



# Campaspe Shire Council

## Port of Echuca Precinct Economic Study

February 2021



# Port of Echuca Precinct Economic Study

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## **Port of Echuca Precinct Economic Study**

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### **Disclaimer:**

This economic report has been prepared based on information current as of 15 February 2021 (being the date of completion of the economic modelling), and which has been provided by Campaspe Shire Council and other stakeholders. Since this date, material events may have occurred which are not reflected in the report.

This report may be relied upon by Campaspe Shire Council for the purpose of understanding the indicative economic contribution of the Port of Echuca Precinct. It should not be relied upon for any other purpose. Other persons accessing this report should do so for their general information only as Cloudstreet Economics has only acted for, and advised Campaspe Shire Council and has not acted for or advised anyone else in respect of the contents of this report. Cloudstreet Economics disclaims all liability to any party for all costs, loss, damage and liability that the third party may suffer or incur arising from or relating to or in any way connected with the provision of the deliverables to the third party without our prior written consent. Any commercial decisions taken by Campaspe Shire Council are not within the scope of our duty of care and in making such decisions you should take into account the limitations of the scope of our work and other factors, commercial and otherwise, of which you should be aware of from sources other than our work.

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It should also be noted that this work does not constitute a formal Cost Benefit Analysis. Further, it is important to note that the identification of economic impact and contribution is not a precise science.



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## GLOSSARY

Broader social and culture value	Additional value not captured in the economic contribution estimate (e.g. recreational, conservation and educational value).
Cost Benefit Analysis (CBA)	<p>CBA is an assessment tool used in determining whether a project or initiative is net beneficial to the community. The key principle of CBA is to convert the initiative's costs and benefits into dollar terms and decisions over whether the initiative is desirable can be informed by whether the project delivers benefits that are over and above its costs.</p> <p>An economic CBA is an economic efficiency analysis performed from the view point of society (that is, Australia or a designated State or region) which includes both market and non-market impacts.</p>
Direct contribution	The direct economic activity in Echuca-Moama and Victoria associated with PoEP's operations, including PoEP generated tourism contribution as a direct result of the initiative.
Economic contribution study	Economic contribution is a measure comprising all market-related expenditure generated by a specified industry or an activity. Economic contribution studies differ from economic impact studies as they do not consider the substitution impacts to other industries.
Employment/Jobs	Number of jobs generated by an industry or attraction, expressed in terms of full time equivalent (FTE) employees.
Gross output	Market value of goods and services produced, often measured by turnover/revenue. Gross output is also referred to as 'gross economic contribution'. Gross output consists of the direct impacts (or direct contribution) along with the wider impacts
Indirect or wider contribution	Associated indirect or flow-on impacts for the rest of the economy resulting from the direct contribution. For instance, injections in tourism expenditures in the accommodation sector will have downstream impacts through an increase in expenditure in industries connected with the accommodation sector, and so on.
Regional contribution	Economic contribution retained in particular region. Regional contribution is a subset of the total economic contribution to Victoria
REMPAN economic model	<p>REMPAN is an economic model that models the economic impacts of projects and investments, large and small, to understand the likely direct and flow-on implications for the economy of your area, the wider region and the state. Economic impacts are presented in terms of employment, output, wages &amp; salaries and gross regional product.</p> <p>This study adopts an input output approach to the calculation of indirect (wider) economic impacts using the REMPLAN model, which provided the input/output multipliers (used to calculation the indirect (wider) economic impacts) that reflect the characteristics of the Echuca-Moama LGA area and Victorian economies.</p>
Value add	Market value of goods and services produced, after deducting the cost of goods and services used. This represents the sum of all wages, income and profits generated.

## EXECUTIVE SUMMARY

This study considers and, where appropriate, quantifies the economic importance of the Port of Echuca Precinct (“the PoEP”) to the Echuca and Moama LGAs (being Campaspe Shire Council and Murray River Council respectively) and Victoria, by estimating its economic contribution to each of these regions, as well as the broader social and culture value of the PoEP.

### ▪ The Port of Echuca Precinct

Echuca, the closest settlement on the Murray River to Melbourne, is an important part of the Shire of Campaspe (the Council), which is set within an irrigated pastoral and agricultural district on the Murray River, with agriculture and tourism now being Echuca's main industries. A key focus of the tourism offering is the heritage wharf and paddlesteamer history of Echuca with the Port of Echuca being a major tourist attraction. As well as the original wharf, this river port recreation area also features the Campaspe Shire Council operated Discovery Centre, a museum, historic buildings, equipment displays, demonstrations and cruises on authentic paddlesteamers, with Echuca now being known as Australia's Paddlesteamer Capital. A visit to the wharf and a cruise on a paddlesteamer is now one of the iconic experiences when visiting Echuca with a number of Echuca events also centering around the Port of Echuca and the paddlesteamer experience.

The Council involvement in the Port of Echuca began from the need to encourage economic activity (tourism) and to ensure the preservation of nationally significant heritage. The Council is responsible for the management and operation of these major community and tourism assets, with this precinct encompassing the areas outlined in the following diagram and table.

**Figure: PoEP Management Areas**



**Table: PoEP Management Areas**

No	Asset/Attraction	Description
1	Discovery Centre	Interpretive centre that provides ticketed access to the Wharf area and open-air museum.
2	Echuca Paddlesteamers (EPS)	Operation of the three Council owned paddle steamers being PS Pevensey, PS Adelaide, and PS Alexander Arbuthnot.
3	Echuca Wharf	The historic timber wharf (accessible via the Discovery Centre). This includes the Cargo Shed Museum & Strathmerton Carriage.
4	Riverboat Dock and Kiosk	Docking and mooring area where paddlesteamers/riverboats arrive and depart.
5	Heritage Assets	Heritage assets across the Precinct, including the steam engine display and sawmill within the Wharf area and other Port artefacts.
6	Aquatic Reserve	A public open space and bushland reserve area along the river.
7	Freehold Assets	Except Council owned buildings on the western side of Murray Esplanade.
8	Streets/Open Spaces/Public Infrastructure	All public spaces, including streets, gardens/parks, retail precincts (e.g. Murray Esp, High Street).

### ▪ The Key Measures and Approach

This study represents an economic contribution study. Economic contribution studies generally involve two broad steps:

- Calculation of direct impacts or contribution – this step involves the measurement of all direct (incremental) expenditures to a region as a direct result of the initiative.
- Calculation of wider impacts – Direct economic impacts will have associated indirect or flow-on impacts for the rest of the economy.

Three common indicators of an industry or economic size or value are:

- **Gross output** –Market value of goods and services produced, often measured by turnover/revenue. Gross output is also referred to as ‘gross economic contribution’. Gross output consists of the direct impacts (or direct contribution) along with the wider impacts
- **Value added** – Market value of goods and services produced, after deducting the cost of goods and services used
- **Employment/Jobs** – Number of jobs generated by an industry or attraction.

For the purposes of this economic contribution study, in determining the economic contribution we have included in determining Gross Output:

- Expenditure of PoEP visitors who come to Echuca specifically to visit the PoEP or extend their stay to enable a visit to the PoEP (i.e. PoEP related tourism). This expenditure includes admission fees for the PoEP tourism services and, therefore, indirectly includes operational expenditure incurred by Council in managing the PoEP.
- Expenditure of visitors who come to Echuca specifically to attend an event held at the PoEP, where that event would not have occurred in Echuca if not for the PoEP assets (ie PoEP related event tourism).
- Capital expenditure incurred by Council in maintaining and developing the PoEP assets.

- Capital expenditure incurred by the private sector in providing direct tourism services to visitors to the PoEP (ie leveraged capital expenditure).
- People directly employed by Council in managing the PoEP assets.

The resultant direct and indirect economic contribution has then been determined for the Echuca-Moama region and Victoria.

#### ▪ **Economic Contribution**

As is demonstrated in the tables following, the key economic outputs are:

##### ***Visitation to the Port***

- The PoEP played a role in attracting (on average over the 3 years from 2017 to 2019) approximately 140,000 visitors to Echuca-Moama or 8.5% of all visitors, with approximately 50% of these visitors coming specifically because of the PoEP, 20% coming specifically to attend an event at the PoEP and the remaining 30% extending their stay to visit the Port.
- Over 85% of visitors came from Melbourne or regional Victoria with approximately 11% being interstate visitors (predominantly New South Wales and South Australia). International visitation (at 2%) is minimal and not a key source of visitors.

##### ***Direct Economic contribution***

The direct economic contribution of PoEP's generated tourism to Echuca-Moama for the 2018/19 year is estimated at:

- **\$31.8 million** with a value add of **\$14 million** at a regional level (direct Gross Regional Product), and
- a value add of **\$14.1 million** at a Victorian level (direct Gross State Product).

This output represents around 7% of Echuca-Moama's total Tourism Output.

##### ***Total Economic Contribution***

The total gross economic contribution to the Echuca-Moama economy resulting from PoEP's 2018/19 operations (including tourism contribution) is estimated at :

- **\$54.1 million (\$31.8 million** in direct contribution and **\$22.3 million** in indirect contribution) to Echuca-Moama, including a total value added contribution of **\$24.7 million**
- **\$78.7 million (\$31.8 million** in direct contribution and **\$46.9 million** in indirect contribution) to Victoria, including a total value added contribution of **\$36.1 million**.

##### ***Employment***

- For the 2018/19 year the PoEP supported a total of **230 FTEs** in Echuca Moama (**158** directly and a further **72** indirectly).
- From a Victorian perspective, the total positions supported is estimated at **293 FTEs** (**159** directly and a further **131** indirectly).

The table below summaries the Precinct's economic contribution by each area for the year ended 30 June 2019.



**Table: Economic Contribution of the Port of Echuca Precinct**

Echuca-Moama		Victoria	
<b>Output</b> <b>\$54.1m</b>	Direct	<b>Output</b> <b>\$78.7m</b>	Direct
	\$31.8m		\$31.8m
	Indirect		Indirect
	\$22.3m		\$46.9m
<b>Value add</b> <b>\$24.8m</b>	Direct	<b>Value add</b> <b>\$36.1m</b>	Direct
	\$14.0m		\$14.1m
	Indirect		Indirect
	\$10.8m		\$22.0m
<b>Employment</b> <b>230</b>	Direct	<b>Employment</b> <b>293</b>	Direct
	158		162
	Indirect		Indirect
	72		131

The estimated economic contribution has been developed based on a number of key assumptions and variables and, in particular, the assumption on the extent to which the existence of the PoEP is a driver to visitation from both the perspective of being the primary reason for visiting (i.e. the total visit is because of the PoEP) and, for other visitors, a key (but not primary) driver which results in them extending their stay.

A sensitivity analysis has therefore been completed based on a 1% increase in this key assumption across all visitor categories (e.g. the number of overnight visitors who have the PoEP as the primary reason for their visit increases from 10% of identified holiday visitors to 11%).

This sensitivity analysis indicated that this increase would result in Total Economic Output for Echuca-Moama in 2019 increasing by \$4.25 million or 8% from \$54.1 million to \$58.34 million. Therefore, while the economic benefits are sensitive to this assumption, it would require a substantial change in the assumption to result in a significant change in the final outputs.

*Given the lack of research available on which to base this key assumption, it is recommended that Council consider the completion of future research to more definitely determine the role of the PoEP in driving visitation.*

#### ▪ Indicative Cost Benefit Analysis

Cost-benefit analysis (CBA) is an economic efficiency analysis that, unlike economic activity or contribution analysis, is concerned with overall economic efficiency and social welfare measures.

Detailed below is an indicative CBA for the PoEP based on:

- the identified direct economic Gross Output of the PoEP (i.e. the identified Direct Spend),
- with this then expressed as a ratio against the total spend incurred by Council (being operating and capital expenditure excluding depreciation).

This ratio, therefore, represents the ratio from a Council perspective (i.e. the Direct Spend in the community resulting from the Council support of the PoEP) rather than from a total Community perspective.

**Table: Indicative Cost Benefit Analysis**

Port of Echuca Precinct Economic Assessment						
Indicative Cost Benefit Analysis						
		Year ending 30 June			Echuca Only - 2019	
		2016	2017	2018	70%/30% Split	50%/50% Split
BENEFITS						
Impacts on Visitation						
- Intrastate Visitors	\$'000	13,135	17,672	13,928	9,749	6,964
- Interstate Visitors	\$'000	2,618	2,976	3,321	2,325	1,661
- International Visitors	\$'000	558	404	308	216	154
- Specific Event Visitation	\$'000	9,374	8,430	12,832	8,982	6,416
Total Visitor Economy Impact	\$'000	25,686	29,483	30,389	21,273	15,195
Leveraged Capital Expenditure	\$'000	205	-	25	18	13
TOTAL BENEFITS	\$'000	\$ 25,891	\$ 29,483	\$ 30,414	\$ 21,290	\$ 15,207
COSTS						
Port Capital Costs	\$'000	995	1,455	1,346	1,346	1,346
Port Operating Costs	\$'000	2,717	2,520	2,961	2,961	2,961
TOTAL COSTS	\$'000	\$ 3,712	\$ 3,975	\$ 4,307	\$ 4,307	\$ 4,307
NET BENEFITS	\$'000	\$ 22,179	\$ 25,508	\$ 26,108	\$ 16,983	\$ 10,900
INDICATIVE COST BENEFIT RATIO	No.	7.0	7.4	7.1	4.9	3.5

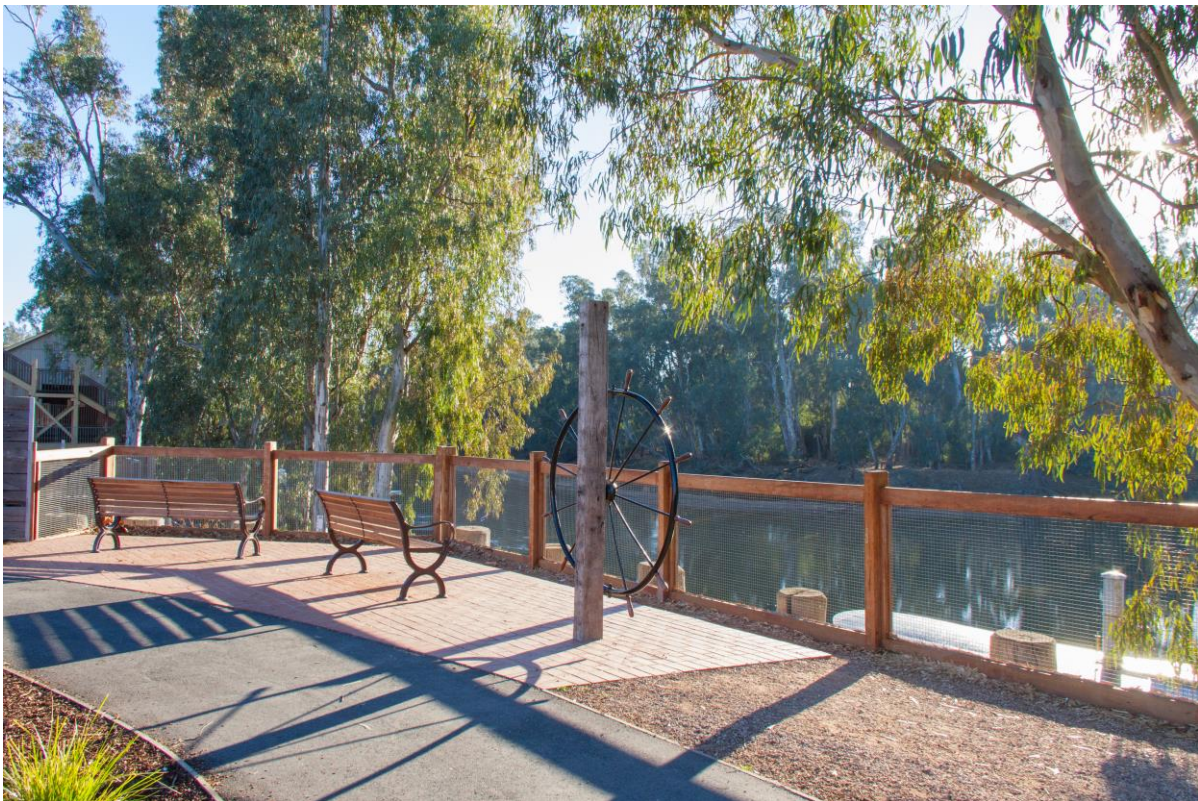
This output indicates that, from a Council perspective, the PoEP provides a gross return of approximately 7 times the Council investment in the operations across Echuca- Moama. It also suggests that, from an Echuca perspective, this ratio ranges between 3.5 – 4.9, depending on the allocation of contribution across the two regions of Echuca and Moama.

#### ▪ **Broader Social and Cultural Values**

The economic contribution estimate above does not fully capture the value that Victoria receives from the PoEP. The Precinct generates addition social and cultural values. While it is possible to value a number of these additional social and community values, such quantification would require extensive additional research which is beyond the scope of this project. However, such values are equally important and have, therefore, been considered at a qualitative level. These additional benefits include:

- **Education** - the Precinct provides a range of education programs that are strongly aligned to the objectives of Victorian school curriculum with the Museum also educating the wider visitor group. The Discovery Centre hosted a number of school groups in the 2018/19 year with it hosting over 7,300 fee paying school students. These students also had the opportunity, through a School Paddlesteamer Cruise, to experience the story of Australia's pioneering spirit and learn how Australia's inland river system connected a fledgling colony to its growing cities and the outside world through.
- **Cultural heritage preservation** – the PoEP and the Paddlesteamers plays a critical role in conserving the important heritage of the region with a number of the Precinct assets having received various awards of heritage significance (eg National Heritage Listing, listing on the Victorian heritage Register).
- **Community cohesion and development** - the PoEP plays an important role in building community cohesion through the use of volunteers to support the operations along with the support provided to a number of community groups and the number of community events held in the PoEP.

- **Regional tourism leadership** - as the region's most iconic tourist attraction, the PoEP plays a significant role in driving total tourism. In support of this, the Port of Echuca (through Campaspe Shire Council) maintains a number of partnerships with other tourism providers and associations.
- **Investment and business attraction** - the PoEP provides a major attraction for tourists who utilise the accommodation, food and beverage services of private sector providers while also visiting other tourist attractions and the retail precinct. As such, the PoEP plays a significant role in attracting further investment in the region.



# 1. INTRODUCTION and BACKGROUND

## 1.1 Background

This study considers and, where appropriate, quantifies the economic importance of the Port of Echuca Precinct (“the PoEP”) to the Echuca and Moama LGAs (being Campaspe Shire Council and Murray River Council respectively) and Victoria, by estimating its economic contribution to each of these regions, as well as the broader social and culture value of the PoEP.

## 1.2 Port of Echuca Precinct and Key Attractions

Echuca, the closest settlement on the Murray River to Melbourne, is an important part of the Shire of Campaspe, which is set within an irrigated pastoral and agricultural district on the Murray River.

Echuca was surveyed in 1854 and quickly became one of Australia's busiest inland ports, with paddlesteamers ferrying supplies throughout Australia's interior via the river network. Improving road and rail transport eventually took over, with cargo transport on the river through the Port of Echuca ceasing in the very early 1900s. Since then, agriculture and tourism have developed as Echuca's main industries. The heyday of paddlesteamers and river trade has left a historic legacy to Echuca around which much of today's tourism is built. The original red gum wharf was constructed in stages from 1865 as a three-level structure to allow for the rise and fall of the river, ultimately reaching a length of 1200 metres. Only a small section of the wharf remains today, preserved as part of the recreated Port of Echuca tourist attraction, and serving as a great viewing deck of the Murray River and surrounding bush. As well as the wharf, this river port recreation area also features the Campaspe Shire Council operated Discovery Centre, a museum, historic buildings, equipment displays, demonstrations and cruises on authentic paddlesteamers, with Echuca now being known as Australia's Paddlesteamer Capital. A visit to the wharf area and a cruise on a paddlesteamer is now one of the iconic experiences when visiting Echuca with a number of Echuca events also centering around the Port of Echuca and the paddlesteamer experience.

Campaspe Shire Council's (the Council) involvement in the Port of Echuca began from the need to encourage economic activity (tourism) and to ensure the preservation of nationally significant heritage. The Council is responsible for the management and operation of these major community and tourism assets and operations of the Port of Echuca Precinct (PoEP), with this precinct encompassing the areas outlined in the following diagram and table.



**Figure 1: PoEP Management Areas**



**Table 1: PoEP Management Areas**

No	Asset/Attraction	Description
1	Discovery Centre	Interpretive centre that provides ticketed access to the Wharf area and open-air museum.
2	Echuca Paddlesteamers (EPS)	Operation of the three Council owned paddle steamers being PS Pevensey, PS Adelaide, and PS Alexander Arbuthnot.
3	Echuca Wharf	The historic timber wharf (accessible via the Discovery Centre). This includes the Cargo Shed Museum & Strathmerton Carriage.
4	Riverboat Dock and Kiosk	Docking and mooring area where paddlesteamers/riverboats arrive and depart.
5	Heritage Assets	Heritage assets across the Precinct, including the steam engine display and sawmill within the Wharf area and other Port artefacts.
6	Aquatic Reserve	A public open space and bushland reserve area along the river.
7	Freehold Assets	Except Council owned buildings on the western side of Murray Esplanade.
8	Streets/Open Spaces/Public Infrastructure	All public spaces, including streets, gardens/parks, retail precincts (e.g. Murray Esp, High Street).

These in total represent all the assets (and associated services) within the total Precinct.

## 1.3 Report Scope and Structure

The PoEP is important to the growth of Echuca and Moama with a range of world class facilities. These facilities attract visitors from across Victoria, interstate and overseas and include cultural and historically significant assets, strong connections into the Echuca historical retail precinct and large amounts of open green space for events and recreation.

To capture and articulate the economic, social and community benefits from the PoEP Precinct, this report is structured in the following manner.

- Section 2 – outlines the approach in capturing and assessing the economic, social and community benefits
- Section 3 – details the economic contribution and employment from visitation and business activities in the region and Victoria from the PoEP activities
- Section 4 – provides an indicative Cost Benefit Analysis from the Council perspective
- Section 5 – outlines at a quantitative level the broader social and culture benefits of the Precinct.

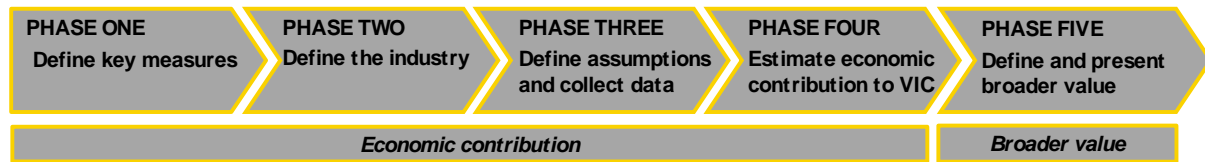




## 2. APPROACH

The approach for this economic contribution study is presented below.

Figure 2: Methodology



### 2.1 Define Key Measures

Economic contribution is a measure comprising all market-related expenditure generated by a specified industry or an activity. Economic contribution studies differ from economic impact studies as they do not consider the substitution impacts to other industries (i.e. what might happen to expenditures if the specific industry or activity were lost). As noted by Watson, Wilson, Thilmany and Winter (2007):

*Contribution analysis is a descriptive analysis that simply tracks the gross economic activity of the given event, policy, or industry as the dollars cycle through the region's economy. Policies or events can be analysed for the extent to which they support the gross economic activity of a given industry in a given region. An economic contribution analysis says nothing about how spending on one industry may crowd out spending in another industry.<sup>1</sup>*

As such economic contribution is a gross measure rather than a net measure.

Economic contribution studies generally involve two broad steps:

- Calculation of direct impacts or contribution – this step involves the measurement of all direct (incremental) expenditures to a region as a direct result of the initiative.
- Calculation of wider impacts – Direct economic impacts will have associated indirect or flow-on impacts for the rest of the economy. For instance, injections in tourism expenditures in the accommodation sector will have downstream impacts through an increase in expenditure in industries connected with the accommodation sector, and so on.

Three common indicators of an industry or economic size or value are:

- **Gross output** –Market value of goods and services produced, often measured by turnover/revenue. Gross output is also referred to as 'gross economic contribution'. Gross output consists of the direct impacts (or direct contribution) along with the wider impacts
- **Value added** – Market value of goods and services produced, after deducting the cost of goods and services used
- **Employment/Jobs** – Number of jobs generated by an industry or attraction.

All three measures are valuable in their own right. Industry output is a measure of production, value add is a measure of wealth generation, and arguably, employment is a measure of the distribution of income.

In comparing an industry's size against others, it is generally accepted to discuss this in terms of its industry value add. Industry value add measures economic activities net of the costs of production (that is, inputs sourced from other sectors), from the industry's outputs. This avoids the inclusion of revenues to other industries and any associated double counting. In practice, industry value add largely comprises wages,

<sup>1</sup> Watson, Wilson, Thilmany and Winter (2007) Determining Economic Contributions and Impacts: What is the difference and why do we care? *Journal of Regional Analysis and Policy* 37 (2):140-146

salaries and the operating surplus of an industry (i.e. the industry's income). The Study looks at all three measures, but attention should be placed on industry value add measures when making comparisons to other industries. The value add measure is commonly put forward as the most appropriate measure of an industry's contribution to the national economy.

## 2.2 Define the industry and 'in scope' expenditure

The majority of the economic contribution for the PoEP represent tourism services. The Australian Bureau of Statistics (ABS) records output and expenditure by ANZSIC (Australia and New Zealand Standard Industry Classifications). ANZSIC does not formally have a specific tourism industry classification. However, ABS has developed Tourism Satellite Accounts which represent the estimated typical distribution of a dollar spent by a tourist across 20 industry groupings. The classification within these Tourism Satellite Accounts will be used to represent the Tourism Industry impacts in this study.

As noted below, the study will also consider the associated capital expenditure on PoEP and related assets, with the standard construction industry classification being adopted to represent this capital expenditure.

An issue regarding economic contribution studies is the definition of study boundaries. That is, what are the in-scope expenditures? For the purposes of this economic contribution study, we have included:

- Expenditure of PoEP visitors who come to Echuca specifically to visit the PoEP or extend their stay to enable a visit to the PoEP (i.e. PoEP related tourism). This expenditure includes admission fees for the PoEP tourism services and, therefore, indirectly includes operational expenditure incurred by Council in managing the PoEP.
- Expenditure of visitors who come to Echuca specifically to attend an event held at the PoEP, where that event would not have occurred in Echuca if not for the PoEP assets (ie PoEP related event tourism).
- Capital expenditure incurred by Council in maintaining and developing the PoEP assets.
- Capital expenditure incurred by the private sector in providing direct tourism services to visitors to the PoEP (ie leveraged capital expenditure).
- People directly employed by Council in managing the PoEP assets.

## 2.3 Define the key assumptions and collect data

Our assessment of the economic contribution of the PoEP is primarily based on:

- Information provided by the Council, including information provided for previous studies completed by Cloudstreet Economics encompassing financial statements, attendance information at the Discovery Centre and for EPS, Discovery Centre door counter information and visitation history
- Domestic and international tourism data on Victoria and the Echuca- Moama district sourced from Murray Regional Tourism quarterly reports (which, in turn, is based on Tourism Research Australia surveying and reports)
- Council event assessments
- Council summary of developer applications for the PoEP and the associated retail precinct
- Supplementary desktop research of publicly available information
- Existing studies and research on the broader social and culture value associated with regional tourism and heritage assets
- Cloudstreet Economic's existing industry knowledge and experience.

The approach adopted in this Study, including assumptions, is presented in Appendix A to B. This approach has been developed based on the available information.



## 2.4 Estimate the Economic Contribution to Echuca-Moama and Victoria

The direct and indirect economic contribution (defined in Section 2.1) of the PoEP to the Echuca-Moama and the Victorian economy has been calculated by estimating the direct contribution associated with:

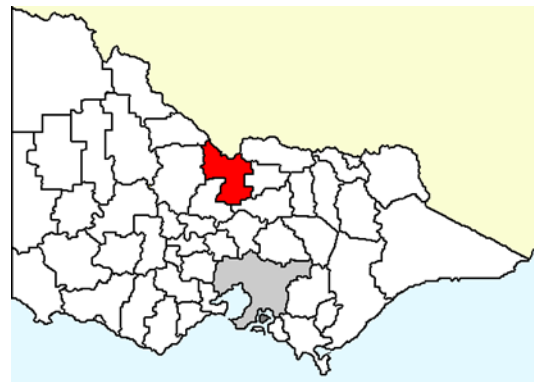
- PoEP related tourism expenditure
- PoEP related event tourism expenditure
- Council capital expenditure
- Leveraged capital expenditure

For the purposes of this study, two regions have been defined for which the economic contribution of the Precinct will be calculated, namely the Echuca-Moama Region and Victoria.

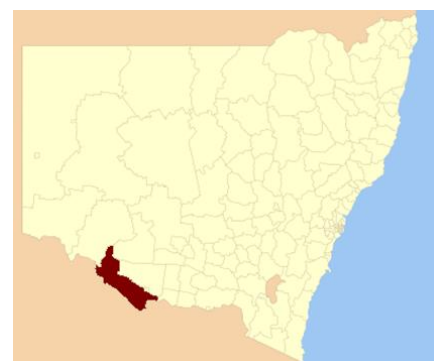
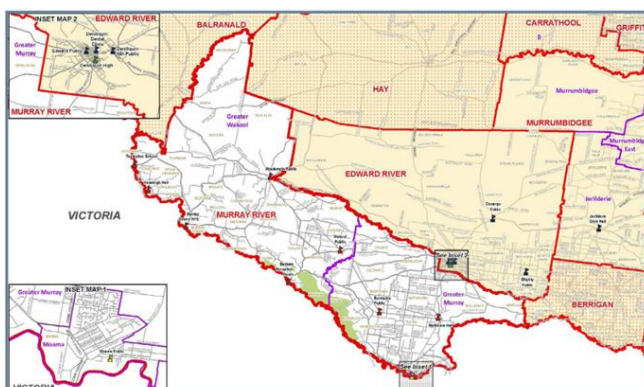
The Echuca-Moama Region refers to the Campaspe Shire Council and Murray River Council LGAs respectively, which cover the areas outlined in the maps below.

**Figure 3: Campaspe and Murray River LGAs**

### Campaspe Shire LGA



### Murray River Council



The relevant direct expenditure for the Echuca-Moama region has been determined, with the indirect or flow-on effect being estimated for the rest of the economy resulting from the direct expenditure.

This study adopts an input output approach to the calculation of indirect (wider) economic impacts. The REMPLAN model was used to source input/output multipliers that reflect the characteristics of the Echuca-Moama LGA area and Victorian economies. The REMPLAN model does not specifically determine economic impacts for the combined Echuca-Moama LGAs. While these can be developed, the cost associated with this was not considered warranted. Rather, as the economy of Echuca and the wider Campaspe Shire is similar to that of Moama, the economic impacts and multipliers for Campaspe Shire have been used as a substitute for the Echuca-Moama region.

The REMPLAN model accounts for 'leakage' of direct expenditure from the economy in its multipliers. Input output models are often criticised when used in economic impact assessments as they do not consider capacity constraints in the economy (e.g. full employment). Such constraints limit the extent to which economic impacts can increase in a linear fashion with changes in demand. The alternative Computable General Equilibrium (CGE) approach addresses some of these issues, although the nature and scale of this project did not warrant the use a detailed CGE analysis at this time.

## 2.5 Define and present broader Social and Culture benefits

The economic contribution estimate does not fully capture the value that Victoria receives from the PoEP. The Precinct generates addition value associated with:

- Use value – Value, in addition to the value represented by the price paid for admission to attractions within the Precinct, obtained from the direct use of Precinct
- Non-use values – Value that the Victorian community assigns to the Precinct, even if they are not regular visitors

with these representing the social and community values resulting from the PoEP.

While it is possible to value a number of these additional social and community values, such quantification would require extensive additional research which is beyond the scope of this project. However, such values are equally important and have, therefore, been considered at a qualitative level. These additional benefits include:

- Education - the Precinct provides a range of education programs that are strongly aligned to the objectives of Victorian school curriculum with the Museum also educating the wider visitor group.
- Cultural heritage preservation – the PoEP and the Paddlesteamers plays a critical role in conserving the important heritage of the region.
- Community cohesion and development - the PoEP plays an important role in building community cohesion through the use of volunteers to support the operations along with the support provided to a number of community groups.
- Regional tourism leadership - as the region's most iconic tourist attraction, the PoEP plays a significant role in driving total tourism. In support of this, the Port of Echuca (through Campaspe Shire Council) maintains a number of partnerships with other tourism providers and associations.
- Investment and business attraction - the PoEP provides a major attraction for tourists who utilise the accommodation, food and beverage services of private sector providers while also visiting other tourist attractions and the retail precinct. As such, the PoEP plays a significant role in attracting further investment in the region.

### 3. ECONOMIC CONTRIBUTION and EMPLOYMENT

#### **Visitation to the Port**

- The PoEP played a role in attracting (on average over the 3 years from 2017 to 2019) approximately 140,000 visitors to Echuca-Moama or 8.5% of all visitors, with approximately 50% of these visitors coming specifically because of the PoEP, 20% coming specifically to attend an event at the PoEP and the remaining 30% extending their stay to visit the Port.
- Over 85% of visitors came from Melbourne or regional Victoria with approximately 11% being interstate visitors (predominantly New South Wales and South Australia). International visitation (at 2%) is minimal and not a key source of visitors.

#### **Direct Economic contribution**

The direct economic contribution of PoEP's generated tourism to Echuca-Moama for the 2018/19 year is estimated at:

- **\$31.8 million** with a value add of **\$14 million** at a regional level (direct GRP), and
- a value add of **\$14.1 million** at a Victorian level (direct GSP).

This output represents around 7% of Echuca-Moama's total Tourism Output.

#### **Total Economic Contribution**

The total gross economic contribution to the Echuca-Moama economy resulting from PoEP's 2018/19 operations (including tourism contribution) is estimated at :

- **\$54.1 million (\$31.8 million** in direct contribution and **\$22.3 million** in indirect contribution) to Echuca-Moama, including a total value added contribution of **\$24.7 million**
- **\$78.7 million (\$31.8 million** in direct contribution and **\$46.9 million** in indirect contribution to Victoria, including a total value added contribution of **\$36.1 million**.

#### **Employment**

- For the 2018/19 year the PoEP supported a total of **230 FTEs** in Echuca Moama (**158** directly and a further **72** indirectly).
- From a Victorian perspective, the total positions supported is estimated at **293 FTEs** (**159** directly and a further **131** indirectly).

#### 3.1 Visitation and Direct Contribution

This section presents the direct economic contribution to the Echuca and Moama LGAs associated with:

- Tourism - Tourism contribution from the PoEP's key attractions disaggregated by origin of visitor and the role of the Port in driving the visitation
- Capital Spend – the contribution of capital projects completed by Council in the PoEP along with additional private sector capital spend on identified specific projects completed to support the PoEP and visitors to the Port.

The identified direct economic contribution does not include:

- Operational spend – the net operational spend of Council in managing the PoEP i.e. the cost to Council of operations less revenue received (which is included in the Tourism Spend) and depreciation (which is replaced by the inclusion of the Council capital spend).
- Additional private sector capital expenditure – while the estimate includes specifically identified private sector projects, this is a conservative estimate which does not take into account unidentified additional private sector business spends (as discussed further in Section 5).

## Visitation Levels to the Port

The estimate of tourism visitation resulting from the PoEP is summarised in the table below, with the approach adopted in estimating this visitation level and the associated information sources and key assumptions detailed in Appendices A and B respectively.

**Table 2: Tourism Visitation**

Port of Echuca Precinct Economic Assessment Tourism Visitor Numbers										
		2017			2018			2019		
		Day trip	O/night	Total	Day trip	O/night	Total	Day trip	O/night	Total
<b>Total Visitor Numbers</b>										
- Interstate	'000	95.3	142.7	238.0	88.3	142.9	231.2	70.8	151.4	222.2
- Intrastate	'000	857.7	580.3	1,438.0	794.7	692.0	1,486.7	637.2	638.2	1,275.4
- International	'000	-	12.0	12.0	-	12.0	12.0	-	13.0	13.0
<b>Total Visitor Numbers</b>	<b>'000</b>	<b>953.0</b>	<b>735.0</b>	<b>1,688.0</b>	<b>883.0</b>	<b>846.9</b>	<b>1,729.9</b>	<b>708.0</b>	<b>802.6</b>	<b>1,510.6</b>
<b>Port Visitor Numbers by Origin</b>										
- Intrastate	'000	44.0	49.5	93.4	47.9	63.9	111.9	37.3	51.0	88.3
- Interstate	'000	1.2	14.0	15.2	1.3	14.2	15.5	1.1	14.2	15.3
- International	'000	-	3.3	3.3	-	2.3	2.3	-	1.7	1.7
- Specific Event Visitation	'000	45.1	66.7	111.9	49.3	80.4	129.7	38.4	66.9	105.3
- Specific Event Visitation	'000	6.1	18.1	24.2	5.1	16.3	21.4	4.2	20.4	24.7
<b>Total Direct Spend</b>	<b>'000</b>	<b>51.2</b>	<b>84.9</b>	<b>136.1</b>	<b>54.4</b>	<b>96.7</b>	<b>151.1</b>	<b>42.6</b>	<b>87.3</b>	<b>129.9</b>
<b>Visitor Number by PoEP role in driving visitation</b>										
- Port is the primary driver for visiting	'000	45.1	26.0	71.1	49.3	33.3	82.5	38.4	24.1	62.5
- Extended stay to visit Port	'000	-	40.8	40.8	-	47.2	47.2	-	42.8	42.8
- Specific Event visitation	'000	6.1	18.1	24.2	5.1	16.3	21.4	4.2	20.4	24.7
<b>Total Visitors as a result of the PoEP</b>	<b>'000</b>	<b>51.2</b>	<b>84.9</b>	<b>136.1</b>	<b>54.4</b>	<b>96.7</b>	<b>151.1</b>	<b>42.6</b>	<b>87.3</b>	<b>129.9</b>
<b>% of Total Visitors attributable to Port</b>	<b>%</b>	<b>5%</b>	<b>12%</b>	<b>8%</b>	<b>6%</b>	<b>11%</b>	<b>9%</b>	<b>6%</b>	<b>11%</b>	<b>9%</b>

This report estimates that:

- the PoEP played a role in attracting (on average over the 3 years from 2017 to 2019) approximately 140,000 visitors to Echuca-Moama or 8.5% of all visitors, with approximately 50% of these visitors coming specifically because of the PoEP, 20% coming specifically to attend an event at the PoEP and the remaining 30% extending their stay to visit the Port.
- over 85% of visitors came from Melbourne or regional Victoria with approximately 11% being interstate visitors (predominantly New South Wales and South Australia). International visitation (at 2%) is minimal and not a key source of visitors.

## Direct Spend (Output) and Direct Value -add (GRP and GSP)

In addition to the economic contribution generated by operations and construction expenditure, the PoEP also contributes to the Echuca-Moama economy via the expenditure of PoEP visitors either before and/or after visiting the Precinct.

Tourism generates an economic contribution to the region and the state through, for example, expenditure on tourism related product and services such as visitor admission fees, accommodation, meals, retail and recreation.



**Table 3: PoEP Direct Spend (Output)**

Port of Echuca Precinct Economic Assessment										
Direct Spend (Output)										
		2017			2018			2019		
		Day trip	O/night	Total	Day trip	O/night	Total	Day trip	O/night	Total
Direct Tourism Spend by Visitor Origin										
- Intrastate	\$'000	5,583	7,552	13,135	5,753	11,919	17,672	4,252	9,676	13,928
- Interstate	\$'000	149	2,469	2,618	159	2,816	2,976	123	3,198	3,321
- International	\$'000	-	558	558	-	404	404	-	308	308
	\$'000	5,732	10,579	16,312	5,913	15,140	21,052	4,375	13,182	17,557
- Specific Event Visitation	\$'000	172	9,203	9,374	696	7,734	8,430	586	12,247	12,832
Total Direct Spend	\$'000	5,904	19,782	25,686	6,609	22,874	29,483	4,961	25,429	30,389
Direct Tourism Spend by PoEP role in driving visitation										
- Port is the primary driver for	\$'000	5,732	8,092	13,824	5,913	11,696	17,609	4,375	9,908	14,283
- Extended stay to visit Port	\$'000	-	2,488	2,488	-	3,444	3,444	-	3,274	3,274
- Specific Event visitation	\$'000	172	9,203	9,374	696	7,734	8,430	586	12,247	12,832
Total Tourism Direct Spend	\$'000	5,904	19,782	25,686	6,609	22,874	29,483	4,961	25,429	30,389
Direct Capital Spend										
- Council Capital Expenditure	\$'000			995			1,455			1,346
- Leveraged Capital Expenditure	\$'000			205			-			25
Total Direct Capital Expenditure	\$'000			1,200			1,455			1,371
Total Direct Spend	\$'000			\$ 26.886			\$ 30.937			\$ 31.760

PoEP's direct gross output over the 3 years from 2017 to 2019 was an average of \$29.9 million, consisting of:

- Tourism contribution of \$28.5 million, including \$12.7 million value added (GRP)
- Capital contribution of \$1.4 million, including \$0.4 million value added (GRP).

The direct economic contribution of PoEP's generated tourism to Echuca-Moama for the 2018/19 year is estimated at **\$31.8 million** with a value add of **\$14 million** at a regional level (GRP) and **\$14.1 million** at a Victorian level (GSP). This output represents around 7% of Echuca-Moama's total Tourism Output<sup>2</sup>.

**Table 4: PoEP Value-add for Echuca-Moama (GRP) and Victoria (GSP)**

Port of Echuca Precinct Economic Assessment				
Direct Economic Value-add for Echuca-Moama (GRP) and Victoria (GSP)				
		Year ended 30 June		
		2017	2018	2019
Direct Value-add to Echuca-Moama Region (GRP)				
Tourism Spend	\$'000	11,448.3	13,140.5	13,544.6
Capital Spend	\$'000	374.3	453.8	427.7
Total Value-add	\$'000	\$ 11,823	\$ 13,594	\$ 13,972
Direct Value-add to Victoria (GSP)				
Tourism Spend	\$'000	11,571.3	13,281.7	13,690.1
Capital Spend	\$'000	353.9	429.0	404.3
Total Value-add	\$'000	\$ 11,925	\$ 13,711	\$ 14,094

<sup>2</sup> Murray River Tourism's quarterly 'Travel to the Murray Region' report estimates the total Tourism Spend for Echuca Moama for 30 June 2019 to be \$432 million.

## Direct Employment

The average employment (FTE) generated from the PoEP from the tourism expenditure of visitors along with the Precinct capital expenditure is 148 FTEs at a regional level and 152 FTEs at a Victorian level. These are in addition to the approximate 20 Council FTE jobs used to manage the operations of the PoEP including the Paddlesteamers.

**Table 5: Direct Employment for Echuca-Moama and Victoria**

Port of Echuca Precinct Economic Assessment Employment for Echuca-Moama and Victoria				
		Year ended 30 June		
		2017	2018	2019
<b>Direct Employment to Echuca-Moama Region</b>				
Tourism Spend	No.	131	150	155
Capital Spend	No.	3	3	3
<b>Total Value-add</b>	<b>No.</b>	<b>134</b>	<b>154</b>	<b>158</b>
<b>Direct Employment to Victoria (GSP)</b>				
Tourism Spend	No.	134	154	159
Capital Spend	No.	3	3	3
<b>Total Direct Employment</b>	<b>No.</b>	<b>137</b>	<b>157</b>	<b>162</b>

## 3.2 Indirect and Total Contribution to Echuca-Moama and Victoria

Indirect or wider economic contribution estimates the associated flow-on impacts for the rest of the economy from the direct expenditure.

The total gross contribution to the Echuca-Moama economy resulting from PoEP's 2018/19 operations (including tourism contribution) was **\$54.1 million (\$31.8 million** in direct contribution and **\$22.3 million** in indirect contribution), based on the assumed direct contribution (see section 3.1) and REMPLAN analysis. This includes a total value added contribution of **\$24.7 million** (see below).

The total gross contribution to Victoria resulting from PoEP's 2018/19 operations (including tourism contribution) was **\$78.7 million (\$31.8 million** in direct contribution and **\$46.9 million** in indirect contribution), based on the assumed direct contribution (see section 3.1) and REMPLAN analysis. This includes a total value added contribution of **\$36.1 million** (see below).

**Table 6: Total Economic Output**

Port of Echuca Precinct Economic Assessment							
Total Economic Output							
		Echuca-Moama			Victoria		
		2017	2018	2019	2017	2018	2019
<b>Direct Impacts</b>							
Tourism Expenditure	\$'000	25,686	29,483	30,389	25,686	29,483	30,389
Capital Expenditure	\$'000	1,200	1,455	1,371	1,200	1,455	1,371
<b>Total Direct Impact</b>	<b>\$'000</b>	<b>26,886</b>	<b>30,937</b>	<b>31,760</b>	<b>26,886</b>	<b>30,937</b>	<b>31,760</b>
<b>Indirect Impacts</b>							
Tourism Expenditure	\$'000	17,723	20,343	20,969	37,373	42,897	44,217
Capital Expenditure	\$'000	1,191	1,444	1,361	2,389	2,896	2,729
<b>Total Indirect Impact</b>	<b>\$'000</b>	<b>18,915</b>	<b>21,787</b>	<b>22,330</b>	<b>39,762</b>	<b>45,793</b>	<b>46,946</b>
<b>Total Impacts</b>							
Tourism Expenditure	\$'000	43,409	49,826	51,358	63,059	72,380	74,606
Capital Expenditure	\$'000	2,391	2,899	2,732	3,589	4,350	4,100
<b>Total Impact</b>	<b>\$'000</b>	<b>45,801</b>	<b>52,725</b>	<b>54,090</b>	<b>66,648</b>	<b>76,731</b>	<b>78,706</b>

**Table 7: Total Economic Value Add**

Port of Echuca Precinct Economic Assessment							
Total Economic Value Add							
		Echuca-Moama (GRP)			Victoria (GSP)		
		2017	2018	2019	2017	2018	2019
<b>Direct Impacts</b>							
Tourism Expenditure	\$'000	11,448	13,140	13,545	11,571	13,282	13,690
Capital Expenditure	\$'000	374	454	428	354	429	404
<b>Total Direct Impact</b>	<b>\$'000</b>	<b>11,823</b>	<b>13,594</b>	<b>13,972</b>	<b>11,925</b>	<b>13,711</b>	<b>14,094</b>
<b>Indirect Impacts</b>							
Tourism Expenditure	\$'000	8,643	9,921	10,226	17,646	20,255	20,877
Capital Expenditure	\$'000	503	609	574	1,017	1,233	1,162
<b>Total Indirect Impact</b>	<b>\$'000</b>	<b>9,146</b>	<b>10,531</b>	<b>10,801</b>	<b>18,663</b>	<b>21,487</b>	<b>22,039</b>
<b>Total Impacts</b>							
Tourism Expenditure	\$'000	20,092	23,062	23,771	29,218	33,536	34,568
Capital Expenditure	\$'000	877	1,063	1,002	1,371	1,662	1,566
<b>Total Impact</b>	<b>\$'000</b>	<b>20,969</b>	<b>24,125</b>	<b>24,773</b>	<b>30,588</b>	<b>35,198</b>	<b>36,134</b>

The PoEP is also an important provider of employment opportunities for the region and for Victoria. For the 2018/19 year the PoEP supported a total of **230 FTEs** in Echuca Moama (**158** directly and a further **72** indirectly). From a Victorian perspective, the total positions supported is estimated at **293 FTEs** (**159** directly and a further **131** indirectly).

**Table 8: Total Employment**

Port of Echuca Precinct Economic Assessment							
Total Employment							
		Echuca-Moama			Victoria		
		2017	2018	2019	2017	2018	2019
<b>Direct Employment</b>							
Tourism Expenditure	No.	131	150	155	134	154	159
Capital Expenditure	No.	3	3	3	3	3	3
<b>Total Direct Impact</b>	<b>No.</b>	<b>134</b>	<b>154</b>	<b>158</b>	<b>137</b>	<b>157</b>	<b>162</b>
<b>Indirect Employment</b>							
Tourism Expenditure	No.	58	66	68	105	120	124
Capital Expenditure	No.	4	4	4	6	8	7
<b>Total Indirect Employment</b>	<b>No.</b>	<b>61</b>	<b>70</b>	<b>72</b>	<b>111</b>	<b>128</b>	<b>131</b>
<b>Total Employment</b>							
Tourism Expenditure	No.	189	216	223	239	275	283
Capital Expenditure	No.	6	8	7	9	11	10
<b>Total Employment</b>	<b>No.</b>	<b>195</b>	<b>224</b>	<b>230</b>	<b>248</b>	<b>285</b>	<b>293</b>

### 3.3 Split between Echuca and Moama

The preceding analysis has considered the impact of the PoEP from a combined Echuca Moama perspective and therefore encompasses the two LGA areas – Shire of Campaspe and Murray River Council. It has been appropriate to complete the analysis from this perspective given the interconnectedness of the two towns, with them effectively representing one ‘business cluster’.

However, given that the two towns are located within different Shires and States, it is useful to consider the indicative economic contribution split between the two locations.

However, any basis for segregating the outcomes between the two would, to a substantial extent be highly subjective. This is demonstrated by the information below with significant variations across potential measures.

**Table 9: Echuca-Moama Profile Criteria**

Port of Echuca Precinct Economic Assessment					
Echuca-Moama Profile Criteria					
		Echuca	Moama	Total	Data Source
Population	No. %	14011 70%	6145 30%	20156	Represents 2016 population based on the 2016 Census. Information sourced from id.community website on 16 February 2021.
Accommodation beds	No %	2,260 49%	2,356 51%	4,616	Provided by Echuca-Moama Tourism.
Tourism employee numbers	No %	990 59%	678 41%	1668	Represents employee numbers for the total Shires (being Campaspe and Murray River) rather than the individual towns. Sourced from Economic Profile on REMPLAN website on 16 February 2021.
Total employment		6117 70%	2577 30%	8694	Represents 2016 employment based on the 2016 Census. Information sourced from id.community website on 16 February 2021.

The above suggests that the potential split could vary between 70%/30% to 50%/50%, and it is equally possible that other measures could be considered that support even wider variations.



Therefore, given the uncertainty, the combined economic outcomes has been allocated between Echuca and Moama based on the range outlined above, with the results summarised in the tables below.

**Table 10: Economic Outputs based on Echuca/Moama split of 70%/30%**

Port of Echuca Precinct Economic Assessment							
Economic outputs based on Echuca/Moama split of 70%/30%							
		Echuca			Moama		
		2017	2018	2019	2017	2018	2019
70% of Total					30% of Total		
Economic Output							
Total Direct Impact	\$'000	18,820	21,656	22,232	8,066	9,281	9,528
Total Indirect Impact	\$'000	13,240	15,251	15,631	5,674	6,536	6,699
Total Economic Output	\$'000	32,060	36,907	37,863	13,740	15,817	16,227
Economic Value Add							
Total Direct Impact	\$'000	8,276	9,516	9,781	3,547	4,078	4,192
Total Indirect Impact	\$'000	6,402	7,371	7,560	2,744	3,159	3,240
Total Economic Value Add	\$'000	14,678	16,887	17,341	6,291	7,237	7,432
Direct Employment							
Total Direct Impact	No.	94	108	111	40	46	47
Total Indirect Employment	No.	43	49	50	18	21	22
Total Employment	No.	136	157	161	58	67	69

**Table 11: Economic Outputs based on Echuca/Moama split of 50%/50%**

Port of Echuca Precinct Economic Assessment							
Economic outputs based on Echuca/Moama split of 50%/50%							
		Echuca			Moama		
		2017	2018	2019	2017	2018	2019
		50% of Total			50% of Total		
Economic Output							
Total Direct Impact	\$'000	13,443	15,469	15,880	13,443	15,469	15,880
Total Indirect Impact	\$'000	9,457	10,894	11,165	9,457	10,894	11,165
Total Economic Output	\$'000	22,900	26,362	27,045	22,900	26,362	27,045
Economic Value Add							
Total Direct Impact	\$'000	5,911	6,797	6,986	5,911	6,797	6,986
Total Indirect Impact	\$'000	4,573	5,265	5,400	4,573	5,265	5,400
Total Economic Value Add	\$'000	10,484	12,062	12,386	10,484	12,062	12,386
Direct Employment							
Total Direct Impact	No.	67	77	79	67	77	79
Total Indirect Employment	No.	31	35	36	31	35	36
Total Employment	No.	97	112	115	97	112	115

### 3.4 Sensitivity to change in Port Visitor Driver

The preceding analysis has been subject to a number of key assumptions and variables and, in particular, the assumption on the extent to which the existence of the PoEP is a driver to visitation from both the perspective of being the primary reason for visiting (i.e. the total visit is because of the PoEP) and, for other visitors, a key (but not primary) driver which results in them extending their stay.

It is appropriate to consider the impact of this key assumption on the resultant outputs. The base assumption on which the previous estimates are based is detailed in the below table.

**Table 12: Assumptions on the role for the PoEP in driving visitation**

		2017			2018			2019		
		Day trip	O/night	Total	Day trip	O/night	Total	Day trip	O/night	Total
INTRASTATE VISITORS										
Allocation of Role of Port in Visiting										
- Port is the primary driver for visiting	%	15%	10%		15%	10%		15%	10%	
- Extended stay to visit Port	%	0%	10%		0%	10%		0%	10%	
- Not a key driver for visiting	%	85%	80%		85%	80%		85%	80%	
INTERSTATE VISITORS										
Allocation of Role of Port in Visiting										
- Port is the primary driver for visiting	%	5%	10%		5%	10%		5%	10%	
- Extended stay to visit Port	%	0%	10%		0%	10%		0%	10%	
- Not a key driver for visiting	%	85%	80%		85%	80%		85%	80%	
INTERNATIONAL VISITORS										
Allocation of Role of Port in Visiting										
- Port is the primary driver for visiting	%	0%	40%		0%	40%		0%	40%	
- Extended stay to visit Port	%	0%	0%		0%	0%		0%	0%	
- Not a key driver for visiting	%	100%	60%		100%	60%		100%	60%	

A sensitivity analysis has been completed below based on a 1% increase in this key assumption across all visitor categories (e.g. the number of overnight visitors who have the PoEP as the primary reason for their visit increases from 10% of identified holiday visitors to 11%).

**Table 13: Sensitivity Analysis of Economic Contribution**

Port of Echuca Precinct Economic Assessment							
Sensitivity Analysis of Economic Contribution							
		Echuca-Moama			Victoria		
		2019 Base	1% increase	Adjusted Outputs	2019 Base	1% increase	Adjusted Outputs
Economic Output							
Total Direct Impact	\$'000	31,760	2,516	34,276	31,760	2,516	34,276
Total Indirect Impact	\$'000	22,330	1,736	24,066	46,946	3,660	50,606
Total Economic Output	\$'000	54,090	4,252	58,342	78,706	6,176	84,882
Economic Value Add							
Total Direct Impact	\$'000	13,972	1,121	15,094	14,094	1,133	15,228
Total Indirect Impact	\$'000	10,801	847	11,647	22,039	1,728	23,767
Total Economic Value Add	\$'000	24,773	1,968	26,741	36,134	2,862	38,995
Direct Employment							
Total Direct Impact	No.	158	13	171	162	13	175
Total Indirect Employment	No.	72	6	78	131	10	141
Total Employment	No.	230	18	249	293	23	317

This sensitivity analysis indicated that this increase would result in Total Economic Output for Echuca-Moama increasing by \$4.25 million or 8% to \$58.34 million. Therefore, while the economic benefits are sensitive to this assumption, it would require a substantial change in the assumption to result in a significant change in the final outputs.

*It is recommended that Council consider the completion of research to more definitely determine the role of the PoEP in driving visitation.*

## 4. INDICATIVE COST BENEFIT ANALYSIS

Cost benefit analysis (“CBA”) is an assessment tool used in determining whether a project or initiative is net beneficial to the community. The key principle of CBA is to convert the initiative’s costs and benefits into dollar terms and decisions over whether the initiative is desirable can be informed by whether the project delivers benefits that are over and above its costs. An economic CBA differs from a financial CBA in that it is performed from the view point of society (that is, Australia or a designated State or region) whereas a financial CBA looks at only the financial impacts from a project perspective.

Cost-benefit analysis is an economic efficiency analysis that, unlike economic activity or contribution analysis, is concerned with overall economic efficiency and social welfare measures.

CBA studies also include both market and non-market impacts. Non-market impacts are not typically included in economic contribution studies as they are not transacted and therefore do not contribute to economic activity. However, these items can be included in cost benefit studies if they can be valued.

While the PoEP does provide a number of broader social and cultural values (as outlined in Section 5), these non-market impacts have not been valued and therefore are excluded from the following indicative CBA. The inclusion of these values would result in an improved economic efficiency for the PoEP (i.e. a higher CBA ratio).

Detailed below is an indicative CBA for the PoEP based on the identified direct economic Gross Output of the PoEP (i.e. the identified Direct Spend), with this then expressed as a ratio against the total spend incurred by Council (being operating and capital expenditure excluding depreciation).

This ratio, therefore, represents the CBA from a Council perspective (i.e. the Direct Spend in the community resulting from the Council support of the PoEP) rather than from a total Community perspective.

**Table 14: Indicative Cost Benefit Analysis**

Port of Echuca Precinct Economic Assessment Indicative Cost Benefit Analysis						
		Year ending 30 June			Echuca Only - 2019	
		2016	2017	2018	70%/30% Split	50%/50% Split
BENEFITS						
Impacts on Visitation						
- Intrastate Visitors	\$'000	13,135	17,672	13,928	9,749	6,964
- Interstate Visitors	\$'000	2,618	2,976	3,321	2,325	1,661
- International Visitors	\$'000	558	404	308	216	154
- Specific Event Visitation	\$'000	9,374	8,430	12,832	8,982	6,416
Total Visitor Economy Impact	\$'000	25,686	29,483	30,389	21,273	15,195
Leveraged Capital Expenditure	\$'000	205	-	25	18	13
TOTAL BENEFITS	\$'000	\$ 25,891	\$ 29,483	\$ 30,414	\$ 21,290	\$ 15,207
COSTS						
Port Capital Costs	\$'000	995	1,455	1,346	1,346	1,346
Port Operating Costs	\$'000	2,717	2,520	2,961	2,961	2,961
TOTAL COSTS	\$'000	\$ 3,712	\$ 3,975	\$ 4,307	\$ 4,307	\$ 4,307
NET BENEFITS	\$'000	\$ 22,179	\$ 25,508	\$ 26,108	\$ 16,983	\$ 10,900
INDICATIVE COST BENEFIT RATIO	No.	7.0	7.4	7.1	4.9	3.5

This output indicates that, from a Council perspective, the PoEP provides a return of approximately 7 times the Council investment in the operations across Echuca- Moama. It also suggests that, from an Echuca perspective, this ratio ranges between 3.5 – 4.9, depending on the allocation of contribution across the two regions.

As noted, this does not represent the CBA from a total community perspective as it does not take into account the costs incurred by other businesses and the community in generating these benefits. These costs are unknown, with substantial additional work (and cost) being required if these were to be quantified. However, a potential guide to this Community CBA may be obtained by using the Direct Value Add contribution of the Port (as previously calculated) as a substitute benefit (again noting that this excludes non-market value benefits).

**Table 15: Indicative Cost Benefit Analysis using Economic Value Add**

Port of Echuca Precinct Economic Assessment						
Indicative Cost Benefit Analysis based on Direct Economic Value Add						
		Year ending 30 June			Echuca Only - 2019	
		2016	2017	2018	70%/30% Split	50%/50% Split
<b>BENEFITS</b>						
- Tourism	\$'000	11,448	13,140	13,545	9,481	6,772
- Capital	\$'000	374	454	428	299	214
<b>TOTAL BENEFITS</b>	<b>\$'000</b>	<b>\$ 11,823</b>	<b>\$ 13,594</b>	<b>\$ 13,972</b>	<b>\$ 9,781</b>	<b>\$ 6,986</b>
<b>COSTS</b>						
Port Capital Costs	\$'000	995	1,455	1,346	1,346	1,346
Port Operating Costs	\$'000	2,717	2,520	2,961	2,961	2,961
<b>TOTAL COSTS</b>	<b>\$'000</b>	<b>\$ 3,712</b>	<b>\$ 3,975</b>	<b>\$ 4,307</b>	<b>\$ 4,307</b>	<b>\$ 4,307</b>
<b>NET BENEFITS</b>	<b>\$'000</b>	<b>\$ 8,111</b>	<b>\$ 9,620</b>	<b>\$ 9,665</b>	<b>\$ 5,474</b>	<b>\$ 2,679</b>
<b>INDICATIVE COST BENEFIT RATIO</b>	<b>No.</b>	<b>3.2</b>	<b>3.4</b>	<b>3.2</b>	<b>2.3</b>	<b>1.6</b>

This highly indicative CBA suggests that even under this more restricted scenario (and excluding non-market values), the PoEP continues to provide a positive return to the community.



## 5. BROADER SOCIAL AND CULTURAL VALUES

While the preceding has provided an indicative economic contribution for the PoEP to the Echuca-Moama region and to Victoria, this does not fully capture the value that Victoria receives from the PoEP. The Precinct generates addition value associated with:

- Use value – Value, in addition to the value represented by the price paid for admission to attractions within the Precinct, obtained from the direct use of Precinct
- Non-use values – Value that the Echuca-Moama and Victorian community assigns to the Precinct, even if they are not regular visitors

with these representing the social and cultural values resulting from the PoEP.

These additional benefits are discussed below.

### 5.1 Education

The Precinct provides a number of education activities, ranging from formal school programs in the Port and on the Paddlesteamers to education of the wider public through the Discovery Centre Museum and the operations of the on-site community groups. The formal educational experiences offered within the Precinct emphasise student centred, experiential learning and are designed to provoke higher order thinking for students.

An outline of the Discovery Centre education program is detailed in Box 1 below. The Discovery Centre hosted a number of school groups in the 2018/19 year with it hosting over 7,300 fee paying school students. These students also had the opportunity, through a School Paddlesteamer Cruise, to experience the story of Australia's pioneering spirit and learn how Australia's inland river system connected a fledgling colony to its growing cities and the outside world. (Student and teacher resource packs are available to assist schools with both the Discovery Centre and Paddlesteamer school excursions.)

In addition to the specific school services, the knowledge of the wider public of the history of the Wharf and Paddlesteamers, and how they connected a fledgling colony to its growing cities and outside world is also enhanced through the Museum audio visuals, models and displays which interpret the story of Australia's inland river system.

#### **Box 1: Discovery Centre Education Program**

Created by a qualified teacher, this unique classroom experience aims to engage students and provide a more hands-on experience. Focused on presenting how school life would have been like for children in the 1850s-1900s, we explore the life of Echuca's founder – Henry Hopwood. The program includes:

- Replica 1850s-1900s classroom experience
- Old-fashioned costumes (provided)
- Big Picture Book
- Act in a short play
- A variety of old-fashioned games
- Handwriting lessons
- All day access to the Port of Echuca Discovery Centre
- Self-directed learning opportunities.

Source: Port of Echuca Discovery Centre

## 5.2 Community Cohesion and Development

The PoEP contributes to local community cohesion and development through its direct support for a number of community based organizations, its provision of places and facilities for individuals and community groups to meet and come together, and its support for volunteers.

In particular, the PoEP provides direct support for a number of community groups (including provision of meeting facilities at a 'peppercorn' rent) including:

- **Echuca Moama Arts Initiative (EMAI)** - is a not-for-profit volunteer-run community organisation established in 2010 with a mission to raise the profile of the Arts in the region by establishing a local network and aid communication between artists and supporting innovative arts events. The EMAI operates from the Foundry Arts Space located in the heart of the historic Port Precinct of Echuca. The Foundry Arts Space hosts an extensive exhibition and events program throughout the year showcasing both local and touring artists.
- **Echuca Moama Men's Shed** – is a community-based, non-profit, non-commercial organization that is accessible to all men and whose primary activity is the provision of a safe and friendly environment where men are able to work on meaningful projects at their own pace in their own time in the company of other men. A major objective is to advance the well-being and health of their male members. The Men's Shed refurbish heritage artifacts from across the precinct including the wagon, and seating in the cargo shed as required.
- **Echuca Historical Society Museum and Research Centre** - operates from the National Trust and Heritage Listed '1869 Echuca Police Station and Lock up complex' located in the Port Precinct at 1 Dickson Street, Echuca. The Museum, which is managed and operated by volunteers, has been in operation since 1960, collecting and preserving the history of the town and area. It is a local history museum, with a strong focus on recording the early settlement along the Murray River. The Historical Society have also proposed the creation of the Friends of the PS Adelaide with the aim to undertake minor maintenance works on the paddlesteamer as well as showcase the vessel to visitors.
- **Echuca-Moama Canoe Club and Outriggers Club** - located on the lower level of the recently upgraded Kiosk Building opposite Hopwood Gardens in the Port Precinct.
- **Vivid** – Is a disability support agency which provides paid, meaningful and supported employment in a range of environments for individuals with a disability. The Vivid works crew undertake gardening and landscaping works within the Port of Echuca precinct on a regular basis.
- **St Joseph's College Echuca** – Have developed a year 9 student program "Personal Best" that sees students develop business ideas and work with staff in the port to implement their projects.

The Precinct is also the home of a number of important events which bring the community together including:

- the Easter Spectacular Fireworks (which attracts 5,000 people to the Precinct with the majority locals)
- Night markets
- Korri Arts and Crafts markets
- Car rallies
- Multisport events (eg triathlons)

along with other events which attract visitors from across Victoria and Australia (e.g. the Riverboat Festival, the Winter Blues Festival).

The role of the PoEP in bringing together the community through volunteering activities is also vital. In addition to the volunteer services provided by the community in operating the community organisations

detailed above along with the organisation of the community events, volunteers also play a significant role in supporting the operations of the Discovery Centre.

### 5.3 Cultural Heritage Preservation

The Port of Echuca provides a vital connection between the history of the region and contemporary society with the Port representing and displaying a number of historic themes including:

- River trades and traffic
- History of steam and engineering
- Impact of river transport on isolated regions of NSW and Queensland
- Impact of railway on commerce and industry
- Life and work on the river and the wharf in the 19<sup>th</sup> and early 20<sup>th</sup> century.

The importance of the heritage of the Port of Echuca and its demonstration of the physical form is clearly represented by the various awards for heritage significance including:

- Echuca Wharf – listed on the National Heritage List on 26 April 2007 under Criterion A (the place has outstanding heritage value to the nation because of the place's importance in the course, or pattern, of Australia's natural or cultural history).
- Hopwood Hotel (Bridge Hotel) – listed on the Register of the National Estate on 21 March 1978.
- Permewan Wright Building - listed on the Register of the National Estate on 21 October 1980.
- Customs House - listed on the Register of the National Estate on 21 March 1978.
- Murray Hotel – listed on the Victorian Heritage Register.
- Shackell Bond Store - listed on the Victorian Heritage Register.

The outstanding heritage values were detailed in the National Heritage List Gazettal for Echuca Wharf which stated that:

“Echuca Wharf reflects the importance that the Port of Echuca played in the economic growth experienced by the colonies of Victoria, New South Wales and South Australia in the second half of the 19th century.

The construction of the wharf and railway at Echuca in the late 1860s facilitated the movement of goods to and from the pastoral districts of the Riverina and western NSW to the ports of Melbourne and Adelaide. More direct access to markets led to a rapid expansion in the scale and value of these pastoral districts, and in turn to increased river trade, requiring the extension of the wharf. The Port of Echuca became the pre-eminent port for Murray River trade (estimated to be £5 million per annum in 1882), and Victoria's second largest port up until the 1880s. The wharf and railway at Echuca were crucial in the process of Melbourne wresting the status of Australia's economic capital from Sydney.

The massive red gum structure of the wharf in its current configuration, the timber remains showing the longest extent of the wharf and the visual dominance of the wharf within a relatively undisturbed setting together provide evidence of the importance of Echuca as a pre-eminent trading port.

The cargo shed, cranes, jib, fence and railway track, although not original, contribute to an understanding of the functioning of the port, the use of the wharf by paddle-steamers, and the relationship between the port and the railhead.”<sup>3</sup>

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<sup>3</sup> Commonwealth of Australia Gazette No S78, 26 April 2007

The heritage significance of the Port of Echuca was further highlighted in an Assessment of Significance in 2007 which concluded that:

“The Port of Echuca is a highly significant historical collection. It has the potential to interpret many major themes in south eastern Australia’s 19<sup>th</sup> century commercial and transport history. The collection of buildings, wharf, boats, railway and steam display have a strong association with the development of Echuca, the booming river and rail trade, the pre-Federation history of inter-colonial duties and trade, and the expansion into and settlement of the isolated inland areas of south-eastern Australia along the Darling and Murrumbidgee Rivers by pastoralists.”<sup>4</sup>

## 5.4 Regional Tourism Leadership

The Port of Echuca is Echuca and the region’s most iconic tourist attraction which draws tourist to Echuca-Moama who may otherwise not have visited the region. This supports the growth and expansion of other major attractions in the region.

The relationships that the Port of Echuca (through Campaspe Shire Council) maintains with other tourism providers and associations, highlights the important contribution that the Port of Echuca makes to Echuca’s wider tourism offering (see table below).

**Table 16: PoEP tourism related partnerships**

Organisation	Nature of relationship
Echuca Moama and District Tourism Development Association Inc.	<ul style="list-style-type: none"> <li>▪ Council is Primary funder (in excess of \$300K pa)</li> <li>▪ DC &amp; EPS pay membership</li> <li>▪ DC offers extensive visitor servicing</li> <li>▪ Tourism and Marketing liaison</li> </ul>
Murray Regional Tourism (MRT)	<ul style="list-style-type: none"> <li>▪ Council provide funds and facilities in the PoEP to support MRT operations.</li> <li>▪ Council participates in MRT research projects where appropriate.</li> <li>▪ MRT provide Council with visitation data.</li> </ul>
Echuca-based tourism providers: <ul style="list-style-type: none"> <li>- Murray River Paddlesteamers</li> <li>- Bridge Hotel</li> <li>- Morrisons Winery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Joint ticketing</li> <li>▪ Ticketing service (through the Discovery Centre)</li> <li>▪ Marketing liaison</li> <li>▪ Joint packages</li> </ul>
Echuca Historical Society	<ul style="list-style-type: none"> <li>▪ Joint programs</li> </ul>
Visit Victoria	<ul style="list-style-type: none"> <li>▪ Support Famil program</li> </ul>
Victoria Tourism Industry Council (VTIC)	<ul style="list-style-type: none"> <li>▪ Advocate on behalf of tourism businesses</li> </ul>

## 5.5 Investment and Business Attraction

While the quantification of private sector capital investment has been included in the Economic Contribution, this represents a conservative contribution with the PoEP providing support for a significant number of associated businesses.

<sup>4</sup> Russell, E, *Port of Echuca Assessment of Significance*, September 2007, p 20.



This included a number of ‘social enterprises’ and small businesses which are supported within the PoEP through the provision of facilities and premises for minimal rents such as:

- Woodturners Shop
- Photo Wagon in Murray Esplanade
- Horse and Cart in Murray Esplanade
- Blacksmith Shop
- Altieri
- Strathmerton Station
- Customs House (Artist).

As noted previously, the PoEP provides a major attraction for tourists who utilise the accommodation, food and beverage services of private sector providers while also visiting other tourist attractions and the retail precinct. As such, the PoEP plays a significant role in attracting further investment in the region.



## ACRONYMS

CGE	Computable General Equilibrium model
Council	Campaspe Shire Council
DELWP	Department of Environment, Land, Water and Planning
EMDTA	Echuca Moama and District Tourism Development Association Inc
EPS	Echuca Paddlesteamers
FTE	Full time employee
LGA	Local Government Area
NFP	Not for profit
NSW	New South Wales
PoE	Port of Echuca
PoEP	Port of Echuca Precinct

## GLOSSARY

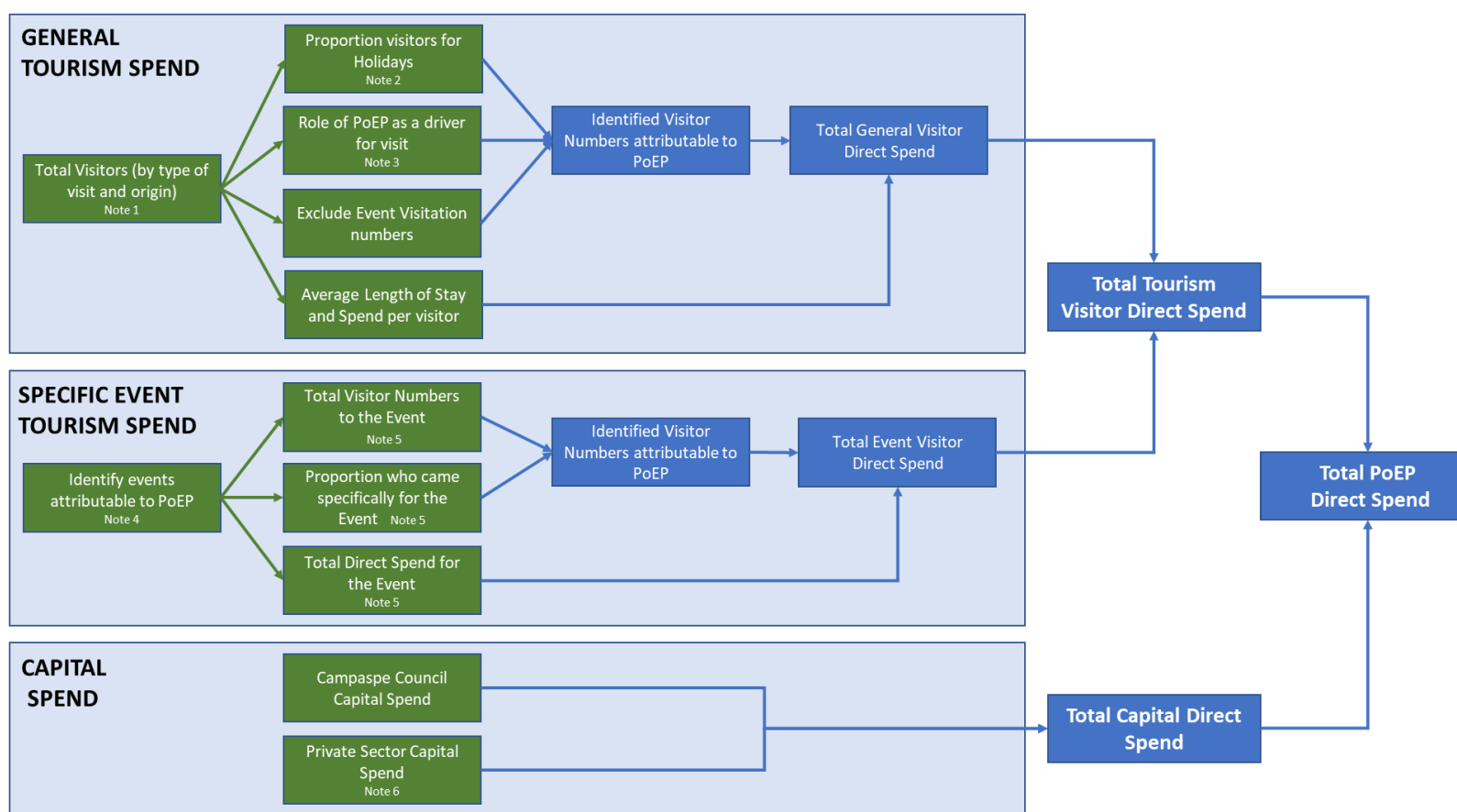
Broader social and culture value	Additional value not captured in the economic contribution estimate (e.g. recreational, conservation and educational value).
Cost Benefit Analysis (CBA)	<p>CBA is an assessment tool used in determining whether a project or initiative is net beneficial to the community. The key principle of CBA is to convert the initiative's costs and benefits into dollar terms and decisions over whether the initiative is desirable can be informed by whether the project delivers benefits that are over and above its costs.</p> <p>An economic CBA is an economic efficiency analysis performed from the view point of society (that is, Australia or a designated State or region) which includes both market and non-market impacts.</p>
Direct contribution	The direct economic activity in Echuca-Moama and Victoria associated with PoEP's operations, including PoEP generated tourism contribution as a direct result of the initiative.
Economic contribution study	Economic contribution is a measure comprising all market-related expenditure generated by a specified industry or an activity. Economic contribution studies differ from economic impact studies as they do not consider the substitution impacts to other industries.
Employment/Jobs	Number of jobs generated by an industry or attraction, expressed in terms of full time equivalent (FTE) employees.

Gross output	Market value of goods and services produced, often measured by turnover/revenue. Gross output is also referred to as 'gross economic contribution'. Gross output consists of the direct impacts (or direct contribution) along with the wider impacts
Indirect or wider contribution	Associated indirect or flow-on impacts for the rest of the economy resulting from the direct contribution. For instance, injections in tourism expenditures in the accommodation sector will have downstream impacts through an increase in expenditure in industries connected with the accommodation sector, and so on.
Regional contribution	Economic contribution retained in particular region. Regional contribution is a subset of the total economic contribution to Victoria
REMPPLAN economic model	<p>REMPPLAN is an economic model that models the economic impacts of projects and investments, large and small, to understand the likely direct and flow-on implications for the economy of your area, the wider region and the state. Economic impacts are presented in terms of employment, output, wages &amp; salaries and gross regional product.</p> <p>This study adopts an input output approach to the calculation of indirect (wider) economic impacts using the REMPLAN model, which provided the input/output multipliers (used to calculation the indirect (wider) economic impacts) that reflect the characteristics of the Echuca-Moama LGA area and Victorian economies.</p>
Value add	Market value of goods and services produced, after deducting the cost of goods and services used. This represents the sum of all wages, income and profits generated.

## Appendix A: Detailed Estimation Methodology

The methodology adopted to determine the Total PoEP Direct Spend is outlined in the Diagram below:

**Figure 4: Direct Spend Quantification Methodology**





#### Methodology Diagram Notes:

Note 1: Visitors have been segregated by type of visit (day visit or extended stay) and by origin (intrastate, interstate and international). Locals have been excluded from all visitor numbers.

Note 2: Purpose of visit has been segregated between VFR (visiting friends and relatives), Business and Holiday. The former two categories have been excluded as, while such visitors may attend the PoEP, that is not the driver for the visit.

Note 3: The role of the port in driving holiday visitation has been split between those where the Port is the primary driver (and thus the total visit can be attributed to the Port), those where the Port is a key driver but not primary (and it is assumed therefore that these visitors extend their stay to visit the Port) and those where the Port is not a key factor (and therefore no element of the visit can be attributed to the Port).

Note 4: Events which are predominantly held because of the Port (ie it is unlikely the event would be held if the Port did not exist) have been included. The relevant events are the Riverboat Festival, the Winter Blues, the Echuca Steam Rally, Car Club Events (which are held at the Port) and specific Weddings and Social Events held at the Port. All other events in Echuca and Moama have been excluded on the basis of the likelihood of the event occurring irrespective of the existence of the Port.

Note 5: Event details (i.e. visitor numbers, % who specifically came for the event, direct spend at the event) have been sourced from surveys completed by Council along with Council records of booked weddings and social events.

Also refer Appendix B for details of the key assumptions and the data sources used to support the assumptions.

## Economic Modelling

The above approach results in the identification of the Direct Spend in Echuca-Moama that is driven by the PoEP. This direct spend is then input into an economic model to determine the indirect or flow-on effect for the rest of the economy resulting (at a regional and a state level) from the direct expenditure.

As noted previously, the REMPLAN model has been used to determine these flow-on impacts with the resultant output being defined economic measure and the economic multipliers for the various measures (direct output, economic value add (ie GSP and GRP) and employment). In completing this the direct spend for the 30 June 2019 year was input into the model, with the resultant multipliers also then used for the 30 June 2017 and 2018 years.

The REMPLAN model adopts an input output approach to the calculation of indirect (wider) economic impacts with the model based on data sourced from the Australia Bureau of Statistics (ABS), most of which relates to the 2016, 2011, 2006 and 2001 Censuses.

The REMPLAN model was used to source input/output multipliers that reflect the characteristics of the Echuca-Moama LGA area and Victorian economies. The REMPLAN model does not specifically determine economic impacts for the combined Echuca-Moama LGAs. While these can be developed, the cost associated with this was not considered warranted. Rather, as the economy of Echuca and the wider Campaspe Shire is similar to that of Moama, the economic impacts and multipliers for Campaspe Shire have been used as a substitute for the Echuca-Moama region.

The REMPLAN model accounts for 'leakage' of direct expenditure from the economy in its multipliers. Input output models are often criticised when used in economic impact assessments as they do not consider capacity constraints in the economy (e.g. full employment). Such constraints limit the extent to which economic impacts can increase in a linear fashion with changes in demand. The alternative CGE approach addresses some of these issues, although the nature and scale of this Project did not warrant the use a detailed CGE analysis at this time.

## Appendix B: Tourism and other Key Assumptions

This section presents an overview of the visitor key inputs and assumptions used in the economic analysis of the generated contribution of PoEP's operations, specifically:

- General Visitation data
- Event visitation
- Capital spend

### General Visitation

- Total Visitation Numbers, Origin and Purpose**

Total Visitor information is outlined in the Table below.

**Table 17: Total Echuca-Moama Visitation**

		2017			2018			2019		
		Day trip	O/night	Total	Day trip	O/night	Total	Day trip	O/night	Total
VISITOR NUMBERS										
Total Visitor Numbers:										
Domestic	'000	953	723	1,676	883	835	1,718	708	790	1,498
International	'000		12	12		12	12		13	13
Total	'000	953	735	1,688	883	847	1,730	708	803	1,511
Origin of visitors										
- Interstate	%	10.0%	19.6%		10.0%	17.0%		10.0%	19.0%	
- Intrastate	%	90.0%	79.7%		90.0%	82.3%		90.0%	80.1%	
- International	%	0.0%	0.7%		0.0%	0.7%		0.0%	0.9%	
	%	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%	
Visitor Numbers by Origin										
- Interstate	'000	95	143	238	88	143	231	71	151	222
- Intrastate	'000	858	580	1,438	795	692	1,487	637	638	1,275
- International	'000	-	12	12	-	12	12	-	13	13
	'000	953	735	1,688	883	847	1,730	708	803	1,511
Proportion Visiting for Holiday										
- Interstate	%	38.4%	56.4%		44.0%	56.5%		43.0%	54.2%	
- Intrastate	%	38.4%	56.4%		44.0%	56.5%		43.0%	54.2%	
- International	%		68.9%			50.0%			33.0%	
Number visiting for Holidays										
- Interstate	'000	36.6	80.5	117.1	38.9	80.8	119.6	30.4	82.1	112.5
- Intrastate	'000	329.4	327.3	656.7	349.7	391.0	740.6	274.0	345.9	619.9
- International	'000	-	8.3	8.3	-	6.0	6.0	-	4.3	4.3
Total	'000	366.0	416.1	782.0	388.5	477.7	866.2	304.4	432.3	736.7

All information has been sourced from Murray Regional Tourism Quarterly reports with the exception of the following:

- Day trip Visitor Origin – was not determined as part of the Quarterly surveys. Therefore, it has been assumed that the majority of daytrippers would be from intrastate with interstate visitors being minimal and no international daytrip visitors.
- Proportion visiting for holidays – while this was determined for daytrip and Overnight visitors separately the split between Interstate and Intrastate was not individually determined, with the total % for both being provided. Therefore, it has been assumed that proportion is the same for both Interstate and Intrastate visitors.

## ■ Visitation Length of Stay and Spend per Day

Total Visitor information is outlined in the Table below.

**Table 18: Echuca-Moama Visitor Length of Stay and Spend per Day**

		2017			2018			2019		
		Day trip	O/night	Total	Day trip	O/night	Total	Day trip	O/night	Total
VISITOR LENGTH OF STAY										
Average length of stay										
- Interstate	Days		2.72			2.5			2.8	
- Intrastate	Days		2.72			2.5			2.8	
- International	Days		1.5			1.5			1.5	
AVERAGE SPEND PER VISITOR DAY/NIGHT										
Average spend per visit day/night										
- Interstate	\$	127	122		120	146		114	153	
- Intrastate	\$	127	122		120	146		114	153	
- International	\$		114			116			121	

All information has been sourced from Murray Regional Tourism Quarterly reports with the exception of the following:

- International Length of Stay – information was not available and was, therefore, estimated in consultation with Council management. There are assumed to be no international daytrippers with overnight visitors stopping in Echuca as part of a larger trip (and, therefore the stay will be on average 1.5 days).
- International Spend per day – the International Spend per Day in the Quarterly reports included all international visitors, including backpackers and those doing itinerant work. Therefore, the average of \$53 per day for 2019 (with no equivalent figure available for 2017 or 2018) was considered low. Therefore, the average international spend per day for all international visitors to Victoria has been used as a more reasonable alternative.

## ■ Specific and Extended Stay

In deriving the economic contribution of the PoEP, it is important to understand whether visitors *specifically* came to Echuca, or *extended* their stay in Echuca as a result of the PoEP. This dimension applies to intrastate, interstate and international visitors.

The specific and extended stay assumptions that have been adopted in this study are presented below.

**Table 19: Specific and Extended Stay Visitors**

		2017			2018			2019		
		Day trip	O/night	Total	Day trip	O/night	Total	Day trip	O/night	Total
INTRASTATE VISITORS										
Allocation of Role of Port in Visiting										
- Port is the primary driver for visiting	%	15%	10%		15%	10%		15%	10%	
- Extended stay to visit Port	%	0%	10%		0%	10%		0%	10%	
- Not a key driver for visiting	%	85%	80%		85%	80%		85%	80%	
INTERSTATE VISITORS										
Allocation of Role of Port in Visiting										
- Port is the primary driver for visiting	%	5%	10%		5%	10%		5%	10%	
- Extended stay to visit Port	%	0%	10%		0%	10%		0%	10%	
- Not a key driver for visiting	%	85%	80%		85%	80%		85%	80%	
INTERNATIONAL VISITORS										
Allocation of Role of Port in Visiting										
- Port is the primary driver for visiting	%	0%	40%		0%	40%		0%	40%	
- Extended stay to visit Port	%	0%	0%		0%	0%		0%	0%	
- Not a key driver for visiting	%	100%	60%		100%	60%		100%	60%	

No quantitative information is currently available on the proportion of visitors that specifically came to Victoria or extended their stay as a result of the PoEP. Therefore, it has been necessary to make an assumption, with the final output then tested for reasonableness against a number of criteria (including a consideration of the number of visitors compared to 'people counter' results at the Discovery Centre, as detailed below.

**Table 20: Door Counter Visitor Reconciliation**

<b>Port of Echuca Precinct Door Counter Visitor Reconciliation</b>				
		2017	2018	2019
<b>Total attendance per Door Counters</b>	<b>'000</b>	<b>208.9</b>	<b>207.3</b>	<b>217.5</b>
Adjusted for:				
- EPS tickets	'000	41.5	43.0	46.5
- Staff movements (5%)	'000	- 10.4	- 10.4	- 10.9
- Duplicate visitor movements (20%)	'000	- 41.8	- 41.5	- 43.5
<b>Net Door Counter movements</b>	<b>'000</b>	<b>198.2</b>	<b>198.5</b>	<b>209.6</b>
<b>Total identified Visitors resulting from the Port</b>	<b>'000</b>	<b>136.1</b>	<b>151.1</b>	<b>129.9</b>
<b>Percentage of adjusted Door Counter movements</b>	<b>%</b>	<b>69%</b>	<b>76%</b>	<b>62%</b>
<b>NOTES:</b>				
- EPS patrons enter and exit through doors which do not have door counters and, therefore, represent additional visitors.				
- The Counters will also include staff movements, which therefore need to be excluded. The quantum of this is not know, but has been estimated by management at 5%.				
- Duplicate visitor movements may occur for a number of reasons including visitors entering to buy tickets and then subsequently entering again for tours, movements to go to the toilets (which are located outside the building, general repeat entries. The quantum of this is not know and, therefore, a 20% adjustment has been made.				



A sensitivity analysis has also been completed to determine the impact of a % change in the role of the Port as a driver of visitation (as detailed in Section 3.4)

## Specific Event Visitation

The quantified Non-Local Direct Spend for Specific Events is detailed below, with the tables following outlining the key information sources and assumptions used in quantification.

**Table 21: Specific Event Visitation Direct Spend**

		2017	2018	2019
<b>NON-LOCAL DIRECT SPEND</b>				
<b>By Event:</b>				
- Riverboat Festival	\$'000	1,694.0	2,187.4	2,713.5
- Blues Festival	\$'000	6,597.9	5,135.2	7,586.3
- Echuca Steam Rally	\$'000	308.2	66.0	409.5
- Car Clubs	\$'000	1,013.6	723.7	1,645.4
- Weddings and Events	\$'000	367.2	318.3	477.4
	<b>\$'000</b>	<b>9,980.9</b>	<b>8,430.5</b>	<b>12,832.1</b>

### ▪ Surveyed Events

The first three events represent ones subject to specific surveying either by Council or a third party, with all the key inputs being specific outputs from the surveys.

**Table 22: Surveyed Event Key Inputs**

		2017	2018	2019
<b>Riverboat Festival</b>				
- Visitor numbers	'000	5.93	6.09	6.03
- % non-local visitors				
- day visitor	%	3.2%	8.1%	0.7%
- overnight visitor	%	53.6%	65.0%	59.7%
- origin of non-local visitors				
- intrastate	%	90.4%	90.4%	90.4%
- interstate	%	8.9%	8.9%	8.9%
- international	%	0.7%	0.7%	0.7%
- % came specifically for the event	%	97.3%	99.2%	75.0%
- Total direct non-local spend	\$'000	1,741	2,205	3,618
<b>Winter Blues Festival</b>				
- Visitor numbers	'000	18.00	19.00	19.00
- % non-local visitors				
- day visitor	%	9.5%	14.4%	6.3%
- overnight visitor	%	63.5%	52.9%	65.8%
- origin of non-local visitors				
- intrastate	%	87.0%	85.5%	88.4%
- interstate	%	12.8%	14.0%	11.6%
- international	%	0.2%	0.5%	0.0%
- % came specifically for the event	%	97.0%	96.4%	96.9%
- Total direct non-local spend	\$'000	6,802	5,327	7,829
<b>Echuca Steam Rally</b>				
- Visitor numbers	'000	5.80	3.40	3.90
- % non-local visitors				
- day visitor	%	48.0%	19.0%	10.8%
- overnight visitor	%	12.0%	9.0%	33.2%
- origin of non-local visitors				
- intrastate	%	90.0%	90.0%	90.0%
- interstate	%	10.0%	10.0%	10.0%
- international	%	0.0%	0.0%	0.0%
- % came specifically for the event	%	80.0%	85.0%	86.0%
- Total direct non-local spend	\$'000	385	78	476

#### ▪ Non-surveyed Events

The number of events for the final two specific event inclusions, Car Clubs Events and Weddings and Social Events, have been sourced based on the Council recorded number of paid events. Other key inputs have been based on either estimates or the application of data from other sources. For example, the number of visitors per event is an estimate while the length of stay and spend per day have been based on those applicable for total tourists to Echuca. All outputs have then been subject to a reasonableness assessment.

**Table 23: Car Club Event Key Inputs**

		2017	2018	2019
<b>Car Club Events</b>				
- No of events per year	No	9	6	12
- Average no of cars on display	No	30	30	30
- No of exhibitors per car	No	3	3	3
- No of visitors per car	No	20	20	20
- % non-local visitors				
- day visitor	%	30.0%	30.0%	30.0%
- overnight visitor	%	50.0%	50.0%	50.0%
- origin of non-local visitors				
- intrastate	%	90.0%	90.0%	90.0%
- interstate	%	10.0%	10.0%	10.0%
- international	%	0.0%	0.0%	0.0%
- % came specifically for the event	%	80.0%	80.0%	80.0%
<b>Average length of stay</b>				
- Interstate	Days	2.72	2.5	2.8
- Intrastate	Days	2.72	2.5	2.8
<b>Average spend per visit day/night</b>				
- day visitor		127	120	114
- overnight visitor		122	146	153

**Table 24: Weddings and Social Events Key inputs**

		2017	2018	2019
<b>Weddings and Social Events</b>				
No of Weddings		19	16	18
No of Functions and Events		11	10	21
		30	26	39
Average attendance per Wedding/Event		75.00	75.00	75.00
- % non-local visitors				
- day visitor	%	30.0%	30.0%	30.0%
- overnight visitor	%	50.0%	50.0%	50.0%
- origin of non-local visitors				
- intrastate	%	90.0%	90.0%	90.0%
- interstate	%	10.0%	10.0%	10.0%
- international	%	0.0%	0.0%	0.0%
<b>Average length of stay</b>				
- Interstate	Days	2.72	2.72	2.72
- Intrastate	Days	2.72	2.72	2.72
<b>Average spend per visit day/night</b>				
- day visitor	\$	127	127	127
- overnight visitor	\$	122	122	122

## Capital Spend

### ▪ Council Capital Expenditure

Based on Council capital spend in the PoEP as extracted from the financial records of Council.

### ▪ Leveraged Capital Expenditure

The leveraged capital expenditure represents capital expenditure by the private sector to provide direct services to visitors to the Port of Echuca. The estimate was determined by initially sourcing Developer Applications (from Council records) for the PoEP and the immediately adjacent historical retail district. This list was then rationalised by:

- Only including those that have been identified as completed
- Excluding Council projects (which would have been included in the Council Capital Expenditure estimate)
- Excluding projects with a value below \$20,000
- Excluding those that were of the nature of maintenance rather than capital improvement.

The resultant outcome was the inclusion of two projects as 'Leveraged Capital Expenditure', one in 2017 and one in 2019.

While this process resulted in the level of included Leveraged Capital expenditure being minimal, it was considered preferable to adopt this extremely conservative approach.