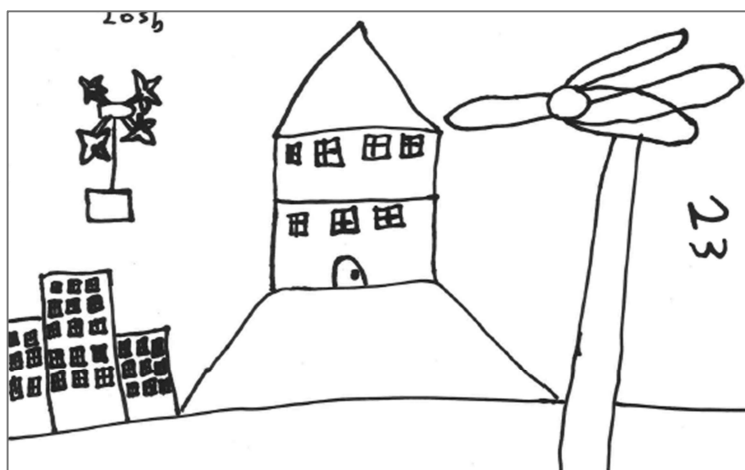
Local stakeholders – ‘doing development differently’

Local landowners and residents in Hay are well positioned to play an active part of the housing solution in Hay as well as directly benefit from the growing demand for housing. Data highlights several existing and unique characteristics about Hay’s housing context providing tangible opportunities to ‘do development differently’. For example:

- **The Hay township has approximately 46 unoccupied and abandoned dwellings** including deceased estates. With appropriate upgrades and redevelopment these dwellings could enter the market (for lease or sale) and go some way to meet current and long-term housing needs, as well as enabling a range of local social and economic benefits.
- **Over 31 large vacant residential blocks** are potentially suitable for subdivision and development. Given the scale of demand, there is an opportunity to explore:
 - collaboration and coordination to progress development and achieve procurement efficiencies,
 - different ownership models that have the potential to generate local wealth and provide greater security to tenants, and,
 - new local businesses that could be part of the supply chain for housing development, construction and property management.
- **There are a range of vacant commercial premises on the main street** that could be developed into medium-higher density housing such as apartments and townhouses. These types of dwellings would increase housing diversity in the township, and may be more desirable to young people, short term/seasonal workers, people seeking low maintenance housing solutions and those attracted to living near shops and local businesses. In addition to providing opportunities for new housing stock, adaptive reuse of commercial buildings for housing can activate main streets and central business precincts. This is an approach that has been widely adopted in cities and regional centres across Australia.

Through local ownership models and strategic collaboration, local stakeholders have an opportunity to ‘leverage’ the spike in demand for housing that will be created through renewable energy development in the region to create long-term, high-quality housing for the future of Hay.

Aspirations for a ‘home’ and ‘housing’ featured in many of the reflections by members of the Hay Youth Taskforce - when asked what they would see, feel, hear and be doing in Hay in 2035.
Image source: Contributed.



Emerging ideas and approaches

Existing development models have played an important role in Hay, with new approaches and strategic partnerships now required to drive development that will meet the scale of housing need. Hay Shire Council is building the business case for new housing development models in the region, exploring opportunities to leverage temporary worker accommodation needs for legacy housing in the region and taking steps to remove regulatory and planning challenges in the local planning and development system. The Council is also working to build the capacity of the community and local private sector to drive an innovative, flexible, and adaptable local housing system that supports liveable, healthy, and resilient communities.

A range of ideas and approaches that address the factors impacting housing development are emerging through discussions. These ideas build on the existing strengths and assets of the region and include:

- **Subdivision** of large blocks to increase infill housing and create more manageable lot sizes, with clear guidelines on permitted housing types and construction.
- Rezoning the main street to **allow adaptive reuse** of vacant shops and shop-tops.
- Supporting property owners to come together to **learn about subdivision and infill development**. Interested parties could form part of a consortia which engages consultants to streamline the subdivision process and potentially procure housing together for faster, cost-effective outcomes.
- Convening a forum of landholders with unoccupied dwellings to explore options for **collectively engaging services** for repairs and upgrades.
- Different stakeholders **pooling finances to develop and co-own worker accommodation**. Where vacancy periods emerge, other cohorts could utilise the facilities, such as construction workers, schools or university groups, thereby generating an income stream.
- Establishing a **local property management** business that leases housing, provides turnover management for worker accommodation as well as fully-serviced accommodation to businesses who require multiple housing units for their workers.
- Developing a **'spare room' initiative** like a digital platform and social enterprise to facilitate safe and comfortable spare room letting across the region.
- Establishing a **community housing co-operative** as an affordable housing model that is resident-run, and offers affordability, long-term security and community involvement. Residents take part in democratic decision-making to ensure the housing meets their needs.
- Developing a **caravan park** as a social enterprise that is run by organisations in the community.
- Establishing partnerships and agreements that **leverage the skills, machinery and building supply chain** that renewable energy development will have access to for local housing repair initiatives or headworks for new developments.
- Provide **incentives** (cash grants or guaranteed multi-year leases) to promote currently unoccupied homes being brought onto the rental market.
- Promoting projects that employ a **rent-to-own** approach – providing the opportunity for tenants to accumulate equity in property through higher rent payments, with the option to buy at a set price later.

Appendix B: Concepts and approaches to help us

There is a rich array of ideas for designing and delivering the economy so that it deliberately serves the needs of people and the planet. Around the world, and in Australia, these ideas and concepts are being experimented with, developed, supported (to varying degrees) by policy and funding, and implemented in ways that have potential lessons for the Hay regional economy. Here are some examples, all of which offer an approach to align economic activities with what people and the planet need, but which emphasise different routes and mechanisms to do this:

- **The circular economy:** A circular economy is a counter to production and consumption that simply takes resources from the natural world, turns them into goods which eventually get thrown away as waste. Instead, the circular economy designs goods in a way that keeps materials in use longer, via reuse, repair, recycling, and so on. It has potential to be a source of local job creation, craft, and creative employment, as well as reducing negative environmental impacts. An example is the Canberra-based firm Thor's Hammer, which salvages wood from demolition sites, cleans the wood and then sells it on for use in kitchens, decking and furniture. For more information visit www.thors.com.au.
- **Community wealth building (CWB):** CWB is, in a way, an alternative to trickle-down economics. CWB aims to build economies from the community up by keeping money circulating locally. Levers to do this are via local employment, local procurement, harnessing local 'anchor organisations', and local ownership of firms. In the town of Preston, Northern England, where the local authority government has been proactive in CWB, research shows that positive impacts have included more economic resilience, higher local wages and lower mental health challenges amongst the population.
- **Economic democracy:** Economic democracy is about structures in firms that put employees or communities in the driving seat. There are different mechanisms to do this, such as ownership (such as worker owned cooperatives), community input to decision making, or publicly owned businesses. The benefit is that control and economic resources flow to a wider suite of interests. Examples include:
 - In Victoria, Total Renewable Yackandandah (TRY) illustrates communities shaping their local economy by installing batteries and solar panels on community buildings. TRY is run by volunteers and aims to get to 100% renewable energy in the town to deliver savings, resilience and lower emissions. They have installed one battery and are working on the installation of a second and have positioned solar panels on various community buildings. For more information visit www.totallyrenewablejack.org.au
 - In the Latrobe Valley, the Earthworker cooperative is Australia's first worker-owned factory. It now operates a number of enterprises, including Earthworker Energy Manufacturing Co-op, which produces heat pump and solar hot water systems, and Earthworker Construction, which provides construction, landscaping and maintenance services. For more information visit www.earthworker.coop
- **Doughnut economics (DE):** DE is a framework that explicitly positions success as meeting social needs while keeping within ecological limits – in other words, where it is just and safe for the economy to operate. Cities around the world, including projects in Melbourne and Sydney (led by Regen Melbourne and Regen Sydney), are using this model to map current impacts and design new projects that deliver on both goals.