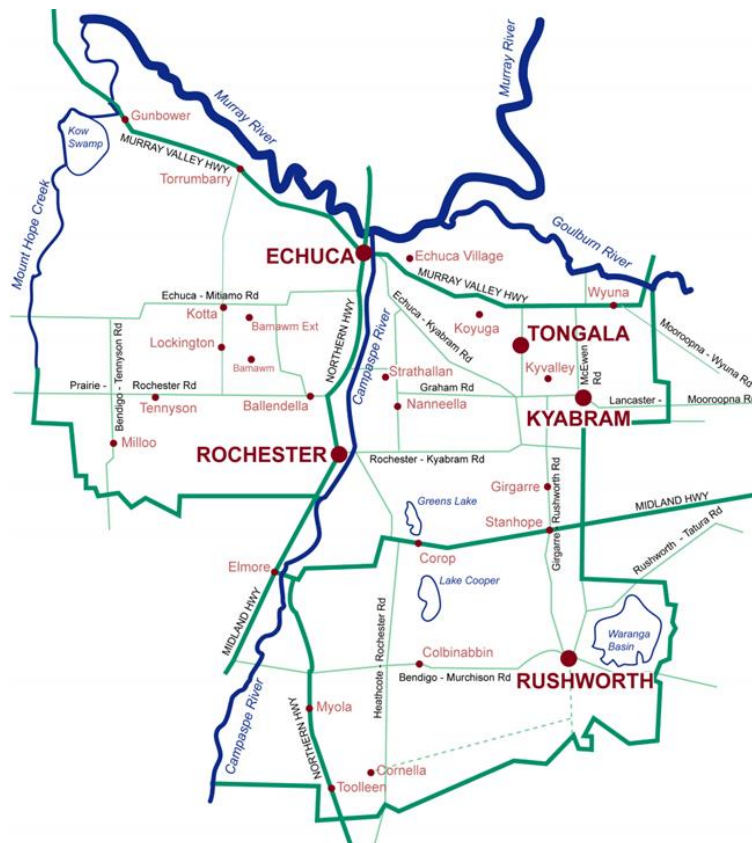


Campaspe Shire

Economic Development and Tourism Strategy – Issues and Opportunities Discussion Paper

April 2023



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Disclaimer:

The report has been prepared for and may be relied upon by Campaspe Shire Council (Council) in supporting Council with the preparation of an Economic Development and Tourism Strategy.

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Our work in connection with this assignment is of a different nature to that of an audit. We have performed research and analysis using existing information sourced from existing Council reports and a review of publicly available information, which were available to us within the timeframe specified for preparation of the report, in order to provide you with information which may be relevant.

We have not independently verified, or accept any responsibility or liability for independently verifying any such information nor do we make any representation as to the accuracy or completeness of the information. We accept no liability for any loss or damage, which may result from your reliance on any research, analyses or information so supplied.



(Dr) David A Cochrane

Director

Cloudstreet Economics Pty Ltd

1. REPORT OVERVIEW

The Campaspe Shire, located in the heart of one of the richest and most diverse agriculture and food processing regions in Victoria, has a vibrant rural community in comprising many townships such as Echuca, Kyabram, Rochester, Lockington, Gunbower, Rushworth, Stanhope, Girgarre, Toolleen and Tongala. Best known for its history, natural assets and relationship with Australia’s iconic Murray River, the unique mix of great weather, culture, food and wine, natural assets and events attracts increasing numbers of visitors (pre-COVID) and residents to the Shire. Campaspe is recognised as a diverse thriving community, with many opportunities for growth and prosperity.

Promoting the economic viability and sustainability of the local community is a primary objective of Campaspe Shire Council, with Council having an important part to play in promoting and facilitating local economic development. Within its available resources, Council’s role in economic development and tourism includes to facilitate, advocate, enhance and maintain an environment that enables the community to sustain and improve its economic status, without compromising the local quality of life and other Council objectives.

As well as stimulating the economy through being one of the Shire’s largest employers, Council delivers a major capital expenditure program where, through procurement strategies, a high proportion of local spend supports local businesses.

As a key regional area in Victoria, the Shire also plays a key role in providing employment opportunities for residents of neighbouring municipalities. Therefore, any initiatives of Council in economic development will also have implications into the adjacent areas of regional Victoria and New South Wales.

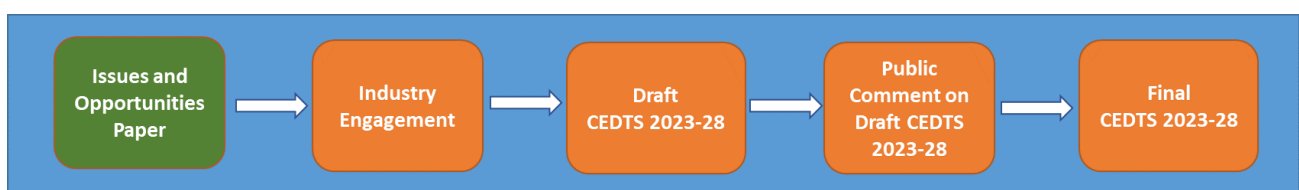
The development and implementation of an Economic Development Strategy (EDS) is a key document in Councils delivery of this important service. The previous EDS – *Economic Development Strategy 2014-2019* (CEDS 2014-19) - was developed and endorsed by Council in 2014. This strategy was then further supported by the *Loddon Campaspe Economic Growth Strategy* (published August 2019), which was jointly developed by the Loddon Campaspe Regional Partnership and the Regional Development Australia Loddon Mallee Committee in consultation with regional stakeholders.

Council does not have a specific tourism strategy. However, Council believes such a strategy is appropriate to be developed and included within an economic development strategy given the importance of tourism to the economy of the Shire and the role of Council in tourism development.

It has now been nearly 10 years since the Council developed an EDS that was focussed specifically on the economic requirements of the Campaspe Shire and, therefore, Council has requested that such a strategy (including tourism) be developed (initially titled *Campaspe Economic Development and Tourism Strategy 2023-2028* or CEDTS 2023-28).

This *Economic Development and Tourism Strategy – Issues and Opportunities Discussion Paper* (Issues Paper) is the first phase in the process of the development of the CEDTS 2023-28, with the subsequent stages outlined below.

Figure: Development of the CEDTS 2023-28



Consistent with the above diagram, the next stage will be the completion of industry engagement, with it expected that this engagement will consider a number of the questions raised in this issues paper and outlined below.

In considering these issues, it is important to acknowledge that Council does not 'drive' economic development. This is the role of business and industry. Furthering economic development in a region is predominantly business and industry led and government supported. Council needs to work with government and industry stakeholders to maximise resources to assist in delivering better economic outcomes for the Shire.

Within its available resources, Council role is to support, facilitate, advocate, and undertake a range of economic development and tourism initiatives, but will not necessarily always be the party responsible for delivering a particular outcome; this will be delivered in partnership with a range of other stakeholders.

KEY ISSUES AND QUESTIONS FOR CONSIDERATION

Below is a summary of the questions identified for consideration by Council and industry stakeholders. These are not designed as 'stand-alone' questions, but rather need to be considered in conjunction with the contents of the various sections of the Issues Paper.

Section 4: Economic Overview

- *Delivery of an EDS is a partnership between all tiers of government and industry stakeholders – what mechanisms and structures can be used to ensure this partnership operates effectively?*

Section 5: The Role of Tourism in the Campaspe Economy

- *What are the key tourism strengths of the region and what forms the regions USP?*
- *What opportunities exist to further develop the visitor offering and support the visitor economy?*
- *What are the main key strategies for the region, and what is the role of Council in delivery of the identified strategies?*
- *Based on these strategies, what are the proposed Actions relevant for Council and, of these Actions, which ones are regarded as being of priority?*
- *What framework is required to oversee implementation of the Actions? How does this fit within the existing Governance structure? Are there any suggested changes to the Governance structure?*

Section 7: Planning for the Future

- *Campaspe Advantages - Are these identified advantages appropriate?*
- *Campaspe Advantages - Are there any others to consider?*
- *Campaspe Advantages - What should the Council do in regard to the EDS to take advantage of these advantages?*
- *Campaspe Threats and Challenges - Are these identified threats and challenges appropriate?*
- *Campaspe Threats and Challenges - Are there any others to consider?*
- *Campaspe Threats and Challenges - What the implications of these threats and challenges to the Council EDS?*
- *What are the implications of these (identified) trends to the Shire and to the EDS of Council?*
- *Do these indicate opportunities that may be appropriate for Council to pursue?*

Section 8: Possible Strategic Principles and Priorities

- *What initiatives may be considered to support the priorities?*

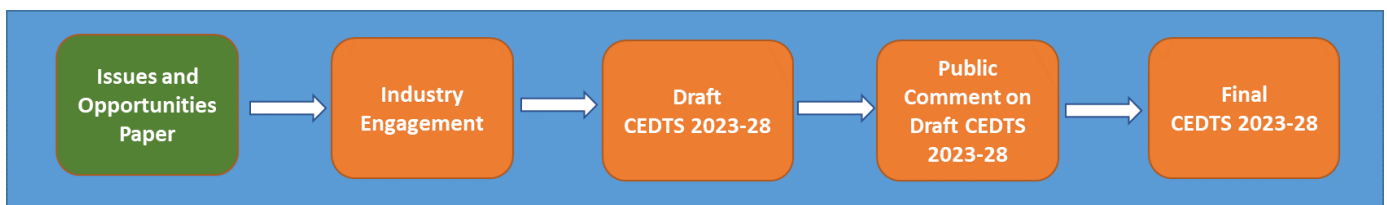
2. INTRODUCTION and CONTEXT

Council’s previous Economic Development Strategy (EDS) – *Economic Development Strategy 2014-2019* (CEDS 2014-19) - was developed and endorsed by Council in 2014. This strategy was then further supported by the *Loddon Campaspe Economic Growth Strategy* (published August 2019), which was jointly developed by the Loddon Campaspe Regional Partnership and the Regional Development Australia Loddon Mallee Committee in consultation with regional stakeholders.¹

The vast majority of the actions and initiatives in the CEDS 2014-19 have been completed or continue to be in the process of implementation (with a review of the delivery of this strategy being included in this paper).

It has now been nearly 10 years since the Council had an EDS that was focussed specifically on the economic requirements of the Campaspe Shire and, therefore, Council has requested that such a strategy (including tourism) now be developed (initially titled *Campaspe Economic Development and Tourism Strategy 2023-2028* or CEDTS 2023-28), with the confirmed phases of development being as follows:

Figure 1: Development of the CEDTS 2023-28



This *Economic Development and Tourism Strategy – Issues and Opportunities Discussion Paper* (Issues Paper) is the first phase in the process of the development of the CEDTS 2023-28, with this paper being used to inform industry engagement. The subsequent stages will then incorporate:

- the issues and opportunities paper along with industry engagement being used to develop the draft CEDTS 2023-28 economic development strategy
- the draft CEDTS 2023-28 then being available for public comment over a period of several weeks, with
- feedback provided through the public comment phase being incorporated into the final CEDTS 2023-28 where considered appropriate.²

The Victorian Auditor-General completed, in 2018, a review of local governments’ economic development activities, and as part of this review noted that the key elements required to create an effective local economic development strategy were:³

- vision—the agreed economic future for the community
- goals—priority areas and desired outcomes to achieve the vision
- objectives—set performance standards and targets that are time bound and measurable
- programs—collective projects to achieve goals and objectives

¹ The regional stakeholders were Campaspe Shire Council, Central Goldfields Shire Council, City of Greater Bendigo, Loddon Shire, Macedon Ranges Shire Council and Mount Alexander Shire Council.

² The final CEDTS will be a council document, outlining actions where Council can assist the progression of economic development. As a council document, actions in the final strategy will be confined by the key functions of Council with Council’s role being in assisting to create an environment that is supportive of economic growth and development.

³ Victorian Auditor-General Office, 2018, *Local Government and Economic Development*, VAGO, p33.

- projects and action plans—that describe specific program components that are prioritised, costed, time bound and measurable.

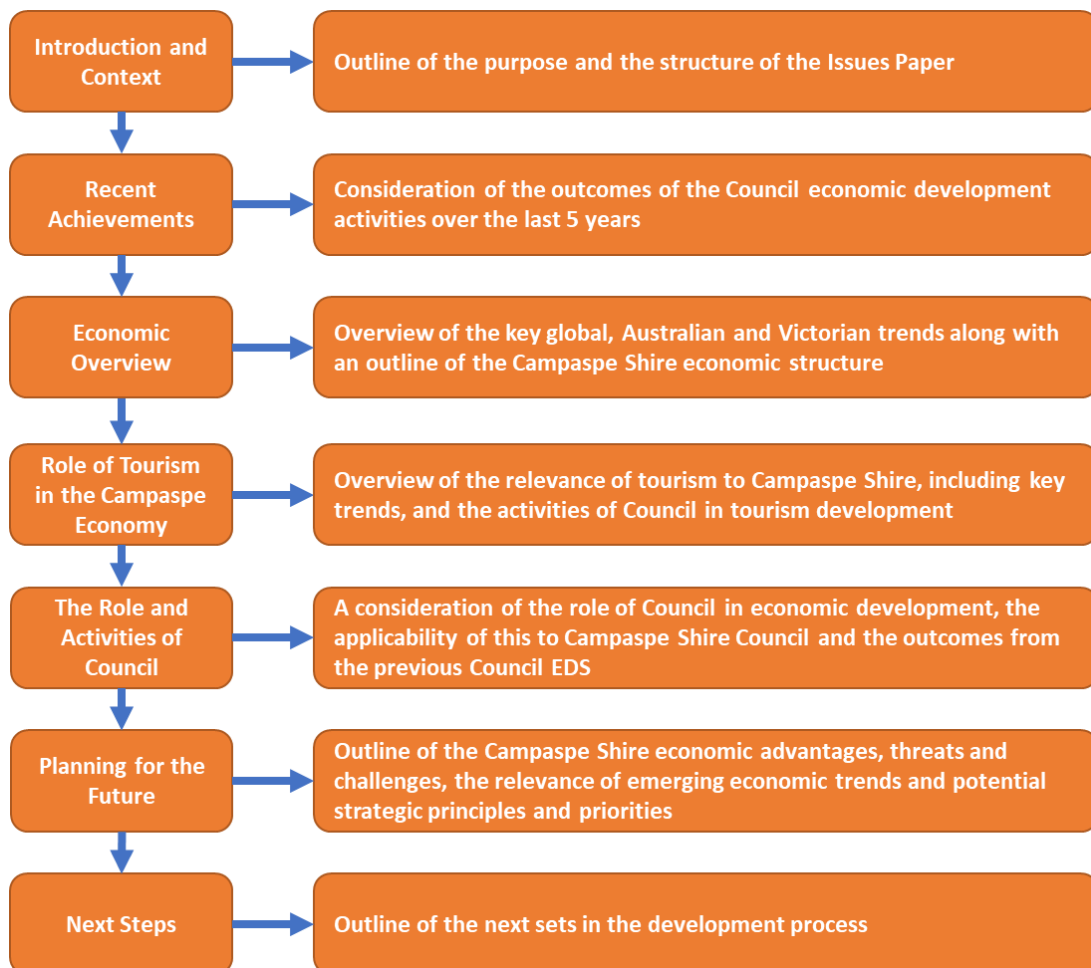
It is not the intent of this *Economic Development Strategy – Issues and Opportunities Discussion Paper* to develop these specific outcomes. Rather, the paper is expected to provide guidance on these aspects while also encouraging discussion that will further develop key aspects of the resultant CEDTS 2023-28.

The development of this Issues Paper has drawn upon policy and strategic guidance from a wide range of sources including various research papers, relevant industry reports (e.g. the tourism industry), Australian and State Government policies and documents and key regional and Council reports. The key regional and Council reports considered in developing this Issues Paper specifically includes:

- RDA Loddon Campaspe Economic Growth Strategy
- Campaspe Shire Council Advocacy Priorities 2021 – 2025
- Campaspe Shire Council 2021-2025 Council Plan
- Campaspe Shire Council Creative Campaspe Arts & Culture Strategy 2021-2031
- Campaspe Shire Council Event Strategy 2019 - 2024
- Loddon Campaspe Integrated Transport Strategy 2015.

The structure of the paper is as follows:

Figure 2: Issues Paper Structure



Key issues for consideration are identified throughout the paper.

3. RECENT ACHIEVEMENTS

Campaspe Shire is located in the heart of one of the richest and most diverse agriculture and food processing regions in Victoria, with a vibrant rural community in northern Victoria comprising many townships such as Echuca, Kyabram, Rochester, Lockington, Gunbower, Rushworth, Stanhope, Girgarre, Toolleen and Tongala. Best known for its history, natural assets and relationship with Australia’s iconic Murray River, which winds along the northern boundary with New South Wales, the unique mix of great weather, culture, food and wine, natural assets and events attracts increasing numbers of visitors (pre-COVID) and residents to the Shire each year. Campaspe is recognised as a diverse thriving community, with many opportunities for growth and prosperity.

Figure 3: Map of the Campaspe Shire



Over the past decade, the community has achieved many milestones that have contributed to the Shire’s continued economic growth and diversification. Examples of economic growth and development over the past decade include:

Land Development and Building Approvals

- Maintenance and disposal of Council’s current industrial land stock to support industry growth. Undertaking preparatory works for future development of industrial land to ensure continued supply
- Supporting development of a new Industrial Estate on Denmark Road, Echuca, with all lots having been sold. (Moama Business Park was developed by the Murray River Council.)

- Supporting development of new residential estates in Echuca West, Echuca Fields, Kyabram, Tongala (and various locations in Moama).

Case Study

Campaspe Industrial Land Development

Council owned land across the Shire has been activated for the development of industrial land to be sold to stimulate business development, with Council being the land developer. Sites identified and subsequently developed (or being developed) include in Echuca, Rochester, Kyabram and Tongala.

The supply of this appropriately zoned industrial land has directly resulted in economic development. The Echuca Industrial Estate has, to date, been completed by Council over two stages, with the development attracting over 24 businesses employing approximately 200. The third stage of the Echuca Industrial Estate is now ready for development, with Council deciding to sell the land to a private developer.

The facilitation of the industrial developments across the Shire has directly stimulated economic development (with it also encouraging further developments as adjoining land owners considering further private sector developments) while also providing a revenue stream to Council (generating \$1.5m of revenue from land sales in the 21/22 year) which supports further investment into the community.

Business Development and Support

- Support for the Murray Business Network, including booking speakers, event organisation, catering, marketing, communication etc
- Establishment of the Mount Camel winery network to encourage information sharing, networking, and collaborative marketing opportunities
- Facilitation of the bi-annual Campaspe Murray Business Awards in partnership with Murray River Council to celebrate Business Excellence
- Coordination of business workshops (sourced from Small Business Victoria or Melbourne Innovation Centre) in various locations across the Shire to encourage professional development and upskilling of businesses
- Continuation of the Sister City agreement with Shangri-La County China (focused on pursuing shared opportunities including trade and tourism). (This relationship is no longer supported.)

Business and Investment Attraction

- Support existing food processing businesses such as HW Greenham & Sons, ACM, Fonterra, GV Creamery, Casalare, Parmalat to expand and grow including assisting with workforce development and pre-planning application meetings
- Assisting with the planning for and establishment of a major new supermarket on the Murray Valley Highway in Echuca.

Case Study

Campaspe Business Development and Investment Attraction

The Council is proactive in supporting business in coming to and/or further developing existing facilities in the Shire. Some of the major investments Council has supported over the last 5 years includes:

- Australian Consolidated Milk (ACM) who developed a \$55m milk processing factory in Girgarre

- \$140m Fonterra re-build of the cheese production facility in Stanhope
- HW Greenham & Sons construction of a new \$50m abattoir in Tongala
- \$20m development of a new supermarket complex in Echuca West by Dellcorp.

The services provided by Council in supporting these investments is diverse including:

- provision of a Concierge service, providing a first point of contact in Council for all enquiries
- assisting with site selection, including due diligence of potential greenfield sites
- coordination of pre-planning application meeting with Council's Planning department to discuss potential sites and zoning considerations
- **working** with the various businesses on development plans including organising meetings with VicRoads (now Regional Roads Victoria), EPA etc to talk about site specific requirements
- coordination of multi-stakeholder pre-planning application meeting including VicRoads, EPA, Regional Development Victoria (DJPR), Invest Assist (DJPR), utility service providers, Councils Planning and Engineering departments to discuss approach and potential hurdles
- meetings with State and Federal Government representatives to identify and pursue potential funding opportunities
- introductions to local community groups to encourage community connections and support including
 - community drop in sessions regarding the development plans
 - Community open day – tours, history of the area, kids activities etc
- helping to facilitate Town Hall meetings where appropriate to discuss the project and encourage interested workers to attend.
- organising State Government Ministerial visits to open/tour the new investments and announce funding support.

This end-to-end service is highly valued by the investors and enhances the attractiveness of the Shire as a place to do business.

Skills and Workforce Development

- Feasibility study for Designated Area Migration Agreement (DAMA) in partnership with City of Greater Shepparton and Moira Shire Councils. Subsequent introduction of the Goulburn Valley DAMA program, including regular visit to Campaspe by the GV DAMA Coordinator
- Successful advocacy to the Victorian Skills Commissioner for a Skills Audit for the region, and subsequent involvement in the completion of the audit.

Case Study

Developing the Workforce for the Future

Recent research into the skills need of the region established most industries have high vacancies with them unable to meet current demand let alone fill the new jobs anticipated from industry growth. This is particularly critical for health care and community services, construction and tourism while primary industries are increasingly turning to technology in the absence of staff, creating a higher skill need.

There is now an imperative to build a strong workforce to address critical labour shortages to meet expected demand for both skilled and low-skilled labour. While it is clear a collaborative response across education, industry and government is necessary to meet the Shire's needs, Council has already taken steps to begin building the resident workforce of the future:

- **DAMA** – Council has entered into a Designated Area Migration Agreement (DAMA) partnership between a three local government consortium (Shepparton, Moira and Campaspe) with the objective being to support skilled migrants relocate to the catchment and address key skills shortages within the local government municipalities. The program has an annual target of 200 places, with Campaspe having 60 of those.

- **Shepparton Industry Training Hub** - Although Campaspe is located within the Loddon Mallee Region, for the purposes of this program the Shire has been aligned with the Greater City of Shepparton. The focus of the program is creating employment and training pathways for youth to transition into skilled employment opportunities locally
- **Business Workshops** - In partnership with Small Business Victoria (SBV), Council coordinates an annual suite of training sessions for local business to engage in current and effective topics. These range from Online engagement and financial management to general management technique development. Council Community Dev Officers work with SBV to select topics, promote the sessions and coordinate operational elements such as location selections, catering and promotions. Spread across the Shire the sessions are usually available in all larger towns (Echuca, Kyabram, Rushworth and Rochester).

Victorian Government Skills Audit - As part of the Loddon Mallee region this collaborative project is focused on identifying the skills shortages across the region. The outputs will provide data to improve pathways to employment and partnership projects between education providers and industry and will inform future skill development initiatives.

Healthcare and Emergency Services Infrastructure

- Completion of the \$66 million redevelopment of the Echuca Hospital – one of the largest projects in the history of our City
- Development of a number of new facilities including:
 - New Ambulance Centre Echuca
 - New Police Station Echuca
 - New Headspace Facility Echuca
 - New ERH Cancer and Wellness Centre.

Education and Early Years Infrastructure

- Delivery of new/upgraded education facilities including:
 - New middle school campus for St Josephs College Echuca
 - Twin Rivers Echuca – new primary and specialist school, Echuca West.

Visitor and Event Economy

- Redevelopment of the Echuca Riverboat Dock precinct including major landscaping works and a \$1.2m upgrade to the Kiosk
- Establishment of Campaspe Port Enterprise Pty Ltd (CPE) as a beneficial enterprise responsible for the management and development of the Echuca Port Precinct
- Major capital works in the Kyabram Fauna Park, including entry, café and animal enclosures utilising \$2.75m of grants
- Provision of funding and in-kind support for Murray Regional Tourism Board (with MRTB services including tourism marketing, research, statistical analysis and support for future developments along with facilitating training programs for operators and advocacy into government) and Echuca Moama and District Tourism Association (who deliver Visitor Information Services for the Shire along with destination marketing services)
- Continued advocacy for the delivery of the Rushworth to Murchison Rail Trail, with it receiving \$1.5 million in Bushfire Recovery Funding
- Continued support for events across the Shire including the Winter Blues Festival, Riverboats Music Festival, Steam Rally, Southern 80, Kyabram Rodeo, Lockington Heritage Tractor Rally and the Rushworth Heritage Easter Festival.

- Introduction of outdoor art including Silos in Colbinabbin, Gunbower Mural, Kyabram Water Tank Murals and Iddles Lane Rochester
- New play space 'Wirima' in Rochester
- Gargarro Botanical Gardens, Girgarre including introduction of an outdoor amphitheatre and café
- Rail trail between Girgarre and Stanhope
- Murray River Adventure Trail – cycling/walking trail between Barmah and Cohuna
- The Art Depot in Rushworth
- Bid for Rushworth/Whroo for UNESCO Victorian Goldfields certification
- Creation and distribution of maps including Regional Victoria Driving Map, Arts Trail Map and Heritage Trail Map
- Gunbower Lions Park – introduction of new kayak launch and park on the lagoon
- Introduction of all abilities kayak launch in Rochester
- Support for Mount Camel wineries – new cellar door/function space at Tellurian Wines, new cellar door/function space at Heathcote II, new cellar door/restaurant/function space at Peregrine Ridge, new cellar door/function space and accommodation at Shiraz Republic, new cellar door/function space and winemaking shed for Lake Cooper Estate.

Transport Network Development

- Delivery of the \$328m 2nd bridge crossing in Echuca Moama (opened in April 2022)
- Promotion of Active Transport and Councils Strategy including delivery of a marketing campaign about public transport, cycling and car-pooling during construction of the 2nd bridge in Echuca Moama to assist in alleviating pressure on the congested road network
- Advocacy for remedial and upgrade works at Echuca Aerodrome.

Environmental Projects

- Expenditure of \$750,000 replacing streetlights with more energy efficient lights
- Installation of 2 Electric car charging stations in Echuca
- Participation in Victorian Energy Collaboration – with 46 LGA's purchasing 'green' power.
- Participation in NCCMA Plains Wanderer Project – protection measures for grassland habitat, breeding program
- Initiation of solar power initiatives across the Shire including at the Library and Echuca Basketball Stadiums.

Other Major Infrastructure Projects

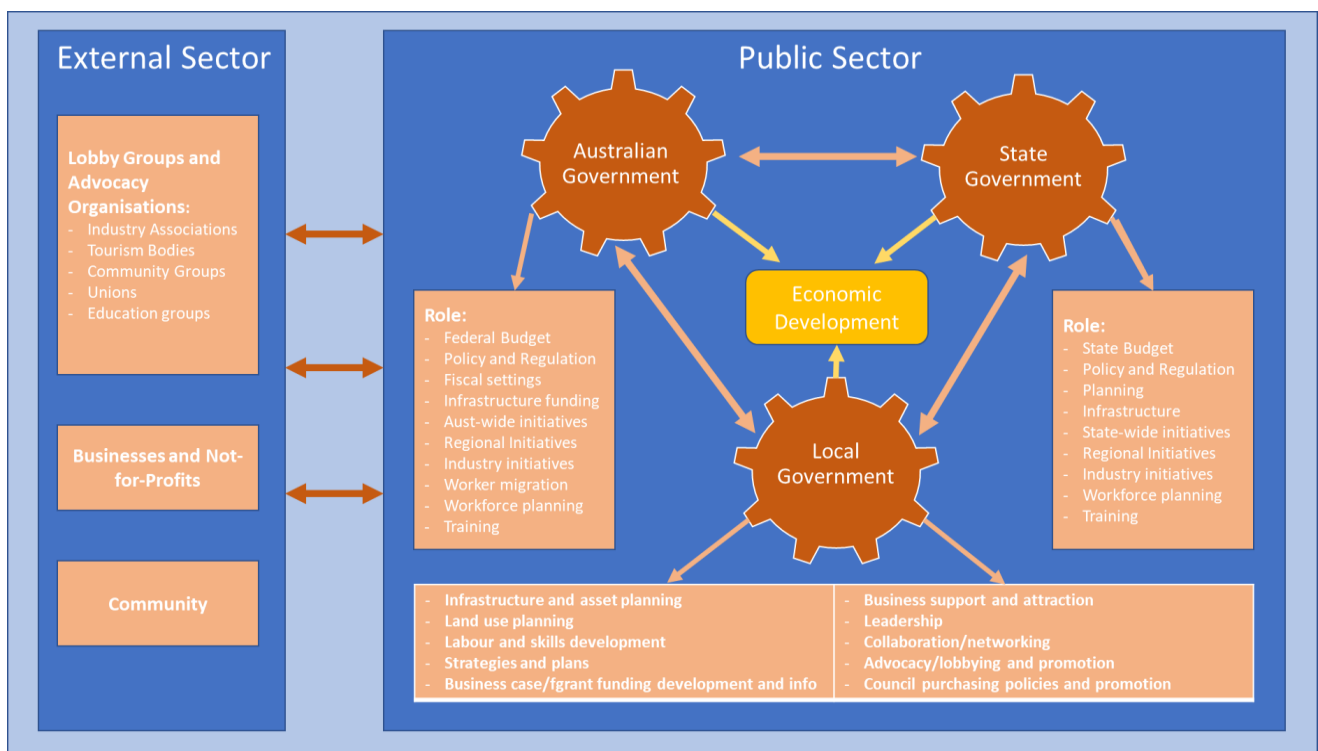
- \$1.8 million funding via the Regional Connectivity Program for NBN Co to deliver FTTP in Rushworth
- Advocacy for improved mobile phone service and connectivity through Connecting Victoria program

4. ECONOMIC OVERVIEW

4.1 The Role of the Tiers of Government

Australia operates under a three tier system of Government with each of the tiers – Australian, State (Victoria) and Local (Campaspe) - having a role in economic development, However, the roles are often not clear and there is a high level of interdependency between each tier whereby the decisions of one tier can influence the activities of another tier.

Figure 4: The Three Tier System of Government



4.1.1 Australian Government

The Australian Government performs a key role in local and regional economic development both direct and indirectly, including through taxation, funding and regulations along with being a key investor in regional and urban development infrastructure. The majority of funds for infrastructure are associated with transport, and a few smaller programmes support other infrastructure needs for community and regional development. Further funding programmes include subsidies for public services in remote locations, along with tax offsets for individuals in those locations.

Co-funding is a requirement of most grants provided by the Australian Government for regional development, with state governments also regularly co-funding regional development grants. Several business development programmes are also promoted, along with national research and cluster programmes that can support regional development.

Two of the more relevant Australian Government initiatives are:

- Regional Development Australia – The Australian Government, alongside state and local governments, funds 52 Regional Development Australia (RDA) committees, representing all regions across the country with one of these regions being Loddon Campaspe. These committees are made up of local leaders who work with all levels of government, business and community groups to support the development of their regions. In particular, the RDAs are focused on connecting local businesses to industry in order to create more jobs and attract more local investment.⁴
- Growing Regions Program and Regional Precincts and Partnerships Program. – the previous major regional program being the Building Better Regions Fund (which invested in projects located in, or benefiting eligible areas outside the major capital cities) was terminated in October 2022. This program has been replaced with two programs – the Growing Regions Program and the Regional Precincts and Partnerships Program, with \$1billion of funding allocated (over 3 years) to these programs.

The Regional Precincts and Partnerships Program is also, effectively, a replacement for the City Deals Program (which brings together the three levels of government, the community and private enterprises to create place-based partnerships, including in a number of regional cities).

A number of other government programmes have also recently finished (e.g. Regional Jobs and Investment, National Stronger Regions Fund Packages).

The role of the Australian Government in influencing local and regional economic development should not be underestimated.

4.1.2 Victorian Government

At a Victorian Government level, while various state departments and agencies have aspects of responsibility for facilitating economic development within the State, primary responsibility rests with the Department of Jobs, Skills, Industry and Regions (DJSIR).

DJSIR is tasked with bringing together many of the key functions that drive economic development and job creation across the state. These include investment attraction and facilitation, trade, innovation, regional development and small business, together with key services to sectors such as the creative industries, resources and tourism.

Within DJSIR, the key agency responsible for regional development is Regional Development Victoria (RDV). The agency works closely with various Victorian government agencies including local councils to facilitate economic, infrastructure and community development in regional Victoria. RDV aims to strengthen regional Victoria through job creation, better infrastructure and new investment.

RDV also:

- administers the state-based Regional Jobs and Infrastructure Fund (RJIF), which distributes grants to rural and regional businesses, industry groups, government agencies, not-for-profits and community groups to support economic development in regional Victoria. There are currently three programs under the RJIF being the Regional Infrastructure Fund (RIF), the Regional Jobs Fund (RJF) and the Investment Fast-Track Fund
- works with RDA to facilitate regional engagement and economic development.

The other three state bodies of relevance in regional economic development are the Department of Transport and Planning (DTP), Agriculture Victoria and Local Government Victoria (LGV).

⁴ The Loddon Campaspe RDA Committee, in 2019, released an economic growth strategy – *Loddon Campaspe Economic Growth Strategy* (August 2019).

- DTP – DTP’s establishment in January 2023 centralises key planning and land use activities, precinct and policy functions within a single department. Bringing planning and transport together is expected improve project design, regulatory approvals, community consultation and better realise local economic and community opportunities for more liveable communities across Victoria. In particular, DTP is responsible for the State Planning Policy Framework, which is a critical foundation of local economic development.
- Agriculture Victoria - As of 1 January 2023, Agriculture Victoria is part of the new Department of Energy, Environment and Climate Action (DEECA). Agriculture Victoria is the prime state body responsible for agriculture development and regulation in Victoria. The agency administers a range of funds, grants and programs across different sectors and regions and also delivers innovation for economic growth in Victoria’s agriculture through leading science and strong science capacity.
- LGV - LGV is now located in State Government under the new Department of Government Services. LGV provides policy advice, oversees legislation and works with the Minister for Local Government and Victoria’s 79 local councils to support responsive and accountable local government services. Along with providing policy advice to the minister, LGV oversees the administration of the *Local Government Act 2020* and other relevant legislation.

4.1.3 Campaspe Shire Council

Local governments’ direct contributions to the Victorian economy is significant, including more than 43,000 employees in the sector, managing over \$84 billion in public assets and spending more than \$7 billion annually on services⁵. However, they play a far greater role in economic development. The principal legislation in Victoria that governs the operation of Council’s economic development is the *Local Government Act 2020* and the *Planning and Environment Act 1987*.

Under the *Local Government Act 2020*, Council performs its role in relation to several principals, which include:⁶

- priority is to be given to achieving the best outcomes for the municipal community
- the economic, social, and environmental sustainability of the municipal district, including mitigation and planning for climate change risks
- the municipal community is to be engaged in strategic planning and strategic decision-making collaboration with other Councils and Governments and statutory bodies is to be sought.

Under the *Planning and Environment Act 1987*, the objectives of the planning framework include ‘to enable land use and development planning and policy to be easily integrated with environmental, social, economic, conservation and resource management policies at State, regional and municipal levels.’⁷

Under these Acts, Council has power to undertake land use and development planning, beneficial enterprises, investment, sell or exchange land, make local laws, create and defer special rates and charges, and provide infrastructure and services.

⁵ VAGO, *Local Government and Economic Development*, March 2018, page 23.

⁶ *Local Government Act 2020* (Authorised Version incorporating amendments as at 10 May 2022), Clause 9.

⁷ *Planning and Environment Act 1987* (Authorised Version incorporating amendments as at 25 April 2020), Clause 4(2)(c).

Within local governments the focus on economic development can vary widely with it stretching from being a secondary or minor role to a major function of the agency. Campaspe Shire Council regards economic development as a core activity with the role of Council including:

- Infrastructure and assets provision
- Land use planning
- Supporting local businesses
- Collaboration/networking
- Advocacy and promotion
- Strategies and plans
- Business case development, evidence and information.

The possible future role of local government (and particularly Campaspe) in economic development is discussed further in Section 6.

As is obvious from the above, local and regional economic development in Australia is highly complex with there being a number of players and with each player having interdependencies. At a regional level, many elements of the local economy rely on the contributions made by State and Australian governments, such as legislative frameworks, networks, and financial incentives, attraction of foreign direct investment and facilitation of exports.

Therefore, any local EDS needs to recognise the importance of the State and Australian governments and ensure the activities of these agencies is integrated into the strategy.

Question for Consideration:

Delivery of an EDS is a partnership between all tiers of government and industry stakeholders – what mechanisms and structures can be used to ensure this partnership operates effectively?

4.2 Global, Australian and Victorian Context

The following provides an overview of the medium term outlook at a global, Australian and Victorian level including a consideration of the key policy setting framework. The key implications of this setting for Campaspe is then considered in Section 7.

4.2.1 Key Global Trends:

It is relevant to consider both longer-term global and regional economic trends, along with trends directly associated with the current uncertain global economic environment, in the development of an economic strategy for Campaspe, as these can have important implications for the local business environment (e.g. supply chain constraints). The following provides a high level outline of the trends and the associated implications.

General Economic Trends

- **Globalisation** – there has been for a number of years a clear trend of globalisation of businesses. Globalisation forces, such as the creation of global financial markets, improved communication, knowledge and technology transfer, improved transportation and the internet is fundamentally

changing the way we all do business. Workers are increasingly mobile and country and spatial boundaries are becoming irrelevant.

- **Clustering** - Globalisation has changed the nature and location of the way we manufacture goods and complete research, which results in greater industry specialisation or clustering. Clustering focuses on models for ideal industry sites and considers transport costs, raw material costs and final product costs. Benefits to a local economy (such as knowledge creation and sharing, innovation, resource sharing, scale economies) increases with cluster numbers.
- **Competitive advantage** – the concept of competitive advantage puts the focus on efficiencies, performance and intangibles such as quality of life and social capital, rather than just cost, which defines the concept of comparative advantage. Many governments still promote a comparative advantage to attract industry, rather than the more all-encompassing competitive advantage. However, staple (or single) industry economies can become threatened as global competition increases. Due to the impacts of globalisation and clustering, a comparative advantage alone is no longer the only consideration for a relocating organisation or business.
- **The Knowledge Economy** – we have now entered the era of the Knowledge Economy which has implications for the structure of industry and for the type of professionals that are required to support and develop this new economy. (Refer discussion below in regard to ‘creative professionals’.)
- **Social Capital and Quality of Life** – Quality of life is now an important relocation consideration for high income earning families, cashed-up retirees and relocating businesses with this contributing to the social capital of a community. Meeting these Quality of Life attributes is important in attracting ‘creative professionals’ (highly skilled, high income earning and mobile professionals) who in turn create economic opportunities.⁸ Places that do not attract ‘creative professionals’ in the Knowledge Economy have a diminished chance of economic growth.
- **The rise of the Asian middle class** – there is a growing affluent Asian middle class market across a number of countries, but particularly China, which is influencing travel patterns into Australia (increasing numbers and a growth in the Free Independent Traveller) along with the demand for ‘clean’ Australian goods. This social change is also supporting a number of the trends noted above (globalisation, clustering, knowledge economy).
- **Climate Change** – the impacts of Climate Change are being felt around the world with it driving government policy, influencing energy pricing, and increasing pressure on individual corporates to develop and implement emission reduction strategies.

These trends influence the infrastructure and services required to support the economy of the future along with the importance of focussing on clustering opportunities. It also provides a guide to changes that are occurring in the location and social structure features that are now important in attracting new business and investment.

Trends Associated with the current Uncertain Economic Environment

The above has also resulted in the exacerbation of an already existing uncertain economic environment which will have potentially significant impacts on the Australian economy going forward.

- The Australian Government forecast for global real GDP growth over the next 4-5 years is 3.5 - 3.75% per annum. However, this near term outlook for the global economy is highly uncertain due to the fallout from Russia’s invasion of Ukraine and the ongoing impact of COVID-19.
- This outlook will also be impacted as various countries continue to remove fiscal and monetary support and adopt an increasingly protectionist stance.

⁸ ‘Creative professionals’ are attracted to areas that have developed their quality of life factors including good social and physical infrastructure, accessible ‘lifestyle amenity’ networks, high standard sporting facilities and reliable internet technology availability.

- The Russian invasion of Ukraine has already triggered a surge in energy prices.
- Global supply chains remain disrupted and, while temporary, they may continue as a constraint on growth in the medium term.
- There is also a growing trend to increasing individual country self-sufficiency.

These trends have contributed to:

- Increasing interest rates and financial market instability
- the surge in global inflation, which is expected to continue
- the decrease in international tourism (which is only now starting to return)
- an increase in countries looking at greater self-sufficiency in all areas of product and service provision but particularly health and defence.

4.2.2 Key Australian Trends⁹

At a demographic level Australia is experiencing:

- Population – a reduced population growth (due to reduced migration) along with a shift to regional areas.
- Migration – net overseas migration is forecast to become positive at 41,000 persons in 2021-22, rising to 235,000 by 2024-25, a level that is still below that of the pre-COVID years.
- Working patterns – COVID has resulted in the substantial increase in people ‘working from home’ and while people are starting to return to the workplace there will be a permanent increase in the prevalence of people ‘working from home’.

The medium term monetary macroeconomic settings are likely to include:

- Continuing comparatively high interest rates (when compared to the recent historically low rates).
- Continuing higher levels of inflation.
- Mounting pressure for higher levels of wage increases (when compared to the recent relatively flat rates of increase).
- Continuing low unemployment rates that effectively represent full employment with declining underemployment.

The table below outlines the Australian Government Treasury forecasts for the key monetary measures.

Table 1: Australian Government Key Macroeconomic Forecasts

Measure	2021-22	2022-23	2023-24	2024-25	2025-26
Global					
World GDP (Calendar Year)*	6.0%	3.75%	3.75%	3.5%	
Australia					
Real GDP**	3.75%	3.0%	2.0%	2.25%	2.5%
Unemployment**	3.50%	3.75%	4.0%	4.25%	4.25%

⁹ The commentary on Australian trends was based on information prior to the expected May 2023 budget including the July 2022 Ministerial Statement on the Economy.

Measure	2021-22	2022-23	2023-24	2024-25	2025-26
Consumer Price Index**	6.1%	5.5%	2.75%	2.5%	2.5%
Wage Price Index**	2.75%	3.75%	3.75%	3.75%	3.5%
Net Debt as a % of GDP*	27.6%	31.1%	32.6%	33.1%	33.1%

Source:

* Budget 2022-23, Budget Strategy and Outlook, Budget Paper No 1, Commonwealth of Australia, 2022, pages 6 and 38.

** Dr Jim Chambers, Ministerial Statement on the Economy, Australian Government, 28 July 2022

The key Australian fiscal policy settings were outlined in the recent Australian Budget, with the key features being:

- The Australian Government operating at a budget deficit for the foreseeable future (albeit declining).
- Government debt continuing at an historically high level of over 30% of GDP. Australia's debt ratio has grown as a result of COVID (as have many other countries) but our nation continues to be low by international standards. Australia should retain its AAA credit rating in the medium term.

This forecast setting has recently been updated (as a result of the change in Government) with the key changes being an increase in the expected short to medium term inflation rate and a decline in the expected GDP growth with the forecast of continuing budget deficits continuing.

The budget also included a number of new and/or continuing initiatives and funding commitments which are either directly or indirectly relevant for Campaspe being:

- **Infrastructure provision** – the government has a number of commitments around strengthening Australia's regions and critical infrastructure by:
 - Committing \$7.1 billion for transformative infrastructure projects (with the majority, \$6.5 billion, of this committed to 4 regions outside Victoria).
 - Committing to build \$17.9 billion of priority road and rail infrastructure. The majority of the funding is committed to projects with minimal (if any) impact on Campaspe. However, it does include extending the Local Roads and Community Infrastructure Program until 2024-25, providing \$502 million for local councils to maintain and deliver priority local road and community infrastructure projects across Australia
 - Establishing the \$2.0 billion Regional Accelerator Program to diversify growing regional economies and create jobs in new and existing industries. This includes investments in infrastructure, advanced manufacturing, apprenticeships, and higher education.
 - Committing additional funding to water infrastructure, but again on projects that do not significantly benefit Victoria or Campaspe.
- **Primary Industry** - The Budget provides over \$600 million to enhance innovation, productivity and resilience in the agricultural, fisheries and forestry sectors.
- **Training a skilled workforce** – provision of funding to train the next generation of apprentices (including by investing a further \$2.8 billion over 5 years from 2021-22 to upskill apprentices) and reopening borders to encourage skilled migration and address workforce shortages.
- **Commercialising our ideas** - investing in future Australian companies and products through a \$2.2 billion University Research Commercialisation Action Plan. The action plan includes \$1.6 billion to fund Australia's Economic Accelerator devoted to research in clean energy, medical products, defence and other high-priority manufacturing areas.
- **Tourism** – the government will continue to support the recovery and sustainable growth of the tourism sector, with a \$60.0 million Tourism Marketing Recovery Plan to attract international tourists.

- **Supply chain** - The Government aims to strengthen supply chain resilience in critical products, including through a new dedicated \$200 million Regional Accelerator Stream of the Supply Chain Resilience Initiative that will assist regional businesses to address supply chain vulnerabilities.
- **Digital Connectivity** - investing a further \$1.3 billion in improving digital connectivity including:
 - A new Connecting Regional Australia initiative (\$812 million) to address mobile blackspots along approximately 8,000 kilometres of regional transport routes and adjacent premises and businesses, improve the resilience of telecommunications infrastructure against natural disasters, and encourage new technology trials
 - An investment of \$480.0 million will go towards upgrading the NBN Co's Fixed Wireless Network and enable enhancements to satellite services. This is intended to result in better broadband for up to one million households and businesses in regional, remote and peri-urban areas.

Further communication with the Australian Government (and research) is required to obtain a full understanding of the scope and requirements of these initiatives and, therefore, the implications for Campaspe.

4.2.3 Key Victorian Trends¹⁰

The Victoria economy is exhibiting similar trends that that of Australia. While the forecasts in the most recent Budget differ slightly from the Australian budget, the fundamentals are very similar. The Budget forecasts that the economy will grow by 3.25% in 2022-23 (compared to the Australian forecast of 3.5%) and employment will grow by 1.75% in 2022-23. Unemployment is also predicted to remain at a record low average of 4% through 2022-23 (compared to the Australian forecast of 3.75%), before steadily rising.

These low fundamentals suggest that the economy is strong and should be expected to continue to grow. However, the key area of concern would be inflation. While the Budget forecasts a CPI increase for 2022/23 of 2.5%, movements in CPI since the budget indicate that it will be greater than this, with increasing inflation rates (along with the associated increase in interest rates and wage increases) potentially constraining business confidence and economic growth.

The 2022-23 Budget continues the government commitment to major infrastructure investment, resulting in Net Debt increasing to \$101.9 billion at June 2022 (being 19.8% of GSP), with it continuing to rise over the forward estimates before reaching \$167.5 billion by June 2026 (being 26.5% of GSP).

As was noted, the budget includes a number of major capital and service delivery initiatives with those of particular relevance to regional Victoria including:

Health and Aged Care Services

- Investing \$2.9b in health infrastructure, including building a new hospital and upgrading existing hospitals
- Training and hiring up to 7,000 new healthcare workers, including 5,000 nurses
- \$1.5b for COVID Catch-up to enable record levels of surgical capacity
- \$300m for the Regional Health Infrastructure Fund to boost regional healthcare
- \$146m to build three new public residential aged care facilities in regional areas

¹⁰ Budget information in this section has been sourced from Department of Treasury and Finance, *Overview Budget Statement – Victorian Budget 2022/23*, State of Victoria, 2022 and supporting Budget Papers. The information was prepared prior to the expected May 2023 budget.

Transport Services

- \$109m to improve Victoria’s suburban and regional bus services and bus stops
- \$265m to build and upgrade trains and trams, including 12 new VLocity trains, built and maintained in Victoria, for the regional rail network
- \$248m to deliver a package of V/Line improvement projects to support regional passenger rail operations, and for maintenance works on freight rail corridors across the state
- \$780m in 2022/23 to undertake road maintenance works across the metropolitan and regional road network
- \$101m for regional road upgrades, including intersection upgrades, new overtaking lanes and roundabouts on key regional roads and highways across the state

Education Services

- \$1.8b for school infrastructure, including upgrades to 65 schools and 13 new schools,

Emergency Services

- \$342m to recruit an extra 502 police and 50 Protective Services Officers over the next two years

Tourism and the Visitor and Events Economy

- \$111m to support Victoria’s visitor and events economy, to attract more tourists and promote Victoria to the world
- \$353m to help the creative and major events industries

Regional Development

- Continued funding (of \$30m) of the RJIF to support economic growth and development in regional and rural Victoria

Commonwealth Games

- \$2.6 billion so Victoria is ready to host the Commonwealth Games in 2026.

While this represents a significant list of initiatives that have the potential to stimulate regional economic activity, the extent to which these may flow into the Campaspe Shire is limited. For example;

- While the education funding includes the construction or upgrade of 22 schools in regional Victoria, there are no schools in the Shire included
- A similar comment applies to the health infrastructure spend with no facility in the Shire being identified for major capital works
- Transport services includes expenditure on the regional rail network, with this having limited benefit for the Shire
- The roads maintenance works do not specifically identify any Shire roads for upgrade
- The Commonwealth Games funding is expected to predominantly be directed to the identified regional hubs in Ballarat, Bendigo, Geelong and Gippsland. (Other regional towns and cities are able to register their interest in hosting activities as part of the Games.)

A number of the other initiatives (e.g. increased health workers, increased paramedics and police) would have implications for the Shire, but the extent of these are not clear.

4.3 Campaspe Economic Context

Campaspe Shire is a predominantly rural area, with significant residential areas in the larger town of Echuca and Kyabram. Smaller towns include Gunbower, Lockington, Rochester, Rushworth, Stanhope and Tongala. The Shire encompasses a total land area of approximately 4,500 square kilometres with the Land used mainly for agriculture, particularly dairy farming, cereal and grain growing and sheep grazing. Tourism is also an important industry.

Campaspe's economy and workforce is diverse with the region's natural assets creating strengths in primary industries and tourism. The region's 'food industry' is one of the strongest contributors to the economy, creating demand across farming, processing, transporting and food service. The highly fertile land and water access, and extensive irrigation infrastructure is well suited to agriculture with the region being a major producer of dairy and sheep, beef and pig meat, as well as strengths in grains, wool and poultry.

The region is also well known for specialised food and beverage products, enabled by a strong food product manufacturing industry which has performed strongly compared with state trends.

With population growth and changes in how services are delivered, the shire is increasingly shifting from a product-based to service-based economy. Health and community services has outpaced growth of other industries and now accounts for 17 per cent of the total workforce, making it the dominant industry in the region.

The region's proximity to Melbourne along with its natural features such as the Murray River and heritage make it an attractive tourist destination. Tourism is a strong contributor to the retail trade, accommodation, and food services.

The following provides an overview of the economic structure of the shire along with how it compares to the wider Loddon-Mallee Region and Victoria. The sections following then provide further information on key aspects of the region from an economic perspective; the impact of COVID-19, the population and community, the local skills and employment structure, economic and business trends, key industry sectors and the regional context.

Table 2: Summary Economic Statistics

Measure	Period	Indicator			Campaspe 5 Year Change
		Campaspe	Loddon Mallee Region	Victoria	
Population and Demographics					
Population ('000)	2021	38.5	347.6	6,648.0	0.6%
Annual population growth rate	2021	2.3%	1.6%	-2.2%	
Average household size (number)	2021	2.4	2.5	2.6	
Percentage born overseas (%)	2021	8.2%	11.8%	31.6%	
Employment					
Jobs ('000)	2021	16.7	138.4	3,329.6	-1.0%

Measure	Period	Indicator			Campaspe 5 Year Change
		Campaspe	Loddon Mallee Region	Victoria	
Unemployment rate (%)	2022 – Q3	2.5%	3.4%	4.0%	

The top 3 Sectors by Employment in the Shire in 2021 were Health Care and Social Assistance (with 2,721 FTEs being 16.3% of the total), Agriculture, Forestry and Fishing (with 2,165 FTEs being 13.0%) and Manufacturing (with 1,807 FTEs being 10.9%).

Economic Activity

Gross Regional Product (\$m)	2021	\$1,860	\$16,461	\$467,863	-1.2%
Total Number of Businesses ('000)	2021	4.2	30.8	652.6	0.3%

The top 3 Sectors by Value Add in the Shire in 2021 were Rental, Hiring and Real Estate Services (\$318m being 14.9% of the total), Agriculture, Forestry and Fishing (\$262m being 12.3%) and Health Care and Social Assistance (\$261m being 12.3% of the total).

Building and Property

Residential Building Approvals (\$m)	2022	\$59.5	\$1074.0	\$29.8b	2.3%
Non-resid. Building Approvals (\$m)	2022	\$65.9	\$637.7	\$17.5b	11.6%
Total Building Approvals (\$m)	2022	\$125.4	\$1711.7	\$47.3b	6.6%

Tourism

Domestic day visitors ('000)	9/22	553	2,365	50.7m	-7.9%
Domestic overnight visitors ('000)	9/22	826	2,889	24.2m	2.6%
Total Domestic Visitors ('000)	9/22	1,379	5,254	75.6m	-2.5%
Value of Tourism – Direct Spend (\$m)	9/22	\$458	\$1,989	\$26,500	5.2%

Source:

Measures Other than Tourism:

- Victorian Regional Information Portal (www.rdv.vic.gov.au/information-portal) accessed on 27 March 2023. The portal access information from the ABS, including updates for the 2021 Census as the information is released.
- Building and Property information along with specific industry information is from <https://app.rempln.com.au/campaspe/economy/> website accessed on 27 March 2023.

Tourism:

- Murray Regional Tourism, *Travel to the Murray Region Year ended September 2022 Quarterly Tracking of Selected Measures*. Department of Jobs, Precincts and Regions, *Victoria's Visitor Economy: Latest performance results – year ending September 2022*, State of Victoria, 2023. 5 year change covers the years from Dec 17 to Sept 22. Comparator is for the Murray River Region rather than Loddon Mallee.

The above provides a snapshot of the economic structure of the Shire, with the following sections providing further information on key areas.

4.3.1 The Echuca-Moama Partnership

It is important to take into consideration, in developing an EDS for Campaspe, the interplay between Echuca/Campaspe Council with Moama/Murray River Council. The two key cities of Echuca and Moama have an extensive interrelationship where one provides support and is integral to the other, with it being appropriate to consider them as an integrated large town rather than as separate entities (divided by the Murray River). For example:

- Health Services – the main health service provider (being Echuca Hospital) is located on the Echuca side with residents of Moama extensively using that service.
- Residential estates – Moama has recently experienced significant growth in residential estates (e.g. along the Perricoota Road) with a number of the new residents working in Victoria.
- Education – education facilities are located in both towns with students travelling across the border to attend school, particularly for private schools.
- Industries – businesses on the Moama side provide a number of services for the population and industry on the Echuca side while Echuca is the key source of professional services.
- Tourism – the tourism industry offering is across both Echuca and Moama with the visitor making little distinction between the two. While Echuca has a number of the major tourist attractions, Moama is a major supplier of accommodation for visitors and the Murray River is accessed from both sides.

From a pure statistical perspective:

- Population – Moama has a population of 7,195 (with the total population of the Murray River Shire being 12,571). The combined Echuca-Moama population is, therefore, 21,667 (with Echuca being 14,472).
- Output – the Output of Moama is \$643m, with this representing 43% of the total output of Murray River Council (of \$1,500m). This compares to the Campaspe Shire output of approximately \$5,700m.
- Tourism – the tourism industry is important for both towns. The economic output of tourism in Moama is estimated at \$97.2m while for Echuca it is \$119m, giving a total tourism output of \$216.2m.¹¹

The importance of this interplay between Echuca and Moama is most evident in the tourism sector (as identified above), as is the need for consistency in approach. For example, both Councils support the tourism and event sectors with this support also benefiting from funding from both the Victorian and NSW State Governments. They also run significant events that benefit both towns such as the Southern 80 and Winter Blues Festival on the Echuca side and the recent award winning Moama Lights event on the NSW side.¹² However, each Council operates predominantly independent of each other in putting these events on with them also taking a different approach (with Campaspe Council supporting events while Murray River Council deliver their own events).

The connection between Echuca and Moama is clearly significant and it is important that the development of an ESD be completed:

- in conjunction with consultation with Murray River Council

¹¹ Sources: <https://profile.id.com.au/campaspe/about?> Accessed on 20 June 2022:
<https://app.remplan.com.au/murrayriver/economy> Accessed on 20 June 2022:
<https://app.remplan.com.au/campaspe/economy/tourism> Accessed on 20 June 2022

¹² Murray River Council's Moama Lights has been named winner of the 'Economic Development Initiatives - Regions Under 15,000 Residents' category at the 2022 Economic Development Awards for Excellence, with it being recognised for its achievements in stimulating economic development in the local area.

- that the resultant strategy be consistent with the approach being adopted by Murray River Council
- that it be recognised that a number of possible initiatives may be most effectively undertaken in conjunction with Murray River Council.

4.3.2 COVID 19

COVID-19 continues to have impacts on businesses and communities across the globe. In Australia, Victoria experienced the longest and strictest restrictions in the country. While restrictions have eased and ‘life is slowly returning to normal’ the pandemic and the associated changes it has brought to our way of life is likely to continue (e.g. working from home).

The effects of the COVID-19 restrictions have been experienced to varying degrees by the community and individual businesses. Some businesses benefited greatly from the new patterns of behaviour in work, leisure and consumption that the restrictions have brought about. Conversely, many businesses and individuals have experienced significant negative impacts. While government support may have softened some of these impacts, for many the pandemic has resulted in business closures, loss of employment and financial insecurity.

Industry level analysis indicates that tourism focused industries or those based on social gatherings have experienced the largest and most prolonged declines and the impacts of supply chain constraints (which will ultimately either directly or indirectly effect a substantial number of industry sectors) is now starting to have significant impacts.

There are also some industry sectors which have recovered from the impacts of COVID-19 better than others. While tourism related industries were significantly impacted, visitation levels are quickly recovering albeit not to the pre-COVID levels. (Tourism is discussed in further detail in Section 5.) All sectors, but particularly tourism and agriculture, continue to face the dual challenge of a lack of unskilled (and skilled) workers along with increasing cost pressures.

4.3.3 Recovery from the October 2022 Flood Event

The Shire (and region) experienced a major flood event in October 2022 which has heavily impacted all areas of the Shire economy, with provision of recovery support being a key focus of Council. This support includes advocacy with the State Government on key flood recovery advocacy priorities including:

- Funding for dedicated flood recovery positions to enable Council to deliver flood recovery activities without impacting business-as-usual services to the community.
- Funding to review and update the Rochester Flood Plan.
- A commitment of continued funding for long-term support services for residents impacted by the floods.
- Funding for a new Rochester aquatic facility to replace the destroyed Rochester swimming pool. The facility is highly valued by the community, not only for local swimming events and activities but also as an important social hub that supports the health and wellbeing of the community.
- Funding for stages 2 and 3 of the Aquatic Reserve Open Spaces Project, which will provide:
 - Accessible and shared paths with town linkages
 - Safety improvements including path balustrades, path lighting and landscaped exclusion zones
 - Event services including, 3 phase electrical connections, path and space lighting, and drinking water tap points
 - Sheltered accessible BBQs, picnic settings and seats
 - Improved irrigation and landscaping

- Feature lighting including flood lighting and up-lighting of trees
- A commitment that Emergency Management Victoria will approve Council’s application for funding via the Australian Government’s Disaster Ready Fund. Council’s application seeks funding for:
 - review and updating of the Echuca Moama Torrumbarry Flood Study
 - preparation of a Flood Risk Management Plan
 - purchase of demountable levee panels, among other things.

The Victorian Government has already supported some of Council’s flood recovery advocacy priorities, and further support is expected into the future.

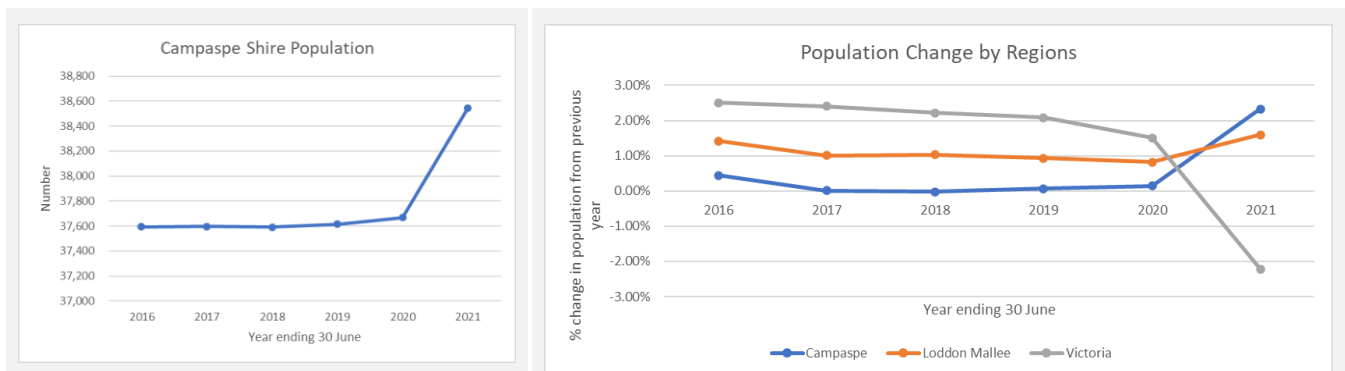
4.3.4 Population and Community

As is demonstrated in the below tables and diagrams:

- While the Shire population in total has been increasing, the rate of increase is small and is significantly lower, over the last 5 years, that both the Loddon-Campaspe region and Victoria (and forecasts indicate that this low level of growth will continue into the foreseeable future).
- This 5 year trend reversed in 2021, with the annual population growth rate in Campaspe (at 2.3%) exceeding that for Loddon Mallee (at 1.6%) and Victoria (at -2.2%). Campaspe Shire, and particularly Echuca-Moama, has benefited from the regional ‘great migration’.
- The Shire has a low level of demographic diversity with the portion of the population with overseas origins being significantly below the State average.

While not reflected, below, the population is also aging, with this expected to continue into the foreseeable future.

Figure 5: Campaspe Shire Population Numbers and % Change

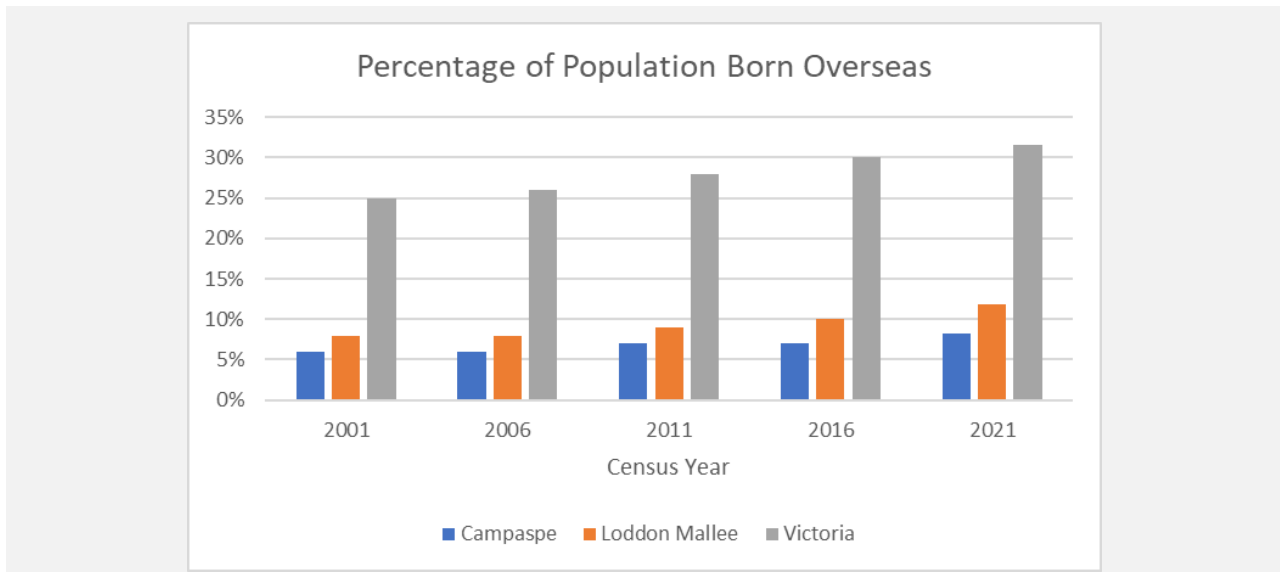


Source: Victorian Regional Information Portal (www.rdv.vic.gov.au/information-portal) accessed on 27 March 2023. Portal sources information from ABS Cat 3218.0.

5 Year CAGR:

- Campaspe 0.6%
- Loddon Mallee 1.1%
- Victoria 1.2%

Figure 6: Population with Overseas origins



Source: Victorian Regional Information Portal (www.rdv.vic.gov.au/information-portal) accessed on 27 March 2023. Portal sources information based on ABS Census data.

A further examination of the change in population by key region within the Shire, including forecast changes, provides a further snapshot of where the growth in population is occurring.

Table 3: Population by Key Geographic Area

Campaspe Shire Council	Forecast Year					Change between 2016 and 2036	
	2016	2021	2026	2031	2036	Total Change	Avg. Annual % Change
Echuca (Central - East)	5,544	5,605	5,660	5,739	5,843	+299	0.3%
Echuca (South - East)	2,793	2,867	2,941	3,047	3,157	+364	0.6%
Echuca (West)	5,768	6,441	7,214	7,967	8,747	+2,979	2.1%
Kyabram (East)	3,446	3,554	3,753	3,979	4,220	+774	1.0%
Kyabram (West)	4,174	4,235	4,416	4,689	4,954	+780	0.9%
Lockington - Gunbower & District	4,049	4,033	4,018	4,036	4,052	+3	0.0%
Rochester	3,164	3,150	3,162	3,195	3,229	+65	0.1%
Rushworth & District	2,402	2,421	2,429	2,431	2,433	+31	0.1%
Stanhope & District	2,447	2,416	2,374	2,349	2,335	-112	-0.2%
Tongala & District	3,650	3,637	3,624	3,666	3,735	+85	0.1%
Shire of Campaspe	37,436	38,358	39,591	41,097	42,706	+5,270	0.7%

Source: Population and household forecasts, 2016 to 2036, prepared by .id (informed decisions), December 2017.

<http://www.id.com.au>

The population growth areas for the Shire are around the major towns (Echuca and Kyabram), while the areas with smaller towns (being the remainder of the Shire) are forecast to experience minimal or negative population change.

4.3.5 Local Skills and Employment

The decline in job numbers over the last 5 year period (at -0.5%) is even lower than the change in population growth (at 0.6%), with both being below the State average. While, as previously noted, the population growth rate increased significantly in the 2021 year, this has not yet been reflected in the identified job numbers (which declined significantly between 2020 and 2021). However, since June 2021 there has been a significant decline in the unemployment rate (from 4.5% at June 2021 to 2.0% at June 2022), which suggests there has more recently been significant jobs growth. This historically low unemployment rate is also consistent with the existing evidence of unskilled and skilled worker shortages.

Figure 7: Job Numbers and Annual Growth Rate

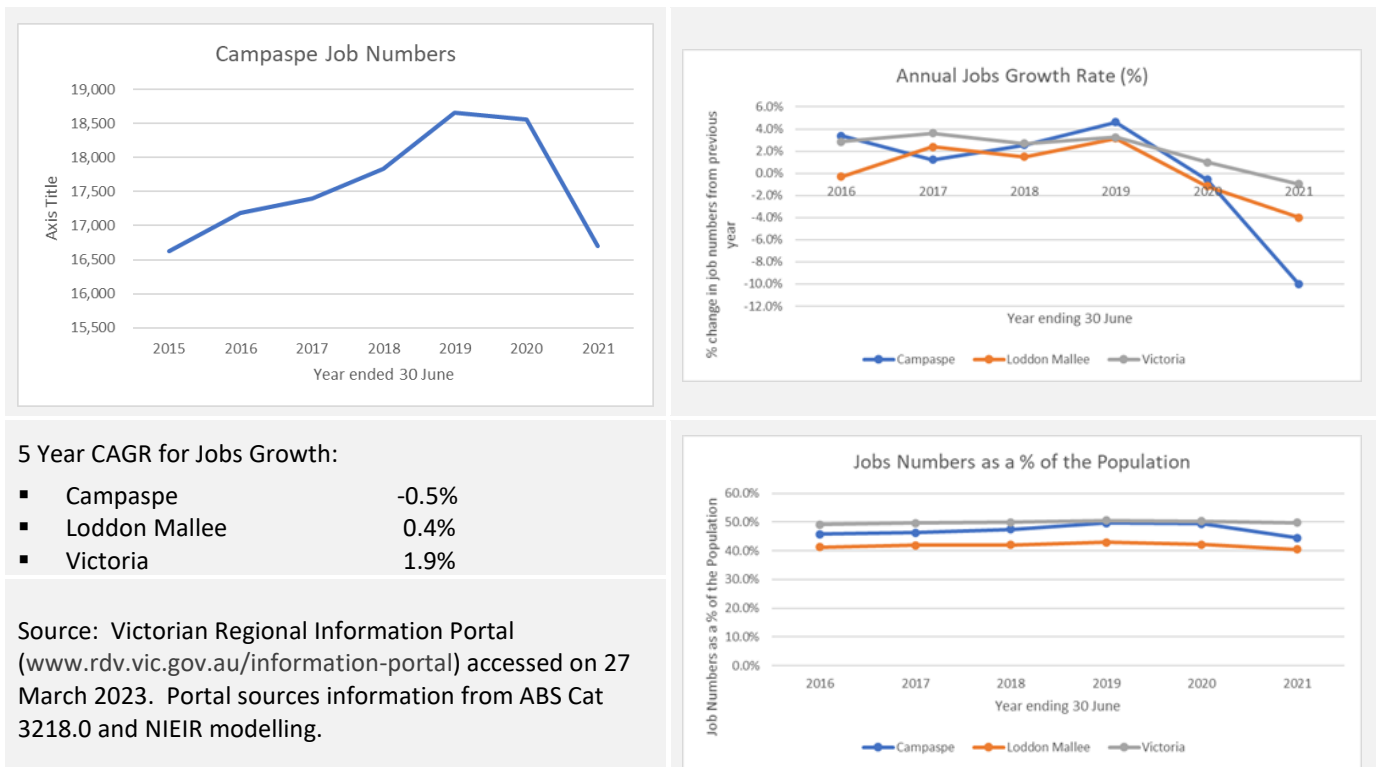
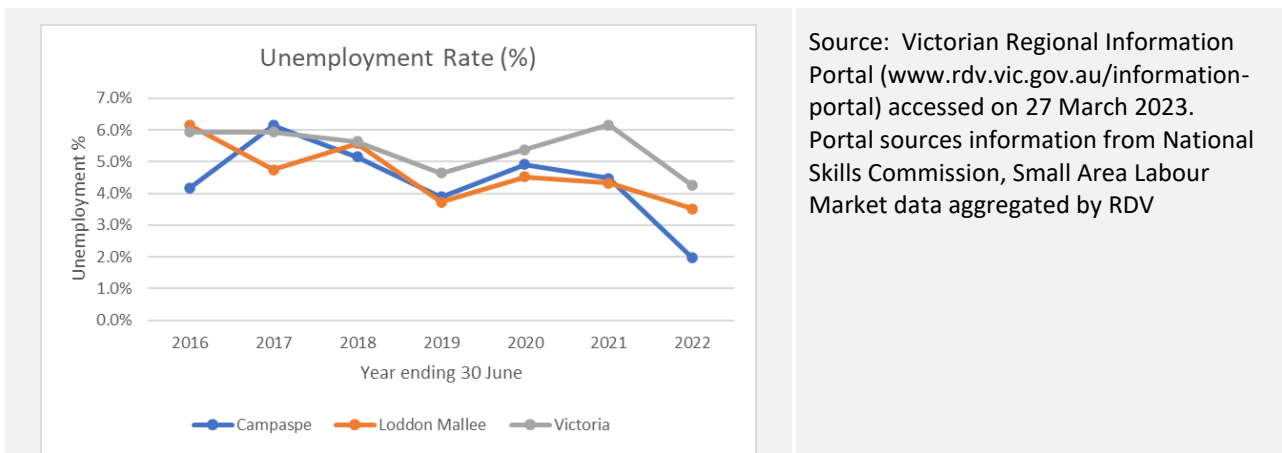
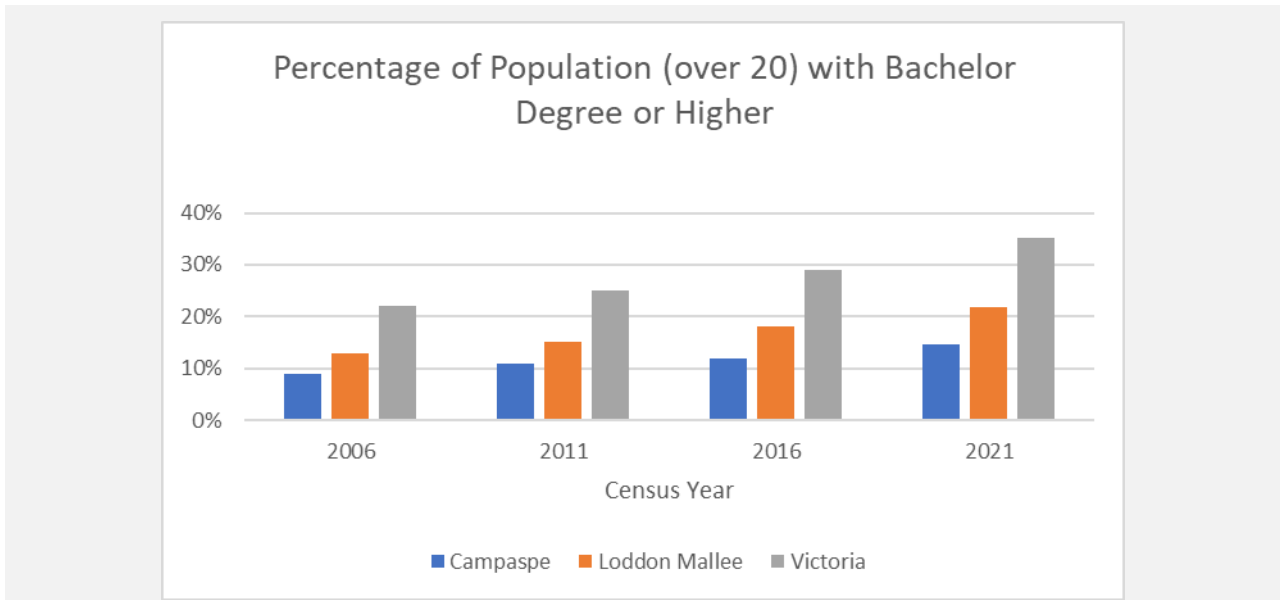


Figure 8: Unemployment Rate



There has also been a marginal improvement in the skills base of the Shire workforce, with the portion of the population with relevant academic qualifications improving. However, at a comparative level, the Shire workforce is predominantly unskilled, with this highlighting the need for further training.

Figure 9: Percentage of Population over 20 with Bachelor Degree or Higher



Source: Victorian Regional Information Portal (www.rdv.vic.gov.au/information-portal) accessed on 27 March 2023. Portal sources information based on ABS Census data.

A recent review of skills requirements in the region identified that most industries have high vacancies; with them unable to meet current demand let alone fill the any new jobs anticipated from industry growth. Without resolving staff shortages it is likely that industry growth will be significantly constrained with critical services are unable to be delivered, particularly for health care and community services, construction and tourism. Primary industries are increasingly turning to technology in the absence of staff, creating a higher skill need.

With existing shortages, the region faces a major challenge meeting expected demand for both skilled and low-skilled labour. Labour market indicators suggest some of the local workforce has been mobilised, but opportunities exist to further engage local workers in the region, particularly for historically disadvantaged cohorts. With growing service-based industries, there is an added imperative to engage diverse groups to ensure the workforce represent the communities they serve

The Great Migration

While the internal migration of Australians from metro to regional areas has received increasing attention since the beginning of the COVID-19 pandemic, this reflects more an amplification of a well-established trend rather than a new trend. However, the characteristics of those moving has changed, with a recent survey being completed by the University of Melbourne to better understand the migration patterns, motivations, and experiences of internal migrants.¹³

The key findings from this survey were:

- People are predominantly settling in rural Victorian regions (49%), followed by regional cities (34%), and peri urban regions (17%)
- The top regional destinations are the City of Greater Geelong (12%), Hepburn Shire (10%), with the Surf Coast, the City of Ballarat, and Greater Bendigo each attracting 8% of internal migrants
- 80% of people settled in regional Victorian locations that were within a 150km of their point of departure from Greater Melbourne (a two hour drive).
- While Campaspe Shire is outside this 150km range, it was an exception to this distance guide, with it still having a high level of attraction
- People who migrated to regional Victoria after COVID-19 restrictions came into effect, tended to be younger professionals with a higher income than those that moved prior to the pandemic
- The highest proportion of post COVID movers were in the 25-44 age group, who comprised 57% of all internal migrants to move after the first lockdown was imposed on Victorians. This is a significant shift from pre COVID-era data, in which 45–64-year-olds consistently represented the largest age cohort
- The top three factors which influenced the decision to move were:
 - Better lifestyle/amenity (73%)
 - Being closer to the natural environment (61%)
 - Housing affordability (52%).

4.3.6 Economy and Business

The economy of the Shire has followed a consistent trend across all major economic measures with the economy achieving reasonable growth up to 2018, with it then marginally declining in 2019 and significantly declining in 2021.

This is a trend that is also consistent across the wider Loddon Mallee region, with COVID-19 being a key driver of this decline. However, the impact on the Campaspe Shire has been greater than the rest of Victoria, this being a reflection of the importance of tourism to the Shire's total economic outcome. The Shire GRP declined by \$160m between 2018 and 2021, with the negative impact of declining tourism over the same period being the main contributor. It is expected that this tourism negative impact may have reversed since 2021 with there being a significant increase in visitation numbers and visitor expenditure in 2022 (as discussed further in Section 5).

¹³ Ghin, P., Ainsworth, S., 2022, *The Great Migration: Leaving our Cities for the Regions*, University of Melbourne

Figure 10: Campaspe Shire Gross Regional Product and % Change

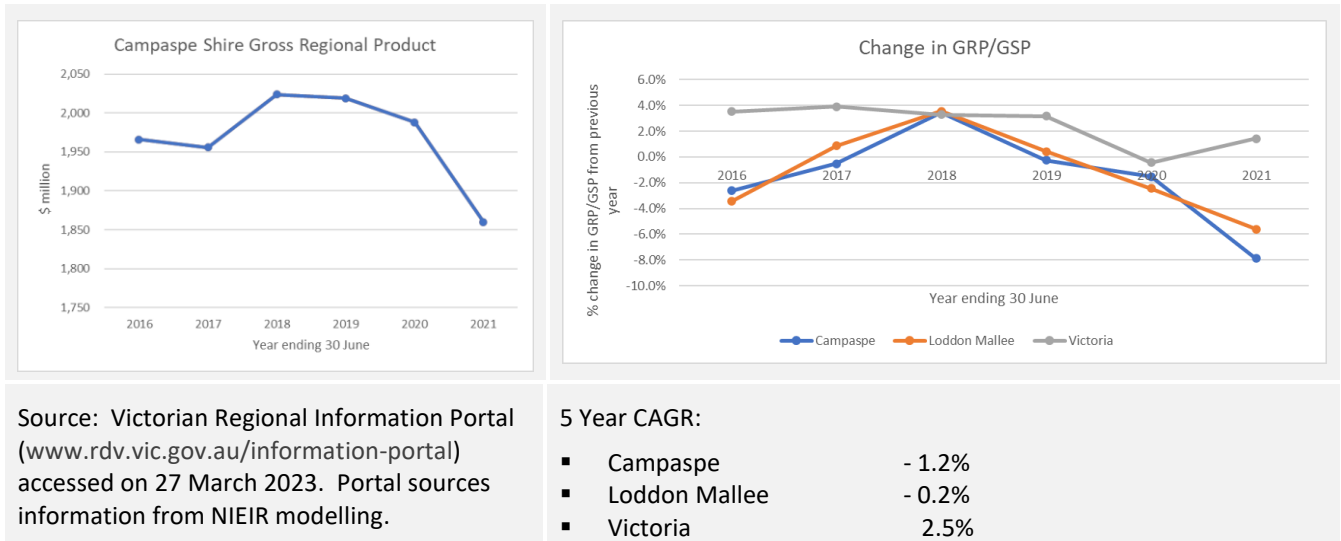
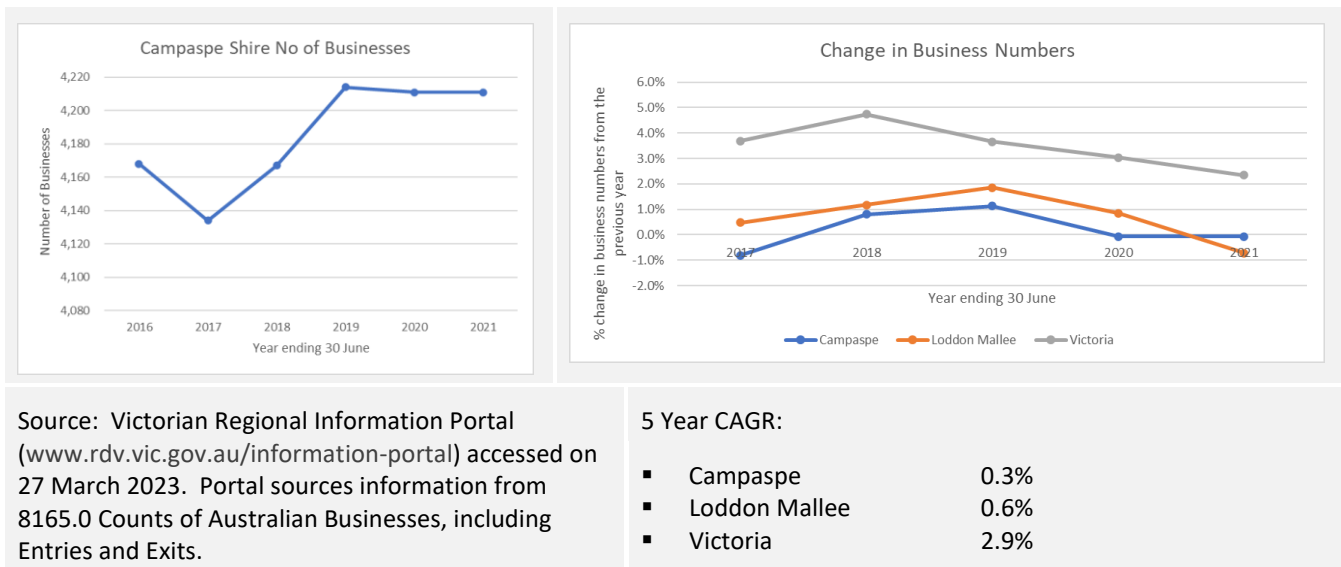


Figure 11: Campaspe Shire Business Numbers and % Change



4.3.7 Key Industry Sectors

The following table list Campaspe’s top five industry sectors by a number of measures being:

- **Employment** - the number of people employed by businesses/organisations in each of the industry sectors in Campaspe. The employment data represents total numbers of employees without any conversions to full-time equivalence.
- **Output** - the gross revenue generated by businesses/organisations in each of the industry sectors in Campaspe. Gross revenue is also referred to as total sales or total income.
- **Wages and Salaries** - to the value of entitlements earned by employees from their employers for services rendered, includes wages and salaries received by employees in cash and in kind (e.g. provision of food, accommodation or motor vehicles), and employers' social contributions such as superannuation contributions and workers' compensation premiums.

- **Regional Exports** - the value of goods and services exported outside of the defined region that have been generated by businesses / organisations within the region.
- **Value-Added** - the marginal economic value that is added by each industry sector in a defined region. Value-Added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively, by adding the Wages & Salaries paid to local employees, the gross operating surplus and taxes on products and production.
- **Business Counts** - actively trading businesses as at June 2020 from the Australian Bureau of Statistics Business Register (ABSBR). This count only includes businesses which actively traded in goods or services during the reference period.

Table 4: Selected Economic measures by top 5 industry sectors

Industry	Employment Nos/%	Wages and Salaries \$/m/%	Output \$/m/%	Regional Exports \$/m/%	Value Added \$/m/%	No of Business No/%
Agriculture, Forestry and Fishing	2,261 or 13.2%		\$681m or 13.3%	\$401m or 22.3%	\$262 or 12.3%	1,373 or 32.9%
Construction	1,609 or 9.3%	\$121m or 11.0%	\$727m or 14.2%	\$188m or 10.5%	\$232 or 10.9%	666 or 15.8%
Education and Training		\$100m or 9.1%				
Health Care and Social Assistance	3,031 or 17.7%	\$227m or 20.7%	\$374m or 7.3%	\$55m or 3.1%	\$261 or 12.3%	
Manufacturing	1,856 or 10.8%	\$153m or 13.9%	\$1,333m or 26.1%	\$900m or 50.1%	\$240m or 11.3%	
Professional, Scientific and Technical Services						230 or 5.5%
Rental, Hiring and Real Estate Services			\$427 or 8.4%		\$318 or 14.9%	303 or 7.2%
Retail Trade	1,850 or 10.8%	\$78 or 7.1%				257 or 6.1%
Transport, Postal and Warehousing				\$36m or 2.0%		
Total Top 5 Industries	10,607 or 61.8%	\$679m or 61.8%	\$3,542m or 69.3%	\$1,580m or 88.0%	\$1,313m or 61.6%	2,829 or 67.5%
Total Campaspe Shire	17,164 or 100%	\$1,098m or 100%	\$5,108m or 100%	\$1,795m or 100%	\$2,131m or 100%	4,186 or 100%

Source: Taken from the <https://app.remplan.com.au/campaspe/economy/> website accessed on 27 March 2023, with the site noting the following as the source - ABS 2016 Census Place of Work Employment (Scaled), ABS 2018 / 2019 National Input Output Tables, and ABS June 2021 Gross State Product and Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, Cat. 8165.0. (Jun 2019, 2020 & 2021 data was released 16 Dec 2021).

It is evident that Campaspe's economy, while having a diverse range of activity, is heavily dependent on the Health Care, Agriculture and Manufacturing sectors along with Tourism (which is not treated as an industry sector but rather is a component of a number of sectors). A comparison of the key industry sectors also indicates that the structure of the economy has not changed significantly over the last 8 years.

- Health Care and Social Services is the main employer with it also being the fastest growing sector having one of the highest wages and salaries expense.
- Agriculture is also a key employee with it also having the most number of business entities, many of whom would be sole traders or small business. Combining these two would indicate that Agriculture is the industry with the most workers (being employees and principals).
- Manufacturing is another primary employer for the region, with it also having the largest wages expense. The sector contributes the majority of the output to the region (being 26.1% of the total) and is the major exporter, although this has declined recently with its contribution in the previous year being 31.2%. The food industries is the dominant key industry sub-sector, with this dominated by the larger businesses with ownership outside the region, as is reflected by Manufacturing not being in the top 5 by business numbers.
- While not one of three key sectors, the Construction sector is still an important contributor to the Shire – with it being in the top 5 industry sectors across all economic measures.
- A number of the other sectors in the top 5 – accommodation and food industries, retail trade and rental, hiring and real estate services – represent sectors where tourism would be a major contributor to the total with this therefore indicating the importance of tourism to the Shire.

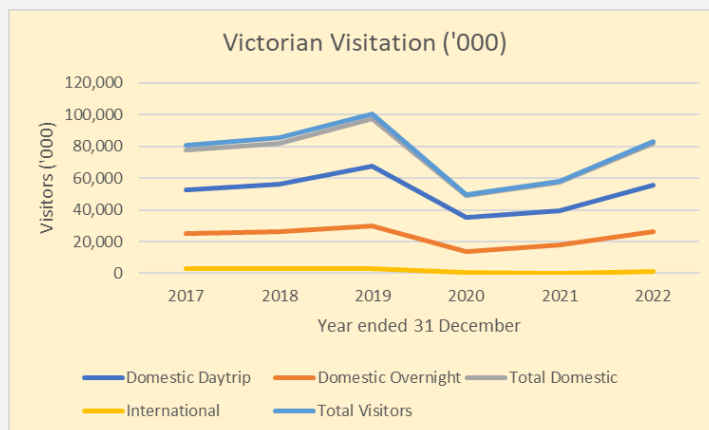
The above high level global, Australian, Victorian and regional economic overview has highlighted a number of trends and issues which may have implications for the future economic development of Campaspe and, therefore, the strategies and actions included in the CEDTS 2023-28. The relevance of these to the Shire are further considered in Section 7.3 of this report.

5. THE ROLE OF TOURISM IN THE CAMPASPE ECONOMY

5.1 The importance of Tourism to Victoria

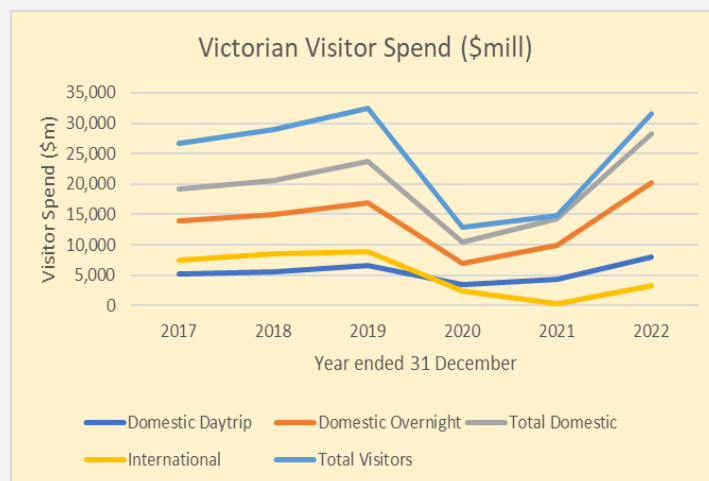
Tourism is a major industry for the Victorian economy, with the following providing an indication of the size and importance of tourism to the total Victorian economy.

Figure 12: Victorian Visitors and Visitor Spend



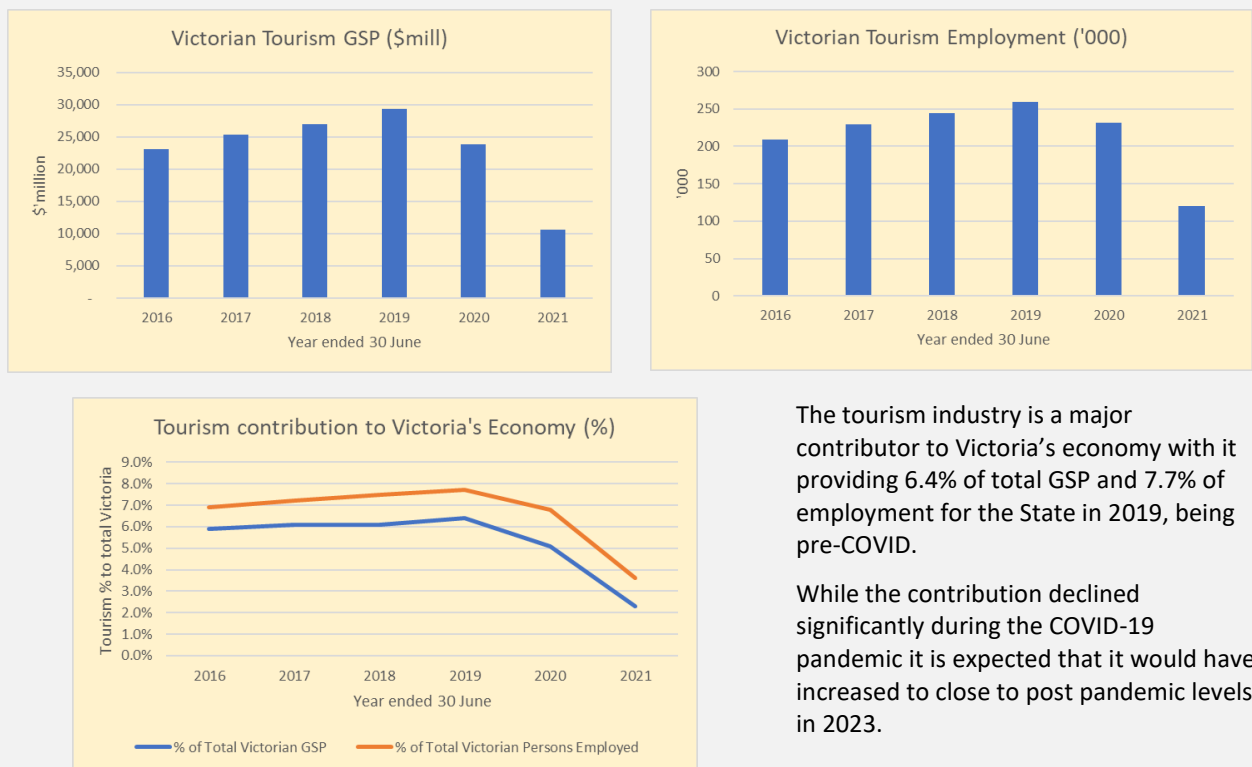
Key results for the year ending December 2022 (released April 2023) are:

- Total tourism expenditure in Victoria was \$31.5 billion in the year ending December 2022, an increase of 113% compared to the year ending December 2021. Overall total tourism spend was back to 97% of the pre-pandemic level (year ending December 2019).
- Total visitors to and within Victoria were up 44% from the year ending December 2021 to 83.1 million. Total visitors were back to 83% of the pre-pandemic result.
- Total visitor nights spent in Victoria were 110.0 million in the year ending December 2022, representing an increase of 79% year-on-year. This was back to 70% of the pre-COVID-19 result for the year ending December 2019.



Source: *Victoria's visitor economy Latest performance results – year ending December 2022*, State Government of Victoria, April 2023

Figure 13: Tourism Contribution to Victoria’s Economy



The tourism industry is a major contributor to Victoria’s economy with it providing 6.4% of total GSP and 7.7% of employment for the State in 2019, being pre-COVID.

While the contribution declined significantly during the COVID-19 pandemic it is expected that it would have increased to close to post pandemic levels in 2023.

Source: *Victoria’s visitor economy Latest performance results – year ending December 2022*, State Government of Victoria, April 2023

While the above represents the contribution of tourism to total Victoria, it is relevant to note that the importance of regional tourism has increased as, for the year ending December 2022 (released April 2023):

- Total domestic spend in regional Victoria (including daytrip and overnight) in 2022 reached \$15.3 billion, 32% above the pre-pandemic spend in 2019, and 59% above 2021.
- This comprised \$10.4 billion in domestic overnight spend and \$4.9 billion in domestic daytrip spend in regional Victoria.
- Total domestic visitors to/within regional Victoria increased by 35% year-on-year to 53.9 million including 18.3 million domestic overnight visitors and 35.6 million domestic daytrip visitors, with this being 88% of the pre-pandemic level.
- Domestic visitor nights in regional Victoria increased by 19% to 51.9 million nights compared to 2021, representing a recovery to 98% of the 2019 level.¹⁴

The Victorian government, therefore, commits significant resources to supporting the industry, with the major government entities with a role in tourism being:

- Department of Jobs, Skills, Industry and Regions – the department has a division directly responsible for tourism policy being the Tourism, Events and Priority Infrastructure branch (TEPI). TEPI is responsible for strengthening the profile of tourism and events across government and influencing strategic reforms and economic outcomes for the sector. The branch undertakes research and provides policy, strategy and industry development advice to the government and industry on the visitor economy. The

¹⁴ business.vic.gov.au/business-information/tourism-industry-resources/tourism-industry-research/regional-visitation accessed on 18 April 2023

branch also provides governance support and advice on a number of entities that market the state, secure events, and manage large scale tourist attractions, precincts, facilities and entertainment venues in Victoria (including Visit Victoria). The branch is also responsible for the Regional Infrastructure Tourism Fund and the Enabling Tourism Fund.

- Visit Victoria – which is the primary demand side tourism and events company for the State Government, involved in research, advocacy and domestic and international marketing. Visit Victoria is a key partner in promotion and strategic planning for the tourism sector. While having a state-wide focus, Visit Victoria also understands the importance of regional tourism and works closely with Regional Tourism Boards (known as RTBs) across Victoria to deliver initiatives that drive visitation and support our vital visitor economy.
- Victoria’s Cross Border Commissioner - Victoria’s Cross Border Commissioner works with residents, businesses and community organisations along Victoria’s border to identify and advocate for change. The Cross Border Commissioner also works with the Office of the NSW Cross-Border Commissioner to ensure economic and community benefits for border towns.

In March 2019, the Victorian government (through the Minister for Tourism, Sport and Major Events, and the Minister for Regional Development), commissioned the Regional Tourism Review (the RTR review). The RTR review’s goal was to give Victoria’s regions the support and opportunities they need to grow in the tourism market with consultations and work being overseen by the then Department of Jobs, Precincts and Regions.

The findings from this consultation process were released in the government’s *Regional Tourism Review Consultation* findings report with the review identifying five key themes that present opportunities for regional tourism:

- Strengthening our tourism offering
- Making the most of our marketing spending
- Supporting industry
- Enhancing Regional Tourism Boards
- Better coordinating efforts.

The outcomes of the RTR review then informing the governments April 2021 *Visitor Economy Recovery and Reform Plan* (VERRP) with this Plan being structured around the identified 5 key themes.¹⁵ The VERRP established a future plan for the regional tourism industry based on the a number of initiatives with the government also committing to an investment of \$633 million over 4 years (from 2020-2024) to support the implementation of the VERRP. The following themes in the VERRP along with the funding commitments are:

- **Products and infrastructure to strengthen our tourism offering**
 - Investing \$46 million in smaller-scale shovel ready tourism products.
 - Investing \$149 million to deliver flagship projects across Victoria that can create a halo effect and spur private investment and new products in surrounding areas.
 - Establishing a \$100 million Regional Tourism Investment Fund with support available for enabling infrastructure, priority private-led projects and nature-based products on public land.
 - Establishing a \$10 million Enabling Tourism Fund to explore new and innovative investment, and provide investment facilitation to unlock private investment.
- **Industry strengthening**
 - Funding of \$3 million to support partnerships with industry to implement improved approaches and technology for visitor services that meet contemporary visitor needs.

¹⁵ Dept of Jobs, Precincts and Regions, *Visitor Economy Recovery and Reform Plan*, Victorian Government, April 2021.

- **Destination marketing**
 - Funding of \$58 million to support Visit Victoria’s marketing activities through the plan.
 - Support for Travel Vouchers Intrastate marketing by a \$44 million campaign to drive immediate demand through travel voucher with 200,000 vouchers (160,000 in regional Victoria and 40,000 in Melbourne) being made available to Victorians to support travel across the state. Industry partnerships.
- **Events**
 - Strengthening Victoria's major events calendar by the investment of an additional \$152 million over four years.
 - Renewed investment in the Regional Events Fund of \$20 million to support regional events across the state over four years, developing major iconic regional events and building the capability and capacity of regional communities to deliver strong and sustainable events.
- **Strategic collaboration and planning**
 - The Victorian Government will support the transition of the existing network of Regional Tourism Boards into a new network of Visitor Economy Partnerships (VEPs). VEPs will play a more significant role by 2023, with them replacing RTBs as the primary conduit between State Government and local government and industry. This reform is supported by \$15.4 million to commence the transition.

While the funding commitment is significant, little of this has flowed through to the Campaspe region with the main initiatives which have been funded being:

- Through the Flagship Projects Fund of \$149 million – funding for the first stage investment in the **Murray River Adventure Trail** - a long-distance cycling, walking and aquatic trail along and on the Murray.
- Through the Regional Tourism Infrastructure Fund of \$100 million – of the \$46million of funding allocated in the recent ‘Stimulus Round’, \$60,000 was allocated for the **Port of Echuca Discovery Centre Refurbishment**.

The allocation of funding to the Campaspe Shire and Echuca through these programs has been minimal, with other regional areas receiving much more direct support.

Another major initiative in the VERRP is the restructuring of the Regional Tourism Boards into a new network of Visitor Economy Partnerships. While this transition is progressing, Campaspe Shire has not yet been significantly involved in this transition initiatives.

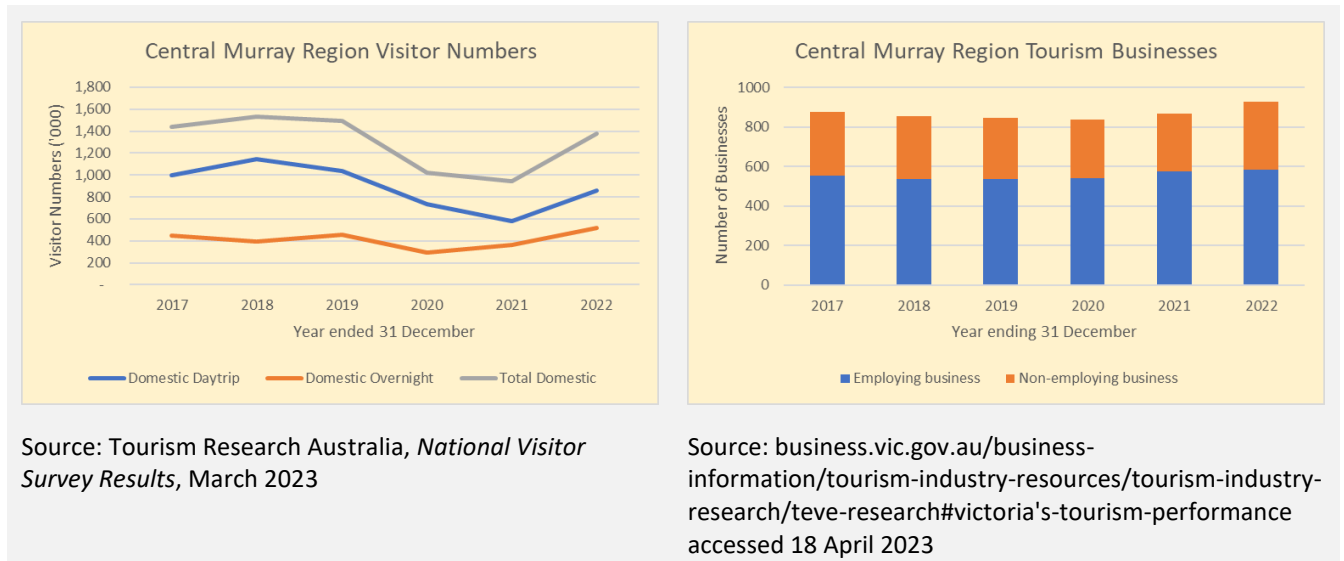
It is important, in developing the tourism strategy for the Shire, that this be developed around the tourism policy of the Victorian Government as integration with the state government initiatives is vital. It may, therefore, be appropriate to develop the Campaspe strategies around the 5 key themes identified.

5.2 The Campaspe Visitor Economy

Tourism and visitation is a key driver of economic activity for the Shire, with Echuca-Moama being the key visitor centre for the Shire. Minimal reliable information is available for the specific Campaspe Shire tourism economy.¹⁶ However, data covering the Central Murray Region (comprising the Shires of Campaspe and Moira) is more reliable and does provide some indication of specific Campaspe trends.

¹⁶ While visitation for the Shire is sourced by Tourism Research Australia, the sample sizes used to generate the information are not sufficient to provide a satisfactory level of confidence in the outcomes.

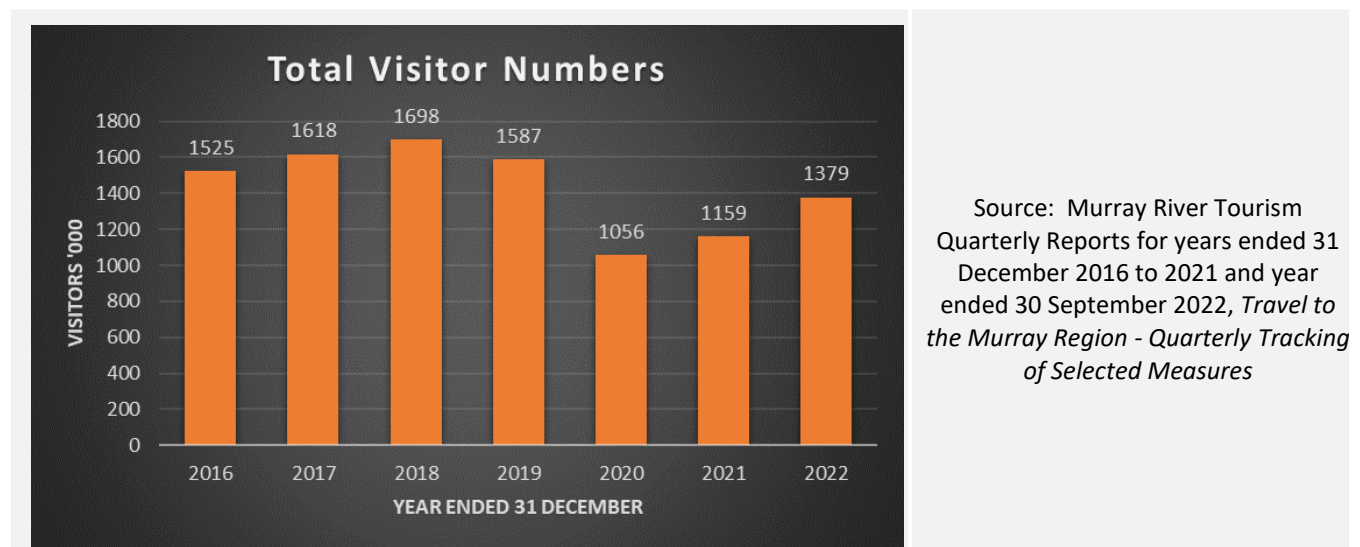
Figure 14: Central Murray Visitation and Tourism Businesses



The trends inherent in the above data is consistent with the information for the main visitor economy location in the shire of Echuca-Moama (noting that the Moama component is located in the adjoining Murray River Council). There is also more relevant data for Echuca-Moama as a visitation destination.

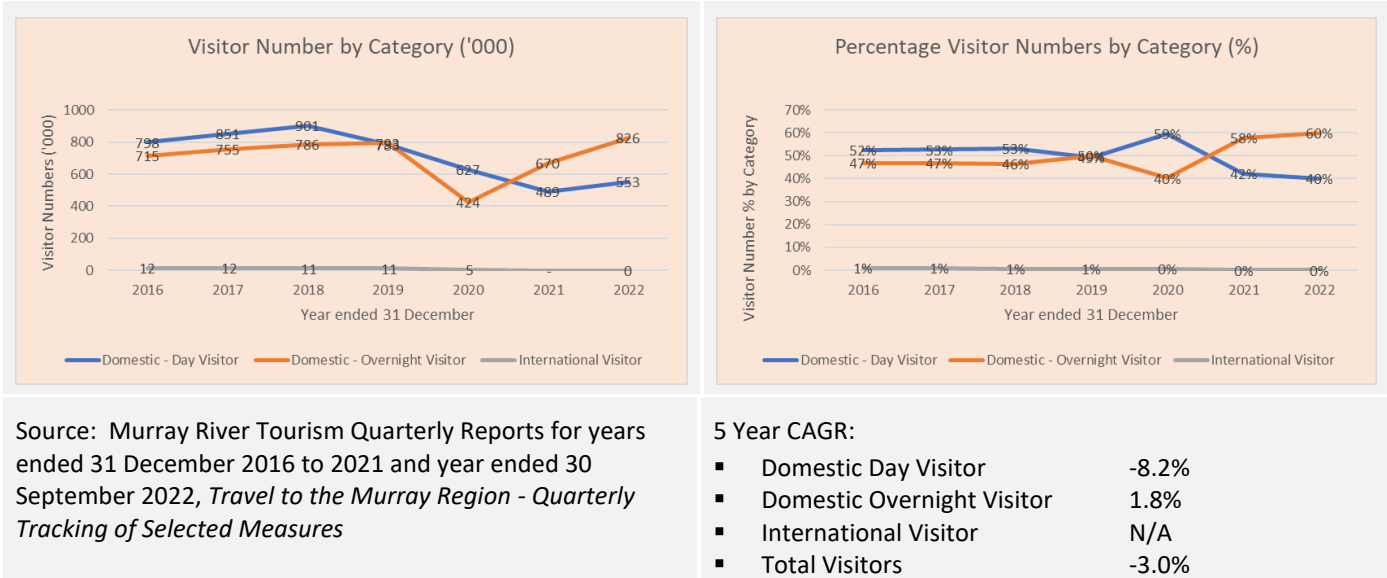
In Echuca-Moama visitation numbers had been consistently growing to 2018. However, visitors declined in 2019 with subsequent years then being heavily impacted by COVID-19. While visitation has again been increasing more recently it has not yet returned to the pre-COVID levels.

Figure 15: Echuca- Moama Visitation



There has also been, more recently, a change in the mix of visitors between daytrip and overnight visitors. Pre-COVID, the split between daytrip and overnight visitors was consistently even. However, post-COVID this has changed with overnight visitors now clearly being the dominant visitor category.

Figure 16: Echuca -Moama Visitor Numbers by Category



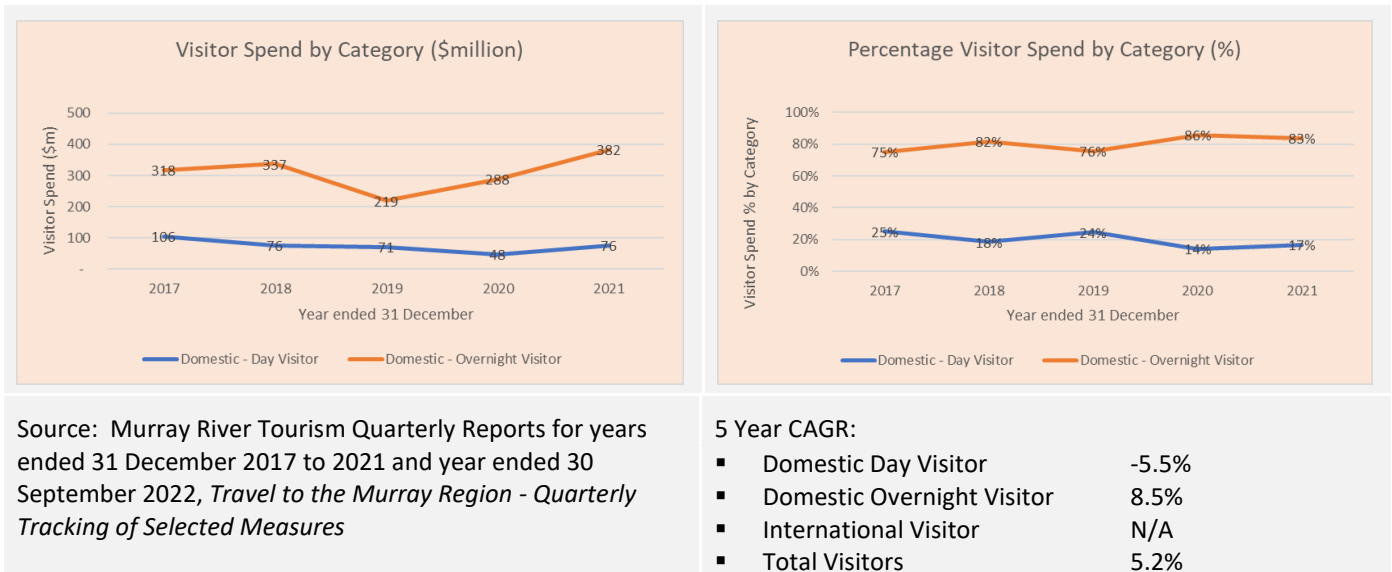
This change in visitor numbers has also been reflected in visitor expenditure. Visitor expenditure declined drastically during COVID but has since recovered. In particular, while 2022 visitor numbers remains below the 2018 levels, visitor expenditure now exceeds the previous levels, with this resulting from the change in visitor mix. (Overnight visitors stay longer and spend more per day in the region than day-trippers.)

Figure 17: Echuca- Moama Visitor Expenditure



Source: Murray River Tourism Quarterly Reports for years ended 31 December 2016 to 2021 and year ended 30 September 2022, *Travel to the Murray Region - Quarterly Tracking of Selected Measures*

Figure 18: Echuca -Moama Visitor Spend by Category



However, it should be noted that industries and businesses reliant on the tourism sector continue to face significant challenges. In particular, they (like other industries) continue to be challenged by both supply chain difficulties and labour shortages. In addition, in times of economic uncertainty (as is currently faced by the Victorian and Australian community) consumers constrain areas of discretionary expenditure (e.g. tourism expenditure).

5.3 The Campaspe Visitor Offering

Visitation to the Campaspe Shire is a key driver of economic activity with it supporting a wide range of businesses. Best known for its history, natural assets and relationship with Australia’s iconic Murray River, the unique mix of great weather, culture, food and wine, natural assets and events attracts increasing numbers of visitors (pre-COVID) and residents to the Shire.

Echuca-Moama is the key visitor centre for the Shire with the focus of the tourism offering being the post settlement history and heritage of Victoria and Australia through the Port of Echuca and the historical Echuca town centre¹⁷. The Port of Echuca, being the major tourism attraction, includes the original wharf, a museum, historic buildings, equipment displays, demonstrations and cruises on authentic paddle steamers, with Echuca now being known as Australia’s Paddlesteamer Capital. A cruise on a paddlesteamer is now one of the iconic experiences when visiting Echuca with a number of Echuca events also centring around the Port of Echuca and the paddlesteamer experience.

The port experience is not the only reason tourists visit Echuca-Moama. The region offers a wide range of unique experiences including:

¹⁷ It is appropriate to consider Echuca-Moama as an integrated tourism offering with the visitor making little distinction between the two. While Echuca has a number of the major tourist attractions, Moama is a major supplier of accommodation for visitors and the Murray River is accessed from both sides.

- Nature based tourism experiences including Barmah National Park, the River Red Gum forests, canoeing, camping and cycling.
- Food and wine offerings including dining establishments in Echuca and Moama, as well as one of Australia’s youngest wine regions, the Perricoota wine region.
- Water sports offerings based around the Murray River including fishing, water skiing and wakeboarding, as well as the largest ski racing event in the world, the Southern 80.
- Experiential accommodation on houseboats along the Murray River.

While tourism is predominantly based around Echuca-Moama other regions in the Shire are also attracting growing visitor numbers and present future opportunities for growth. These include:

- Kyabram Fauna Park in Kyabram, which attracts over 25,000 visitors per annum. The park is the second largest collection of Australian fauna in Victoria (to Healesville Sanctuary) with it set across 55 hectares.
- Continuing development of the Mount Camel region (which includes Toolleen and Colbinabbin) wineries experience.
- Rail Trails – an area of focus continues to be the development of a number of rail trails including the Rushworth to Murchison Rail Trail, the associated Heathcote to Murchison Rail Trail, the Girgarre to Stanhope Rail Trail and the Murray River Adventure Trail.

Echuca-Moama and the wider region is also recognised as a centre for community and major regional and state-based events. These include such events as the Winter Blues Festival, the Riverboats Music Festival, the Steam Rally, the Southern 80 (which, as previously noted, is the largest ski racing event in the world), the Moama Lights event on the NSW side (which is delivered by Murray River Council), the Kyabram Rodeo, the Lockington Heritage Tractor Rally and the Rushworth Heritage Easter Festival.

Case Study

The Events Capital of Northern Victoria

Campaspe Shire, and particularly Echuca, is recognised as a major event destination in Victoria, with the Shire hosting in excess of 150 events spread across the calendar year, most of which are recurring.

These events range from small community events for 100 people with localised appeal, through to major and iconic events attracting between 3,000 – 40,000 attendees including interstate and international visitors. The make-up of an event is individualised with some events taking place over a number of days on public land, while others may be held on an afternoon in a community hall.

Council appreciates the importance of tourism and events in driving economic activity and enhancing community wellbeing and interaction and, therefore provides significant support to event organisers while also seeking to attract new events. This support includes having a designated Event Support Officer, developing material to support event organisers (including a 16 page Event Planner) and committing funding to the retention of existing and attraction of new events.

This approach is consistent with the CEDS 2014-19, which identified tourism as a priority industry sector with events drive tourism being an area of focus for Council.

The continued focus on events provides significant economic benefit to the region. Council annually conducts event evaluations of a variety of events in order to understand the economic benefit to our local economy with the evaluations indicating that, for 10 (of the 150) recurring events (including the main iconic events) the economic benefits were as follows:

Echuca-Moama		Victoria	
Output	Direct - \$29.3	Output	Direct - \$29.3m

\$49.5m	Indirect - \$20.2m	\$71.9m	Indirect - \$42.6m
GRP or Value add \$22.9m	Direct - \$13.1m Indirect - \$9.8m	GRP or Value add \$33.3m	Direct - \$13.2m Indirect - \$20.1m
Employment 215	Direct - 149 Indirect - 66	Employment 273	Direct - 153 Indirect - 120
Visitors 72,000	Intrastate – 59,000 Interstate – 13,000		

There are also the additional benefits of the one-off events, such as the recent Scout Jamboree in Elmore (Council supported the bidding process) which attracted 10,000 visitors.

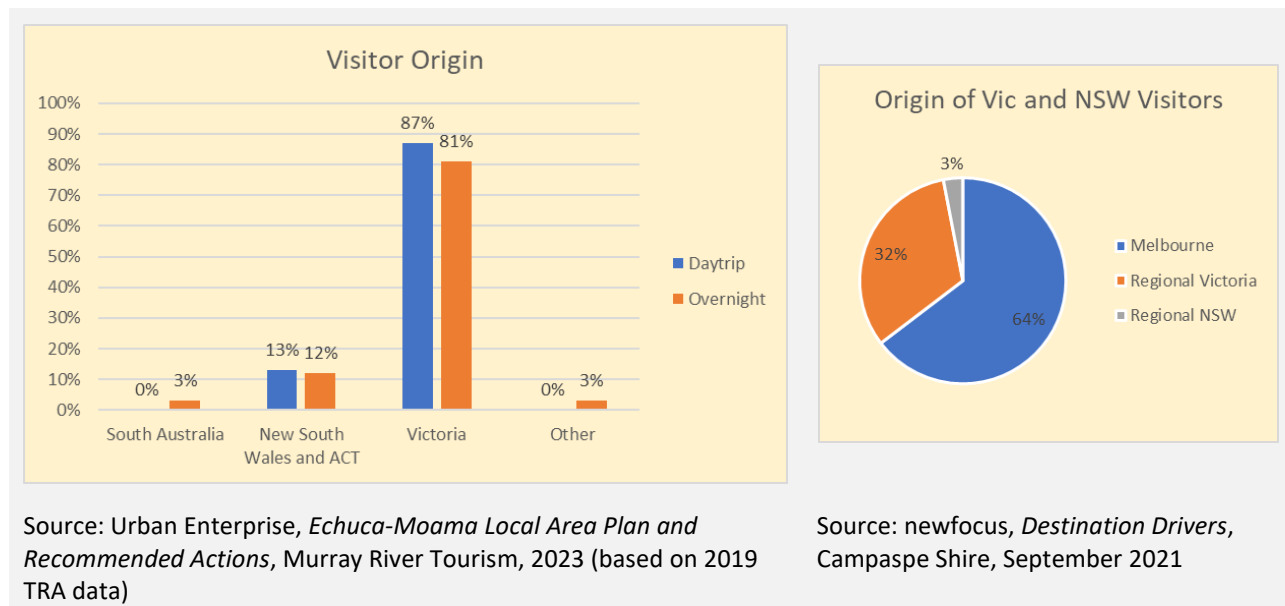
Events also are important in building communities – they provide entertainment and social opportunities; build community capacity and local leadership; increase civic pride and create a sense of place for the resident population, all of which are less tangible but no less important than the economic impacts.

5.4 The Campaspe Visitor Profile

Visitor Origin

The origin of visitors to the Shire are predominantly interstate or intrastate visitors, with international visitors consistently being less than 1% of total visitors. Visitation to Echuca-Moama is primarily driven by the Victorian market, comprising 87% of daytrip visitors and 81% of overnight visitors to this destination. The majority of visitors from within Victoria originate from the greater Melbourne region, which is influenced by the destinations close proximity to Melbourne (with Echuca being the closest point to the Murray River from Melbourne). Echuca-Moama sees smaller proportions of visitors originating from outside Victoria, including visitors from NSW and South Australian.

Figure 19: Echuca- Moama Visitor Origin



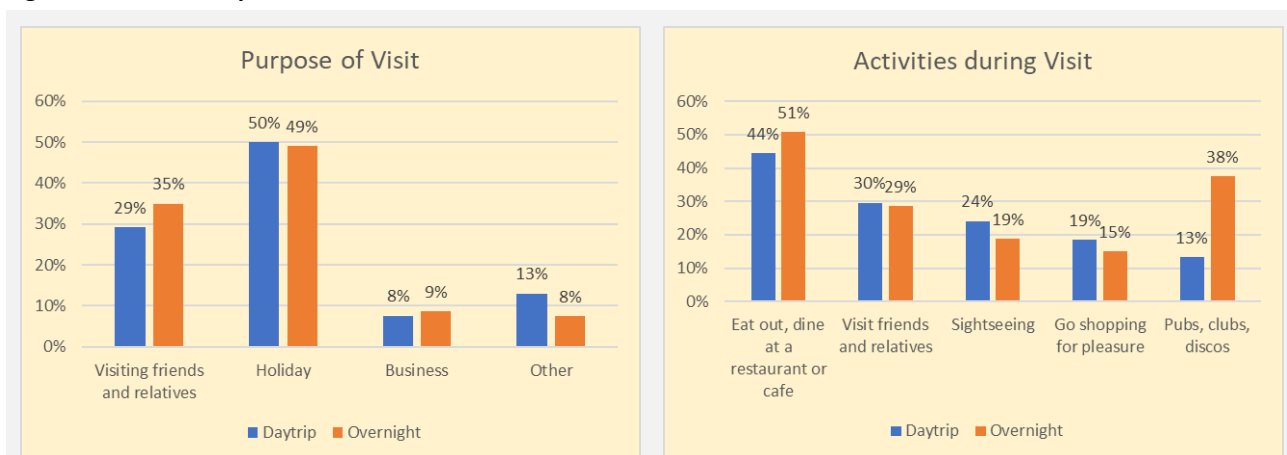
▪ **Visitor Purpose and Activities**

Domestic visitation to Echuca-Moama is primarily driven by holiday and leisure travellers, accounting for 50% of daytrip visitors and 49% of overnight visitors. The destination also has a strong visiting friends and relatives (VFR) market, accounting for 29% of daytrip visitors and 35% of overnight visitors.

The completed research also indicates that the Echuca-Moama visitors are primarily engaging in passive activities, including dining out, VFR and general sightseeing. While this outcome is surprising (given the region feature of nature-based and river-based activities) it is also supported by specific research commissioned by Campaspe Shire which indicated the main reasons for visiting Echuca were:

- 21% - Visit family and friends
- 15% - short break/long weekend/escape
- 15% - Passing through/part of a bigger trip
- 8% - Relax/unwind/refresh
- 8% - River and water based activities
- 7% - Sightseeing, nature and nature-based activities.¹⁸

Figure 20: Visitor Purpose and Activities



Source: Murray Regional Tourism, *Travel to the Murray Region Year ended September 2022 Quarterly Tracking of Selected Measures*.

This predominance of passive visitor activities may also be a reflection of the characteristics of the visitor to Echuca-Moama. While there are numerous possible approaches to segmenting the tourism market the approach adopted in the Destination Drivers report commissioned by Campaspe Council focussed on family characteristics. This report found that visitors to Echuca-Moama was weighted towards the older non-working segments.

¹⁸ Source: newfocus, *Destination Drivers*, Campaspe Shire, September 2021, p. 43.

Table 5: Echuca-Moama Visitor by Segment

Measure	% of all Visitors
Echuca-Moama Visitors in the past 3 Years	
Younger single or Couple	9%
Family travelling with children	26%
Older working singles or couples	25%
Older non-working singles or couples	40%
Source: newfocus, <i>Destination Drivers</i> , Campaspe Shire, September 2021, p. 3.	

This research also suggests that penetration into the regional NSW market is minimal and that an opportunity exists to expand into the young adult and family segments.

5.5 Destination Strengths and the USP

Recent research commissioned by Campaspe Shire Council into the visitor market for Echuca and the Echuca Port area (included as Appendix 1), provides valuable insights into the strengths of the region along with areas that may require attention.

Some of the key outcomes from this research is as follows:

- **Perception of Echuca** - Echuca is perceived as a river town with river activities that are quaint and relaxing with river/water activities being the dominant image of Echuca across all segments. Whilst not the dominant top of mind theme, the Echuca Port (and in particular paddlesteamers) has its place as a defining characteristic of Echuca.
- **Satisfaction of visitor needs** - Echuca was seen as best able to meet visitor travel needs for Places to enjoy nature and with Strong local history (each 90% agreement). This was followed closely by Camping and caravanning (89%). Lower tier aspects, but still important, related to Water-based activities (87%) and Local retail craft and produce markets (85%). The two lower perceived ability areas for Echuca to meet requirements related to Dining, restaurants and café, nightclubs (79%) and Events (73%). The high importance placed on Dining by visitors yet moderate levels of perceived satisfaction for Echuca suggest this is an aspect that may need strengthening.
- **Satisfaction levels across segments** - Echuca is seen differently by different segments. Most positive perceptions are held by Families, followed by Older non-working segments and least so by Younger single or couple travellers. Key differences in perceptions were:
 - Family segment were most positive re Natural aspects bushland, walking trails and Events
 - Older non-working segment were most positive re Local history and culture, Local retail and Dining
 - Younger single and couples had lowest agreement of Echuca meeting their Retail and Dining needs and the lowest rating for Easy to access.
- **Comparative satisfaction of visitor requirements** – Echuca is generally meeting traveller requirements as well as other destinations, with there being little specifically distinguishing Echuca.
- **Visitor likelihood to recommend** - Echuca and the Port area stand up well against other travel destinations, with it ranked equal 4th on visitor likelihood to recommend (at 83% with Goldfields,

Daylesford). Destinations ahead of Echuca were the Great Ocean Road (at 86%), the Grampians (at 85%), Gippsland (at 84%) and Yarra Valley (at 84%). This was higher than the average for all Murray Regions visited most recently (average 73%).

While the above provides guidance on what may be attracting visitors to Echuca-Moama it is also informative to consider reasons visitors do not travel to Echuca, with the research indicating that:

- **Considering Echuca as a destination to visit** - Approximately a quarter of those who have not visited Echuca in the past 3 years did consider visiting but rejected this for various reasons. The highest to consider Echuca was the Family segment (36%) and Camper and caravanners (41%).
- **Reasons for not visiting Echuca** - The three dominant reasons for not visiting Echuca (which were aligned to specific segments) were:
 - 'I or others have been there before' at 27% (mainly the Older segment)
 - 'Too far to go' at 23% (mainly Younger and Family segments)
 - 'Not enough of the things we seek to do' at 19% (mainly Younger).

All of the above comments combine to provide a guide to the Echuca-Moama Unique Selling Proposition (USP), with the recent Echuca-Moama Local Area Plans report (Appendix B) defining the USP within the Murray region as:

“The Port of Echuca, the paddlesteamer cruising and the heritage backdrop and stories of Echuca-Moama are the USP for this destination. The Port of Echuca provides an anchoring point for the destination and can act as a strong visual landmark.”¹⁹

This USP also provides some guidance to strategies which may assist in the region meeting visitor expectations with the need for the delivery of expanded contemporary experiences within the heritage framework. The research also indicates areas which may require improvement if the USP is to be satisfied (e.g. improved dining experiences, enhanced events program).

5.6 Council Role in the Tourism Industry

Campaspe Shire Council provides a number of services which support the tourism economy with these services including provision of tourism product along with support for other tourism service providers and participants.

The tourism products provided by Council include:

- Ownership and management of the **Port of Echuca**, with this now being provided through Campaspe Port Enterprises Pty Ltd (a Beneficial Enterprise under the *Local Government Act* that is wholly owned by Council).
- Provision of a **paddlesteamer cruising** offering through the ownership and management of 3 paddlesteamers being the PS Pevensey, the PS Alexander Arbuthnot and the PS Adelaide. This service is also now provided through Campaspe Port Enterprises Pty Ltd, thus enabling the provision of an integrated service in the port precinct.
- Ownership of the **Echuca Holiday Park** (with NRMA contracted as the manager).

¹⁹ Urban Enterprise, *Echuca-Moama Local Area Plan and Recommended Actions*, Murray Regional Tourism and Destination Riverina Murray NSW, 2023, p.8.

- Until recently Council was also joint manager of the **Kyabram Fauna Park** (with DELWP, now DEECA). In 2023 Zoos Victoria assumed responsibility for the KFP, with it now being the fourth zoo in the Zoos Victoria portfolio.

Provision of these direct tourism services require significant funding support from Council as they are not currently individually financially sustainable.

Council also provides a number of services which supports the tourism industry including:

- Financial and in-kind support for **Echuca-Moama and District Tourism Association** with this funding being provided for the provision of the Visitor Information Centre and the completion of destination marketing.
- Financial and in-kind support for **Murray Regional Tourism**.
- Provision of funding support for selected **Events** along with provision of support to event managers in meeting Council delivery requirements.
- Industry **advocacy** to government on specific tourism industry requirements and opportunities as appropriate.

These services are provided through the existing management structure of Council, with there currently being no specifically designated Tourism Officer or Events Officer.

The case study below provides an outline of some of the specific activities completed by Council in support of the tourism economy along with a guide to the economic value of some of the Port Precinct to the region.

Case Study

Supporting the Tourism Industry

Council recognises the importance of the tourism industry to the Shire and also acknowledges the major challenges the industry faces in recovering from the impacts of the recent pandemic and floods. The commitment of Council to this industry is unwavering with it both being a participant and promoter. The various Council roles include:

- **Port of Echuca Precinct** – management and operation of the Port including the Discovery Centre, the historic Wharf and the three paddlesteamers (PS Pevensey, PS Alexander Arbuthnot, PS Adelaide).
- **Echuca Holiday Park** – ownership of the Park (with NRMA contracted as the manager), with this set on 6.56ha of crown land.
- **Kyabram Fauna Park** – Until recently Council jointly managed KFP (with DELWP), with Zoos Victoria now being responsible for KFP. The park is the second largest collection of Australian fauna in Victoria (to Healesville Sanctuary) with it set across 55 hectares.
- **Riverboat Dock** – responsibility for the Riverboat Dock, which has been subject to a major Council delivered redevelopment, including economic opportunities for local business
- **Rail Trails** – Council has been a driving force behind the completion of feasibility studies, the sourcing of funding and the development of a number of rail trails including the Rushworth to Murchison Rail Trail, the associated Heathcote to Murchison Rail Trail, the Girgarre to Stanhope Rail Trail and the Murray River Adventure Trail.
- **Destination Marketing** - Council invests on average \$100k per annum in Destination Marketing initiatives (predominantly through EMDTA).
- **Murray Regional Tourism Board** – Council provides financial and ‘in kind’ support for the MRTB, with the resultant MRTB services including tourism marketing, research, statistical analysis and support for future developments along with facilitating training programs for operators and advocacy into government.
- **Echuca Moama and District Tourism Association** – Council is a key funder of the EMDTA with it investing over \$220k annually to deliver Visitor Information Services for the Shire along with destination marketing services.

- **Place Based Plans** – Council has supported the development of place based plans for a number of locations including the Rochester Place Based Plan which generated significant grant funding for the completion of upgrades of the Caravan Park (\$500k), play grounds and a range of other tourism opportunities.

These are just a sample of the role Council plays in supporting the tourism industry. For example, it has also supported the Mt Camel wine network, the development of other Place-Based Plans and is a major supporter of the events industry including activation of Council green spaces.

The importance of this support for the industry has not been quantified. However, a recent study estimated the economic contribution of just the Port of Echuca Precinct to be:

- **\$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.
- For the 2018/19 year the PoEP supported a total of **230 FTEs** in Echuca Moama (158 directly and a further 72 indirectly).
- The economic output represents around 7% of Echuca-Moama’s total Tourism Output.

Council activities and investment provide invaluable support to the economic development and sustainability of the tourism industry in the Shire.

5.7 The Tourism Governance Structure

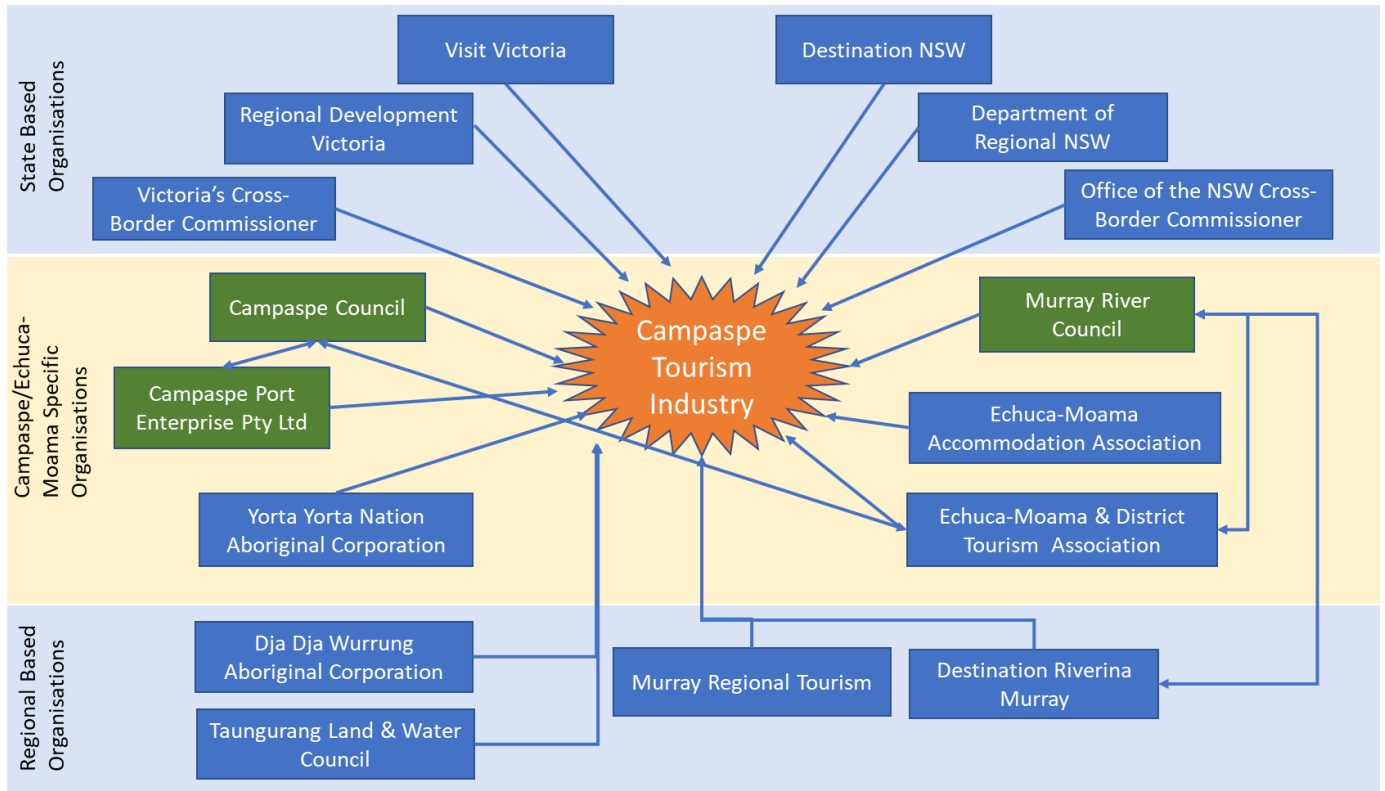
The diagram below outlines the participants in the governance structure which oversees the tourism economy in the region with a table in the Echuca-Moama Local Area Plan and Recommended Actions Report (included as Appendix B) providing an overview of the role and activities of each participant.²⁰

Local government plays a crucial role within this model in supporting the visitor economy, with this particularly true for Echuca-Moama where both councils having the dual role of delivering visitor services along with supporting industry in product and experience development.

As is also indicated by this diagram, there are a number of relevant industry participants with, in some cases, potentially overlapping roles. As a result there is significant potential for market inconsistency and for fragmentation of decision-making and promotional activities.

²⁰ Urban Enterprise, op cite, p.9-10.

Figure 21: Tourism Industry Governance Structure for the Region



5.8 Tourism Strategy Key Considerations

The *Echuca-Moama Local Area Plan and Recommended Actions Report* (included as Appendix B) identified a range of key challenges and opportunities that need to be considered in developing the tourism market across 6 key groupings:

- Markets
- Product Experience and Events
- Accommodation
- Infrastructure and Planning
- Brand, Marketing and Visitor Servicing
- Industry Development and Workforce.²¹

Based on this, the report then details a Recommended Action Plan detailing 26 actions including the identification of the key participants responsible for the action and the action priority (based solely on a proposed delivery timeframe rather than any consideration of ability to deliver).²²

The list of actions has been developed based on input from the industry with it, in effect, representing a 'shopping list' of potential actions. It is not realistic to believe these could all be delivered within a reasonable timeframe and with the extent of available funding. Similarly, it is also appropriate to place

²¹ Urban Enterprise, op cite, p.12-13.

²² Urban Enterprise, ibid, p.14-21.

these actions within a strategic framework to ensure they are the most appropriate actions for the industry at the current point-in-time.

Therefore, in developing the Council Tourism Strategy (which needs to be based on the identified role of Council in the tourism industry) it is appropriate to:

- Confirm the appropriateness of the identified key challenges and opportunities.
- Identify the high level strategy for the region (e.g. identified target market, provision of experiences to meet the needs of the target market, approaches to market growth etc).
- Identify the actions which support the strategy and prioritise delivery of the actions (based on a comprehensive evaluation framework).
- Consider the role of Council (and other industry participants) in delivery of these actions.
- Develop a prioritised Council Action Plan.

The input for resolution of the above will be considered as part of the next stage – the industry consultation stage – with this then providing the framework around which Council will develop its' Tourism Strategy.

Question for Consideration:

What are the key tourism strengths of the region and what forms the regions USP?

What opportunities exist to further develop the visitor offering and support the visitor economy?

What are the main key strategies for the region, and what is the role of Council in delivery of the identified strategies?

Based on these strategies, what are the proposed Actions relevant for Council and, of these Actions, which ones are regarded as being of priority?

What framework is required to oversee implementation of the Actions? How does this fit within the existing Governance structure? Are there any suggested changes to the Governance structure?

6. THE ROLE AND ACTIVITIES OF COUNCIL IN ECONOMIC DEVELOPMENT

As was noted in Section 4.1, Australia operates under a three tier system of Government with each of the tiers – Australian, State and Local government - having a role in economic development. However, the roles are often not clear and, from a local government perspective, there are a number of possible strategic approaches.

Therefore, the following initially considers the possible approaches that may be taken by local government. The past approach adopted by Campaspe is then outlined and compared to these approaches (to assist in considering what strategic approach Campaspe may take into the future).

6.1 The Role of Council in Economic Development for the Region

It is widely accepted that local governments can and do make an important contribution to local and regional economic development (OECD 2004), although promoting economic development is a relatively recent feature of the (official or otherwise) remit of councils in Australia²³. Local Government is increasingly playing an active role in driving economic development in their communities, and looking to new and innovative ways to encourage business growth and create local jobs, while at the same time balancing this against social and environmental objectives. While each community is unique and has its own needs and priorities, a robust economy is a common feature of sustainable communities, alongside a healthy environment and strong social fabric.

This important role was reinforced by research completed in Western Australia in 2019, with both Local Governments and businesses believing that the sector has an important role to play. A large proportion of respondents to the research survey indicated that this was a growing area of focus for their organisation.

- The clear majority (80%) of respondents considered the sector plays a key role in supporting local economic outcomes.
- Businesses also considered this an important role for Local Governments, with 54% noting their Local Government was leading economic development in their area.
- 70% of Local Governments allocating dedicated resources to economic development activities aimed at supporting their local economy and business environment.
- 55% indicated the level of resources provided to economic development had increased over the past five years, while nearly all respondents expected resources to remain unchanged (60%) or increase (39%) in the five years to come.²⁴

Local Governments have a direct impact on economic activity through the delivery of services and infrastructure and regulatory functions, and through undertaking activities aimed at supporting their local economy. They also influence the broader economic environment indirectly through the creation of vibrant and liveable communities.

The value of services directly provided by Local Government are significant:

²³ OECD 2004, Evaluating Local Economic and Employment Development: How to Assess What Works among Programmes and Policies, OECD, Paris.

²⁴ Western Australian Local Government Association 2019, Local Economic Development – Research Findings and future directions, WALGA, West Perth.

- The 2017 UTS study noted that in 2015-16 Local Government revenue across Australia was \$42 billion with the sector having 188,900 employees (being 1.6% of the Australian workforce.)²⁵
- In 2018 the Victorian Auditor-General noted that Local Governments' contributions to the Victorian economy are significant, including more than 43 000 employees in the sector, managing over \$84 billion in public assets and spending more than \$7 billion annually on services²⁶.
- Campaspe Shire, in the 2020-21 year, had total income of \$84.3m (being 1.8% of total Campaspe Shire output), 328 employees (being 1.5% of the Campaspe Shire workforce and expended a further \$20.5m on capital works.²⁷

As is obvious from the above, local government is a significant employer in rural and regional areas.. Given that employment is often central to notions of economic development, councils should be recognised as key employers and businesses, particularly in some areas where the council is the largest source of employment.

Local Governments also actively undertake activities aimed at supporting their local economy and business environment, in particular to attract, retain and grow businesses; encourage tourists; improve community outcomes and bring new investment into the local area. They aim to achieve this through strategic long-term actions and plans.

These multiple roles all contribute to the important and increasingly recognised economic leadership role of Local Government, which extends well beyond the confines of legislative responsibilities into all areas of activity.

6.1.1 The position of Economic Development in the ethos of Council

While economic development is generally accepted to be a co-responsibility across all tiers of government and social and economic stakeholders, the translation of this principle into practice is a key challenge – with this being reflected in the various positioning of Economic Development within the ethos and culture of a Council.

Rural Councils Victoria stated that “economic development is about making the best use of available resources to drive employment growth, investment and economic activity regardless of the size and budget of the council. The scale of resources can range from a full team of dedicated officers to a conscious effort and application by different team members across the council”.²⁸

In essence, the approach taken by a Council to Economic Development can extend along a continuum between a more restrictive focus on supporting business and economic growth (where economic development is not necessarily perceived as a ‘general function’ of the organisation) to a broader interpretation where economic development is embedded within the culture of the organisation with economic development extending beyond a focus on growth to the more encompassed focus on economic and community development, social equity and sustainability.

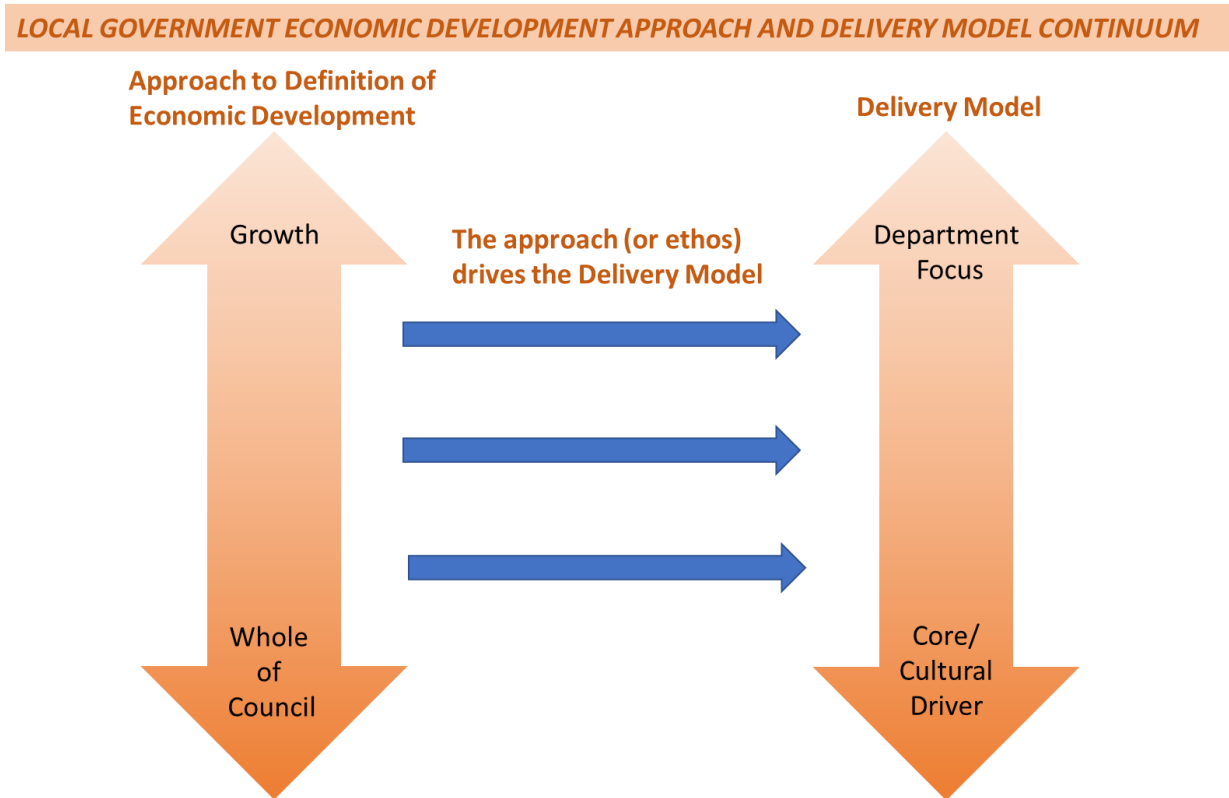
²⁵ Pugalis,L., Tan, SF., 2019, *The Role of Local Government in Local and Regional Economic Development*, University of Technology Sydney, page 9.

²⁶ VAGO 2018, *Local Government and Economic Development*, March 2018, page 23.

²⁷ Campaspe Shire Council, 2021, *Annual Report 2021-22*, Echuca

²⁸ Rural Councils Victoria 2014, *Economic Development Guidelines 2014*, Local Government Association of Queensland, Melbourne.

Figure 22: Local Government Economic Value Approach and Delivery Model Continuum



- **The Economic Growth Focused Approach**

Under the more tightly defined, restrictive growth-focussed view of economic development the activity is regarded as an ‘additional function’ for the organisations. While it may be a corporate goal with service delivery through a designated area, it may not necessarily be an overriding service delivery objective.

Typically, under this approach, in smaller councils responsibility and structural positioning for economic development falls within the community development umbrella.

This growth-focussed approach to economic development does have the benefit of potentially assisting in prioritising the activity and thus acts as an enabling device. For example, a clearer remit, such as supporting business development, can act as an enabling device to secure political and financial support for undertaking a specific service.

- **The Whole of Council Approach**

The statement that “from a council’s point of view, local economic development refers to anything that they can do to improve or expand their economy” reflects what could be described as a whole-of-council approach to economic development.²⁹

²⁹ Pugalis, L., Tan, S.F., 2019, *The Role of Local Government in Local and Regional Economic Development*, University of Technology Sydney, p 20.

If a council views local and regional economic development as a central element of its mission, then consequently it is likely to be a defining feature of how they operate. Councils that tend to view economic development as an attitude or key cultural attribute, typically seek to perform an integrated economic development role – mainstreaming rather than compartmentalising the activity.

This broader, holistic approach to local and regional economic development can be an enabler in several ways:

- It can assist in embedding the goal of economic development within the culture of the council, for example in terms of strategic goals and community strategic planning processes.
- A broader framing of economic development can also bring into the activity remit a wider range of services and functions that councils typically perform, which are not usually associated with the goal of promoting economic development.

Care needs to be taken in adopting this approach – it is important to ensure the commitment is matched by action. Otherwise, the rhetoric of a whole-of-council approach to economic development may not translate into practice and transformational change.

Over recent times there has been an increasing incidence of councils developing and publishing economic strategies extending beyond the minimalist approach, with this potentially reflecting the expanding remit of councils and the importance that they attach to economic development.

In developing an EDS, it is important for a Council to initially determine the approach it wishes to take – the ethos to be taken by Council – as this will impact on the range of strategies and activities to be undertaken along with how the activity is embedded within the organisational culture,

Regardless of the size, shape or budget of a local government area – all councils can perform a role in local and regional economic development. However, in framing the approach (and strategy) it is also important to be cognisant of the practical constraints, including the limited capacity of council resources.

It is equally important in discussing this potential approach to involve all stakeholders. There is a clear need for all stakeholders – including councils – to discuss and debate their specific understandings of local and regional economic development before embarking on activities, such as the development of an economic strategy.

This involvement would also support the adoption of a ‘whole-of-place approach’ (as opposed to a ‘whole of government approach’) which would not only seek to involve all three tiers of government, but would also seek to involve all sectors of the community in the development and delivery of the strategy.

6.1.2 Council Activities to support Economic Development

The Australian Local Government Association identify the following general functions of Councils:

- Infrastructure and property services, including local roads, bridges, footpaths, drainage, waste collection and management.
- Provision of recreation facilities, such as parks, sports fields and stadiums, golf courses, swimming pools, sport centres, halls, camping grounds and caravan parks.
- Health services such as water and food inspection, immunisation services, toilet facilities, noise control and meat inspection and animal control.

- Community services, such as child care, aged care and accommodation, community care and welfare services.
- Building services, including inspections, licensing, certification and enforcement
- Planning and development approval.
- Administration of facilities, such as airports and aerodromes, ports and marinas, cemeteries, parking facilities and street parking.
- Cultural facilities and services, such as libraries, art galleries and museums.
- Water and sewerage services in some states.
- Other services, such as abattoirs, sale-yards and group purchasing schemes.³⁰

it is noteworthy that economic development does not directly feature on this list with economic development pursuits often disguised by other general functions and strategic leadership roles. Many functions that do appear on ALGA's list – such as infrastructure, building, planning and community services – are often pivotal to local and regional economic development strategies.

It is therefore instructive to consider the range of activities or services that Council may become involved in in the promotion, facilitation and support of local and regional economic development.

Table 6: Local government's range of economic development roles/services

Potential Council Activities
<p>Infrastructure and assets planning and prioritisation:</p> <ul style="list-style-type: none"> - Infrastructure development and maintenance (e.g. road maintenance). - Connecting business with infrastructure e.g. councils may own airports, have primary responsibility for roads, provide ICT technology etc. - Develop and implement large scale projects in collaboration with other levels of government and with funding from state and Australian government agencies. - Use of assets (e.g. buildings) to promote economic development - Provision of required infrastructure to support business (e.g. waste services) - Supporting the development of transport services and freight routes - Facilitating the delivery of high standard telecommunication services and other utility services (water and electricity). <p>Land use planning:</p> <ul style="list-style-type: none"> - Devising 'business-friendly' and 'fast-track' planning procedures and systems. - Working with businesses to help them negotiate council requirements particularly with regard to planning applications. - Developing Master Plans to support economic growth and sustainability. - Facilitating the adequate supply of industrial and residential land. - Planning for the future. - Contributing to State Planning Policies and Processes (e.g. Smart Planning). <p>Business support and Investment Attraction:</p> <ul style="list-style-type: none"> - Acting as a 'shop front' for investors and other levels of government. - Grants for small business (e.g. innovation grants).

³⁰ Pugalis, L., Tan, S.F., 2019, *The Role of Local Government in Local and Regional Economic Development*, University of Technology Sydney, page 13.

Potential Council Activities

- Seed funding of ventures where private sector funding is not available.
- Whole-of-council approach to help support the attraction and development of business.
- Minimising regulatory and compliance burdens on business.
- Facilitating communication between businesses and council.

Leadership:

- Establishing the environment, and setting the framework, to facilitate and encourage economic development

Collaboration/networking:

- Facilitate networking, learning and opportunities for collaboration amongst economic stakeholders.
- Create governance structures, partnerships and forums to foster collaboration.

Advocacy, lobbying and promotion:

- Lobbying state and federal government for support, investment and resources.
- Advocating for required infrastructure provision.
- Promoting their area to a broader audience (e.g. tourists, investors etc.).

Strategies and plans:

- Strategic planning processes, workforce planning and the production of economic strategies and associated documents.

Labour and skills development:

- Facilitating skills development opportunities.
- Use of Public Libraries and Community Centres to support skills training.

Business case development, evidence and information:

- Undertaking feasibility and capacity studies.
- Develop business cases.
- Sector-based research, business surveys, data gathering and monitoring, including economic profiles and economic assessments.
- Stakeholder mapping exercises.

Council Purchasing Policies and Processes

- Procurement processes and local content requirements.
- Building commercial relationships.
- Joint briefings for local businesses on procurement topics such as responding to tenders.

It is obvious from the above that local governments responsibilities in economic development are potentially broad and include a wide range of functions across all areas of Council activities, all of which have an impact on the economic and business environment.

While all the above potential areas of activity are relevant, there are some that are of particular concern in the current and future environment and which may warrant specific consideration by Council.

- **Regional Workforce** - In many regional areas of the state (including the Campaspe region), access to a suitably skilled labour force is challenged and can act as a barrier to economic development. This is a particular issue for regional areas as they tend to be hit the hardest during periods of labour shortages (as is currently being experienced) due to their smaller population base.
- **Skills Development** - As well as increasing the size of the labour pool, it is also important that the workforce has suitable skills to meet the needs of local businesses. While skills and training are

important issues for Australia and the State as a whole, Local Governments can also play an important role in training and skills development, particular through its responsibilities and close alignment with important institutions such as Public Libraries (which facilitate literacy, learning, knowledge creation and skill development) and Community Centres (which connect people in the places where they live and work).

- **Infrastructure Priorities** – regional areas are suffering from a backlog of infrastructure provision which is constraining development. In providing this infrastructure (which often requires Council lobbying Australian and State governments and/or the infrastructure provider), the focus may be on prioritising the provision of services that will improve productivity and create jobs over the longer term. Current areas of constraint which require attention are:
 - *Utilities* – inadequate provision of base utility services (electricity, gas and water) is hampering economic activity in regional areas of the state
 - *Waste Infrastructure* - There is a link between economic growth and the generation of waste, particularly commercial and industrial and construction and demolition waste. As a result, a focus on economic development will inevitably place pressure on the environmentally responsible provision of waste management infrastructure.
 - *New energy infrastructure* – Councils have an increasing role to play in the provision of new energy technology as a way to deliver efficient, safe and reliable power to regional areas (with this then also being connected to waste systems).
 - *Road Maintenance* – industry and agriculture rely on world class freight productivity to get product to market and to remain locally and globally competitive. Existing and new industry development opportunities in regional areas require freight rail or high standard National or State highways. This is often not available, requiring critical parts of the supply chain to use the Local Government road network. These sealed or unsealed roads were not designed or constructed to support the large volumes of heavy vehicles required during both the construction and operation phases of these projects.
 - *Agriculture Regional Freight Routes* - agriculture and food sector is often the largest industry in regional areas and is vital to our state’s economy (with a substantial portion of the produce exported, requiring timely and efficient movement of products to ports and airports). Ensuring appropriate freight routes to move goods to market is essential to the future economic development of the state.
 - *Regional telecommunications* - Telecommunications infrastructure has been identified as a key challenge for many regional communities across the state, and a critical area to address to ensure that these areas can benefit from the new technologies that are becoming available. In many regional areas current services provided are unreliable, slow and are holding back local economic development.

6.1.3 Conditions for developing and implementing an Economic Development Strategy

The literature on the development and implementation of Economic Development Strategies by Local Government identifies a number of matters that have constrained the effectiveness of these activities in the past. Conversely, they represent matters to take into consideration when developing and implementing the strategies and when providing the service.

- **Allowing for local conditions**

Each Local Government has unique local conditions that influence how attractive an area is to businesses, workers and supporting institutions. To best respond to these conditions, communities need to build and implement a tailored local economic development strategy. Building a strong local economy through a

collaborative, strategically planned process requires councils to understand and act upon their municipalities' strengths, weaknesses, opportunities and threats.

▪ **Funding**

The Local Government sector is not homogeneous and while some Government are in a strong financial position, funding still remains an issue for others, particularly in regional areas, with this being a key barrier to undertaking economic development activities.

The 2018 VAGO Report determined that in 2015-16 Victorian Councils spent \$866 million on business and economic services with the report further noting that for that year:

- Councils spent an average of 9.3 per cent of their total expenditure on business and economic services
- Melbourne City Council spent 50.6 per cent of its total expenditure on these services, which was the highest of any council
- The majority of councils—62 out of 79—spent between 6 and 12 per cent
- The Councils subject to the VAGO audit spent between 6 and 10 per cent of their total expenditure (being Southern Grampians 9.78%, Bass Coast 9.55%, Corangamite 7.63%, Loddon 7.00% and Melton 6.38%).³¹

▪ **Staff capacity and capability**

The lack of appropriately skilled and adequate resources to deliver economic development services has been identified as a clear constraint with it also being noted that:

- Economic development in regional Councils is often also dependent on state government grants. The lack of staff skilled in developing robust business cases has resulted in regional Councils failing to secure available grants. This has resulted in missed opportunities for economic development in these areas.
- Upskilling requirements includes the need for bespoke training for Councillors and Local Government officers as well as other stakeholders in the 'art of economic development'.

▪ **Three tiers of government**

A strategic partnership is needed between all three levels of Government to drive closer collaboration and alignment in economic development - not only between levels of Governments, but with industry and the community.

It is also important that there is regular dialogue between the Commonwealth, State and Local Government to ensure that State and Local priorities are aligned with the national agenda.

▪ **Strategic Consistency**

While EDS's normally entail a 5 year planning horizon other plans and strategies developed within Council are often for a shorter duration. To be effective, it is important for strategies and plans to be appropriately aligned with consistent priorities.

▪ **Perception v Reality**

It is important that internal and external perceptions match the reality.

External perceptions, such as those held by higher tiers of government or local businesses, are particularly important. They can influence, for example, whether a council is considered to be a core partner in local

³¹ VAGO 2018, *Local Government and Economic Development*, March 2018, page 41.

and regional economic development or not, or whether a council is considered to be a key facilitator of local and regional economic development or not.

- **Use of Incentives and Structures Available**

Council have available to them a number of incentive structures (e.g. rate rebates) and alternative structures which can assist in the completion of economic development activities but are only used infrequently or in restricted circumstances.

One example of an unused structure is that of a Beneficial Enterprises which would permit one or more Local Governments to establish a wholly Local Government owned commercial organisation to carry out a range of functions where it is considered that there would be efficiency gains from the creation of professionally governed entities established for the specific purpose. The Beneficial Enterprises model has the potential to deliver a number of benefits for Local Governments - including the flexible structure, access to independent expertise, and the removal of business decision making from the political realm – but in practice is seldom used.³²

- **Stakeholder Involvement**

A key finding from studies completed is the need for all stakeholders – including Councils – to discuss and debate their specific understandings of local and regional economic development before embarking on activities, such as the development of an economic strategy.

- **Monitoring and Reporting**

The VAGO Report identified the need for improved setting of targets and subsequent monitoring and reporting as an area for improvement.

The report noted that while Councils have sufficient strategic performance measures for economic development in their economic development strategies and council plans, they lacked targets and benchmarks. It further noted that while Councils monitor and report on project actions, these do not link to strategic performance measures and, therefore, do not allow councils to measure their progress against their strategic economic development outcomes.

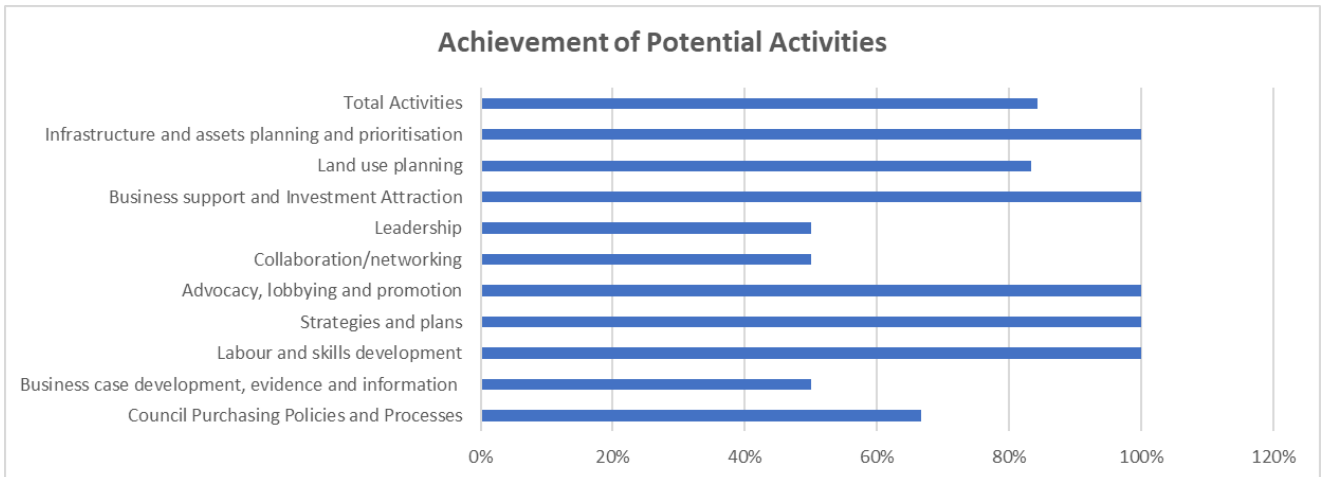
6.2 Campaspe Past Economic Development Activities

6.2.1 Council Role compared to the Framework

The above includes a possible framework of activities that could be undertaken by Council is assisting with the economic development of the region (i.e. Section 6.1.2 and associated table). This possible range of activities has then been mapped against those undertaken by Campaspe Shire Council to provide an indicative guide to the role of Campaspe Council compared to this 'Utopian' role, with the outcome summarised below:

³² Beneficial Enterprise structures were included in the recent *Local Government Act 2020*, with councils permitted to establish Beneficial Enterprises from 1 July 2021. Campaspe Council recently established a Beneficial Enterprise – Campaspe Precinct Enterprise Pty Ltd – with this entity soon to assume responsibility for the management of the Port of Echuca Precinct.

Figure 23: Campaspe Achievement of Potential Economic Development Activities



Note: The outcome above should be regarded as indicative only as it is based on a subjective assessment of the extent to which service delivery meets the identified criteria.

The above indicates that Council is active in providing an Economic Development service to the community with there being some areas where further services may be possible, particularly in regard to:

- Taking a more active role in providing direct leadership to industry.
- Enhancing the establishment and maintenance of collaborative business networks and strategic partnerships including re-establish a Business Network that covers all industry groups to encourage networking, information sharing and professional development and bringing large scale food manufacturers together to share information, network etc.
- Providing stronger more coordinated advocacy including potentially allocating resourcing to ensure priorities are highlighted to Australian and State Government Ministers and government staff.
- Further assisting stakeholders in understanding potential funding sources and in completing the application processes. This could include develop a pipeline of projects that are scoped and ready for funding applications.
- Increasing the focus on event attraction including potentially re-introduce the budget allocation to incentivise events to come to Campaspe, further assisting volunteer Events Committees to develop their events, apply for funding etc and working with retailers and hospitality providers on supporting events.

The above analysis provides guidance on the extent to which economic development services are currently provided by Council. It does not reflect the extent to which economic development is embedded in the 'DNA' of the organisation, its role as a cultural driver and key consideration in decision-making.

6.2.2 Delivery of the CEDS 2014-19

The CEDS 2014-19 was based around a Vision for the Shire with this vision based on three pillars. This Vision and the associated pillars was then used to identify five key supporting strategic initiatives for economic development along with specific industry initiatives across 4 nominated industries. For each of these strategic and industry initiatives the CEDS 2014-19 also identified a range of key and suggested supporting activities to facilitate achievement of the initiatives.

A review of Council's performance in delivery the CEDS 2014-19 has been completed, with this indicating that:

- Council has completed a number of activities identified (and others) which have supported delivery of the strategic and business initiatives.
- The majority of the activities completed were focussed on overall economic development, with them also supporting a number of industry sectors. The number of industry targeted activities is limited.
- While the expected change in some of the key economic statistics has not eventuated, this has been caused by factors outside of Council control (e.g. the impact of COVID-19 on visitation levels) rather than any failure to deliver on the strategy.

7. PLANNING FOR THE FUTURE

7.1 The Campaspe Advantage

The Campaspe Shire has a number of strengths and natural assets that provide a competitive advantage which will assist its future economic growth and development and support future opportunities. Key strengths identified are outlined in the diagram and table below:

Figure 24: The Campaspe Economic Advantages



Table 7: Campaspe Shire Economic Strengths

Economic Strengths	
A Diverse and Resilient Economy	<p>Campaspe is not solely reliant on one industry but has an economy where many different sectors – food, agriculture, tourism, manufacturing, services - make significant contributions in different ways whether it be through measures such as employment, exports, wages and salaries, output and the number of businesses.</p> <p>The Shire has also delivered, over many years, a steady and sustained rate of growth across its population, labour force and gross regional product.</p>

Economic Strengths	
A strong and diverse agricultural and food manufacturing sector	<p>Our Shire is a hub for dairy and meat production in a safe and secure environment. Campaspe has opportunities to contribute, in some part, towards the protein needs of a rapidly growing middle class in Asia.</p> <p>Our strong and diverse agriculture sector is complimented by our significant and complementary food manufacturing activities, which have attracted a number of large and medium sized national and international food manufacturers (such as SPC Ardmona, Kagome, Fonterra and Kraft Heinz).</p>
A thriving Visitor Economy	<p>The Shire has a thriving visitor economy (bringing vibrancy and new money to our local economy) with a diversity of tourism assets, accommodation, events and experiences, making the region an attractive place to visit. These assets are also complimented by our existing and growing gourmet food and wine presence along with our internationally recognised Gunbower wetlands (Ramsar listed).</p>
Abundant land for growth	<p>The Shire has a long-term supply of both productive agriculture lands and land for commercial and industrial activities to support a wide range of employment and investment opportunities.</p>
A connected Shire	<p>The Shire’s road and rail corridors (and a large transport and logistics industry) provide direct connections to the major capital cities thus providing direct access to export markets for the agricultural and food manufacturing sector. The diversity of the supply chain base includes a large transport and logistics industry</p> <p>The Shire connection to the rest of Australia and the world is also supported by generally strong internet and communications infrastructure.</p>
A strong export orientated business community and service sector	<p>Knowledge industries are a growing proportion of our economy and the Shire services sector is well positioned to take advantage of this internal and export opportunity.</p> <p>The Shire has a strong representation of professional businesses and services supported by professional, scientific and technical skills (e.g. engineering, agri-science and business services, lawyers, accountants), with key towns in the Shire being important regional services hubs.</p>
Access to resources and utilities at competitive costs	<p>The Shire offers access to a wide variety of resources and utilities that are attractive to industry e.g. water resources, natural gas, energy with competitive labour, facilities, and utilities costs.</p> <p>Campaspe is one of the few areas in the Loddon Mallee Region that has access to natural gas for industrial use (the other being Mildura). Having available water for irrigation was also identified as a key strength for agricultural industries.</p>
Social/Community and Environment Strengths	
Strong social infrastructure assets and services	<p>The Shire has a good supply of social infrastructure assets (including health, aged care, disability, education, parks and sports reserves and justice assets) which enable the provision of all the required social services.</p>
A thriving community with strong amenity	<p>The infrastructure assets and welcoming community enable the Shire to provide a range of services and high levels of amenity that make the region a unique place to live for a variety of age demographics (e.g. family friendly through to the older generation).</p>

Economic Strengths	
	It has a welcoming community that interacts with and encourages participation of visitors and residents in social, cultural and economic activities of the region with it offering affordable living with relatively low-cost housing and journey to work costs.
An enviable lifestyle	<p>A unique climate (warmer and drier than other areas of Victoria and a milder winter) along with the extensive parks and reserves system, access to water, and the unique river environment makes the Shire a great place to live, work and raise a family.</p> <p>This unique climate also provides optimum growing conditions and supports tourism visitation.</p>

These competitive advantages make the Campaspe Shire an attractive location to live, visit and invest, and form a solid base to leverage economic development over the coming years.

Question for Consideration:

Are these identified advantages appropriate?

Are there any others to consider?

What should the Council do in regard to the EDS to take advantage of these advantages?

7.2 Threats and Challenges

The Shire has continued to achieve economic growth over the last five years, despite significant economic headwinds, with the identified Campaspe Advantages assisting in achieving these outcomes. The Shire, though, also faces a number of threats and challenges which need to be considered in the preparation of a future economic development strategy. These are summarised in the diagram and table below.

Figure 25: Campaspe Treats and Challenges

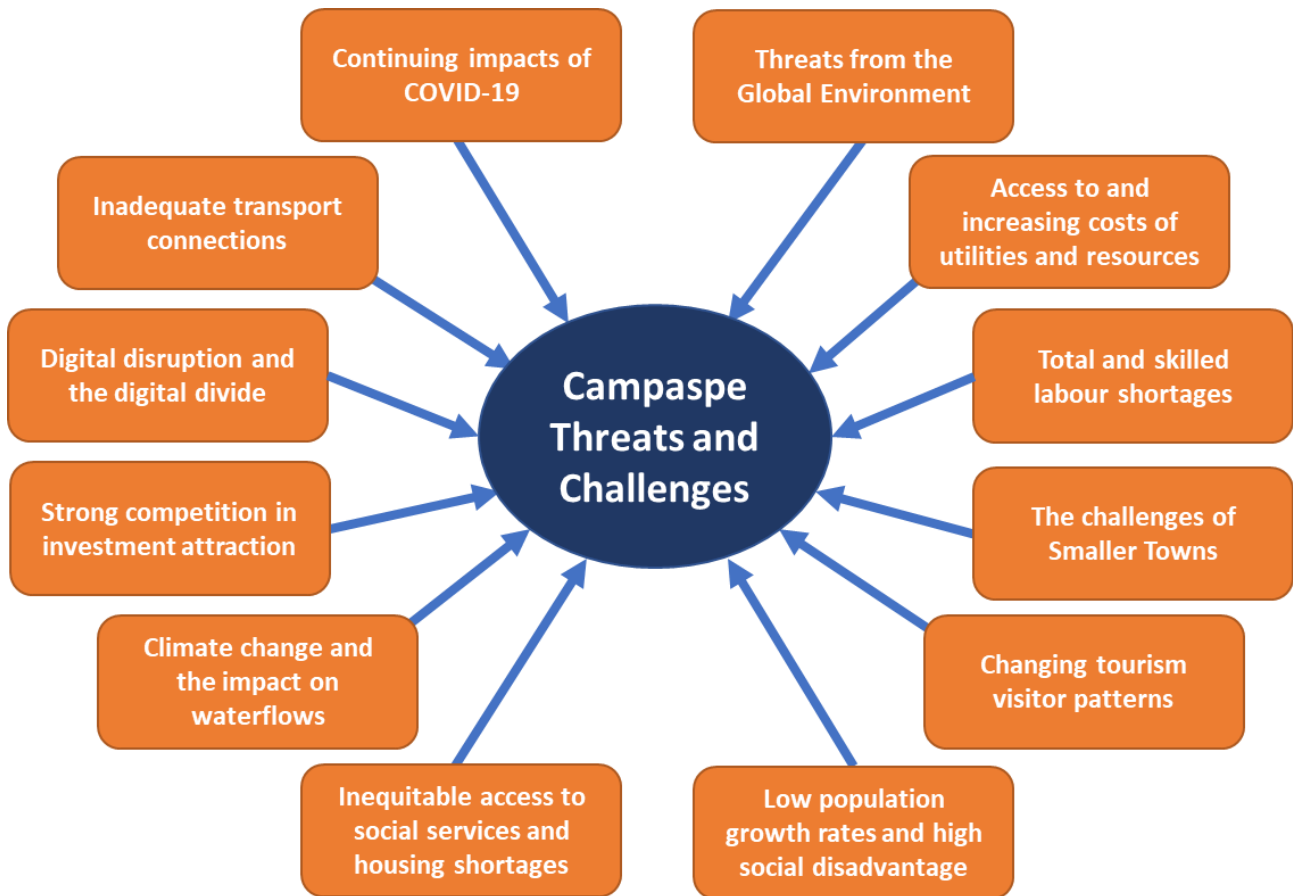


Table 8: Campaspe Economic Threats and Challenges

Economic Threats and Challenges	
Continuing impacts of COVID 19	<p>The COVID-19 Pandemic has had a significant impact on the economy at a local, national and global level. The most obvious impact has been a significant decline in visitation to the Shire and the decline of tourism services based economic activity, which has not yet recovered.</p> <p>It has also had significant impacts on other industries including through exacerbated workforce shortages, impacts on demand for the Shire produce and the growth of supply chain constraints.</p> <p>While the impacts of the pandemic are beginning to dissipate, it is not possible at this stage to predict the long-term impacts of the COVID-19 Pandemic. Therefore, to continue to encourage economic growth, Council will need to continue to monitor the impacts and collaborate with Australian and State Governments, local stakeholder, businesses and the community.</p>
Threats from the Global Environment	<p>The global economy is facing significant economic (and social) challenges and any further deterioration of macroeconomic conditions will impact on business and investment confidence in Victoria and Australia.</p>

Economic Threats and Challenges	
	Such changes have the potential to have adverse impacts on the overall viability of the region's major agricultural, processing and export-orientated businesses.
Access to and increasing costs of utilities and resources	<p>While the availability of water is a key economic advantage for Campaspe, it is vital that business retain access to the quantum of water required at affordable pricing.</p> <p>This also applies to other energy and utility costs, which will be problematic in an environment of expected increasing utility pricing.</p>
Total and skilled labour shortages	<p>The Shire continues to face acute shortages of both skilled and unskilled workers in a range of vital industries and sectors, with this having been exacerbated by reduced migration levels and lack of backpackers and tertiary education students. The limited access to training and career pathways in the Shire (as reflected in the Shire having a lower level of tertiary attainment and participation than the State average) also impedes access to skilled labour.</p> <p>This shortage is particularly relevant for professionals/ workers in key industries related to health, agriculture and food manufacturing and professional services.</p>
The challenges of Smaller Towns	<p>Campaspe has a number of smaller towns (below 3,000 population) within its geographic boundaries, with these towns either relying on a large employer (which presents associated risk and uncertainty) and/or having a fragmented economic structure relying on small businesses.</p> <p>Such towns also have difficulty in providing the range of retail and social services required, with their being a migration of these services to larger towns.</p>
Changing tourism visitor patterns	<p>Tourism has been particularly challenged by COVID-19, with numbers declining significantly over the last three years. The expected uptake post-COVID is slowly occurring with the limited marketing capacity of the Shire restricting the ability to fast track this expected return to normal.</p> <p>Therefore, businesses directly or indirectly reliant on visitors are under significant stress.</p>
Strong competition in investment attraction	There is strong competition from other regional and state governments who have also identified the attraction of business investment, government infrastructure support, tourism and major events as an area of focus, with this therefore being subject to strong competition.
Inadequate transport connections	While transport linkages are a potential strength for the Shire, it is an area subject to regular improvement and competition, including the development of new and upgraded intermodal terminals. The Shire needs to continually focus on regular upgrades to road and rail links (for freight and passengers) to ensure the advantage is retained.
Digital disruption and the digital divide	<p>The rapid pace of technological change and move to online service provision represents an opportunity, but also a threat to more traditional bricks and mortar offerings.</p> <p>Failing to provide the required digital and communications infrastructure to meet the technology needs of the future represents a real threat to future economic growth.</p>

Economic Threats and Challenges	
Social/Community and Environment Threats and Challenges	
Low population growth rates and high social disadvantage	Demographic changes along with the lower socio-economic structure of Campaspe represents a risk to the structure of the community and the economy. Campaspe is experiencing low population growth (compared to other areas in Victoria with an ageing population (and subsequent increase in dependency ratios). The Shire SEIFA rating also indicates the region has high social disadvantage, with this also reflected in high youth unemployment and a prevalence of health and wellbeing issues.
Inequitable access to social services and housing shortages	While the Shire in total has good access to social services, this access is not equitably available across the region, with their also being housing shortages (and particularly rental housing) in a number of the major centres.
Climate change and the impact on waterflows	Climate change represent a continuing threat to the Shire, and particularly the impacts to the river flow and eco-system of the Murray Darling which influences water availability for agriculture, industry and recreation.

These key regional threats and challenges need to be considered in the development and implementation of the Campaspe Economic Development Strategy. While not all of these can be instantly remedied, it is important to consider the relevant effect of these challenges and how they may be mitigated in the implementation plans for each of the development initiatives.

Question for Consideration:

Are these identified threats and challenges appropriate?

Are there any others to consider?

What the implications of these threats and challenges to the Council EDS?

7.3 Key Immediate and Emerging Trends and Issues

The previous high-level economic overview along with the above consideration of Campaspe’s competitive strengths, threats and challenges has highlighted a number of trends and issues which may have implications for the future economic development of Campaspe.

Figure 26: Immediate and Emerging Trends and Issues

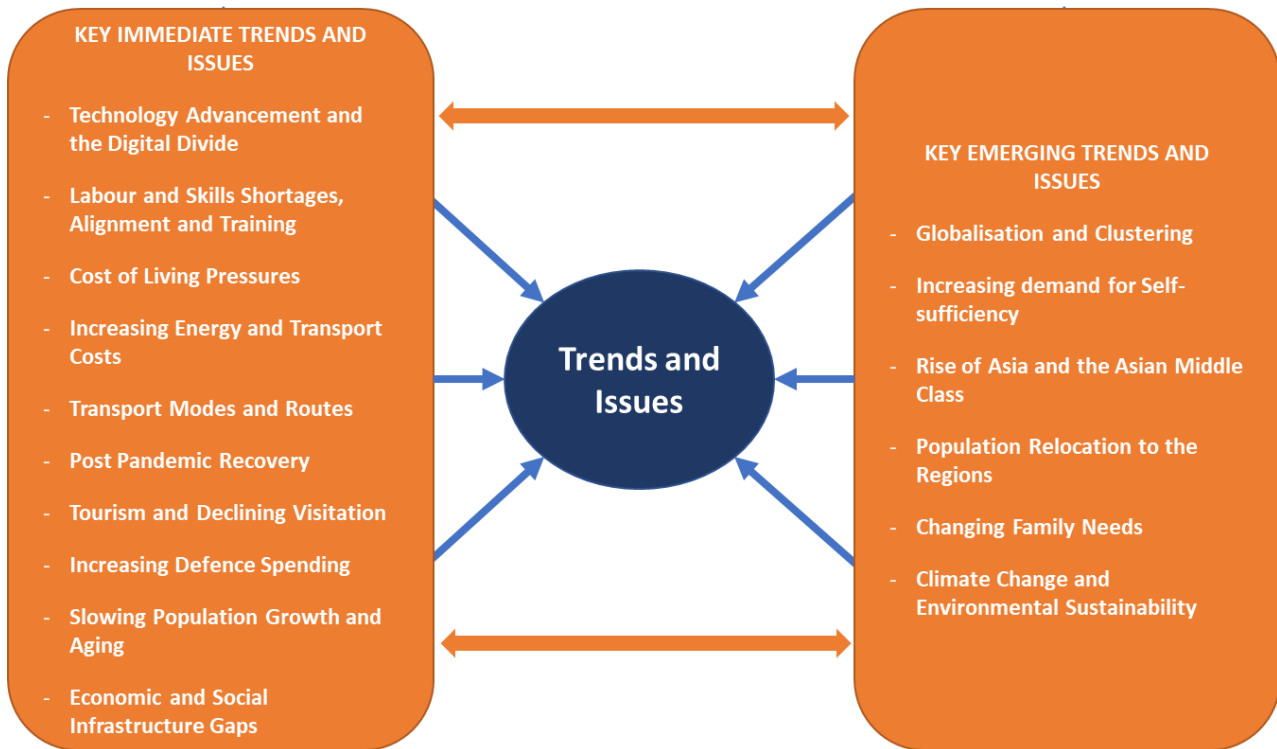


Table 9: Economic and Social Trends and Implications

Trend	Implications for Campaspe
KEY IMMEDIATE TRENDS AND ISSUES	
<p>Technological advancement and the Digital Divide – Improvements in technology are changing the way individuals, businesses, and government interact.</p> <p>Enabling technologies are changing the face of how and where we work, providing access to information and data, enabling growth in new and home-based businesses, and encouraging investment in home-based offices.</p> <p>New digital technology and online platforms such as Google, Amazon, Facebook and Microsoft enable new business models and connect consumers to the world. This includes growth in e-commerce, e-health and e-education and in home-based businesses.</p>	<p>Technological needs require Council to consider the associated infrastructure requirements, while also providing a number of potential opportunities:</p> <ul style="list-style-type: none"> ▪ Improved digital connectivity gives way to more opportunities to work from anywhere, a culture more embraced postCOVID-19. ▪ Opportunities to tap into this growing sector to build home grown innovation and jobs. ▪ Growing need to support businesses to innovate and optimise ▪ Technology also provides opportunities to communicate and interact with new and existing businesses to further strengthen the Council’s business interactions. <p>Ensuring the required infrastructure is available will also be an important consideration when attracting investment and new business.</p>
<p>Labour and skills shortages, alignment and training – There exists a labour and skills shortage with poor alignment between local skilled residents and the skill requirements of the local economy.</p>	<p>Strategies to attract and/or develop resident workers with appropriate skills will be important to support existing and future industries.</p>

Trend	Implications for Campaspe
	The trend also increases the potential for external workers to travel to the Shire for work.
Cost of living pressures - Families are facing increasing cost of living pressures in an uncertain environment where inflation and interest rates are both on the rise	These pressures may result in further demand for Council support services.
Energy and transport costs – Energy and transport costs are increasing with this trend expected to continue as a result of Russia’s invasion of Ukraine, the ongoing impact of COVID-19 and the move to reduce energy production emissions.	There is a danger that some of the Shire’s competitive advantage is dissipated as the relevance of transport to total costs increases.
Transport modes and routes – Transport systems continue to evolve with efficient transport routes being an important input in determining supply chains.	Councils continued commitment to maintaining roads and developing key centres as intermodal points is important.
Post pandemic recovery - The COVID-19 pandemic has caused the most significant contraction in economic activity since the Great Depression. While the impacts of the pandemic are beginning to dissipate, it is not possible at this stage to predict the long-term impacts of the COVID-19 Pandemic.	Council will need to continue to monitor the impacts and collaborate with Australian and State Governments, local stakeholder, businesses and the community.
Tourism and declining Visitation – Visitation has declined significantly as a result of COVID-19 and the associated restrictions on movements with this impacting domestic and international tourism. While there is expected to be an update in numbers post-COVID this is occurring slowly.	Support for the tourism and events industry needs to continue along with appropriate additional marketing.
Increasing Defence spending – The global uncertainty coupled with the changed approach of China and Russia’s invasion of Ukraine has resulted in significantly increased spending in defence, in Australia and across the world.	The expected growth in the defence supply industries may present an opportunity.
Slowing Population Growth and Aging – Population growth is not only slowing, there is a greater number of older residents and younger retirees and a large number of single households.	The slow population growth along with population aging will impact on the ability to provide employees for new business and the need to address labour shortages. An aging population will also place stress on existing social services.
Economic and Social Infrastructure gaps – There exists a gap in much-needed economic and social infrastructure, with this particularly prevalent in regional communities .	Much of the required infrastructure is dependent on State and Australian government funding. The Campaspe deficiencies may need to be identified and plans for rectifying deficiencies developed.
KEY EMERGING TRENDS AND ISSUES	

Trend	Implications for Campaspe
<p>Globalisation and Clustering – There is now a clear trend of globalisation of businesses. Globalisation forces, such as the creation of global financial markets, improved communication, knowledge and technology transfer, improved transportation and the internet is fundamentally changing the way we all do business.</p> <p>Globalisation is changed the nature and location of the way we manufacture goods and complete research, which results in greater industry specialisation or clustering. Benefits to a local economy (such as knowledge creation and sharing, innovation, resource sharing, scale economies) increases with cluster numbers.</p>	<p>Provides an opportunity for businesses in the Shire to leverage its existing strength in agriculture and food manufacturing.</p>
<p>Increasing demand for Self-sufficiency – The trend to protectionism along with the current global instability is driving a demand for increasing self-sufficiency and supply security across a range of industries including food and health services. This trend is further supported by the current international supply chain constraints and the impacts on domestic manufacturing and services.</p>	<p>Provides an opportunity for businesses in the Shire to leverage its existing strength in agriculture and food manufacturing.</p>
<p>Rise of Asia and the Asian Middle Class – The growth in Asian economies has increased their importance as trading partners of Australia. This has also resulted in a growing affluent Asian middle class market across a number of countries, but particularly China, which is influencing travel patterns into Australia along with the demand for ‘clean’ Australian goods.</p>	<p>The economic shift towards Asia presents opportunities through building new export markets, trade relations, business models and cultural ties. The growth of the Asia Middle Class also presents a tourism opportunity that would require the support of the State and Australian governments.</p>
<p>Population Relocations to the Regions – There is an emerging trend for families to relocate to regional areas with this being, in part, driven by the increased ability to work remotely.. These ‘creative professionals’ are attracted to areas that have developed their quality of life factors including good social and physical infrastructure, accessible ‘lifestyle amenity’, high standard sporting facilities and reliable internet technology availability.</p>	<p>The attraction of the ‘creative professional’ presents an opportunity, but one that also requires a commitment to the provision of the required lifestyle services and infrastructure. •</p>
<p>Changing Family Needs - People and families are time poor, they desire connectivity to their home, workplace and city, residential and lifestyle preferences are changing, and many more people are working from home but require places for social connection. There are more renters as the prospect of home ownership becomes more difficult and there is more workplace mobility (and insecurity) resulting in preferences for renting.</p>	<p>Changing family needs put a premium on facilities close to each other such as shopping, meeting places and recreation, and involve access to public green space such as parks, ovals and community gardens.</p>

Trend	Implications for Campaspe
<p>Climate Change and Environmental Sustainability – The impacts of Climate Change are being felt around the world with it driving government policy and increasing pressure on individual corporates to develop and implement emission reduction strategies.</p> <p>Environmental sustainability is also now a key focus for much of the local community, with this resulting in the State Government being committed to directions on improving environmental sustainability including the ban on single-use and other plastic products.</p>	<p>To meet this challenge it is important Council remain committed to maintaining and enhancing the urban environment and strengthening the Shire’s resilience to climate change.</p> <p>Climate change may also place further pressure on emergency management with the increase in major weather events.</p> <p>The trends also presents opportunities to investigate new investments in the rapidly growing renewables sector.</p>

These trends require consideration in developing the Campaspe Economic Development Strategy as they provide guidance on potential areas for focus while also highlighting some potential opportunities.

Question for Consideration:

What are the implications of these trends to the Shire and to the EDS of Council?

Do these indicate opportunities that may be appropriate for Council to pursue?

8. POSSIBLE STRATEGIC PRINCIPLES and PRIORITIES

The objective of this Issues Paper is not to develop the suite of strategies to be incorporated into the CEDTS 2023-28. However, the previous discussion has provided some guidance on what may be the potential Strategic Principles and Priorities (or Objectives), around which the strategy will be developed.

The following suggested principles have been developed to guide the work and approaches of Council and stakeholders towards achieving positive local economic development.

- **Growing our Economy:**
 - Aligning all Council activities and processes with the objective of economic growth
 - Taking action (with stakeholders) to develop place-based, local economic development strategies and initiatives.
- **Focusing on Local Economic Development:**
 - Meeting the needs of current and attracting future investors and businesses
 - Working together on strategies to build-on the skills and knowledge of local businesses and to create innovative, new opportunities; .
 - Supporting population growth and appealing to relocating families, retirees, creative professionals and the youth.
- **Innovation and Technology:**
 - Using innovation and technology as a key enabling for future development
 - Identifying improved and new ways of working and creating new job opportunities
 - Providing inspiration and incentives to encourage innovation and investment
- **Collaboration:**
 - Working together with all stakeholders to improve the Campaspe Shire business environment; .
 - Aligning with a shared vision and purpose; .
 - Building-on and connecting existing assets, strengths and competitive advantages; .
 - Developing broad coalitions across all levels of the public and private sectors to identify and resolve key challenges and take opportunities. .
- **Leveraging Knowledge:**
 - Using knowledge and skills development as a foundation to change
 - Starting with young people, while emphasising lifelong learning and skill development; .
 - Integrating learning and education into all approaches; and .
 - Raising awareness through digital marketing and cross-promotional activities.

These strategic principles provide the framework around which Council may work to deliver on a range of Strategic Priorities, with the possible priorities being:

- Providing economic leadership and strengthened collaborative networks and strategic partnerships
- Attracting investment and providing business support
- Enhancing economic infrastructure and transport networks
- Enabling skill development, providing employment pathways and retaining young people
- Enhancing place-based activation and infrastructure
- Encouraging innovation in current strong industry sectors and growing emerging sectors
- Growing the Visitor Economy and enhancing Regional City Liveability.

It is expected that these principles and priorities will be expanded upon in the CEDTS 2023-28 with the strategy:

- developing objectives around the principles and priorities, with
- strategies and actions then being developed to facilitate delivery of the objectives.

In developing these strategies it is important to recognise the role of the various stakeholders. Local Government does not 'drive' economic development. This is the role of business and industry. Local Economic Development is one that is business and industry led and government supported.

Council must work with government and industry stakeholders to maximise resources to assist in delivering better economic outcomes for the Shire.

While Council's role is to support, facilitate, advocate, and undertake a range of economic development initiatives, Council will not necessarily always be the party responsible for delivering a particular outcome; this will be delivered in partnership with a range of other stakeholders.

Question for Consideration:

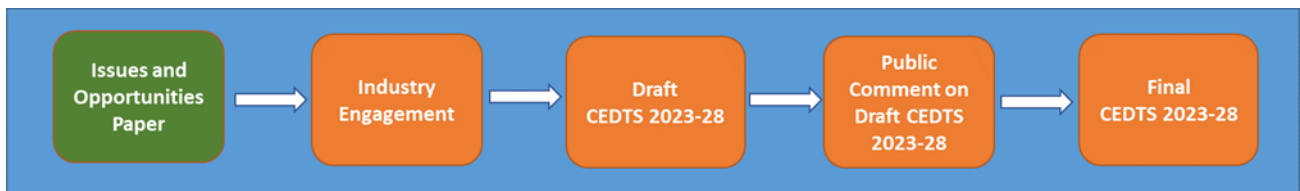
What initiatives may be considered to support these priorities?

9. NEXT STEPS

As noted at the beginning, this *Economic Development and Tourism Strategy – Issues and Opportunities Discussion Paper* is the first phase in the development of the CEDTS 2023-28, with the subsequent stages incorporating:

- the issues and opportunities paper along with industry engagement being used to develop the draft CEDTS 2023-28 economic development strategy
- the draft CEDTS 2023-28 then being available for public comment over a period of several weeks, with
- feedback provided through the public comment phase being incorporated into the final CEDTS 2023-28 where considered appropriate.

Figure 27: Development of the CEDTS 2023-28



Therefore, consistent with the above diagram, the next stage will be the completion of industry engagement.

ACRONYMS

AgrV	Agriculture Victoria
ALGA	Australian Local Government Association
BBRF	Better Building Regions Fund (Aust Govt)
CEDS 2014-19	Campaspe Economic Development Strategy 2014-2019
CEDTS 2023-28	Campaspe Economic Development Strategy 2022-2027
Council	Campaspe Shire Council
CPE	Campaspe Port Enterprise Pty Ltd
DAMA	Designated Area Migration Agreement
DEECA	Department of Energy, Environment and Climate Action (Vic)
DJSIR	Department of Jobs, Skills, Industry and Regions (Vic)
DTP	Department of Transport and Planning (Vic)
EMDTA	Echuca Moama District Tourism Association
FTE	Full time employee
GBCMA	Goulburn Broken Catchment Management Authority
LGV	Local Government Victoria
GMW	Goulburn Murray Water
MBN	Murray Business Network
MRTB	Murray River Tourism Board
NCCMA	North Central Catchment Management Authority
PoE	Port of Echuca
PoEDC	Port of Echuca Discovery Centre
PoEP	Port of Echuca Precinct
RDA	Regional Development Australia
RDV	Regional Development Victoria
REDHS	Rochester and Elmore District Health Service
RJIF	Regional Job and Investment Fund (Vic)
USP	Unique Selling Proposition

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APPENDIX A: ECHUCA-MOAMA DESTINATION DRIVERS

APPENDIX B: ECHUCA-MOAMA LOCAL AREA PLAN AND RECOMMENDED ACTIONS