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STRATHBOGIE SHIRE ECONOMIC PROFILE

FINAL REPORT

STRATHBOGIE SHIRE COUNCIL | SEPTEMBER 2020



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Strathbogie Shire Economic Profile_Final Report V2

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NOTES ON KEY INFORMATION SOURCES:

Australian Bureau of Statistics (ABS)

ABS Census data is Australia's largest statistical collection, which helps estimate Australia's population, dwellings and demographic characteristics. It is based on responses received from private dwellings and individuals. The Census, which is conducted every five years (the most recent in 2016), provides information for the entire country, including small geographic areas and small population groups.

Profile ID

Profile ID analyses and converts raw ABS Census data into a demographic profile to inform council, community groups, investors, business, students and the general public. The Profile ID data for Strathbogie Shire provides a demographic analysis based on results from the 2016, 2011, 2006, 2001, 1996 and 1991 Censuses of Population and Housing. The profile is updated with population estimates when the Australian Bureau of Statistics (ABS) releases new figures.

Victoria in Future (VIF)

Victoria in Future is the official state government projection of population and households. Projections are based on trends and assumptions for births, life expectancy, migration, and living arrangements across all of Victoria. This report is released annually, with government agencies, planners and demographers using the adopted growth rates to forecast population and housing growth. VIF provides information for the state, municipal areas and smaller statistical areas.

REMPAN Economy Profile

REMPAN Economy provides data into the performance of key sectors of the economy, which is provided by state, region and municipal areas. This is underpinned by the latest data from the ABS and includes estimates of employment, output, wages & salaries, imports, exports and gross regional product for 114 industries. The information is drawn from numerous ABS sources, including Census data, National Input Output Tables and Gross State Product.

Tourism Research Australia (TRA)

TRA provides statistics and research on both international and domestic tourism within Australia, including the value of tourism. This is based on two major surveys – for domestic and international visitors – that measures the contribution of tourism and provides input into visitor spend for Australia's regions and smaller statistical areas.

EXECUTIVE SUMMARY

OVERVIEW

This *Strathbogrie Shire Economic Profile* report provides a summary of demographic and economic data for the Strathbogrie Local Government Area (LGA), as well as key considerations for economic development.

This project was commissioned by Strathbogrie Shire Council (Council), with the aim of providing a baseline profile of Strathbogrie's economy for use by Council, industry, investors and residents. The report draws on a range of datasets including ABS data, REMPLAN, Profile ID, Tourism Research Australia and Building Industry data.

ABOUT STRATHBOGRIE SHIRE

Strathbogrie Shire covers around 3,300 square kilometres and is located some 125 kilometres to the north of Melbourne CBD.

Strathbogrie is positioned toward the centre of the state and is proximate to the key regional centres of Bendigo, Shepparton and Wangaratta. These centres, as well as Melbourne, are accessible to Strathbogrie via major transport routes, including the Hume and Goulburn Valley Freeways and V/line train services connecting the Shire to surrounding towns and urban centres.¹

The Shire currently attracts a large number of older age cohorts, including retirees, seeking a lifestyle change. This has contributed to an ongoing ageing of the population, which will have implications for aged care, health and social assistance. In addition, the Shire has experienced growth in household income, educational qualifications and employment, which has improved its socio-economic status. The continuation of this growth will be crucial in supporting sustainable economic development.

¹ In addition, there is an inland freight line (Melbourne-Tocumwal) that stops in Nagambie.

Leveraging off the region's natural landscapes and locational context, the economy – in terms of output and employment – is driven by four key areas, including:

- Primary Industries & Trade;
- Tourism-Reliant industries;
- Knowledge & Public Sector; and
- Population Driven industries.

F1. STRATHBOGRIE INDUSTRY COMPOSITION



Source: Urban Enterprise, 2020

The agricultural sector, specifically livestock and grain productions, is a key driver of output and employment. Supporting these key industries should, therefore, be the focus for recovery efforts to help overcome the impacts of the COVID-19 pandemic.

STRATHBOGIE SHIRE IN NUMBERS



Population

- **10,781 residents** in Strathbogie Shire in 2019
- **+1,037 additional residents** between 2012-2019
- Projected growth of **+1,357 residents** (0.7% per annum) between 2019-2036



Demographics

- Median age of **52 (compared to Victorian average of 38)**
- Residents aged **over 70 years** projected to **increase by +1,235 by 2036**
- Dwellings projected to **increase by +1,137** (0.9% p.a.) between 2016-2036.
- The largest household type is **adult couples without children** (31%)



Socio-Economic

- **SEIFA ranking of 26** (out of 79 LGAs)
- **43% of residents have a higher education qualification** in 2016
- **Growth in household income of 14%** between 2011-2016
- **Unemployment rate 3.6%** (March 2020), decreasing from 4.5% in March 2017



Economy

- Total **economic output of \$1.1 billion**, a **regional export value of \$458 million** and total **value-add of \$521 million**.
- **Agriculture, Forestry and Fishing sector** generates 31% of total output, 59% of exports and 32% of value-add
- The agricultural sector is driven by the sub-sectors of **Sheep, Grains, Beef & Dairy Cattle** and **Poultry & Other Livestock**



Business

- **1,402 businesses** in Strathbogie Shire 2019
- 68% of these businesses are **non-employing**
- 46% of businesses are in the **agriculture sector**



Employment

- **3,593 jobs** in Strathbogie Shire 2019 (representing growth of 187 jobs, or 5%)
- 27% of jobs attributed to the **agriculture sector**
- 10% of jobs attributed to **Health Care & Social Assistance**
- Between 2011-2019, the largest growing employment sectors are **Education & Training** (+55 jobs) and **Accommodation & Food Services** (+53 jobs)
- **78% job containment rate** for Strathbogie Shire working residents in 2016



Tourism

- Average of **344,114 visitors p.a.** to Strathbogie Shire between 2015-2019
- Represents average **growth of +45,225** visitors per annum from 2010-2014
- 60% are **daytrip** visitors, followed by **domestic overnight** visitors (40%)
- **\$56.4 million per annum** in direct visitor expenditure in Strathbogie Shire (2015-2019 average)



Estimated COVID-19 Impacts

- 11% decrease in **economic output**
- 7% decrease in **employment**
- 25% of businesses applying for **JobSeeker payments**
- 43% decrease in **visitation** and **visitor expenditure**

STRATEGIC CONSIDERATIONS

The following summarises some of the high-level strategic considerations for economic development in Strathbogie, given the current economic profile as well as the recent impacts of the COVID-19 pandemic.

- Importance of **population attraction and retention strategies**, particularly young families, to support employment growth and provide a more sustainable community. The recent impact of COVID-19 presents the opportunity to attract remote workers to the Shire, due to significant changes in workforce patterns. More specifically, the pandemic has led to a higher prevalence of working from home and, therefore, more flexibility for employees in choosing a place of residence.
- Focus on **growth and emerging industries**, particularly growth opportunities for agriculture, including the sub-sectors of *Sheep, Grains, Beef & Dairy Cattle* and *Poultry & Other Livestock*, to drive economic and employment growth.
- Provide **meaningful business support**, through Council support and provision of appropriate infrastructure, to grow the business base and develop employment opportunities.
- Maintain **growth in the tourism industry**, by leveraging the Shire's competitive advantages, including Lake Nagambie, the Goulburn River, wineries and Strathbogie Ranges. Attracting investment in these key products and experiences will help drive visitation, diversify the economy and create more employment opportunities.
- Leveraging the region's road and rail **transport infrastructure** to support population attraction, employment and economic growth.
- Develop a **Strategic Action Plan** to support business and economic recovery in response to the impacts of the COVID-19 pandemic. Council should play a leading role, through understanding the key issues of the business community and identifying best practice responses delivered in other regions.

1. INTRODUCTION

1.1. OVERVIEW

This *Strathbogie Shire Economic Profile* report provides a summary of demographic and economic data for the Strathbogie Local Government Area (LGA), as well as key considerations for economic development.

This project was commissioned by Strathbogie Shire Council (Council), with the aim of providing a baseline profile of Strathbogie's economy for use by Council, industry, investors and residents.

The report draws on a range of datasets including ABS Census data, REMPLAN, Profile and Economy ID, and Building Industry data.

The data collected in this report was researched and analysed during the COVID-19 pandemic. While it is difficult to determine the long-term impacts on the Shire's economy, the short-term impacts are likely to be significant, with business closures, reduction in economic output, decreases in visitation and loss of jobs.

Where possible, the short-term impacts have been identified, however, it will be important to monitor the impact of COVID-19 at the end of 2020 to understand the level and focus for re-establishing the economy.

1.2. ABOUT STRATHBOGIE SHIRE

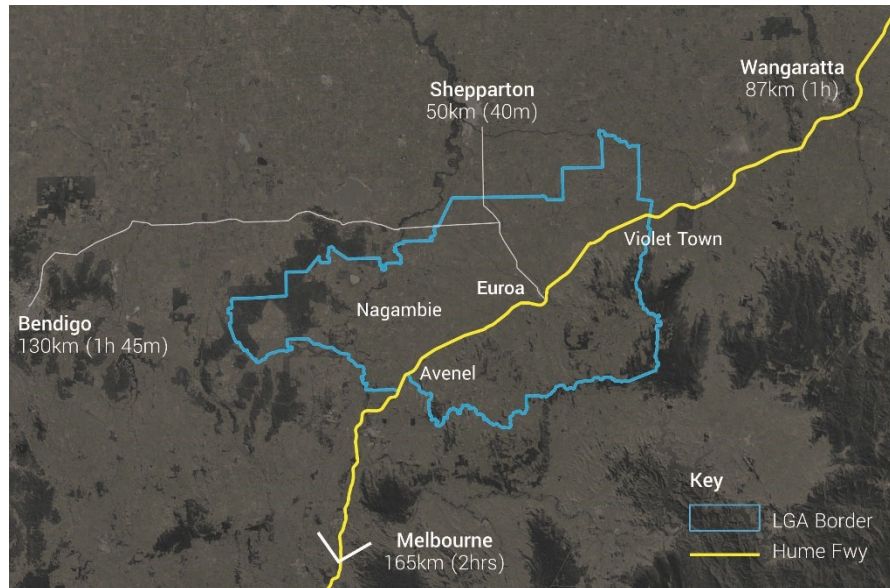
Strathbogie Shire covers around 3,300 square kilometres and is located some 125 kilometres to the north of Melbourne CBD. It is a diverse geographical region, bordered to the east by the Strathbogie Ranges and to the west by the lakes district, which includes significant natural assets such as the Goulburn River and Lake Nagambie.

Strathbogie is positioned toward the centre of the state and is proximate to the key regional centres of Bendigo, Shepparton and Wangaratta. These centres, as well as Melbourne, are accessible via major transport routes, including the Hume Freeway and Goulburn Valley Freeway. The Shire also includes Mangalore Airport, to the south-west, which has an aviation-training centre and pilot academy.

There are several key towns within the region that drive residential, employment and economic growth, including Euroa (administrative centre), Nagambie and Violet Town (service centres), as well as Avenel, Longwood and the winery region around Mitchellstown.

The regional and local context of the Shire is illustrated in Figure F2 (overleaf).

F2. STRATHBOGIE SHIRE REGIONAL CONTEXT



Source: Urban Enterprise, 2020

1.3. METHODOLOGY

The following methodology was undertaken in the delivery of this report:

- Profile Strathbogie's demographics, identifying historical and forecast trends that may impact the local economy.
- Profile Strathbogie's economy using a range of economic indicators (e.g. growth in output, employment, business), identifying historical and forecast trends that may have implications on the local economy.
- Provide an overview of the visitor economy and the growing role of tourism and related activities.
- Identify some of the short-term impacts of the COVID-19 pandemic to the economy and economic growth.
- Discuss the key considerations to be addressed in future economic development studies, including areas of focus and potential actions/strategies to be considered.

Where relevant, data is benchmarked against the Regional Victoria average to provide context and identify areas of competitive advantages.

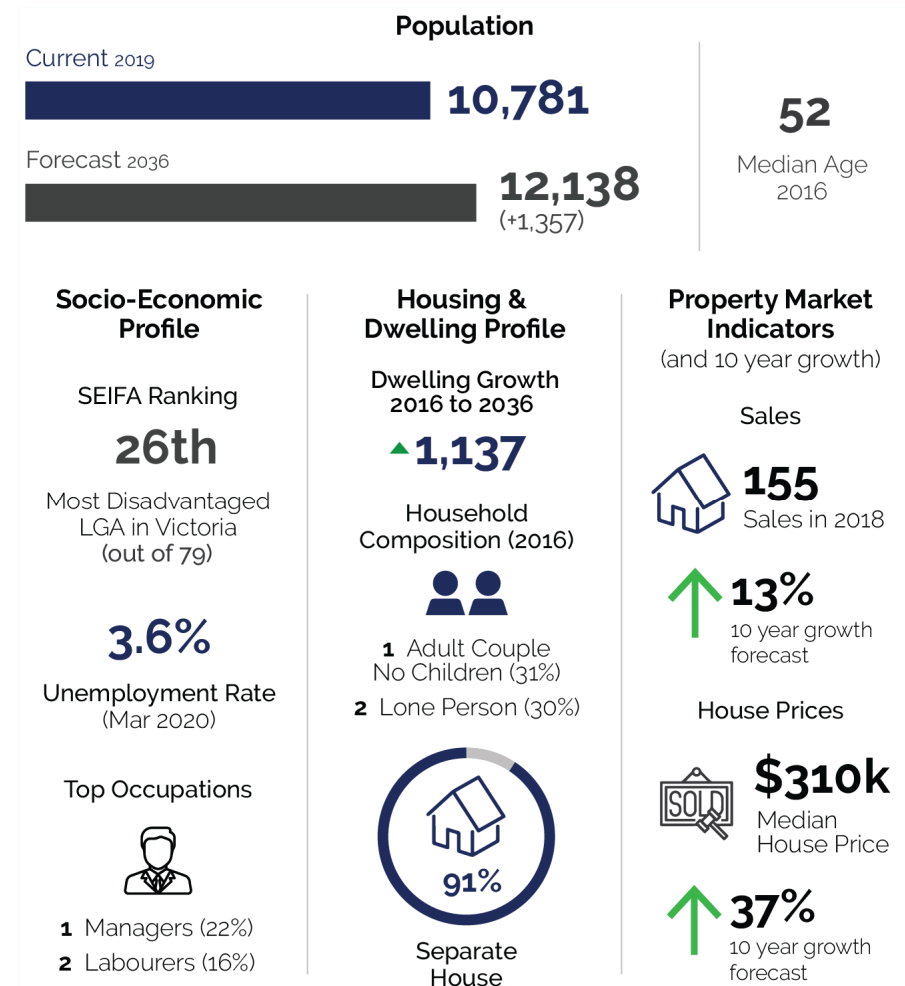
2. DEMOGRAPHIC PROFILE

2.1. INTRODUCTION

The following provides an overview of the demographic characteristics and trends of Strathbogie residents. This includes key demographic indicators such as population profile, housing profile and relevant socio-economic trends, which has implications for future economic development.

A high-level snapshot of the Shire's demographic profile is illustrated in Figure F3.

F3. STRATHBOGIE SHIRE DEMOGRAPHIC SNAPSHOT



2.2. POPULATION GROWTH

2.2.1. POPULATION GROWTH BY LGA

In 2019, Strathbogie Shire's estimated resident population (ERP) was 10,781. As shown in Table T1, this represents significant population growth of 1,036 residents, or 1.5% per annum, between 2012 to 2019, at a rate greater than the Regional Victoria average (of 1.3% per annum).

However, according to *Victoria in Future* (VIF) projections, aggregate growth will continue at a slower rate of 0.7% per annum, with the ERP expected to increase to 12,138 by 2026 (+1,357 residents). These projections are significantly lower than the Regional Victoria average (annual growth of 1.3%), demonstrating the need for the Shire to develop population attraction and retention strategies to compete with surrounding regional destinations.

T1. STRATHBOGIE SHIRE POPULATION 2012-2036²

	2012 (Historic)	2019 (Current)	2036 (Projected)
Estimated Resident Population	9,744	10,781	12,138
Growth	-	+1,037	+1,357
AAGR (%)	-	1.5%	0.7%
Regional Victoria AAGR (%)	-	1.3%	1.3%

Source: Profile id, 2020; Victoria in Future, 2019

The population base and rate of growth is a key variable for economic growth, as it impacts the level of local demand for infrastructure, housing, retail, core services (e.g. health, education, etc.) and civic/community facilities. This will also have implications for future investment in the Shire, as demand for services, employment and housing incrementally increases.

² The population projections detailed in this table are based on the most recent ERP figures for 2019 (provided by Profile id) and uses the adopted growth rate (provided by VIF) to estimate the 2036 population. Applying the VIF growth rate to population estimates is standard industry practice, as it is the approved growth rate adopted by government agencies, planners and demographers.

2.2.2. LOCALISED HISTORIC POPULATION GROWTH

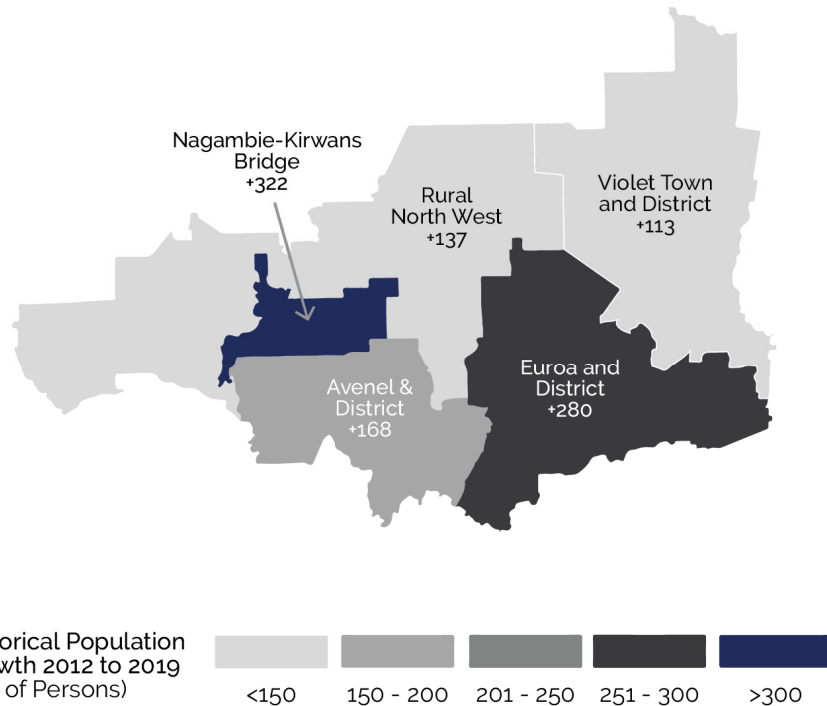
Figure F4 (overleaf) shows the distribution of historic population growth by location across Strathbogie Shire, categorised by *small areas*.³ Between 2012 and 2019, population growth was driven by Nagambie-Kirwans Bridge (+322 residents) and Euroa and District (+280 residents). These areas represent the major population and administrative centres of the LGA, comprising almost 60% of the total population. As such, residents are drawn to these high-amenity locations for various economic, employment and lifestyle reasons.

However, whilst Nagambie has experienced the highest rate of growth (2.3% per annum), Euroa (1% per annum) has experienced slower growth. In addition, Avenel and District has also been identified as a future growth area, reflected by the relatively high rate of historic growth (+168 residents or 1.7% per annum).

Continued growth in these localised areas will have implications for the future location and supply of housing, infrastructure, core services and amenities.

³ The small areas are defined by Profile id, based on SA1 areas.

F4. LOCALISED HISTORIC POPULATION GROWTH 2012-2019



Source: Profile id, 2020; Victoria in Future, 2019, derived by Urban Enterprise; Note: the aggregate of the localised growth does not equal total LGA growth, as these smaller geographies are subject to a greater level of revision.

⁴ This data applies the adopted VIF growth rates to the SA2 areas, which is based on 2019 ERP figures provided by the ABS. The 2019 figure is used for this analysis as it provides the most recent population estimates for the SA2s.

2.2.3. LOCALISED PROJECTED POPULATION GROWTH

Localised population projections to 2036 are provided at an SA2 level by VIF, which includes Nagambie and Euroa SA2s. As shown in Figure F5, demand is concentrated in the Nagambie SA2 (+960 or 1.2% per annum), driven by growth in the Nagambie and Avenel growth areas. This represents around 74% of total projected growth for the Shire.

Conversely, demand is projected to be stagnant in the Euroa SA2 (+340 or 0.3% per annum), which is again consistent with the relatively slow rate of historical growth across the Euroa and Violet town areas.

F5. LOCALISED POPULATION PROJECTIONS 2019-2036⁴



Source: ABS Regional Population Growth, 2019; Victoria in Future, 2019, derived by Urban Enterprise; Note: the aggregate of the localised growth does not equal total LGA growth, as these smaller geographies are subject to a greater level of revision.

Strategies should be developed to manage areas of expected growth (e.g. housing supply, services, etc.), and to facilitate population attraction in areas of low growth, to provide a more sustainable community in localised areas.

This could include localised strategies across the Shire, similar to the *Nagambie Growth Management Strategy* (currently being prepared by Council), to provide guidance for managing future growth. These strategies can include aspirational growth targets based on the circumstances of local areas, including land supply, building approvals, etc. These localised strategies will help inform future planning and development in Strathbogie.⁵

2.3. AGE PROFILE

Strathbogie’s population is relatively old, with a median age of 52, compared to the Victorian average of 38. This suggests both an inflow of retiree lifestyle residents the Shire and general ageing of the population.

Figure F6 shows the most recent and forecast age profile of Strathbogie residents (from the 2016 census to 2036 VIF projections). As of 2016, residents aged over 55 years comprised almost half of the entire population, with the largest cohort of residents aged between 60 and 69 years, (18% or 1,853 residents).

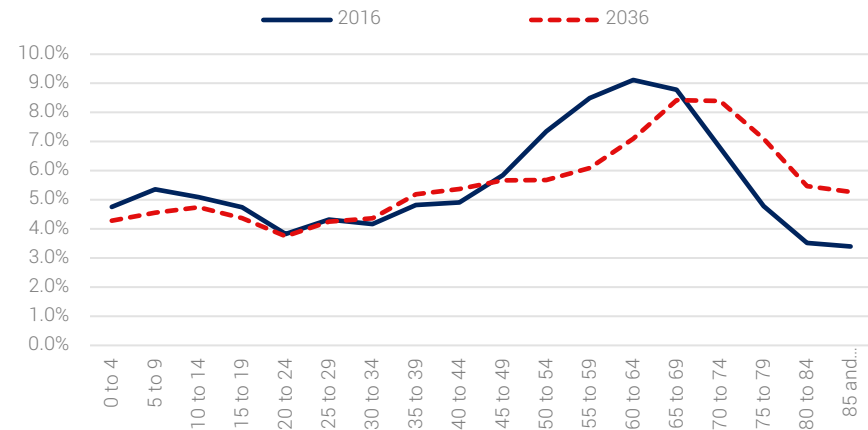
From 2016, the population is expected to age, with significant increases in residents aged 70 years and over (+1,235 residents), which will comprise over one-quarter of the total population (compared to 18% in 2016).

Conversely, younger age cohorts are expected to either experience proportional decreases (despite absolute growth), such as residents aged 0 to 19 years (2% decrease) or stagnate over time.

These trends could have implications for service provision within the Shire, with the increase in older aged cohorts likely to put pressure on aged care, health and social assistance.

⁵ The Nagambie Growth Management Strategy provides an aspirational growth target, based on increased dwelling capacity, of approximately 4,000 residents by 2036.

F6. STRATHBOGIE HISTORICAL AND FORECAST AGE PROFILE 2011-2036



Source: ABS Census 2016; Victoria in Future, 2019

2.4. MIGRATION TRENDS

The following demonstrates the migratory trends of the Strathbogie population, including country of birth and previous place of residence. This indicates the ability of the LGA to attract new residents and retain its existing population base.

2.4.1. COUNTRY OF BIRTH

Table T2 details the number of migrant residents living within the Shire, compared to Australian-born residents. The data shows that both the Australian born (+250 or 3%) and overseas born (+53 or 6%) residents increased between 2011 and 2016, consistent with overall population growth. However, in proportional terms the number of overseas born residents remained constant at 9% of total population, while Australian-born residents decreased to 81%.

These proportions are broadly consistent with the Regional Victorian averages, which suggests that if Strathbogie is to attract more overseas migrants, it needs to consider population attraction measures (e.g. housing, employment, lifestyle strategies, etc.).

It is important to note that 10% of respondents did *not state* place of birth in the 2016 census, likely distorting this data.

T2. COUNTRY OF BIRTH

Country	2011		2016		Growth	
	No.	%	No.	%	No.	%
Australia	8,093	85%	8,343	81%	+250	+3%
Overseas Born	866	9%	919	9%	+53	+6%
Not Stated	527	6%	1010	10%	+483	+92%
Total	9,486	100%	10,272	100%	+786	+8%

Source, ABS Census, 2011 and 2016; Note: Overseas born residents excludes countries of birth with fewer than 10 people.

2.4.2. PREVIOUS PLACE OF RESIDENCE

Table T3 depicts the top eleven LGAs where current Strathbogie Shire residents lived – according to the 2016 ABS Census – in 2011 and 2015. This measures the rate of migration and population movements.

Between 2011 and 2015, the largest proportion of new residents originated from surrounding regional centres including Mitchell Shire and Greater Shepparton. In addition, a relatively large number of residents migrated from eastern Metropolitan Melbourne areas (e.g. Whittlesea, Casey)

A deeper analysis of the data indicates that migrating residents are equally sourced from both Metropolitan Melbourne and Regional Victoria (including per-urban areas). This influx of Melbourne residents suggests that Strathbogie is attracting people for lifestyle reasons (e.g. tree-change, retirees).

As such, Strathbogie must ensure there is an appropriate supply of housing to maintain growth from the Melbourne market.

It is also likely that many of the new residents have had a previous connection with Strathbogie through holidaying at Lake Nagambie, visiting a winery, or through family connections. Therefore, achieving growth in resident attraction could be targeted to specific markets (i.e. retirees) or locations (i.e. eastern Melbourne). This also highlights the importance of tourism to expose potential residents to the lifestyle attributes of the Shire.

There is also an opportunity to attract remote workers (working from home), as workforce patterns change, following COVID, and there is more flexibility in choosing a place of residence.

T3. PLACE OF USUAL RESIDENCE

LGA	Previous Place of Residence (2011)	LGA	Previous Place of Residence (2015)
Strathbogie	6,873	Strathbogie	8,561
Mitchell	195	Mitchell	70
Greater Shepparton	155	Greater Shepparton	62
Yarra Ranges	71	Benalla	25
Benalla	58	Yarra Ranges	22
Whittlesea	50	Moonee Valley	18
Casey	45	Whittlesea	17
Wyndham	44	Casey	15
Campaspe	39	Wyndham	14
Hume	38	Greater Geelong	12
Macedon Ranges	33	Mornington Peninsula	11
Metropolitan Melbourne	734	Metropolitan Melbourne	216
Regional Victoria	698	Regional Victoria	293

Source: ABS Census, 2016

2.5. HOUSING & DWELLING PROFILE

2.5.1. DWELLING GROWTH BY LGA

Between 2011 and 2016, the total number of private dwellings in Strathbogie grew by 637 (or 2.4% per annum)⁶. As shown in Table T4, VIF estimates private dwelling growth to continue to 2036, albeit at a lower rate of 0.9% per annum (which is lower than the Regional Victoria average of 1.5% per annum).

There is expected to be consistent growth in occupied private dwellings, increasing to a total of 6,823 (+1,137) by 2036, with occupancy rates remaining constant at around 84% (which is lower than the Regional Victoria average of around 89%).

T4. PRIVATE DWELLINGS, STRATHBOGIE SHIRE 2016-2036

Dwelling Type	2016	2036	Growth (2016 to 2036)	AAGR (%)
Occupied private dwellings	4,797	5,743	+946	0.9%
Unoccupied private dwellings	889	1,080	+191	1.0%
Total private dwellings	5,686	6,823	+1,137	0.9%
Occupied dwellings (%)	84.4%	84.2%	-	-

Source: Victoria in Future, 2019

This growth in dwellings is consistent with the forecast rate of population growth (Section 2.2) and has contributed to recent growth in **residential building approvals**. As shown in the table below, Strathbogie has recorded over 340 new residential building approvals between 2015-16 and 2018-19 (average 85 per annum).

T5. HISTORIC RESIDENTIAL BUILDING APPROVALS

	2015-16	2016-17	2017-18	2018-19	Total	Average
New houses	76	65	101	99	341	85

Source: Profile id, 2020

⁶ ABS Census, 2011 and 2016

This growth in dwellings and subsequent growth in housing development is important for the strength of the local economy as this sector supports a large number of local builders, tradespeople and suppliers.

In addition, the dwelling data (and forecasted growth) can be used to assess the capacity for future population growth, based on supply-side data.⁷

2.5.2. LOCALISED DWELLING GROWTH

Localised private dwelling projections, by SA2 areas, is detailed in Table T6. This demonstrates that there is a significantly higher rate of dwelling growth expected in the Nagambie SA2 by 2036 (+726 or 1.4% per annum) compared to Euroa (+442 or 0.6% per annum).

These projections align with the rate of population growth for the SA2s (see Section 2.2.3), with Nagambie contributing to the majority of new dwellings to accommodate the larger increase in residents.

In addition, Nagambie is expected to continue having lower occupancy rates than Euroa, reflecting a higher prevalence of holiday homes, particularly for new developments proximate to Lake Nagambie.

Maintaining future growth in dwellings is important for future planning and economic development. Crucial to this is ensuring the adequate supply of residential land, particularly in growth areas, to support a range of housing typologies suited to market expectations. This will in-turn ensure that the jobs associated with the construction industry are also maintained.

⁷ This is used for identifying population targets; however, standard industry practice does not use new dwelling data for population projections (see Section 2.2). This is because the dwelling data ignores many demand factors (e.g. migration, changes to household size, etc).

T6. PRIVATE DWELLINGS BY SA2, 2016-2036

Dwelling Type	2016	2036	Growth (2016 to 2036)	AAGR (%)
NAGAMBIE SA2				
Occupied private dwellings	1,817	2,384	+567	1.4%
Unoccupied private dwellings	424	556	+132	1.4%
Total private dwellings	2,214	2,940	+726	1.4%
Occupied dwellings (%)	81.1%	81.1%	-	-
EUROA SA2				
Occupied private dwellings	2,983	3,365	+382	0.6%
Unoccupied private dwellings	467	527	+60	0.6%
Total private dwellings	3,450	3,892	+442	0.6%
Occupied dwellings (%)	86.5%	86.5%	-	-

Source: Victoria in Future, 2019; Note: the aggregate of the localised growth does not equal total LGA growth, as these smaller geographies are subject to a greater level of revision.

2.5.3. HOUSEHOLD COMPOSITION

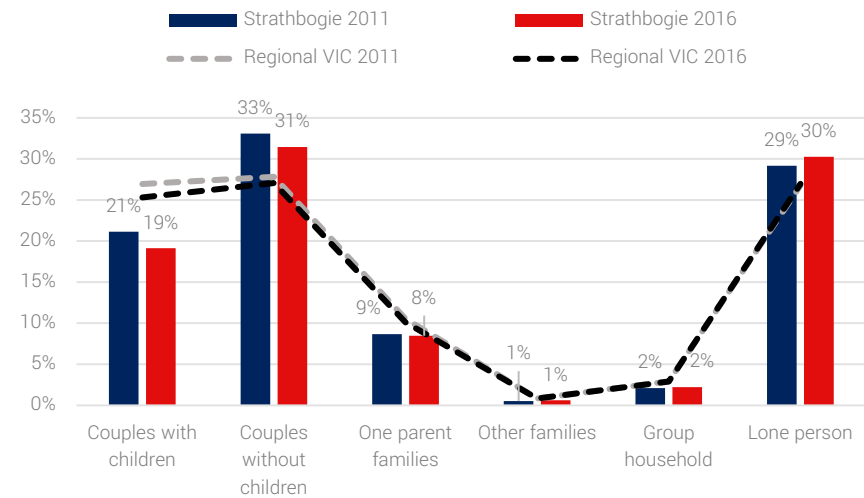
Figure F7 summarises the composition of Strathbogie households between 2011 and 2016, benchmarked against the Regional Victorian average.

Strathbogie has a relatively high proportion of non-family households, including couples without children (31% in 2016) lone person households (30% in 2016). This is consistent with the older age profile of residents and the 'tree change' market migrating from other locations.

Conversely, Strathbogie has a relatively low proportion of family-type households, which is lower than the Regional Victorian average.

The types of households residing in Strathbogie will impact the demand for certain housing typologies, as well as the demand for services catering to an older population.

F7. HOUSEHOLD TYPE 2011 AND 2016

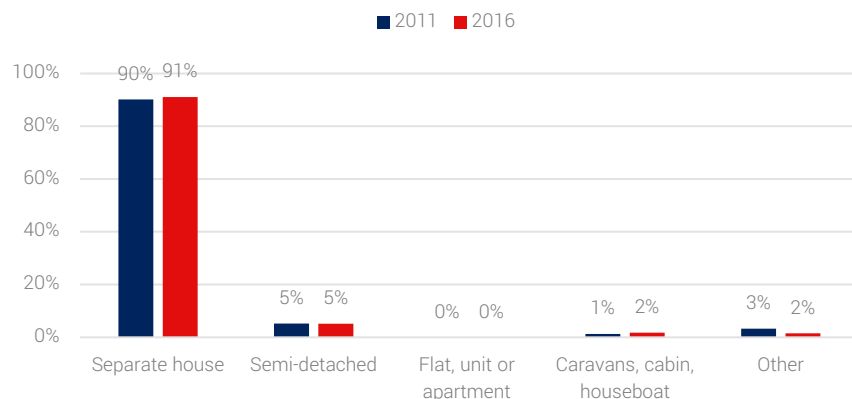


Source: Profile id, 2020

2.5.4. DWELLING STRUCTURE

The dwelling stock in Strathbogie is almost solely separate houses (91%), while the stock of high-density dwellings is relatively small (see Figure F8). **Therefore, Strathbogie housing can be characterised as low-density in nature, which is typically a lifestyle attractor for many retirees from urban areas.**

F8. STRATHBOGIE DWELLING STRUCTURE 2011 AND 2016



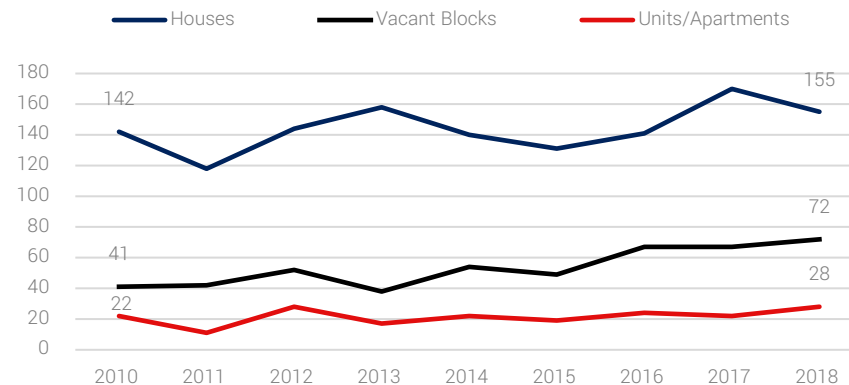
Source: Profile id, 2020

2.5.5. PROPERTY MARKET INDICATORS

As shown in Figure F9, demand for low-density housing is greater than high-density apartments, which is consistent with household and dwelling types (see above). Between 2010 and 2018, there was overall growth in annual housing sales, which increased to 155 (13% growth), while the largest growth was for vacant house blocks (+31 or 76%), which represents increased demand for housing.

However, there was marginal growth in units/apartments, which represents low demand for medium-high density housing.

F9. NUMBER OF PROPERTY SALES STRATHBOGIE 2010-2018



Source: A Guide to Property Values, Victorian Valuer-General, 2019

As shown in the table below, there has been stronger than average growth in median prices for houses and vacant block, reflecting demand for low-density housing. However, despite this growth, the median property prices for Strathbogie are more affordable – across all typologies – compared to the Regional Victoria average.

This demonstrates a relatively higher level of housing affordability for Strathbogie, which should be leveraged to attract population growth.

T7. MEDIAN PROPERTY PRICES 2009-2018

	2010	2018	Growth (\$)	Growth (%)
MEDIAN HOUSE PRICE				
Strathbogie	\$226,000	\$310,000	\$84,000	37%
Regional Victoria	\$270,000	\$365,000	\$95,000	35%
MEDIAN UNIT/APARTMENT PRICE				
Strathbogie	\$247,000	\$257,000	\$10,000	4%
Regional Victoria	\$236,500	\$283,000	\$46,500	20%
VACANT HOUSE BLOCKS				
Strathbogie	\$77,000	\$115,000	\$38,000	76%
Regional Victoria	\$122,500	\$157,000	\$34,500	28%

Source: A Guide to Property Values, Victorian Valuer-General, 2019

2.6. SOCIO-ECONOMIC PROFILE

The following information details the socio-economic characteristics of Strathbogie, which is a combination of education, income and employment. The purpose of this is to highlight the relative economic and social position of individuals and households within the Shire, identifying opportunities for improvement.

2.6.1. SEIFA

The Socio-Economic Index for Areas (SEIFA) Index measures the relative level of socio-economic disadvantage based on a range of Census characteristics. The index is derived from attributes that reflect disadvantage such as low income, low educational attainment, high unemployment, and jobs in relatively unskilled occupations. A higher score on the index – and higher ranking – is desirable, as this represents a lower level of disadvantage (or higher level of advantage).

The national average index score is 1,000, with a score below 1,000 on the index indicating that an area has a higher level of disadvantage relative to the national average (and vice versa).

As shown in Table T8, between 2011 and 2016 Strathbogie improved slightly, increasing by one index point and achieving a higher ranking of 26 (compared to 23). However, this ranking still represents the lowest third of disadvantaged LGAs, indicating areas for improvement in income, education and employment.

T8. SEIFA RANKING 2011 AND 2016

LGA	2011		2016	
	Ranking within VIC (79 LGAs)	SEIFA Index	Ranking within VIC (79 LGAs)	SEIFA Index
Central Goldfields	1	888	1	870
Strathbogie	23	956	26	957
Boroondara	79	1,114	79	1,128

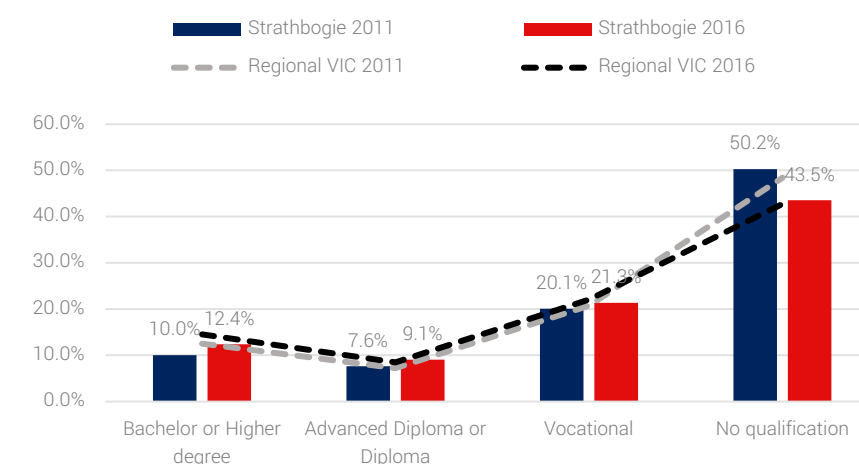
Source: Australia Bureau of Statistics, SEIFA Index, 2011 & 2016.

2.6.2. EDUCATIONAL QUALIFICATIONS

As shown in Figure F10, there was a significant improvement in the number of Strathbogie residents with a higher education qualification. Between 2011 and 2016, the proportion of residents with a bachelor's degree, diploma or vocational qualification *increased* by 5% (+726), while the proportion of residents with no qualification *decreased* by 7% (-208).

These improvements have increased the Shire's level of qualifications closer to the Regional Victoria average, and will play an important role in improving other socio-economic variables such as income and employment.

F10. EDUCATIONAL QUALIFICATIONS 2011 AND 2016



Source: Profile id, 2020

2.6.3. HOUSEHOLD INCOME

Median weekly household income in Strathbogie experienced an increase of \$119, or 14% growth, between 2011 and 2016. Over this period, average income levels across Regional Victoria have remained higher, with the disparity increasing over time.

This is reflected in the SEIFA ranking for Strathbogie, with the slower growth in income impacted by a combination of the high proportion of retirees, the Shire's unemployment rate and occupation type (see Section 2.6.4).

T9. MEDIAN WEEKLY HOUSEHOLD INCOME 2011 AND 2016

	2011	2016	Change (\$)	Change (%)
Strathbogie	\$843	\$962	\$119	14.1%
Regional Victoria	\$945	\$1,124	\$179	18.9%

Source: Australian Bureau of Statistics, 2011 and 2016.

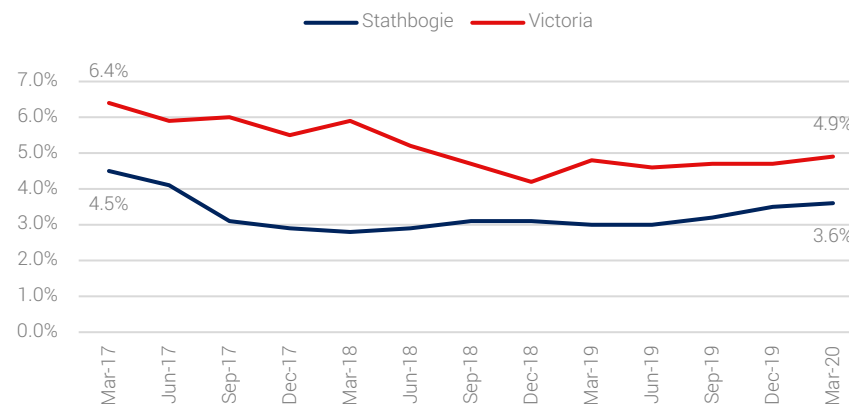
2.6.4. EMPLOYMENT

UNEMPLOYMENT RATE

As shown in Figure F11, as of March 2020 the unemployment rate in Strathbogie was 3.6%, which represents an overall decline of 0.9 percentage points since March 2017. However, unemployment has been steadily rising from December 2019, which is likely to reflect the recent impact of the bushfires.

When compared to the Victorian state average, Strathbogie has a lower unemployment rate. However, this data is likely to be skewed by the relatively low participation rate (attributed to the high number of retirees), with fewer residents actively looking for full or part-time work.

F11. UNEMPLOYMENT RATE



Source: REMPLAN, 2020; Data from March 2019 onwards is from the National Skills Commission

However, the unemployment data shown above is likely to significantly increase in the short to medium term as a direct result of the COVID-19 pandemic. Recent data for the recipients of federal unemployment benefits – including JobSeeker and Youth Allowance – shows a significant increase over the past year.

As detailed in Table T10, between June 2019 and June 2020 the number of recipients within Strathbogie is expected to significantly increase by 315 (or 93%). At these levels, it is estimated that over 10% of residents will require some form of unemployment benefit. **As such, stimulus and employment strategies will need to be considered to assist recovery in the Shire.**

T10. JOBSEEKER AND YOUTH ALLOWANCE RECIPIENTS

	June 2019		June 2020		Change	
	Recipients	% ⁸	Recipients	%	No.	%
Strathbogie	339	5.6%	654	10.8%	315	93%
Regional Victoria	55,953	6.1%	100,520	11%	44,567	80%

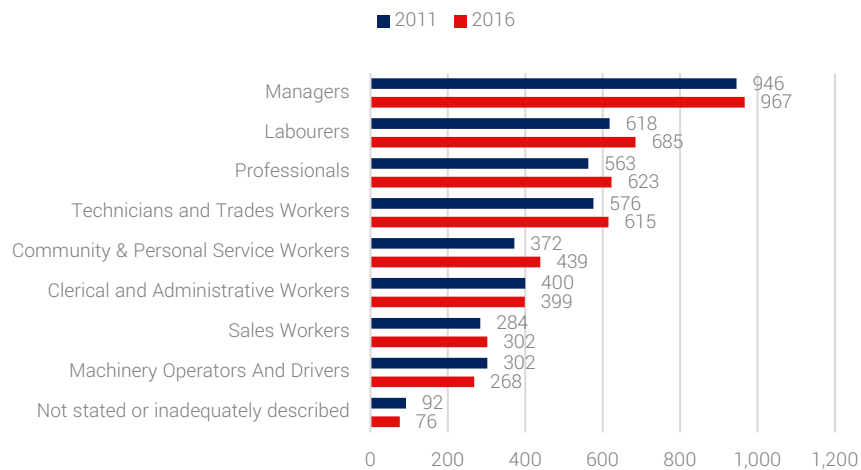
Source: Profile id, 2020

⁸ Represents proportion of population aged 15-64 years

OCCUPATION

Between 2011 and 2016, employment in Strathbogie Shire grew in all occupations except for machinery operators and drivers. As shown in Figure F12, 'managers' is the largest occupation of residents (967), followed by labourers (685). Overall, the labour force is relatively evenly spread between 'white collar' (e.g. managers, professionals, etc.) and 'blue collar' (e.g. labourers, technicians & trade workers, etc.) professions. This represents a diverse set of labour skills and wide range of employment opportunities provided in Strathbogie.

F12. OCCUPATION TYPE 2011 AND 2016



Source: Profile id, 2020

⁹ May not equal to 100% as some employees have no fixed place of work

JOURNEY TO WORK

The following data shows where Strathbogie's workers come from and also where Strathbogie residents travel to for work. This shows the degree to which the local economy draws on the wider region for labour supply (in-commuting); as well as the extent to which Strathbogie supplies employment to the wider region (out-commuting). This data, taken from the 2016 census, is demonstrated in Table T11, which shows that:

- 78% of the people who work in Strathbogie also live within the LGA, with the remaining 22% commuting to the area from other regions; and
- Around one-third of Strathbogie's working residents work outside the LGA, with the largest location of employment outside the Shire being the regional centres of Shepparton (519) and Mitchell (390).

T11. IN-COMMUTING & OUT-COMMUTING 2016

LGA of Usual Residence	Work in Strathbogie (in-commuting)	% ⁹	Live in Strathbogie (out-commuting)	%
Strathbogie	2,732	78.0%	2,732	63.1%
Shepparton	159	4.5%	519	12.0%
Mitchell	243	6.9%	390	9.0%
Other	271	7.7%	578	13.3%

Source: Profile id, 2020

This data shows relatively high instances of residents travelling for work outside Strathbogie, with the Shire supplying a significant amount of labour (32% or 1,487 employees) to outside areas. This is due to the greater number of employment opportunities in nearby areas, including Shepparton and Mitchell. This has implications for future strategies to grow local employment, attract employees from other areas, as well as improve access to regional employment 'hubs' for residents.

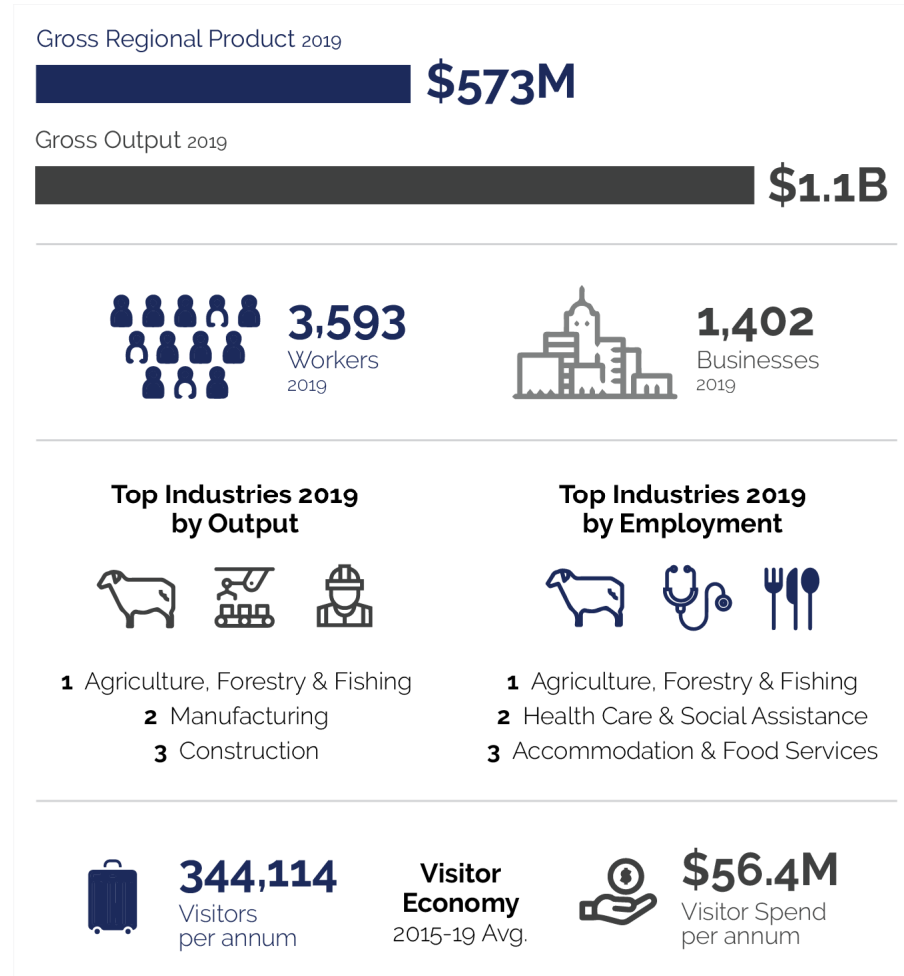
3. ECONOMIC PROFILE

3.1. INTRODUCTION

This section details the economic profile for Strathbogie, including the economic strengths, weaknesses and growth opportunities. Where possible, the data includes high-level and preliminary impacts of the COVID-19 pandemic, including potential mitigation strategies and identified areas of need.

A high-level snapshot of the Shire’s economic profile is illustrated in Figure F13.

F13. STRATHBOGIE SHIRE ECONOMIC SNAPSHOT



3.2. ECONOMIC PROFILE BY INDUSTRY

Table T12 provides a summary of industry sectors in Strathbogie, having regard to key economic indicators including output, regional export value, and value-add. In 2019, Strathbogie generated a total economic output of \$1.1 billion, a regional export value of \$458 million and total value-add of \$521 million.

Strathbogie's economy is mostly driven by the *Agricultural, Forestry and Fishing* industry sector, followed by *Manufacturing, Construction* and *Rental, Hiring and Real Estate Services*.

Key points to note include:

- The **Agricultural** sector contributes around one-third of total output and value-add, while it generates almost 60% of total exports;
- **Manufacturing** contributes 13% of output and 22% of regional exports;
- **Construction** contributes 11% of total economic output; and
- **Real estate services** contributes 10% of output and 15% of value-added.

T12. STRATHBOGIE INDUSTRY SECTOR SUMMARY 2019

Industry Sector	Output		Regional Exports		Value-Added	
	\$M	%	\$M	%	\$M	%
Agriculture, Forestry & Fishing	\$333	31%	\$271	59%	\$169	32%
Manufacturing	\$142	13%	\$99	22%	\$29	5%
Construction	\$124	11%	\$8	2%	\$39	7%
Rental, Hiring & Real Estate Services	\$107	10%	\$2	0.4%	\$78	15%
Health Care & Social Assistance	\$47	4%	\$1	0.1%	\$33	6%
Public Administration & Safety	\$46	4%	\$13	3%	\$28	5%
Accommodation & Food Services	\$45	4%	\$10	2%	\$19	4%
Transport, Postal & Warehousing	\$44	4%	\$16	3%	\$16	3%
Professional, Scientific & Technical Services	\$35	3%	\$1	0.3%	\$17	3%
Education & Training	\$32	3%	\$4	1%	\$23	4%
Retail Trade	\$30	3%	\$2	0%	\$18	4%
Arts & Recreation Services	\$20	2%	\$10	2%	\$7	1%
Wholesale Trade	\$18	2%	\$3	1%	\$9	2%
Administrative & Support Services	\$17	2%	\$5	1%	\$9	2%
Other Services	\$14	1%	\$1	0.2%	\$7	1%
Financial & Insurance Services	\$14	1%	\$2	0.3%	\$9	2%
Mining ¹⁰	\$11	1%	\$10	2%	\$5	1%
Electricity, Gas, Water & Waste Services	\$7	1%	\$1	0.1%	\$4	1%
Information Media & Telecommunications	\$5	0.5%	\$2	0.4%	\$2	0.4%
Total	\$1,091	100%	\$458	100%	\$521	100%

Source: REMPLAN, 2020; Note: these industries refer to broad industry divisions using the *Australia and New Zealand Standard Industrial Classification* (ANZSIC) system. More detailed information on industry sub-sectors, and what is driving growth in these industry divisions, is included throughout this section. For example, The Agriculture, Forestry and Fishing industry for Strathbogie is driven by 'agricultural' sub-sectors, while 'forestry' and 'fishing' sub-sectors generate minimal economic contribution for the Shire.

¹⁰ Driven by 'non-metallic mineral mining', which can include Gravel and Sand Quarrying, Other Construction Material Mining or Other Non-Metallic Mineral Mining and Quarrying

3.2.1. INDUSTRY SUB-SECTOR PROFILE

The following summarises the top ten sub-sectors, according to level of economic output, driving growth in key industries. As shown in Table T13, the *Agriculture, Forestry and Fishing* sector is driven by the **livestock and grains sub-sectors**, including Sheep, Grains, Beef & Dairy Cattle¹¹ (\$163 million) and Poultry & Other Livestock¹² (\$106 million). Other key points to note include:

- Manufacturing is driven by **Wine, Spirits & Tobacco** (\$74 million), driven by the winery industry around Mitchellstown¹³;
- Construction is driven by **Construction Services** (\$68 million) and **Residential Building Construction** (\$27 million); and
- **Ownership of dwellings** (\$93 million) drives growth in real estate services;

T13. INDUSTRY SUB-SECTOR ECONOMIC PROFILE 2019

Industry	Sub-sector	Output (\$M)	%
Agriculture, Forestry, Fishing	Sheep, Grains, Beef & Dairy Cattle	\$163	15%
Agriculture, Forestry, Fishing	Poultry & Other Livestock	\$106	10%
Rental, Hiring & Real Estate Services	Ownership of Dwellings	\$93	9%
Manufacturing	Wine, Spirits & Tobacco	\$74	7%
Construction	Construction Services	\$68	6%
Agriculture, Forestry, Fishing	Other Agriculture	\$54	5%
Accommodation & Food Services	Food & Beverage Services	\$32	3%
Professional, Scientific & Technical Services	Professional, Scientific & Technical Services	\$32	3%
Retail Trade	Retail Trade	\$30	3%
Construction	Residential Building Construction	\$27	3%

Source: REMPLAN, 2020; Note: data is not provided for specific industries lower than the 'sub-sector' level.

¹¹ Dairy Cattle Farming is included within this sub-sector, per the ANZSIC classifications. We note that this sub-sector is driven by Sheep, Beef Cattle and Grains (and not Dairy). However, specific figures are not published at this level.

¹² Horse Farming is included within this sub-sector and contributes to economic output (however, specific figures relating to horse farming are not published at this level)

This data identifies growth and emerging sub-sector activities and specialisation within the Shire, which should be leveraged and promoted to generate growth in economic output.

Importantly, this shows the economic importance of the livestock and grain sub-sectors, which is a competitive strength for the Shire and, therefore, would benefit from continued support.

¹³ Data specific to the wine industry is not published at this level

3.3. EMPLOYMENT BY INDUSTRY

Table T14 summarises employment growth by industry for jobs within Strathbogie between 2011 and 2019. A high level of employment – and employment growth – typically indicates an area of industry strength.

In 2019, Strathbogie supported 3,593 local jobs, representing relatively small growth of 187 workers (or 5%) since 2011 across all sectors. This is likely to be attributed to the relatively high proportion of non-employing businesses in the Shire (see Section 3.4).

As of 2019, the level of employment in Strathbogie is driven by the *Agriculture, Forestry & Fishing, Health Care & Social Assistance, Accommodation & Food Services* and *Manufacturing* sectors.

Industry sectors that have experienced the largest increases since 2011 are Education and Training (+55), Accommodation & Food Services (+53), Agriculture (+52) and Health Care and Social Assistance (+52).

Conversely, the manufacturing (-51), construction (-18) and retail (-24) sectors – all of which are within the top six employing industries – experienced decreases in employment.

T14. STRATHBOGIE EMPLOYMENT BY INDUSTRY 2011 AND 2019

Industry Sector	2011		2019		Change	
	Jobs	%	Jobs	%	Change	Change (%)
Agriculture, Forestry & Fishing	905	27%	957	27%	+52	+6%
Health Care & Social Assistance	311	9%	363	10%	+52	+17%
Accommodation & Food Services	263	8%	316	9%	+53	+20%
Manufacturing	336	10%	285	8%	-51	-15%
Construction	288	8%	270	8%	-18	-6%
Retail Trade	280	8%	256	7%	-24	-9%
Education & Training	196	6%	251	7%	+55	+28%
Public Administration & Safety	187	5%	164	5%	-23	-12%
Transport, Postal & Warehousing	121	4%	133	4%	+12	+10%
Professional, Scientific & Technical Services	98	3%	129	4%	+31	+32%
Administrative & Support Services	70	2%	115	3%	+45	+64%
Arts & Recreation Services	84	2%	114	3%	+30	+36%
Other Services	80	2%	100	3%	+20	+25%
Wholesale Trade	81	2%	44	1%	-37	-46%
Mining	10	0.3%	26	1%	+16	+160%
Rental, Hiring & Real Estate Services	32	1%	24	1%	-8	-25%
Financial & Insurance Services	38	1%	20	1%	-18	-47%
Electricity, Gas, Water & Waste Services	10	0.3%	14	0.4%	+4	+40%
Information Media & Telecommunications	16	0.5%	12	0.3%	-4	-25%
Total	3,406	100%	3,593	100%	+187	+5%

Source: REMPLAN, 2020; Note: Excludes jobs not aligned to an industry sector

3.3.1. INDUSTRY SUB-SECTOR PROFILE

Table T15 provides employment analysis for the top ten employing sub-sectors in Strathbogie, to demonstrate what is driving employment growth (and decline).

Similar to the economic output analysis, employment is driven by the **livestock and grains sub-sectors** (of the agricultural industry) including Sheep, Grains, Beef & Dairy Cattle (524 jobs) and Poultry & Other Livestock (272 jobs).

The hospitality (i.e. food and beverage) and retail sectors are also relatively high employing, providing for 268 and 256 jobs, respectively.

Other key points to note include:

- Employment in the health care sector is driven by a combination of **health care services** (184 jobs) and **residential care/social assistance** (179 jobs);
- School education (188 jobs) is a significant source of local employment; and
- **Wine, Spirits & Tobacco** (164 jobs) drives employment in manufacturing.

T15. INDUSTRY SUB-SECTOR EMPLOYMENT PROFILE 2019

Industry	Sub-sector	Jobs	%
Agriculture, Forestry & Fishing	Sheep, Grains, Beef & Dairy Cattle	524	15%
Agriculture, Forestry & Fishing	Poultry & Other Livestock	272	8%
Accommodation & Food Services	Food & Beverage Services	268	8%
Retail Trade	Retail Trade	256	7%
Education & Training	Pre-School, Primary, Secondary & Special Education	188	5%
Health Care & Social Assistance	Health Care Services	184	5%
Construction	Construction Services	183	5%
Health Care & Social Assistance	Residential Care & Social Assistance Services	179	5%
Manufacturing	Wine, Spirits & Tobacco	164	5%
Agriculture, Forestry & Fishing	Other Agriculture	137	4%

Source: REMPLAN, 2020

The Shire specialises in the livestock and grains sub-sectors, which are the primary drivers of employment and economic growth. This highlights the importance of agriculture to the Shire’s economy, which should therefore be promoted and supported by Council.

However, this also indicates that there is scope to diversify the economy and focus on key emerging industries, including hospitality/tourism, as well as other industries that have experienced a decline in employment (e.g. manufacturing, construction, retail).

3.4. BUSINESS PROFILE

The following provides an overview of businesses within Strathbogie – across all industry sectors – outlining areas of business strength based on employee size (Table T16) and turnover (Table T17).

3.4.1. BUSINESSES BY EMPLOYEE SIZE

Consistent with the contribution to total output and employment, almost half of all businesses in Strathbogie (640 or 46%) are also in the *Agriculture, Forestry and Fishing* sector. This is followed by the *construction* sector (175 or 12%).

However, the majority of businesses – 959 or 68% – are non-employing (i.e. owner-operator), which limits its direct contribution to employment. Of the employing businesses, 30% are ‘small’ (1-19 employees), with only 1% employing over 20 people.

This demonstrates the need to diversify the economy, which is heavily reliant on a couple of major sectors, and promote business growth to increase employment opportunities.

T16. STRATHBOGIE NUMBER OF REGISTERED BUSINESSES BY EMPLOYEE SIZE 2019

Industry Sector	Non employing	1-19 Employees	20-199 Employees	200+ Employees	Total	
Agriculture, Forestry and Fishing	487	144	9	0	640	46%
Construction	107	68	0	0	175	12%
Professional, Scientific and Technical Services	55	36	0	0	91	6%
Rental, Hiring and Real Estate Services	65	12	0	0	77	5%
Transport, Postal and Warehousing	33	30	0	0	63	4%
Manufacturing	28	26	4	0	58	4%
Financial and Insurance Services	57	0	0	0	57	4%
Accommodation and Food Services	17	33	3	0	53	4%
Retail Trade	17	17	0	0	34	2%
Administrative and Support Services	25	9	0	0	34	2%
Other Services	18	15	0	0	33	2%
Wholesale Trade	8	15	3	0	26	2%
Arts and Recreation Services	16	8	0	0	24	2%
Health Care and Social Assistance	9	3	2	0	14	1%
Education and Training	8	0	0	0	8	1%
Mining	0	5	0	0	5	0.4%
Information Media & Telecommunications	4	0	0	0	4	0.3%
Public Administration and Safety	3	0	0	0	3	0.2%
Not Classified	2	1	0	0	3	0.2%
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0.0%
Total (no.)	959	422	21	0	1,402	100%
Total (%)	68%	30%	1%	0%	100%	

Source: REMPLAN, 2020.

3.4.2. BUSINESSES BY TURNOVER

T17. STRATHBOGIE NUMBER OF REGISTERED BUSINESSES BY TURNOVER 2019

Industry Sector	\$0 to \$50k	\$50k to \$200k	\$200k to \$2m	\$2m to \$5m	\$5m to \$10m	\$10m or more	Total	
Agriculture, Forestry and Fishing	228	201	198	7	3	3	640	46%
Construction	31	74	67	3	0	0	175	12%
Professional, Scientific and Technical Services	20	37	34	0	0	0	91	6%
Rental, Hiring and Real Estate Services	23	33	21	0	0	0	77	5%
Transport, Postal and Warehousing	14	24	22	3	0	0	63	4%
Manufacturing	12	16	24	3	3	0	58	4%
Financial and Insurance Services	36	14	4	0	3	0	57	4%
Accommodation and Food Services	8	17	28	0	0	0	53	4%
Retail Trade	7	9	18	0	0	0	34	2%
Administrative and Support Services	12	13	9	0	0	0	34	2%
Other Services	4	14	15	0	0	0	33	2%
Wholesale Trade	0	12	11	0	3	0	26	2%
Arts and Recreation Services	10	9	5	0	0	0	24	2%
Health Care and Social Assistance	3	3	5	3	0	0	14	1%
Education and Training	3	2	3	0	0	0	8	1%
Mining	0	0	5	0	0	0	5	0.4%
Information Media & Telecommunications	4	0	0	0	0	0	4	0.3%
Public Administration and Safety	0	1	0	1	0	1	3	0.2%
Not Classified	0	0	3	0	0	0	3	0.2%
Electricity, Gas, Water and Waste Services							0	0.0%
Total (no.)	415	479	472	20	12	4	1,402	100%
Total (%)	30%	34%	34%	1%	1%	0.3%	100%	

Source: REMPLAN, 2020.

As shown in table opposite, due to the large proportion of non-employing or 'small' businesses, only a small fraction of businesses in Strathbogie generate large turnover of over \$2 million.

Conversely, 98% of businesses generate up to \$2 million in turnover.

Attracting large employing businesses that generate large turnover is key to stimulating employment and economic growth.

3.5. VISITOR ECONOMY PROFILE

The visitor economy is an important component of the local economy, contributing almost 6% of total economic output (around \$62.9 million per annum) and employing around 8% of the local workforce (274 jobs).¹⁴ As such, the tourism industry is ranked within the top 5 industries for Strathbogie. Therefore, growing tourism is an important consideration as it helps diversify and strengthen the economy.

The industry is driven by the following key **destination strengths** that attract visitors and contribute to the visitor economy:

- Water-based assets such as Lake Nagambie and the Goulburn River;
- Nature-based assets such as Strathbogie Ranges;
- A growing winery industry, providing specialty food and wine experiences;
- History and heritage (centred around the Ned Kelly story); and
- Festivals, markets and events.

With a range of products and experiences across the Shire, Strathbogie has the opportunity to attract visitors and leverage its proximity to nearby regional (i.e. Shepparton) and metropolitan (i.e. Melbourne) centres.

3.5.1. VISITATION

Figure F14 shows the visitation growth for Strathbogie from 2010 to 2019. Due to the small sample size for the SA2 regions, data has been presented in 5-year averages to increase the survey sample size and thus the reliability of results.

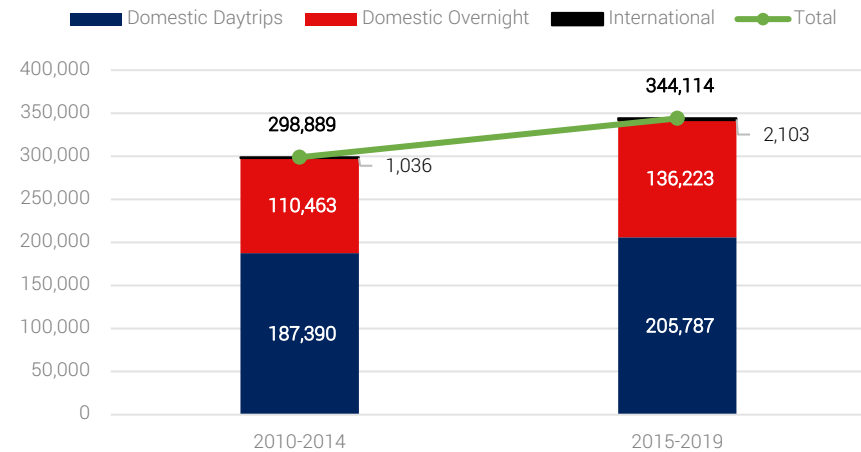
Between 2015-19, Strathbogie attracted an average of **344,114 visitors** per annum, driven by the domestic daytrip (60%) and domestic overnight (40%) market (*note: international visitors make up less than 1% of total*).

This represents an average increase of 45,225 visitors per annum from the 2010-14 period (total growth of 15%). This was driven by increases in the domestic overnight (+25,760) and daytrip (+18,397) markets, while international visitors doubled.

This demonstrates the increasing popularity of the region as both an overnight and daytrip destination. Strathbogie can leverage its proximity to Melbourne and other regional centres, through appropriate tourism product and infrastructure, to grow the visitor economy.

In terms of dispersal, visitation is evenly spread between the western half of the Shire (incorporating Nagambie and Mitchellstown) and the eastern half (Euroa, Strathbogie and Violet Town).

F14. STRATHBOGIE VISITATION GROWTH 2010-19



Source: National and International Visitor Survey, Tourism Research Australia, 2010-2019 YE March

¹⁴ REMPLAN, 2020

3.5.2. VISITOR EXPENDITURE

As shown in Table T18, average visitor expenditure in Strathbogie totalled \$56.4 million per annum over the 2015-19 period. This was driven by domestic overnight visitors (\$34.5 million or 59% of total). Overnight visitors are also the highest yielding market in terms of average spend per trip (\$246 for domestic and \$687 for international visitors).

Therefore, the development of tourism product/experiences within the Shire should be targeted to the overnight market (or converting daytrips to overnight) to increase the value of the visitor economy.

T18. STRATHBOGIE VISITOR EXPENDITURE, 5-YEAR AVERAGE 2015-19

Visitor Type	Visitor Spend (\$m) ¹⁵	Visitor Spend (%)	Average spend per trip (\$)	Average spend per day/night (\$)
Domestic Daytrip	\$21.4m	38%	\$104	\$104
Domestic Overnight	\$34.5m	59%	\$246	\$109
International	\$1.4m	3%	\$687	\$42
Total	\$56.4m	100%		

Source: National and International Visitor Survey, Tourism Research Australia, 2010-2019 YE March; REMPLAN, 2020; Derived by Urban Enterprise

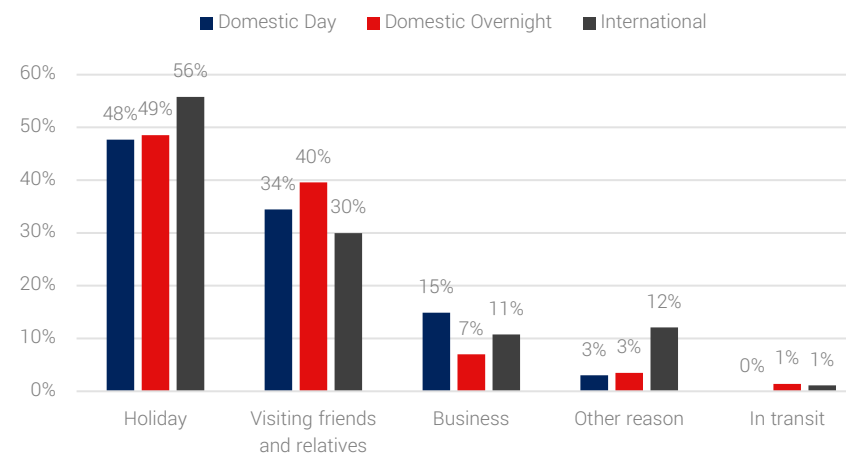
¹⁵ Visitor spend is calculated by applying average spend for average visitation levels for the 2015-19 period.

3.5.3. PURPOSE OF VISIT

The following shows the purpose of visit for all visitor types, which helps identify the key drivers of visitation to the region. As shown in Figure F15, the primary purpose of visit for domestic daytrip (48%), domestic overnight (49%) and international visitors (56%) are 'holidays', followed by visiting friends and relatives.

These results are significant in the context of the visitor economy, as the holiday market typically spends more on tourism product and entertainment.

F15. PURPOSE OF VISIT, 5 YEAR AVE 2015-19



Source: National and International Visitor Survey, Tourism Research Australia, 2010-2019 YE Dec

3.6. ECONOMIC IMPACT OF COVID-19

The COVID-19 pandemic has had a significant impact on the national economy, which has been felt at a local level. The impact to Strathbogie's economy and business activity has been quantified and is detailed below, including:

- Estimated impact on economic output (by industry);
- Estimated impact on employment (by industry);
- Estimated impact on business turnover (by industry); and
- Estimated impact on tourism industry in terms of visitation and expenditure.

Due to the recent nature of this event, the different impacts are estimated using various techniques and assumptions, which are explained below.

3.6.1. IMPACT ON ECONOMIC OUTPUT

The impact of the pandemic on economic output has been calculated using *REMPPLAN's COVID-19 Impact module* for Strathbogie Shire.

This data details the monthly changes in output – across industry sectors – between **March 2020** (i.e. pre-COVID) and **June 2020**, which therefore identifies the short-term impacts to-date.

As a result of COVID-19, the table below shows that Strathbogie experienced a total loss in monthly output of \$9.7 million (or 11%) between March and June 2020. The sectors most severely impacted to-date are some of the key sectors driving economic growth, including **Agriculture** (-\$1.7m), **Manufacturing** (-\$1.4m), **Construction** (-\$1.3m) and **Real Estate** (-\$1.8m). These sectors, therefore, will require the most support in the short-medium term to assist economic recovery.

Overall, the economic loss is consistent with the average decline in economic output across Victoria (-11%).

T19. IMPACT ON ECONOMIC OUTPUT

Industry Sector	March 2020 (pre-COVID) \$M	June 2020 \$M	Change \$M	Change (%)
Agriculture, Forestry & Fishing	\$27.7	\$26.0	-\$1.7	-6%
Manufacturing	\$11.8	\$10.4	-\$1.4	-12%
Construction	\$10.3	\$9.0	-\$1.3	-12%
Rental, Hiring & Real Estate Services	\$9.0	\$7.1	-\$1.8	-20%
Health Care & Social Assistance	\$3.9	\$3.6	-\$0.3	-8%
Public Administration & Safety	\$3.8	\$3.6	-\$0.2	-5%
Accommodation & Food Services	\$3.7	\$3.2	-\$0.5	-13%
Transport, Postal & Warehousing	\$3.6	\$3.3	-\$0.3	-8%
Professional, Scientific & Technical Services	\$2.9	\$2.6	-\$0.3	-10%
Education & Training	\$2.6	\$2.2	-\$0.5	-17%
Retail Trade	\$2.5	\$2.2	-\$0.3	-13%
Arts & Recreation Services	\$1.6	\$1.4	-\$0.3	-17%
Wholesale Trade	\$1.5	\$1.3	-\$0.2	-15%
Administrative & Support Services	\$1.4	\$1.3	-\$0.1	-5%
Other Services	\$1.2	\$1.0	-\$0.2	-19%
Financial & Insurance Services	\$1.2	\$1.1	-\$0.1	-8%
Mining	\$0.9	\$0.8	-\$0.1	-11%
Electricity, Gas, Water & Waste Services	\$0.62	\$0.6	-\$0.3	-4%
Information Media & Telecommunications	\$0.5	\$0.4	-\$0.1	-13%
Total	\$90.9	\$81.2	-\$9.7	-11%
Victoria	\$77,033	\$68,637	-\$8,395	-11%

Source: REMPLAN, 2020; Derived by Urban Enterprise

3.6.2. IMPACT ON EMPLOYMENT

Using *REMPPLAN's COVID-19 Impact module* for Strathbogie Shire, the following details the monthly changes in employment by industry from March to June 2020.

As shown in Table T20, a total of 244 jobs (-7%) were lost in Strathbogie Shire between March and June 2020. The hardest hit employment sectors are again some of the key sectors driving employment, including:

- Agriculture, Forestry & Fishing (-55 jobs);
- Health Care & Social Assistance (-21 jobs);
- Manufacturing (-29 jobs);
- Construction (-23 jobs); and
- Education & Training (-22 jobs).

T20. IMPACT ON EMPLOYMENT

Industry Sector	March 2020 (pre-COVID) \$M	June 2020 \$M	Change \$M	Change (%)
Agriculture, Forestry & Fishing	957	902	-55	-6%
Health Care & Social Assistance	363	342	-21	-6%
Accommodation & Food Services	316	298	-18	-6%
Manufacturing	285	256	-29	-10%
Construction	270	247	-23	-9%
Retail Trade	256	241	-15	-6%
Education & Training	251	229	-22	-9%
Public Administration & Safety	164	159	-5	-3%
Transport, Postal & Warehousing	133	130	-3	-2%
Professional, Scientific & Technical Services	129	117	-12	-9%
Administrative & Support Services	115	112	-3	-3%
Arts & Recreation Services	114	100	-14	-12%
Other Services	100	87	-13	-13%
Wholesale Trade	44	40	-4	-9%
Mining	26	24	-2	-8%
Rental, Hiring & Real Estate Services	24	21	-3	-13%
Financial & Insurance Services	20	19	-1	-5%
Electricity, Gas, Water & Waste Services	14	14	0	0%
Information Media & Telecommunications	12	11	-1	-8%
Total	3,593	3,349	-244	-7%
Victoria	2,730,332	2,542,636	-187,696	-7%

Source: REMPLAN, 2020; Derived by Urban Enterprise

However, the impact on employment is expected increase in late-2020 should the JobSeeker initiative conclude. Furthermore, the impact on individual businesses is less evident through this data, as there is a high proportion of sole traders within the Shire that would be unable to reduce staff numbers.

3.6.3. IMPACT ON BUSINESSES

The following outlines the estimated impact on business turnover by industry. Due to lack of published data, this is quantified using the average results from *business surveys* (conducted by Urban Enterprise) in surrounding LGAs including Murrindindi and Mansfield.

Urban Enterprise distributed surveys to businesses across Murrindindi and Mansfield to report the COVID-19 impact on turnover for the June 2020 quarter, compared to the same time last year (2019).

Although not specific to Strathbogie, the proximity and similarity of these LGAs can provide a guide as to the estimated changes in business turnover experienced in Strathbogie.

As shown in Table T21, June 2020 quarter results showed an average downturn in most industry sectors, particularly the tourism reliant sector of Accommodation and Food Services (-53%), Arts and Recreation Services (-46%) and Retail Trade (-29%).

In addition, businesses within the key economic sectors for the Shire, including Agriculture, Forestry and Fishing (-15%) and Rental, Hiring and Real Estate Services (-38%) have also experienced significant decreases in turnover.

These results have led to increases in applications for JobSeeker assistance, with an estimated 25.6% of local businesses having already applied for support.¹⁶

In addition, the survey results indicated that businesses will require additional Council support to assist in recovery efforts, including:

- Assistance with marketing and promotion of local businesses within the community and across Victoria.
- Financial assistance with payment of Council rates or reduction in rate fees.
- Grants to support upgrades and contact-free operations.
- Training and support to understand and access government support schemes.
- Coordination of local business support networks.

¹⁶ REMPLAN, 2020

T21. IMPACT ON BUSINESS TURNOVER

Industry Sector	June Quarter 2020
Accommodation and Food Services	-53%
Information Media and Telecommunications	-50%
Arts and Recreation Services	-46%
Rental, Hiring and Real Estate Services	-38%
Other Services	-33%
Retail Trade	-29%
Education and Training	-16%
Agriculture, Forestry and Fishing	-15%
Health Care and Social Assistance	-9%
Financial and Insurance Services	-7%
Construction	-4%
Professional, Scientific and Technical Services	0%
Manufacturing	+3%
Transport, Postal and Warehousing	+3%

Source: Mansfield and Murrindindi COVID-19 Recovery Plan Business Survey, Urban Enterprise, 2020; Note: excludes Administrative and Support Services and Public Administration and Safety due to low response rate.

3.6.4. IMPACT ON TOURISM INDUSTRY

The COVID-19 pandemic and summer bushfires have created a major downturn in Australia's visitor economy. The estimated impact on visitation and visitor expenditure for the Shire was quantified using the following methodology:

- The proportional decrease in visitation and visitor expenditure was based on average output loss in the June 2020 quarter across tourism businesses in Murrindindi and Mansfield (compared to the same time last year). This was derived from the business survey conducted by Urban Enterprise; and
- This decrease was applied to the 2015-2019 averages and annualised to estimate the short-term impacts on visitation and expenditure for 2020.

Although not specific to Strathbogrie, the proximity and similarity of Mansfield and Murrindindi can provide a guide as to the estimated impact to the Strathbogrie tourism industry.

Tables T22 and T23 detail the impacts to visitation and expenditure, which assumes an **average decrease of 43%** from current levels (note: this was evenly distributed across all visitor types). This represents the effects of restrictions to domestic and international travel, as well as restrictions on patron numbers for hospitality and accommodation venues.

Based on this, it is estimated that visitation to the Shire will **decrease by 147,969 visitors**, with the heaviest losses experienced by the daytrip market (-88,489), particularly as travel from Melbourne has been heavily reduced.

As a result, it is estimated that visitor expenditure will **decrease by \$24.2 million**, driven by significant reductions in domestic travel.

Strathbogrie's visitor economy has been less impacted by international travel restrictions as the Shire's tourism industry relies mainly on domestic travel.

T22. IMPACT ON VISITATION

	2015-2019 Ave	Average % Decrease	2020 Estimated	Change
Domestic Daytrips	205,787	-43%	117,299	-88,489
Domestic Overnight	136,223		77,647	-58,576
International	2,103		1,199	-904
Total	344,114		196,145	-147,969

Source: Mansfield and Murrindindi COVID-19 Recovery Plan Business Survey; Derived by Urban Enterprise

T23. IMPACT ON EXPENDITURE

Visitor Type	2015-19 Ave (\$m)	Average % Decrease	2020 Estimated (\$m)	Change
Domestic Daytrip	\$21.4m	-43%	\$12.2m	-\$9.2m
Domestic Overnight	\$34.5m		\$19.1m	-\$14.4m
International	\$1.4m		\$0.8m	-\$0.6m
Total	\$56.4m		\$32.1m	-\$24.2m

Source: Mansfield and Murrindindi COVID-19 Recovery Plan Business Survey; Derived by Urban Enterprise

4. STRATEGIC CONSIDERATIONS

4.1. INTRODUCTION

The following summarises some of the high-level strategic considerations for economic development in Strathbogie, given the current economic profile as well as the recent impacts of the COVID-19 pandemic.

These considerations could be used by Council to identify future measures, strategies and actions to generate sustainable economic growth.

4.2. POPULATION ATTRACTION AND RETENTION

Population retention and attraction can be a challenge for rural Shires, particularly given the growing trend of centralisation and the increase in rural-urban migration. Prioritising investment in initiatives that enhance liveability characteristics and build economic resilience can be an effective way to attract and retain population. Combined, these two factors strengthen the attractiveness of an area, as they can create employment opportunities, improve the area's attractiveness; providing high-quality infrastructure and services in health, education, retail, hospitality, entertainment and community uses.

The population data highlights that the growth in Strathbogie Shire is driven by the Nagambie SA2 (including the Nagambie and Avenel townships) and attributed to the attraction of older lifestyle residents (i.e. retirees) seeking a tree change. This growth supports residential building approvals and sales but is also likely to place additional pressure on public health care and social assistance.

Whilst the population has increased and is expected to continue over the next 20 years, overall growth in the Shire will remain relatively stagnant (due to a slow rate of estimated growth in Euroa SA2). Low levels of population growth are likely to impact overall economic development as it will affect labour force growth and result in labour shortages, which would impact the sustainability of local businesses.

Due to the skewed geography of population growth (concentrated in Nagambie), the Shire could focus on localised residential attraction and growth strategies in key areas to guide and manage development (building on the work already undertaken in the *Nagambie Growth Management Strategy*).

This focus on population growth should be targeted towards young and mid-life families, which will support labour force growth and provide for a more sustainable community in the future. This is facilitated through the delivery of high-quality land and high-amenity housing, that is suited to the market, in proximity to key nodes including Euroa and Nagambie.

The recent impact of COVID-19 also presents the opportunity to attract remote workers to the Shire, due to significant changes in workforce patterns. More specifically, it has led to a higher prevalence of working from home and, therefore, more flexibility for employees in choosing a place of residence.

4.3. A PRODUCTIVE & SUSTAINABLE ECONOMY

To ensure a productive and sustainable economy, Council should identify the priority areas for economic development in Strathbogie and leverage greater economic and employment outcomes from industries of competitive advantage, including growth industries and emerging industries. This includes leveraging the strengths in *Agriculture* (i.e. livestock and grains), *Manufacturing* (i.e. Wine), *Construction* and *Reals Estate*.

The focus for economic development in Strathbogie should, therefore, be on key industries that drive the local economy. support a high level of employment and have strong local supply chains.

To support a productive and sustainable economy, maximum value should be extracted from key industries, particularly agriculture, by exploring downstream processing opportunities. This could include (for example) expansion into agri-business, food processing/manufacturing and agri-tourism.

The Shire also has the opportunity to leverage its comparative advantages through transport links, including access to Melbourne via Hume Highway, inland rail freight service, Mangalore Airport, etc.

4.3.1. PROMOTING GROWTH IN THE AGRICULTURAL SECTOR

Agriculture, Forestry and Fishing accounts for 31% of total output, 59% of total exports and 27% of total employment in the Shire. As such, it is the key competitive advantage and economic driver for Strathbogie, particularly through the *livestock* and *grain* sub-sectors.

Agriculture also accounts for almost half the total business base in the Shire, however the majority of these are non-employing businesses. Therefore, it is critical that Council addresses any challenges facing this sector and promotes growth opportunities, which will drive economic development in the area.

According to Agriculture Victoria, there are a number of common challenges and opportunities for the State's agricultural sector, all of which are considered to be relevant to the industry in Strathbogie Shire:

- **Infrastructure:** Addressing supply chain inefficiencies including improving road and rail freight flows.
- **Capability:** Adapting to climate change, using new and emerging technologies, responding to the potential for increased land use conflict, managing agriculture's social license to operate and meeting rural health needs.
- **Climate change:** Becoming more susceptible to weather volatility and extreme weather events such as floods, rainstorms and drought.
- **Innovation:** Opportunities exist in new and emerging technologies such as robotics, new packaging material, biotechnology and digital and wireless technologies for data measurement, weather monitoring, animal monitoring, geospatial monitoring and water management and chemicals

It will, therefore, be critical for future economic development initiatives to focus on supporting agricultural activities in the Shire, particularly addressing any constraints to growth and promoting market opportunities.

Council should also identify the Shire's comparative advantages in agriculture and increase utilisation of areas with high agricultural potential such as Strathbogie Ranges and Goulburn Valley (for example).

4.4. BUSINESS SUPPORT AND INVESTMENT

BUSINESS SUPPORT

A core function of Council's economic development activities is the provision of business support services, typically enabled through regular and meaningful engagement. This is designed to help businesses overcome specific challenges they face and help identify opportunities that could be further leveraged to achieve positive business outcomes. Key opportunities that could be pursued by Council include:

- Business training, mentoring and networking;
- Identifying grant opportunities;
- Assisting with planning and compliance barriers; and
- Providing digital infrastructure.

BUSINESS ATTRACTION

Council should also focus on attracting new businesses and increasing business investment within the Shire. Council, through the economic development unit, can support business attraction and target relevant industries by:

- Undertaking a gap analysis to identify businesses that are missing across sectors in terms of supply chain;
- Identify industries that are strategically suited to Strathbogie but not present; and
- Ensure that there are equate stocks of zoned land supply to support new business investment.

4.5. MANGALORE AIRPORT DEVELOPMENT

Mangalore Airport is a 1000-acre airfield situated at the apex of the Goulburn Valley freeway and the Hume Freeway. Currently, its principal business is pilot training, particularly for trainee Chinese pilots. It is also proximate to the Goulburn Valley railway line and the main Sydney Melbourne railway line which is now being incorporated into the Federal Government's inland rail project. It also has a planning overlay that will prevent urban encroachment, therefore permitting industrial/airfield development without impinging on residence environment.

Council has commissioned a Business Case (in progress) to be submitted to the inland rail interface improvement project for a freight intermodal to be built at Mangalore Airport. Work is being undertaken by the accounting firm Ernst & Young, with input from Strathbogie Shire and the owners of Mangalore Airport. This Business Case will demonstrate project benefits, drawing on the airport's strategic location and the fact that the Goulburn Valley railway line passes through the airport site.

There is also strong potential for the development of an industrial/transport hub at the airport site, which is well positioned to service the northern Melbourne metropolitan area, the Goulburn Valley and wider regional Victoria. It is recommended that Council continue to advocate for the development of this site as a strategic asset for the region.

4.6. TOURISM INDUSTRY

Tourism is an important economic driver for the Shire, contributing the 5th largest economic output (\$62.3 million per annum), and is the 3rd largest employing industry (274 local jobs).

It is critical for the Shire to maintain growth in tourism – particularly domestic tourism following COVID and bushfire impacts – with investment in key products and experiences that meets contemporary visitor needs, including:

- Accommodation of various typologies including reinvestment in current accommodation stock;
- Agri-tourism, which leverages the Shire's key industry;

- Ensuring adequate visitor amenities and infrastructure to service visitors;
- Specialty food and beverage, which can complement the wineries; and
- Other outdoor recreation product that leverages the nature-based assets, particularly Lake Nagambie and Strathbogie Ranges.

Focusing on growth in tourism is important for the Shire as it helps to diversify the economy and achieve sustainable economic growth.

Council can support this growth in the tourism industry through preparation of a **Product Development and Investment Plan** focusing on areas of high amenity (e.g. along the Goulburn River, Lake Nagambie and in the Strathbogie Ranges).

Council could also explore opportunities to partner and collaborate with existing tourism organisations, in particular Tourism North East, to strengthen tourism governance for the Shire.

4.7. COVID RECOVERY AND SUPPORT

As detailed in this report, the COVID-19 pandemic (as well as the summer bushfires) have had significant impacts on the Shire's economy, including employment, business turnover and tourism. It is, therefore, critical that Council plays a lead role in supporting economic and business recovery, in collaboration with State and Federal Governments, through development of a recovery plan.

Recent work completed by Urban Enterprise identified three distinct phases of recovery, including:

1. Supporting Businesses through Restrictions
2. Returning Business Performance to Pre-COVID
3. A New Normal (reinstating a growth economy)

Understanding these phases and the level of support required helps provide a framework for Council to respond to specific business and economic issues as they arise. The opportunities to support business recovery from the impact of COVID-19 can be best identified through additional consultation and secondary research, including:

- **Primary research of the Shire's business community** through industry surveys, business workshops, direct liaison with business owners and employees; and
- **Secondary research of best practice responses** delivered by other Councils, international responses, and outcomes of emerging research.

Undertaking this work can enable Council to best identify areas of need, supporting requirements and development of a **Strategic Action Plan** to response to the three recovery phases.



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