



ECONOMIC DEVELOPMENT STRATEGY 2018 - 2023

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Prepared for
Rural City of Wangaratta

Independent
insight.



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1. INTRODUCTION

This Economic Development Strategy (EDS) has been produced by the Rural City of Wangaratta (RCoW) to fulfil Council's aspirations for a vibrant and prosperous community that offers residents and businesses a broad range of highly rewarding opportunities for work and investment.

While RCoW has taken the initiative to publish this EDS, RCoW recognises that achievement of the objectives set out in this plan will require contributions and partnerships spanning many sectors and agents including the Commonwealth and State Governments, the business community and civil sector as well as RCoW itself.

This plan identifies the strategies required to boost jobs, investment and population growth in Wangaratta, and the role that RCoW will play in implementing these strategies in partnership with others.

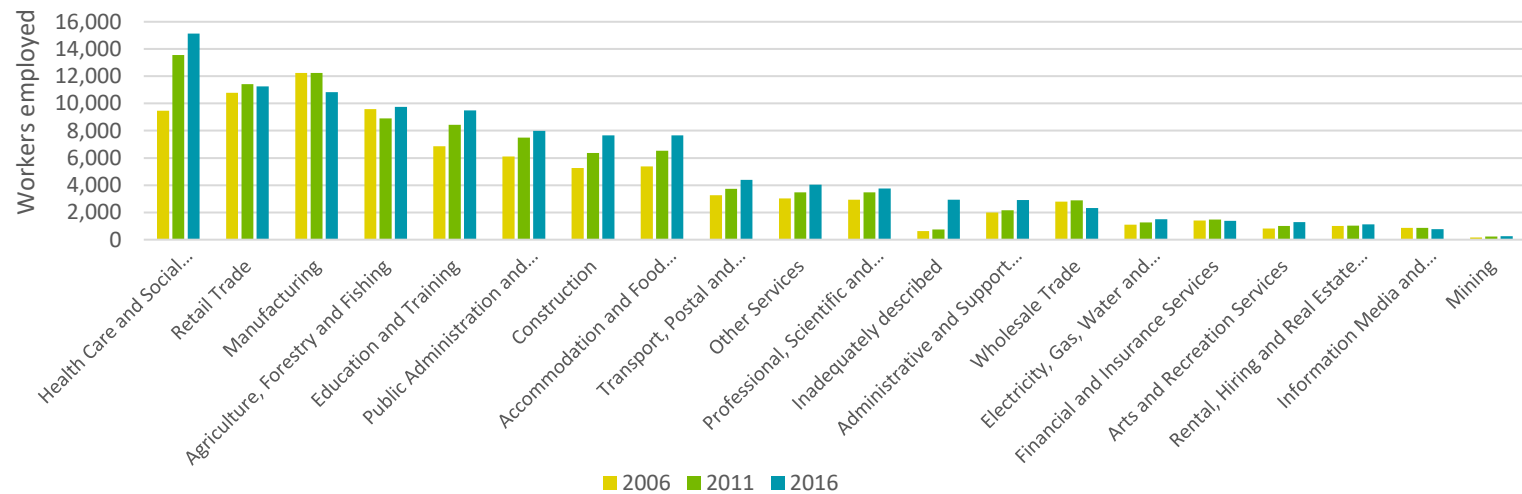
2. ECONOMIC CONTEXT

2.1 Regional context

Wangaratta Rural City is in the Hume Region of Victoria. This area of Victoria is characterised by a network of high functioning cities; there is no single dominant major city. Alongside Wangaratta, Wodonga and Shepparton are identified as ‘regional cities in a state-wide context’ in Hume’s Regional Growth Plan. These cities, as well as Benalla and Seymour, are identified as being population growth areas in the Plan.

Hume is varied in its industry and employment make-up, with traditionally strong manufacturing and agribusiness sectors. However, modern economies are increasingly driven by knowledge intensive industries, professional services and business and personal services. The Hume region too has been following this path. Figure 1 shows employment by industry for 2006, 2011 and 2016; it demonstrates that the region is diversifying after the liberalisation of Australian international trade in the 1990s and early 2000s, when agriculture and manufacturing were especially hard hit. This has resulted in many traditional industries closing their doors or relocating to countries with lower wages.

FIGURE 1: HUME REGION EMPLOYMENT BY INDUSTRY 2006-2016 (RANKED BY 2016 SIZE)



Source: Census for years 2006, 2011 and 2016. Based on place of work

2.2 Population

The population of Wangaratta has grown steadily over the past decade (2006 to 2016), rising from 26,390 to 28,310 at the 2016 census. This represents an increase of 1,380 residents equating to an average annual growth rate (AAGR) of 0.7%. This AAGR is lower than that for Victoria over the same period at 1.9%.

Also compared to Victoria, the proportion of people aged 15-45 in Wangaratta RC is much lower. Conversely, the portion of the population aged 49 and above is higher. This likely reflects an ageing population and that young people tend leave the area in their late teens and early twenties in search of employment and education opportunities. For Wangaratta, the median age of the population in 2006 was 41, rising to 45 by 2016. A lack of working age residents represents a risk to the economy.

2.3 Employment

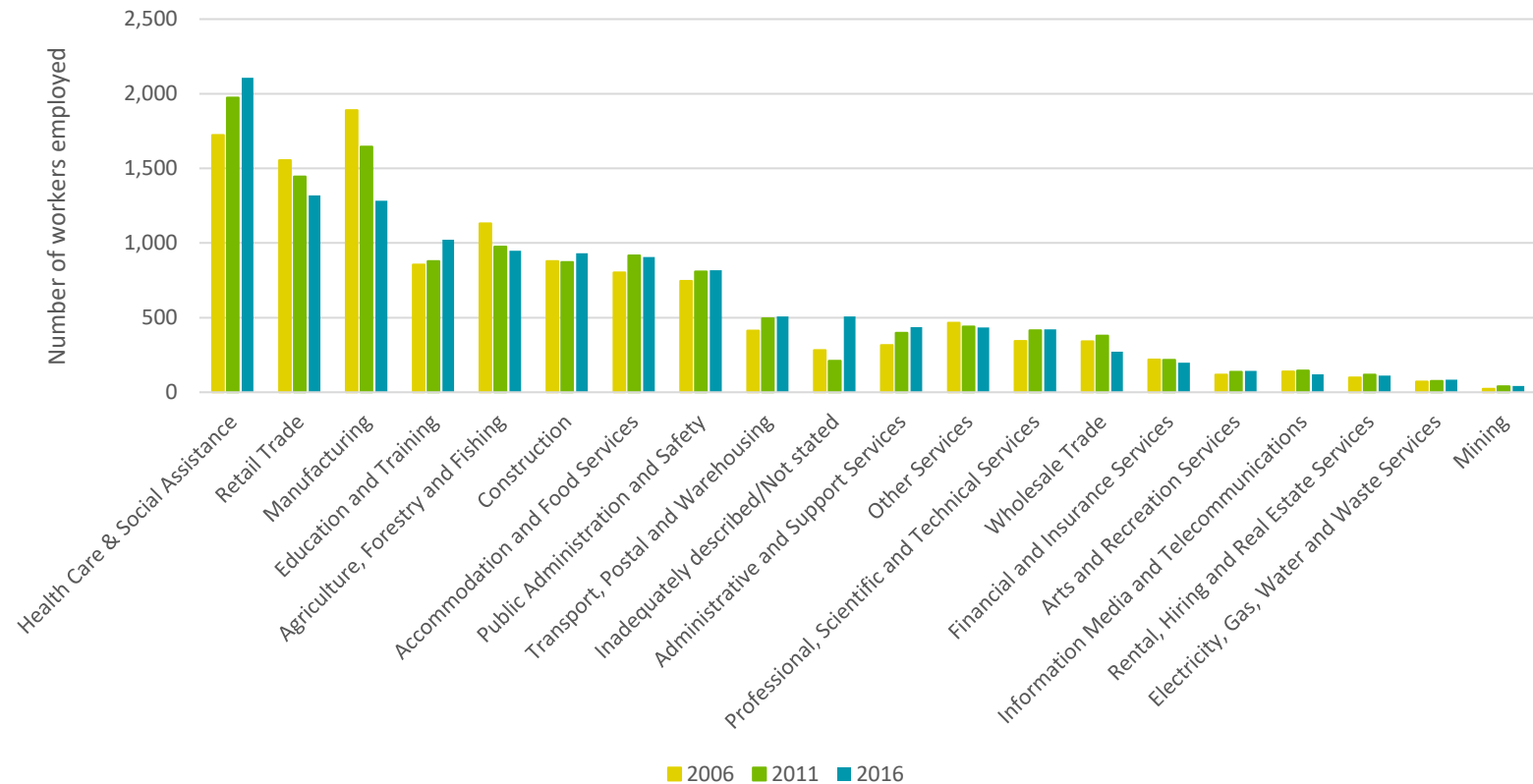
The health care and social assistance industry was the largest employer in Wangaratta in 2016 (see

Figure 2). Health care and social assistance, alongside education and training, is considered a 'population servicing' industry predominantly related to providing services to the local community, recycling existing income in the municipality. That is, it is not typically an export industry which attracts dollars from outside of the LGA. However, as a regional centre Wangaratta does capitalise on injections of income into the municipality from educational and health care services offered to the wider region.

The retail, construction and accommodation and food services industries also service the local community, but benefit from income flowing into the municipality, via investment or tourist expenditure.

Agriculture and manufacturing, although declining in terms of employment, remain the predominant export industries in the municipality. These export industries provide new injections of income to the region.

FIGURE 2: EMPLOYMENT BY INDUSTRY 2006-2016 (RANKED BY 2016 SIZE)



Source: Census for years 2006, 2011 and 2016. Based on place of work

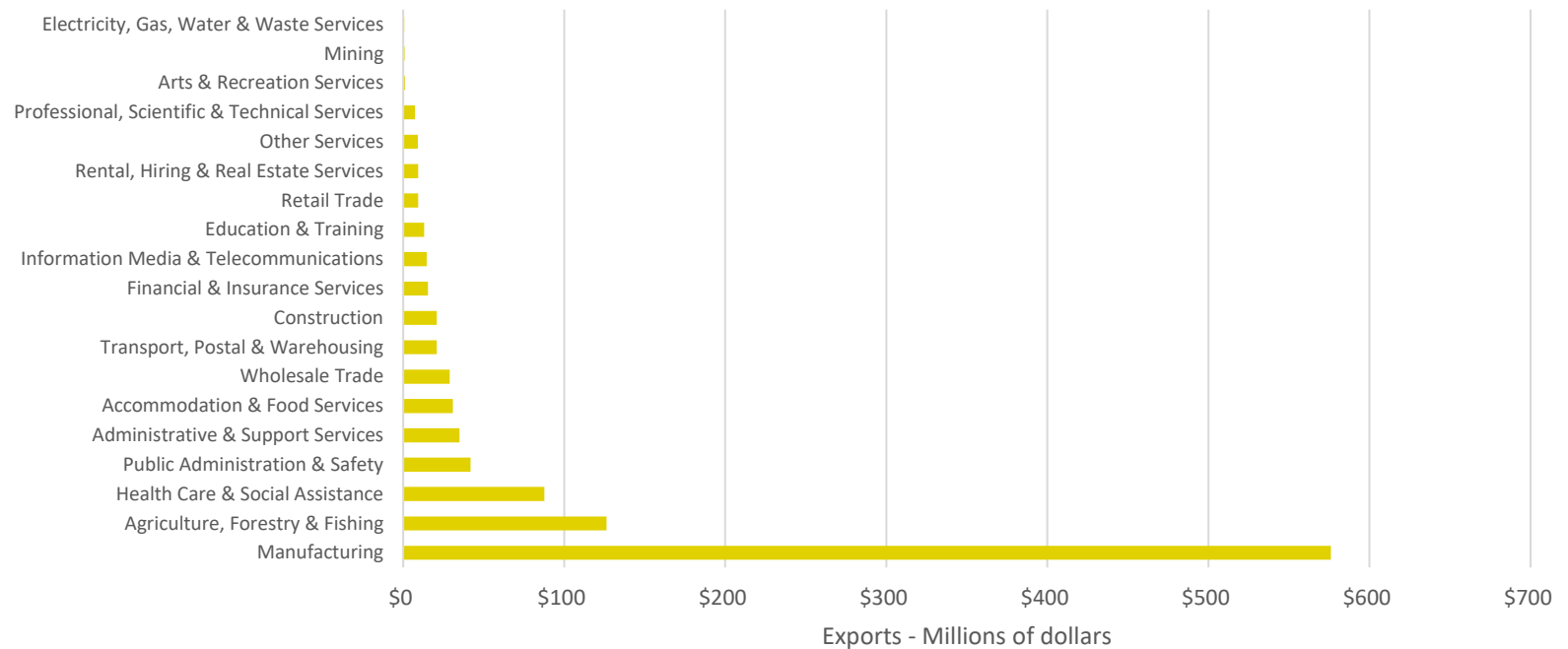
2.4 Economic activity (exports)

Regional exports, as shown in Figure 3, represents the value of goods and services exported to customers outside of Wangaratta generated by businesses with the municipality.

In terms of the value of national and international exports generated, manufacturing dominates. Agriculture and health care services also make a sizeable contribution to the regional economy.

These industries do not operate independently of each other. Many farming businesses are increasingly involved in processing/value-adding activities and many manufacturers rely on the municipality's agricultural produce as inputs.

FIGURE 3: WANGARATTA RC REGIONAL EXPORTS BY INDUSTRY



Source: Latest REMPLAN (2016) incorporating Australian Bureau of Statistics' (ABS) June 2016 Gross State Product, 2013 / 2014 National Input Output Tables and 2011 Census Place of Work Employment Data.

2.5 Key industries

Location quotient (LQ) analysis is a valuable statistical tool for quantifying the comparative strengths of a region's economy. It can reveal what makes a region 'unique'. Due to their physical, technological and intellectual characteristics, particular regions like Wangaratta's can have cost, productivity and other strategic advantages relative to other economies. Comparative strategic advantages are widely considered to be the key drivers of regional economic growth, especially in an increasingly global economy. The theory of comparative advantage can be applied at the national, state, regional and local level.

Comparative strategic advantages result in high levels of employment in industries that benefit from these strengths, and this is revealed through the LQ analysis. When the LQ value is greater than one, it is an indication that a region is relatively specialised and has a competitive advantage in that field of industry over other regions. Typically, a region is a net exporter if the location quotient is high (that is >1), and a net importer if the location quotient is low (that is <1).

Using LQ analysis, economic activity in Wangaratta was compared to non-metropolitan Melbourne areas of Victoria to identify driver industries. The analysis shown in this document is in a bubble map form. The LQ score is shown on the vertical axis; industries above 1 (the horizontal red line) are more concentrated in Wangaratta RC than other regional areas of Victoria generally.

The bubbles in the charts are coloured to reflect whether they are an export industry (green), population servicing industry (yellow), or a combination of both (blue). As discussed, export industries introduce new income to the region while population servicing industries are reliant on recycling already generated income, for example, retirees spending their savings on local services. The bubbles are also scaled for size, representing the number of workers employed by each industry.

Two maps are presented with differing variables on the horizontal axis to explore how the industries and their LQ score have been evolving over time.

This analysis reveals that Wangaratta has the following key industry groups, with an LQ score greater than one:

- Health care and social assistance – most notably hospital and medical care services as opposed to residential care
- Manufacturing – particularly wood product; textile, leather, clothing and footwear; and beverage manufacturing, and
- Transport, postal and warehousing – most notably warehousing and storage services.

Wangaratta also has a range of emerging export industries. These industries have increasing LQ scores in the RCoW and are also supported by wider trends of growth in regional Victoria. These industries include:

- Education and training
- Professional, scientific and technical services, and
- The tourism industry

Agriculture, retail trade, and education have LQ scores lower than one. Nonetheless they remain important industries which support the employment of over 3,000 workers. These industries could be considered as underdeveloped, offering an opportunity for growth

2.6 LQ change bubble map

An LQ bubble map that has the percentage change in LQ score on the horizontal axis is shown in Figure 5, overleaf. This reveals which industries are growing in prominence in comparison to regional Victoria.

Results

Health care and social assistance is one of the more striking industries in this analysis, being a large employer (large bubble size), becoming more concentrated (to the right of the vertical red line), and with a high LQ or comparative advantage score (to the top of the chart). This indicates that this industry, while already a large employer, has a bright future given its comparative advantage and level of specialisation in Wangaratta, in comparison to regional Victoria generally.

Other industries that can be considered as important due to the combination of LQ score, employment and LQ change are administration and support services for businesses/industry in the region, transport postal and warehousing, and public administration such as local and state government offices. Manufacturing is a large employer with a high level of comparative strength. However, the sector's strength in the region (LQ score) has been decreasing in comparison to regional Victoria generally. Agriculture, forestry and fishing is less concentrated in Wangaratta than regional Victoria generally, with the concentration falling.

Education and training, retail trade and professional, scientific and technical services are less concentrated in Wangaratta, but their LQ score is increasing meaning that they are developing industries for RCoW.

The tourism industry is roughly as prevalent in Wangaratta as regional Victoria. Tourism's LQ score has increased slightly between 2006 and 2016, indicating some success in developing the industry in Wangaratta. Given the attractions of the region, there would appear to be great latent potential for growth in the tourism sector.

FIGURE 4: LQ MAP EXPLAINER

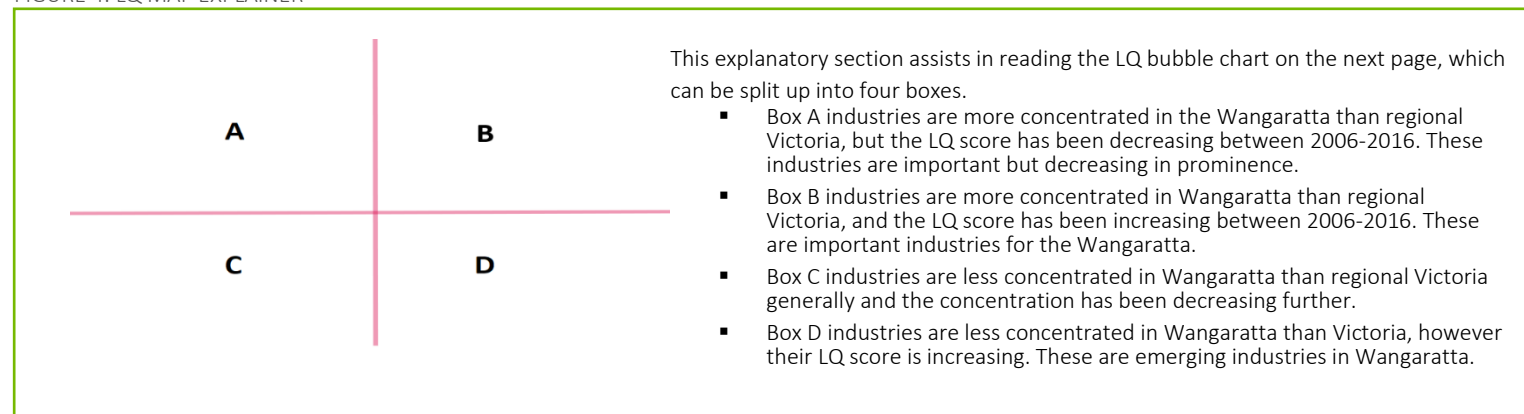


FIGURE 5: WANGARATTA LQ SCORE AND LQ CHANGE (2006-2016) BUBBLE MAP



2.7 Average annual growth rate of employment by sector

An LQ bubble map, that has the annual average growth rates in employment in regional Victoria on the horizontal axis, is shown in Figure 6, overleaf. This map assists in identifying whether industries with comparative advantage in Wangaratta align with well performing industries across regional Victoria. These wider trends can point to further opportunities for Wangaratta to capitalise on.

Results

The horizontal axis shows the average annual growth rate (AAGR) of the different industries for regional Victoria. Industries to the right of the vertical red line have been growing in terms of employment over the past 10 years and present an opportunity for regional Victorian economies.

This bubble map shows that key export industries in Wangaratta (agriculture, forestry and fishing, and manufacturing) are decreasing in terms of employment across regional Victoria generally. Conversely, the health care and social assistance, tourism, accommodation and food services (non-tourism), education and training, construction, transport, postal and warehousing are increasing in employment size. Given that Wangaratta already has a comparative advantage (LQ greater than one) in health care and social assistance, transport postal and warehousing, these industries have strategic importance for the City.

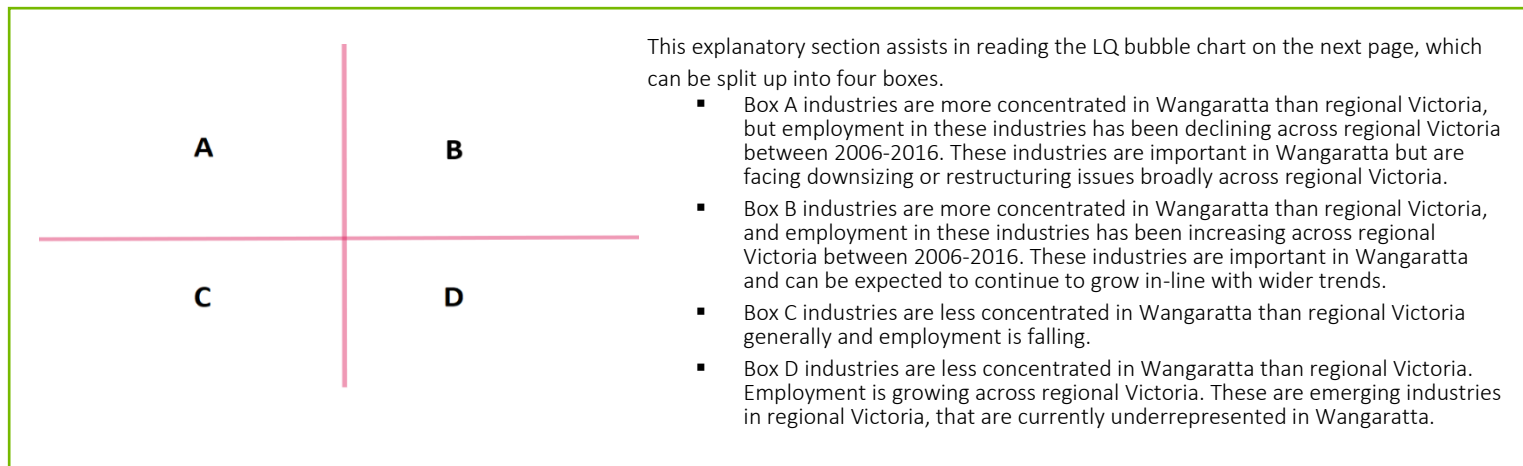
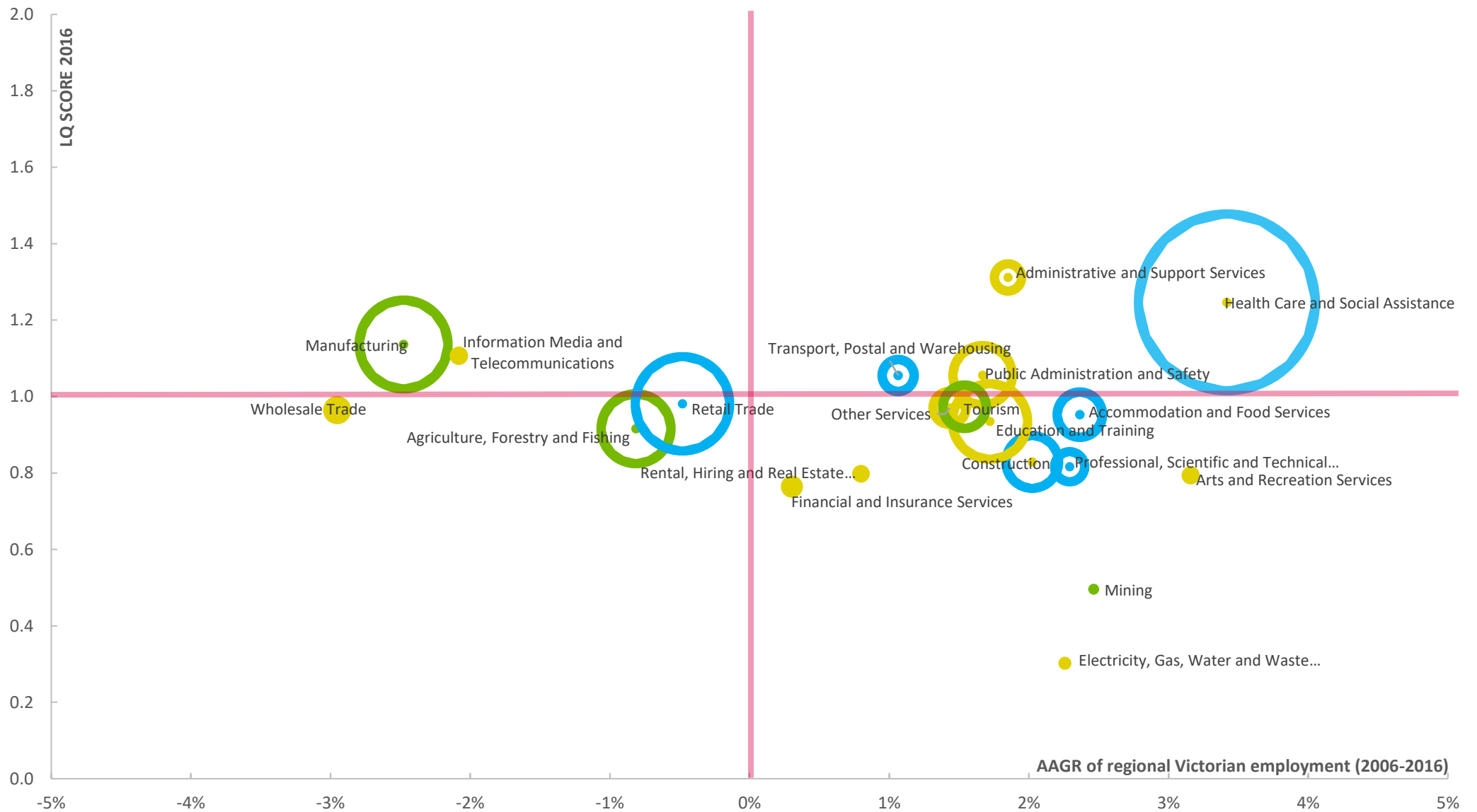


FIGURE 6: WANGARATTA LQ SCORE AND AAGR OF EMPLOYMENT (2006-2016) BUBBLE MAP



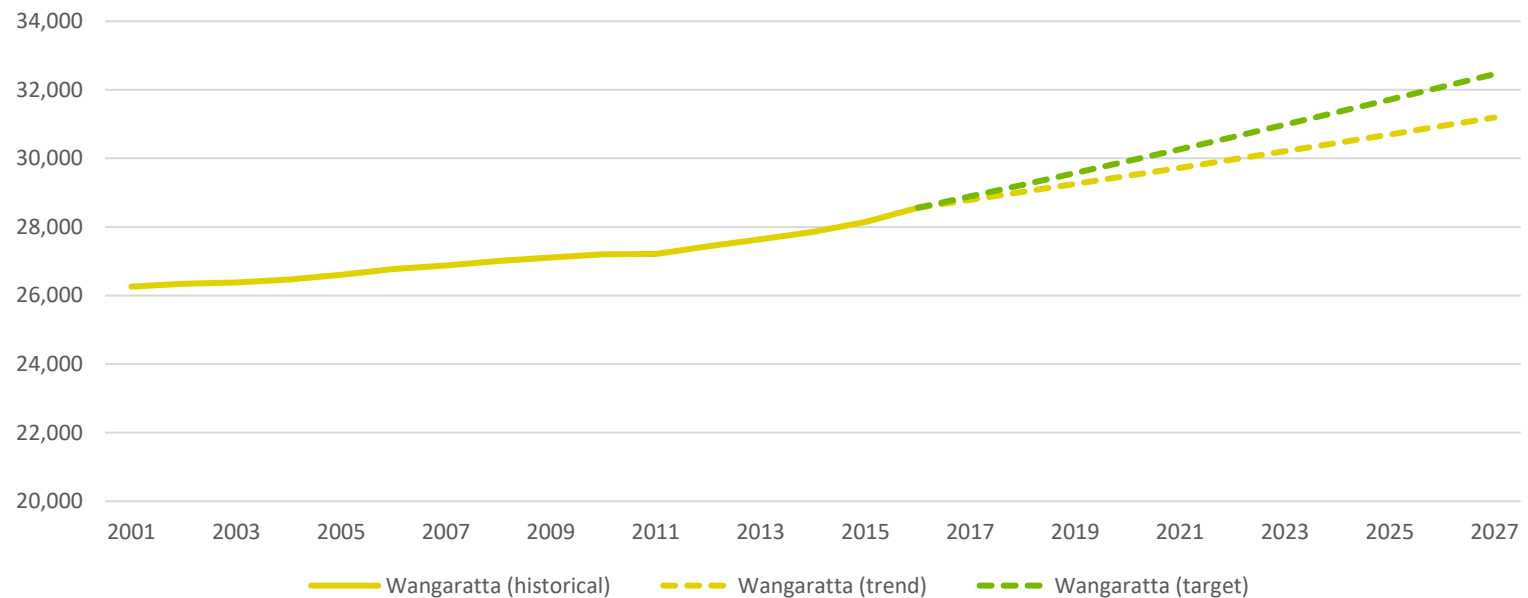
3. ECONOMIC DEVELOPMENT OBJECTIVES

Council's vision for the Wangaratta economy is for a sustainably prosperous community that provides quality jobs, encourages investment and supports business formation.

This Strategy aims to achieve the following objectives over the 10-year life of the Plan:

- **Objective 1:** Achieve a resident population of 32,500 by 2027 (versus a trend-based outcome of 31,200) whilst maintaining or improving the median income of Wangaratta¹. The target is based on obtaining an annual population growth rate that is equivalent to the average projected growth rate, from Victoria in Future, for non-metropolitan Melbourne Victoria (1.2% per annum) – see Figure 7).

FIGURE 7: POPULATION OBJECTIVE



¹ According the ABS Census, the median weekly personal income for people aged 15 years and over in Wangaratta RC was \$595 in 2016.

- **Objective 2:** Generate employment growth so that the jobs to resident ratio reaches 0.4:1 in 2027 compared to 0.43:1 in 2016. If the target population growth is met, this requires the net creation/attraction of **3,900 jobs** by 2027 (total of 16,200 jobs).
- **Objective 3:** Achieve an unemployment rate lower than the Victorian regional average for at least 75% of financial year quarters.
- **Objective 4:** Lift education levels so that the percentage of the population over 15 years old with post-school (year 12) qualifications increases from 42.7% (in 2016) to 45% by 2027. For comparison the Victorian rate was 47.9% in 2016.
- **Objective 5:** Improve on Wangaratta's share of total visitor nights spent in Victoria, from 0.56% to 0.6%, based on Tourism Research Australia data. This can be achieved via increasing the number of visitors, convincing more passing visitors to stay overnight, or extending the length of trips.

4. COMPETITIVE PROFILE

4.1 Wangaratta strengths

Location

- Strategically situated on the major transport corridor between Melbourne and Sydney.
- Central location; Wangaratta acts as a hub for surrounding regional activity.
- Ease of movement for goods.
- Plentiful environmental resources including water and high quality soils.

Community and lifestyle

- People; the residents of Wangaratta are civic minded, and a strong community spirit prevails.
- Good climate.
- Easy access to nature.
- Housing and lifestyle affordability.
- High quality sports and recreation opportunities.
- Compact urban core.

Infrastructure and services

- Regionally significant health facilities.
- Education facilities including TAFE and a University campus.
- Availability of land for residential and industrial development.
- Access to Wangaratta Aerodrome.
- Agricultural processing facilities not found in neighbouring municipalities.

Business and economy

- Diversified economy with many key industries.
- Rich ecology of businesses with a range of small to medium, high-quality, niche operators.
- Strong industry leaders within the community.
- Mutually supportive business culture.

4.2 Opportunities to strengthen competitiveness

Location

- Locational competition; Wangaratta competes with the surrounding municipalities for businesses and services.
- Surrounding towns have a growing population at Wangaratta's expense.

Community and lifestyle

- Educational outcomes in the community can be improved.
- Pockets of disadvantage hurt the reputation of the region.
- Aging population and loss of young people.

Infrastructure and services

- Irregular and unreliable passenger train services, this jeopardises Wangaratta's future development if not resolved.
- Lack of river crossings.
- Mobile communication technology is poor; blackspots impact on phone reception, use of EFTPOS and the ability of tourists to navigate around the region.
- Lack of logistics hub.
- Undersupply of tourist accommodation options, particularly high-end.
- Undersupply of destination retail.
- Under-utilisation of natural resources and built infrastructure.
- Given Wangaratta's position on the corridor between Sydney and Melbourne, and Wangaratta Aerodrome, transport and logistics are underdeveloped

Business and economy

- Legislative requirements low development and create angst and confusion in the business community.
- Lack of co-ordinated marketing and promotion of Wangaratta as a place to live, invest and work.
- Some businesses are content with the status-quo and are not pursuing innovation and growth.
- Income leakage due to many workers, particularly in health, residing outside of the municipality.

5. OPPORTUNITIES FOR THE WANGARATTA ECONOMY

5.1 Key sectors, industries and businesses

Wangaratta has successfully transitioned from heavy reliance on textile manufacturing to a highly diversified economy with multiple industries and firms drawing in income from other parts of the region, Victoria, Australia and international markets. There are many opportunities to strengthen these 'driver industries'. They include:

- More value adding to the region's agricultural output
- Growing food and beverage tourism
- Growing active tourism (alpine sports, trail bikes, hiking)
- Leveraging health and community care assets into a national centre of excellence for education, training and research in this sector
- Supporting key manufacturing enterprises to adapt, diversify and grow
- Supporting small business

5.2 More value adding to the region's agricultural output

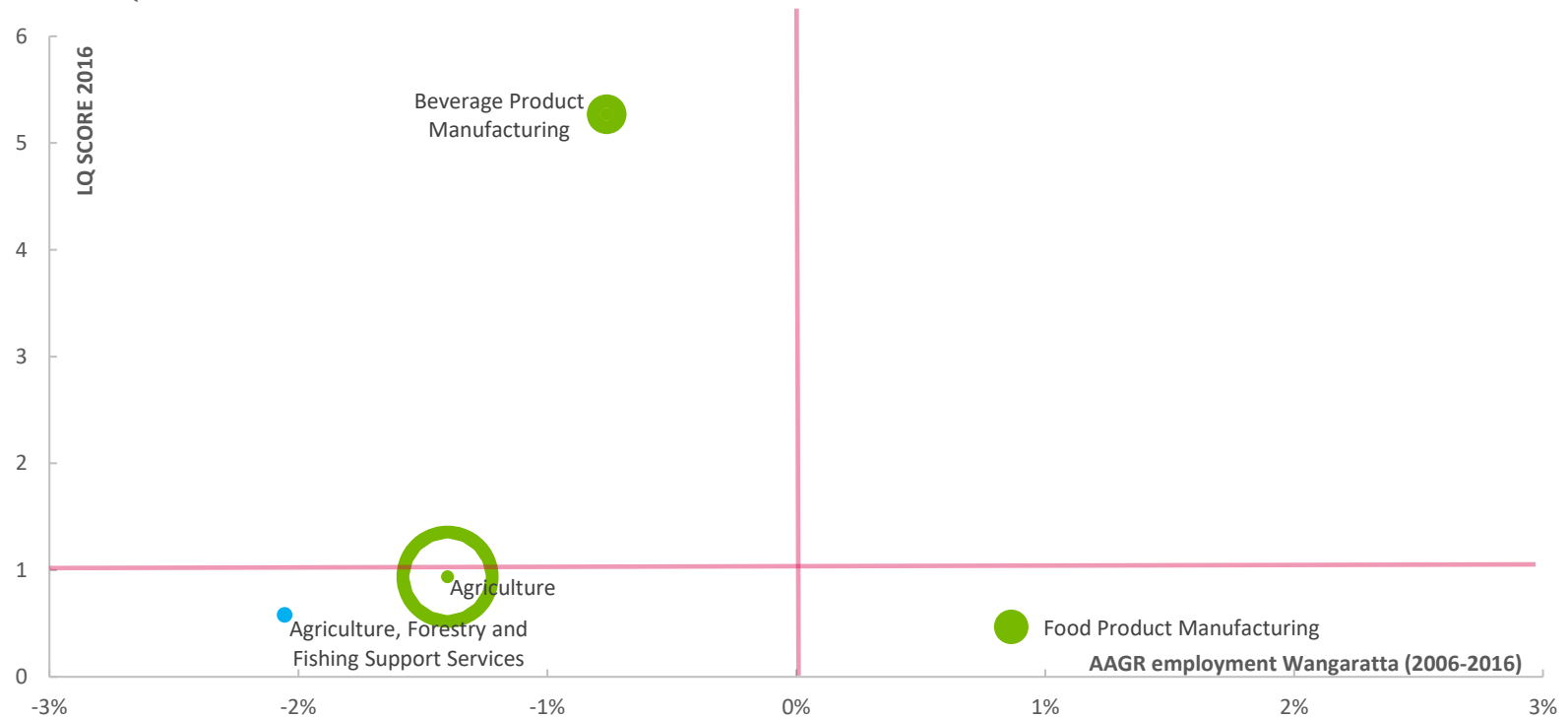
Agribusiness and agricultural processing are key industries. However, as revealed by a LQ analysis of disaggregated agricultural and manufacturing industries (Figure 8), an opportunity is being missed to add value to produce before it leaves the municipality.

Agriculture, as an employing industry, is roughly as prevalent in Wangaratta as the rest of regional Victoria. The LQ score of food manufacturing is, however, is only 0.5, revealing that food manufacturing is half as prevalent. This suggests that opportunities to value-add agricultural produce are being missed, with the exception of beverage manufacturing. The beverage product manufacturing industry is over five times more concentrated in Wangaratta than regional Victoria. Almost all of the employment in this industry is dedicated to the production of wine.

The low prevalence of food product manufacturing is even more stark given that 79% of employment in agriculture in Wangaratta is dedicated to producing food. Employment in food product manufacturing though, has been growing between 2006 and 2016.

Addressing this value adding 'gap' is an opportunity to grow the economy.

FIGURE 8: LQ BUBBLE MAP – AGRICULTURE AND VALUE ADDING



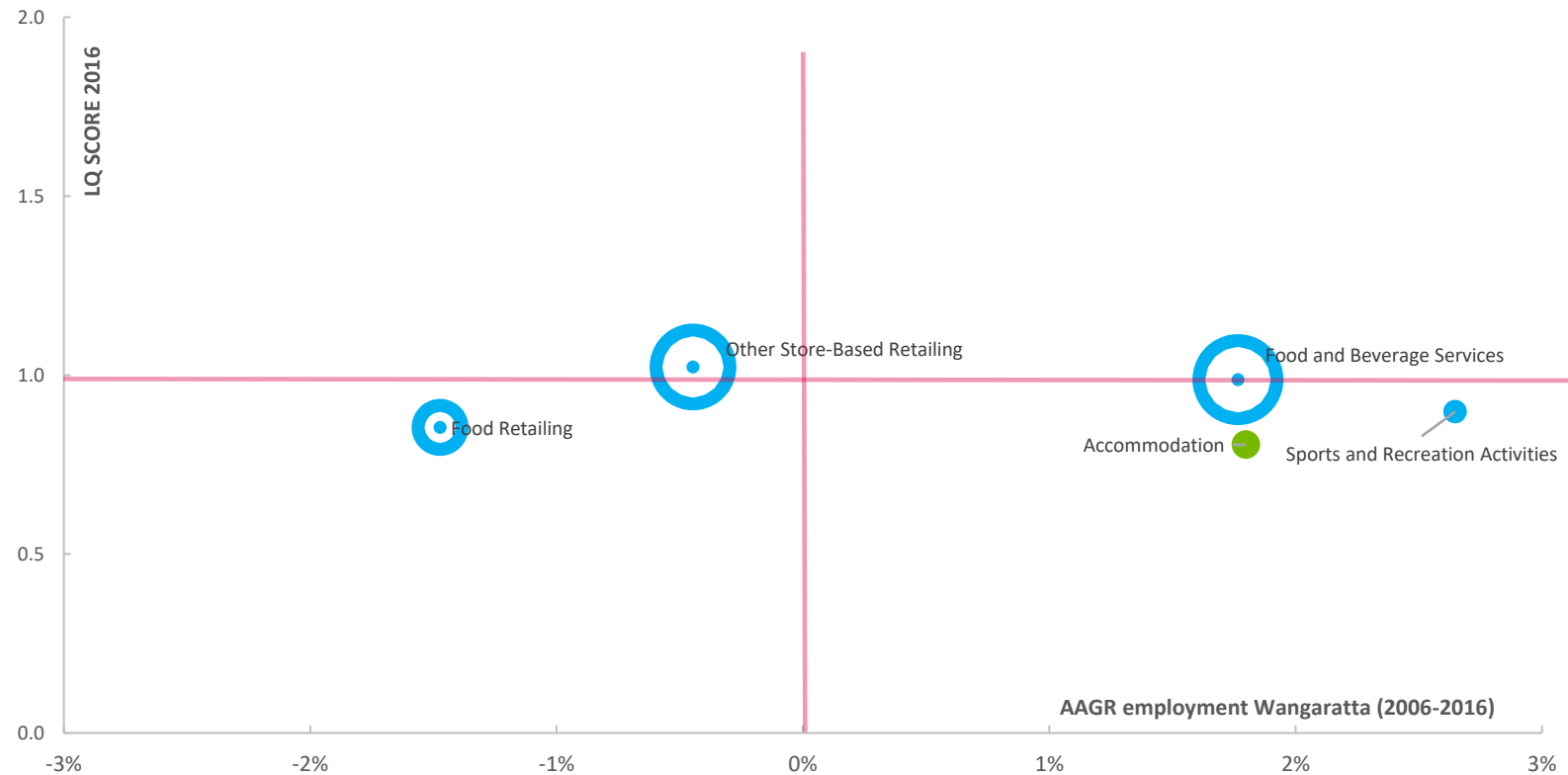
Source: SGS Economics and Planning (2018)

5.3 Growing food and beverage tourism

Gourmet food and beverage tourism, built on the strength of local agricultural producers and the natural environment, is an opportunity to connect many areas of strength for the municipality to bring new income into the economy. As revealed by the LQ analysis, the tourism industry is underdeveloped. Given that Wangaratta has a strong beverage production industry (Figure 8), and has potential to develop a strong food industry, food and beverage tourism is an opportunity for the municipality.

Examining industries linked to tourism in more detail (Figure 9), food and beverage services, retail, and sports and recreation are roughly as prevalent in Wangaratta as regional Victoria generally, but accommodation is not. This suggests there is an undersupply of accommodation providers.

FIGURE 9: LQ BUBBLE MAP – TOURISM RELATED INDUSTRIES



5.4 Growing active tourism (alpine sports, trail bikes, hiking)

Tourism, built on the natural environment, existing infrastructure and events calendar, will bring new sources of income into the local economy. Active tourism is an opportunity to leverage the municipality's strengths including linking rail trails with farm gates. Given the industry's underdevelopment in comparison to the rest of regional Victoria as revealed by the LQ analysis, and the natural assets on offer in the Wangaratta district, there is an opportunity to expand the active tourism sector. This includes the attraction of events to Wangaratta, as identified in the RCoW's Events and Attraction Strategy.

5.5 Leveraging health and community care assets into a national centre of excellence for education, training and research in this sector

Wangaratta has a large and growing healthcare industry. There is an opportunity to build the City's reputation as a key regional centre in this sector. Healthcare services would not only service the local community but the wider region, generating export value. Wangaratta can also develop as a centre for remote health and in the 'health lifestyle' industry, linking into the areas food production and liveability.

5.6 Supporting key manufacturing enterprises to adapt, diversify and grow

Manufacturing remains the largest exporting industry in Wangaratta both in terms of employment and value of exports. The LQ analysis revealed that the City has a greater concentration of manufacturers than regional Victoria generally. Employment is decreasing, however, driven by international cost pressures and automation. As manufacturing transitions, support is needed to enable the sector to adapt, diversify, grow and continue as a major exporter. Niche manufacturing is an identified focus.

5.7 Supporting small business

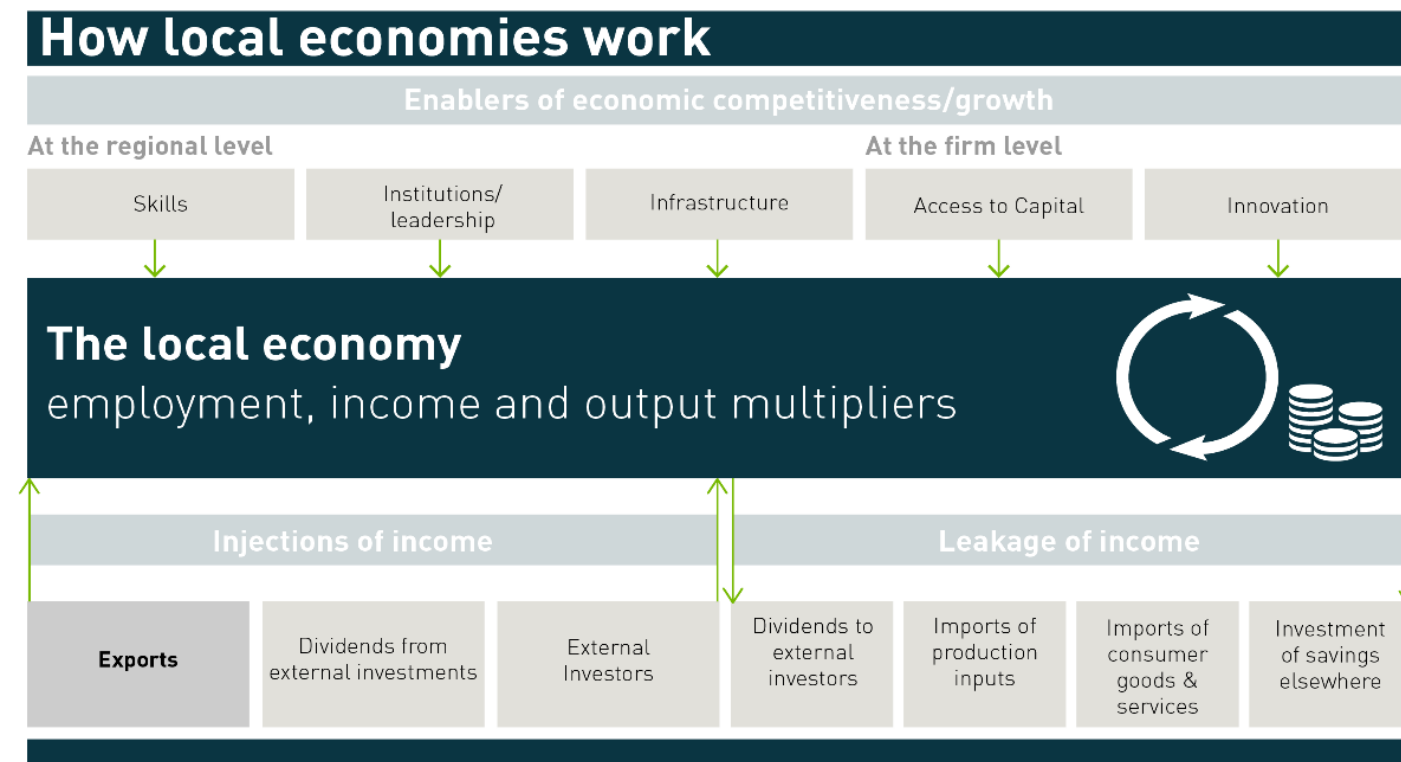
Small businesses are a significant employer in Wangaratta. Forty five percent of workers in the municipality work for a business with 19 or less employees. This is above the Victorian rate of 38%. Supporting small and medium sized businesses can generate growth for the region and support the employment of local residents. Bolstering local retail services to reduce income leakages from Wangaratta is a key opportunity to grow the local economy.

6. STRATEGIES TO ACHIEVE OBJECTIVES

6.1 The engines of local economic development

A simplified model below shows that the key injections of income into the local economy are derived from export businesses. 'Exports' in this context refer to any product or service which is traded to anyone outside of RCoW, in Australia and internationally. This includes dollars spent by visitors to the area.

FIGURE 10: MODEL OF A LOCAL ECONOMY



Source: SGS Economics & Planning Pty Ltd

Income injected into the local economy creates a multiplier effect as exporting firms draw on local suppliers and workers to meet the demand from external customers. The size of this multiplier effect is influenced by: skills, institutions/leadership, infrastructure, access to capital and innovation. These are the enablers of economic growth. They are the levers which need to be pulled to catalyse growth.

Income leaks from a local economy as local firms import some of their inputs to production (for instance, using banking services from a bank headquartered in a capital city). Similarly, consumers also import goods and services, like buying clothing or products online. These leakages dilute the multiplier effect from export sales.

In simple terms, the objective of the Wangaratta Economic Development Strategy is to maximise inter-regional export income and the associated employment multipliers, and minimise income leakages.

6.2 Strategies

This strategy envisages achievement of the objectives set out in Section 3 through four strategies.

I) Strengthening Wangaratta's driver sectors

Wangaratta's driver sectors are value-added agribusiness, tourism (food & beverage and active), health and community care and niche manufacturing.

Strategies to strengthen these sectors will involve: building innovation capacity, embracing technological change, building digital disruption, encouraging the formation of clusters, attracting key firms and engaging in focussed marketing and brand development. Innovation is inclusive of building capacity to develop and embrace new development in the fields of science, technology, robotics, coding and engineering.

RCoW's role will be to:

- Facilitate networking between firms and across industries to drive innovation, value-adding and novel solutions
- Provide support and encouragement to existing firms, recognising that most new investment will come from already existing businesses in the area
- Promote key strengths via a coordinated, modern branding and marketing effort to drive exports, and to attract new firms and tourists
- Attract new investment, particularly to fill identified gaps in the economy such as value-adding to agricultural produce and accommodation
- Develop a health precinct plan
- Liaise with the Department of Foreign Affairs (DFAT) and other relevant authorities to protect the value of export goods through trademarking overseas
- Investigate a building upgrade financing scheme with the relevant agencies to support businesses to install energy efficient technology to relieve pressure from high gas and electricity prices
- Encourage the use of new technology and innovative ideas that optimise business development
- Promote innovation in agribusiness to increase the development of underproductive land

II) Skilling up the Wangaratta labour force

Improving the skills of the labour force in Wangaratta will enable economic growth and improve the competitiveness of the economy. Wangaratta's skills profile has some deficits, including appropriately qualified workers for modern manufacturing and the hospitality industry. Other organisations in the Region (RDV, Hume Regional Partnerships, NE Tracks LLEN) have also identified skill gaps in Wangaratta and developed strategies in response.

The strategy to address these gaps will include: improved industry co-ordination with training and education providers; attraction of niche training providers; and encouraging the major institutions and businesses in the City (hospitals, key manufacturers) to develop training outlets.

RCoW's role will be to:

- Facilitate networking and brokerage between industry and education providers to identify and address skill gaps
- Enter into discussions with Universities and TAFEs to establish campuses or to build education pathways and connections
- Consult with youth and education providers to understand what they need from the educational sector in Wangaratta
- Work with providers to develop niche courses that leverage off the region's strengths, for example agribusiness, food technology
- Promote key strengths, notably lifestyle and affordability, via a coordinated, modern branding and marketing effort to attract skilled workers in order to address skill gaps.
- Consider ways to attract younger generations to embrace agribusiness.

III) Investing in strategic infrastructure

Improvement in infrastructure is another lever for RCoW to improve competitiveness and encourage economic growth.

Wangaratta's strategic and long-standing infrastructure gap relates to rail connectivity to Melbourne. This strategy calls for a re-doubled effort to correct track and signalling deficiencies with a view to providing Wangaratta with rail services comparable to those enjoyed by Ballarat and Bendigo.

Other infrastructure strategies will address; better managed freight movements through the City and the need for a truck logistics hub; value adding to the RCoW's planned investment in a green waste processing centre; and encouraging use of under-performing infrastructure.

RCoW's role will be to:

- Create a Wangaratta Aerodrome marketing strategy to increase use
- Develop a logistics hub connected to air freight
- Fully implement findings from the completed Freight and Land Use Study to be fully implemented
- Establish a long-term strategy to acquire land around Wangaratta Aerodrome to allow for expansion and better use
- Develop and better link existing tourism infrastructure to drive visitation and longer stays
- Support the primary health and hospital plan, developed by North-East Health
- Develop supporting health infrastructure such as a hydrotherapy pool, and

- Develop policies that promote efficient land utilisation through activities such as planning for land use, provision of industrial land and rating deterrents
- Advocate for improved access to digital technologies such as NBN and mobile phone services.

IV) Supporting local businesses

Locally generated spending and investment are vital to employment levels and business activity in the City. Strategies will be employed to retain as much of this spending and investment in Wangaratta and district as possible, i.e. to minimise income leakages.

Amongst other things this means strengthening the competitiveness of the City's retail offer, by ensuring that its array of shops is up to date, its customer service is at best practice levels and the urban quality of the central city is second to none in regional Victoria.

RCoW's role will be to:

- Identify strategies to differentiate the municipality from other nearby municipalities and compete for opportunities
- Attract 'destination retail' to Wangaratta
- Ensure that retail floorspace and format in Wangaratta keep pace with population growth and industry trends
- With reference to RCoW's population/urban growth strategies and plans, foster the growth of the population whilst mitigating any adverse impacts on urban form and the liveability of Wangaratta, and
- Involve the community to drive enthusiasm for economic development and encourage residents to support local business.

7. IMPLEMENTATION PLAN

This section describes how the strategies set out in 6 will be implemented. Many of the initiatives set out in the implementation plan will require partnerships with and inputs from organisations outside of Council.

Timelines: Ongoing; Short 0-2 Years; Medium 2-5 years; Long 5+ years

FOCUS OF ACTION	ACTIONS	STRATEGY ADRESSED	TIMELINE	LEAD AGENCIES	PROGRAMS/ACTIVITIES
MULTI-INDUSTRY BUSINESS DEVELOPMENT					
Business and industry growth	Provide support and encouragement to existing firms as most new investment will come from already existing businesses in the area	I, IV	Ongoing	RCoW Regional Development Victoria	<ul style="list-style-type: none"> Proactive Engagement with Business and Industry – advise what opportunities/programs RCoW can assist with.
	Liaison with DFAT and other relevant authorities to protect the value of export goods through trademarking overseas	I, IV	Ongoing	DFAT RCoW Trade Victoria Food Innovation Australia Limited	<ul style="list-style-type: none"> Contact agencies and relevant organisations – grants, programs updates
	Investigate building upgrade assistance schemes to support businesses to install energy efficient technology to relieve pressure from high gas and electricity prices	I, IV	Short to Medium	RCoW State and Federal Government Sustainability Victoria	<ul style="list-style-type: none"> Contact with Sustainability Victoria and other agencies to update on programs
	Involve the community to drive enthusiasm for economic development and encourage residents to support local business	IV	Ongoing	Business Wangaratta RCoW	<ul style="list-style-type: none"> Shop local campaigns
Attracting key firms	Develop a support program to encourage new businesses to relocate, and assist existing business to expand or move	I	Short	RCoW	<ul style="list-style-type: none"> Business Attraction Policy Targeting trade and industry shows

Building innovation capacity	Facilitate networking between firms and across industries to drive innovation, value-adding and novel solutions	I, IV	Ongoing	RCoW Regional Development Victoria	<ul style="list-style-type: none"> Manufacturing Cluster program
	Support business and industry to transition to a knowledge economy that embraces digital and new technologies				<ul style="list-style-type: none"> Business workshops, Launch Victoria, support of digital and innovation hubs
	Provide workshop, network and skills opportunities for business				
Skill gaps and retention of young people	Facilitate networking and brokerage between industry and education providers to identify and address skill gaps	I, II, IV	Medium	RCoW Education providers	<ul style="list-style-type: none"> Participate in NE Tracks LLEN, Food & Fibre, OM Regional Partnerships, HEDN
	Undertake and review existing studies of local business and industry to gain an understanding of the skills the region needs to continue growth	I, II, IV	Short to Medium	RCoW Education providers Regional Development Victoria Department of Education and Training Hume Region Partnerships	
	Present skill gaps to education providers to identify opportunities for courses/subjects that could enhance students and provide opportunities for further employment within RCoW	II	Medium	RCoW Education providers NE Tracks LLEN	
	Consult with education sector to understand what young people need from the educational sector in Wangaratta	II	Short to Medium	RCoW Education providers NE Tracks LLEN	
	Work with existing providers to develop niche courses that leverage off the region's key strengths	II	Medium	RCoW Education providers Department of Education and Training	
	Enter into discussions with Universities and TAFEs to establish new campuses or to build education pathways and connections	II, III	Ongoing	RCoW Department of Education and Training	<ul style="list-style-type: none"> Advocating for complete outreach university courses/qualifications
	Population growth	IV	Ongoing	RCoW	

BRAND WANGARATTA					
Focussed marketing and brand development	Develop of a regional brand with reference to Urban Growth and Industrial Land Use Strategies, that will distinguish Wangaratta as a place to live and work and increase the profile of product assurance.	I, IV	Short	RCoW	<ul style="list-style-type: none"> Commence 2018/2019
	Use the regional brand to promote key strengths via a coordinated, modern branding and marketing effort to drive exports, and to attract new firms and tourists	I	Short to Medium	RCoW	
Skills gaps	Promote key strengths, notably lifestyle and affordability, via a coordinated, modern branding and marketing effort to attract skilled workers in order to address skill gaps	II	Medium	RCoW	
VALUE ADDING TO THE REGION'S AGRICULTURAL OUTPUT					
Value Adding	Identification of secondary production opportunities that complement the regions primary produce. This involves: <ul style="list-style-type: none"> A) Identify a comprehensive list of primary products from the region B) Identify secondary production processes for the primary products C) Identify distribution channels – farm gate, markets and co-op, retail sales or wholesale 	I, IV	Medium	RCoW Regional Development Victoria Agriculture Victoria Agriculture & Agribusiness Advisory Committee Victorian Farmers Federation National agriculture associations	<ul style="list-style-type: none"> Connect with agriculture / agri-business organisations.
	Attract new investment/firms, particularly to fill identified gaps in value-adding to agricultural produce	I, II	Medium to Long	RCoW Regional Development Victoria	
GROWING FOOD AND BEVERAGE TOURISM					
Attracting key firms	Attract new investment/firms, particularly to fill identified gaps in the supply of accommodation	I, IV	Medium to Long	RCoW Regional Development Victoria Visit Victoria Tourism North East	

Enhance the visitor experience	Develop and better align existing tourism infrastructure with agricultural producers to drive visitation and longer stays	I, III, IV	Short to Medium	RCoW Visit Victoria Tourism North East Wines of the King Valley Glenrowan Vignerons Beechworth Vignerons King Valley Tourism Milawa Gourmet Region El Dorado Tourism Business Group	<ul style="list-style-type: none"> Farm gates/stays/farmland transition
GROWING ACTIVE TOURISM (ALPINE SPORTS, BIKE TRAILS, HIKING)					
Develop King Valley Rail Trail	Conceptualise a shared path trail linking Oxley to Cheshunt	I, III	Long	RCoW King Valley Tourism Wines of King Valley	<ul style="list-style-type: none"> In progress, NEVCO, Strategic Cycling Coordinators
	Development of engineering specifications and feasibility so that the project is ready for future funding opportunities	I, III	Medium	RCoW	
Ned Kelly Alive	Review and prioritise the recommendations from Ned Kelly Alive Report	I, III	Medium to Long	Tourism North East RCoW	<ul style="list-style-type: none"> In progress
	Develop an implementation plan for chosen projects.	I, III	Short	Tourism North East RCoW	
Enhance the visitor experience	Develop and better align existing active tourism infrastructure to attractions to drive visitation and longer stays	III	Short to Medium	RCoW Tourism North East	<ul style="list-style-type: none"> Develop a formal tourism plan Experiences development, working with LTAs, RTOs,
A NATIONAL CENTRE OF EXCELLENCE FOR HEALTH EDUCATION, TRAINING AND RESEARCH					
Education accommodation	Identify the need for affordable student/placement accommodation to assist health education training programs	I, II, III	Medium	North East Health	<ul style="list-style-type: none"> Developer investment
Hospital Precinct	Provide robust planning to ensure the growth of the health sector in and around the Wangaratta Hospital	I	Medium	RCoW North East Health	
	Develop a Hospital Precinct Plan	I, III	Short	RCoW North East Health	<ul style="list-style-type: none"> In progress, work with planner for implementation

Health industry products & services	Understand and identify the services and products utilised by the hospital that could be delivered by local agencies/businesses	IV	Medium	RCoW North East Health	<ul style="list-style-type: none"> Industry development / clustering (ICN)
	Support the primary health and hospital plan, developed by North-East Health	I	Ongoing	North East Health	
	Develop supporting health infrastructure such as a hydrotherapy pool	III	Short to Medium	RCoW North East Health	<ul style="list-style-type: none"> In progress
SUPPORTING KEY MANUFACTURING ENTERPRISES TO ADAPT, DIVERSIFY AND GROW					
Building innovation capacity	Develop a business assistance program to encourage new businesses to relocate and assist existing business to expand or move	I, IV	Short	RCoW Regional Development Victoria	
	Provide workshops for networking and skills development for manufacturing businesses	II	Ongoing	RCoW Regional Development Victoria	
	Identify and support opportunities for niche manufacturing	I	Ongoing	RCoW Regional Development Victoria	
INFRASTRUCTURE AND LAND					
Passengers services transport	Advocate for improved rail services to Wangaratta.	III	Ongoing	RCoW Department of Economic Development, Jobs, Transport and Resources	<ul style="list-style-type: none"> Advocacy, Inland Rail, ARTC,
Strengthening the competitiveness of the City's retail offer	Attract 'destination retail' to Wangaratta	IV	Medium to Long	RCoW Regional Development Victoria	
	Ensure that retail floorspace and format in Wangaratta keeps pace with population growth and industry trends	IV	Ongoing	RCoW	<ul style="list-style-type: none"> Contribute the planning discussions
Improved logistics	Identify products and services that can best utilise and complement the Logic Centre distribution	I, III	Ongoing	RCoW Regional Development Victoria	
	Implement findings from completed Freight and Land Use Study	I, III	Medium to Long	RCoW	

Aerodrome Development	Review and prioritise the recommendations from the Aerodrome Masterplan 2018	I, III	Medium to Long	RCoW CASA	<ul style="list-style-type: none"> In progress
	Create an Wangaratta Aerodrome marketing strategy to increase use	I	Short	RCoW	
	Investigate a logistics hub connected to air freight	III	Medium	RCoW Regional Development Victoria	
	Establish a long-term strategy to acquire land around Wangaratta Aerodrome to allow for expansion and better use	III	Medium to Long	RCoW	
Industrial Land	Develop policies that promote efficient land utilisation through activities such as planning for land use, provision of industrial land and rating deterrents.	III	Medium to Long	RCoW	<ul style="list-style-type: none"> Investment in utility infrastructure to industrial estates
	Provide opportunities for commercial expansion through the availability of industrial land and planning provisions for growth of industry and business	I, III	Short to Medium	RCoW	
	Review the recommendations from the RCoW Industrial Land Strategy	I, III	Medium to Long	RCoW	
	Promote continued development of industrial land, including all services, in North Wangaratta	I, III	Ongoing	RCoW	

APPENDIX 1: ECONOMIC DEVELOPMENT WORKSHOP

The notes in this Appendix were compiled by SGS Economics and Planning during the economic development workshop held with the Wangaratta Rural City Council and wider stakeholders.

The workshop was held on Wednesday November 29, 2017, from 9.00 am to 12.30 pm (for Councillors and wider stakeholders) and from 1.00 pm to 2.00 pm (Councillor debriefing). It was facilitated by Dr Marcus Spiller, a founder partner of SGS Economics & Planning Pty Ltd (SGS).

In accordance with the brief established by Council officers, the workshop aimed to *“derive clear priorities around economic development including (but not limited to):*

- *Logistics including road, air, rail*
- *Redevelopment of retail*
- *Stimulating innovation to drive manufacturing investment*
- *Technology and scientific engagement*
- *Expanding health Services to develop a centre of excellence around specific disciplines (Cancer, paediatrics’, regional dialysis etc), and*
- *Expanding and engaging educational services and developing centres of excellence”.*

The workshop also considered Councillor and stakeholder appetite for disruptive change in current policy settings to do with economic development.

Strengths identified during workshop:

- RCoW are willing to bring in new businesses. RCoW performs well compared to others. All current councillors elected on a platform of economic development.
- Location in the major transport corridor between Melbourne and Sydney. Ease of movement for goods.
- Environmental liveability, including good climate and access to nature.
- Environmental resources including plentiful water, good soils, rivers etc.
- Agricultural industry not dominated by a few large firms. Made up of many small-scale operators.

- Central location. Wangaratta acts as a hub for surrounding regional activity.
- People. The residents of Wangaratta are hardworking and communal. A strong community spirit exists in the area.
- Regionally significant health facilities.
- Education facilities including TAFE and a University campus.
- Availability of land for residential and industrial development.
- Housing and lifestyle affordability.
- Lifestyle and sports and recreation opportunities.
- Compact urban core.
- The city has an airport.
- Agricultural processing facilities have been developed. These facilities not available in other municipalities.
- Existence of high-quality, niche industries.
- Strong industry leaders in the community.
- Local businesses value business sustainability over short term profits. There is a level of trust between businesses in Wangaratta.

Weaknesses identified during workshop:

- Passenger train services. Irregular and unreliable. Impediment to residents, health care and tourism. Jeopardises Wangaratta's future development if not resolved.
- Poor reputation of RCoW.
- Poor educational outcomes in the community.
- Social reputation and issues.
- State Planning laws stifle development and create angst/confusion in the community.
- The rivers and the lack of bridge crossings inhibit easy movement across Wangaratta. Bottleneck in the city.
- Wangaratta does have abundant water but could be better at managing it.
- Mobile technology poor. Blackspots impacting on phone reception, use of EFTPOS, and the ability of tourists to navigate the area.
- Trucking logistics. Lack of hub and ease of movement/access. Reputation for the town being anti-truck.

- No coordinated, high-quality marketing and promotion of Wangaratta as a place to live and work, for the industries located in the municipality.
- Lack of accommodation options for visitors and tourists. City can be over capacity at peak times. 5-star option needed.
- Many industries/businesses are happy with the status-quo and are not being pushed to innovate and grow.
- There is a lack of destination retail that draws visitors into the town from outside Wangaratta.
- Many workers, particularly in health, do not live in the municipality so the income they make leaves the local area.
- There is an under-utilisation of natural resources and built infrastructure.
- Aging population.
- Loss of young people from the region, and if they do leave for study/opportunity, difficulty in attracting them back.
- Locational competition. Wangaratta competes with the surrounding municipalities for businesses and has been losing new businesses to other areas e.g. Uncle Tobies.
- Other surrounding towns have a growing population at Wangaratta's expense.

Key sectors

Agricultural production (value-adding)

- Need to add more value to the commodities produced in Wangaratta before they leave.
- Value-adding to meat produced in Wangaratta an opportunity.
- The organic processing (composting) plant constructed by Council can be utilised by industry to create value.

Agricultural strategies

- RCoW to give advice and facilitate innovation. Promotion of value-adding needs to be as wide as possible, covering all sectors of agriculture.
- RCoW to attract and encourage value-adding firms to Wangaratta (investment recruitment).
- RCoW needs to coordinate better use of Wangaratta's underutilised infrastructure, skills and resources.

Tourism

- Tourism built off the areas agricultural producers and natural environment.
- Gourmet food and wine tourism.
- Tourism is an opportunity leverage all that is great in Wangaratta.

Tourism strategies

- Investment recruiting, particularly accommodation providers and a 5-star offering.
- Wangaratta needs to increase market share, in particular bike tourism. Infrastructure already in place.
- Need to connect the regions products and destinations together to be one product.
- Need to connect rail trails with farm gate and other sites of interest. Need to maintain trails better also.
- Develop further infrastructure, for example solar paths for riding at night.
- Develop marketing and promotion tools and apps.
- Need to address skill gaps, particularly chefs.

Transport and logistics

- Given Wangaratta's position on the corridor between Sydney and Melbourne, and Wangaratta Aerodrome, the transport and logistics industry is underdeveloped.
- Will also underpin the other industries in the region as well as acting as an industry in its own right. Need to develop high-quality logistics to unlock the potential of other industries as export producers.
- The Wangaratta Aerodrome identified as a key opportunity given the increasing movement of goods, in particular parcels.

Transport and logistic strategies

- Wangaratta Aerodrome marketing strategy to increase use.
- Develop a logistics hub connected to air freight.
- The already developed trucks and transport strategy to be implemented.
- Long-term strategy to acquire land around Wangaratta Aerodrome to allow for expansion and better use.

Health services

- Aged care
- Act as a key regional centre, with healthcare serving the local community as well as the wider region (export value). City already has many well-regarded practitioners.
- A centre for remote health.
- Leveraging the growth of the 'health lifestyle' industry. Links in with food production.

Health services strategies

- Support the primary health and hospital plan, developed by the hospital.
- RCoW to develop a health precinct plan.
- RCoW to develop supporting infrastructure, for example a hydrotherapy pool to assist with post treatment recovery.
- Consider and develop links between health sector and other organisations including the university.

Manufacturing

- No longer a low-skilled industry. Staff need to have computer and design skills. These skills also need to be transferable to other industries to increase resilience in the local economy.
- Niche manufacturing an opportunity.
- Alignment with the agricultural industry (value-add) an opportunity.

Manufacturing strategies

- Existing manufacturers need to be supported and encouraged. Most new investment will come from already existing businesses in the area.
- Need to attract skilled workers to Wangaratta – affordability and lifestyle can be used to support the attraction of new residents.
- RCoW can provide land brokerage services.
- Working with DFAT to protect the value of Wangaratta's goods through trademarking overseas (particularly China).
- An environment/building upgrade finance scheme to support businesses to install energy efficient technology to relieve pressure of high gas and electricity prices.

Food production

- Wangaratta can produce food for Australia and internationally.
- Food security is a growing issue which Wangaratta can capitalise on and build a reputation for safe, high quality produce.

Education

- Wangaratta has underutilised education facilities.
- Can become an exporter of education to the region.
- Can use educational facilities to attract new residents as well as providing professional development opportunities.
- Health education a key opportunity.
- Agricultural education a key opportunity. Racing industry education identified as an existing strength.
- A small number of high quality courses should be offered tailored to the demands of young residents.

Education strategies

- Need to be in discussions with Universities and TAFEs to expand or build connections.
- Consult with 17-18 year olds to understand what they need from the educational sector in Wangaratta.
- Work with providers to develop niche course that leverage of the regions strengths, for example agriculture.
- Networking and brokerage to address skill gaps between industry and schools/TAFE/ University.

Government and administration

- Wangaratta to continue developing as a key regional hub capitalising on any decentralisation opportunities.

Government and administration strategies

- Develop relationships with State Government.
- Advocacy.
- Capitalise on any decentralisation plans.
- Understand better how the state political system works.

General

General strategies

- RCoW must up-the-ante with their economic development efforts.
- Need to stand out from other nearby municipalities and compete better for opportunities.
- Need to develop a whole of municipality marketing and promotion strategy to attract investment, visitors and residents, as well as raising the profile and addressing the poor council and societal reputations that Wangaratta has.
- A diversified economic base is preferred. Relying on one industry can ruin an economy if that industry was to leave/fail.
- There are lots of opportunities, but RCoW cannot do it all. Need to narrow down.
- Need to involve the community and drive enthusiasm for economic development.
- Need to settle on an identity for the shire, and what it wants to be.
- Need to develop a strong list of weaknesses and begin to attack them.



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