Shire of Campaspe

Submission to Parliamentary Inquiry into Local Economic Development Initiatives in Victoria

September 2012
1. **Shire of Campaspe Overview**

The Shire of Campaspe is located in the north central Victoria, spanning 4,157 square kilometres has a growing and diverse economy with its economic strength underpinned by agriculture and associated food manufacturing.

Consequently, agriculture and the viability of the farming sector in Victoria are critical to the wellbeing and economic security of the Shire.

- Irrigated agriculture generates 13% of the Shire’s economic output and provides 16% of all employment.
- A further 25% of economic output is attributable to a manufacturing sector principally associated with the processing of agricultural products and provision of agriculture-related services. This sector provides 15% of all employment.
- Dairy remains the single-greatest influence on the agricultural sector, with dairy production and processing accounting for 43% of all agricultural jobs and 10% of all jobs in the area.

The Shire of Campaspe also offers a lifestyle that is rich in history and culture and has a strong tourism industry, largely centred on the border towns of Echuca-Moama. The tourism sector attracts 2 million visitors per annum, generates in excess of $180 million annually to the Shire economy, employs 4.7% of the population and has a positive impact on population growth.

Although growth is sustained in the larger towns, some smaller towns and rural communities are experiencing either population stagnation or levels of population decline. One third of the population, approximately 12,000 people, live in non-urban areas.

In relation to specific questions referred to in the Terms of Reference for the inquiry, the Shire of Campaspe offers the following response:

2. **Existing Local Economic Development Programs Being Carried Out in the Shire of Campaspe.**

Economic Development is one of the four foundations that underpin the corporate objectives of the Shire. Strategic objectives for the Economic Environment are to:

- Support existing industry maintenance, growth and expansion
- Plan for industry transition, diversification and change
- Attract and encourage new investment.

The implementation of programs and activities to address these objectives are delivered in one of five ways:

- Delivery of services to support business and industry
- Through strategic partnerships with government, business and the community
- Planning and regulating to managing change
- Building infrastructure to support industry growth
- Advocating on behalf of business, industry and communities to ensure a sustainable future.
2.1 **Delivery of services to support business and industry**

The Shire of Campaspe, through the Community and Economic Development Department provide a range of practical services that promote the standard of living and economic health of the Shire including:

2.1.1 **Business and industry support**

- Government business referrals
- Industry research and economic analysis
- Targeted networking of industries and businesses including participation in industry networks
- Business support through the provision of information and/or referrals for business assistance
- Delivery of Small Business workshops
- Support to Retail businesses and Chambers/Trader Groups information, facilitation of collaborative initiatives and groups to plan for industry growth
- Identify and link trade and export opportunities
- Developer facilitation including State Government introductions
- Event advice, facilitation and support
- Management and administration of Council's Business Assistance Policy.

2.1.2 **Promotional activities**

- Regional promotion of lifestyle and investment opportunities
- Promotion of business success and innovation through business awards
- Regional promotion activities (expo’s, tradeshows)
- Brochure and newsletter production
- Promote investment in the region by developing products and information, providing research and economic analysis which attracts businesses that relate to the strategic target sectors
- Township promotion through Street Decorations initiatives

2.1.3 **Program delivery is related directly to Government priorities**

- Program management to address regional issues such as skills shortages and industry skills development through established Government programs such as:
  - former Skilled Migration Program,
  - Regional Cadetship Program administration
  - Small Business Workshops
- Facilitation of industry programs that reduce the prevalence of work related injuries in the Shire.

2.1.4 **Industry Development**

- Central Victorian Exporters Network provide services to Council to facilitate export opportunities for local farmers and manufacturers as well as connections, pathways and skills to access the global market
2.2 Strategic partnerships

Council places a strong emphasis on strong alliances and partnerships with community groups, industry organisations, businesses, government agencies and other departments within Council, to promote and grow economic development.

Regional partnerships are also critical to economic growth, particularly with regard to projects that can deliver regional outcomes, advocacy to support regional growth opportunities, promote regional prosperity and presenting a united voice on issues of regional importance.

The Murray River Group of Councils (MRGC) is a strategic regional partnership that advocates on behalf on behalf of their communities to achieve common goals and more strongly represent regional issues for each of the member Councils.

At a local level, Campaspe’s strategic partnerships are collaborative and generally involve a local organisation, business or collection of businesses. This partnership approach to economic development is critical to ensuring businesses have the capability to cope with a changing economic environment.

There are many advantages to creating strategic partnerships, the most important of which, is that Council and its partners can draw on each others strengths to enhance commercial opportunities and enable business partners to extend benefits to the community and visitors to the Shire.

Council has several strategic partnerships established with key tourism organisations and attractions including:

- Murray Regional Tourism Board
- Echuca-Moama and District Tourism Association
- Kyabram Fauna Park
- The Golden Cow in Tongala and
- The Portside Traders in Echuca

Other key strategic partnerships are typically with government or industry funded agencies. These agencies provide specific services to address State or National issues, such as employment; job creation; environmental management issues; business development opportunities or they offer opportunities for regional collaboration and collective outcomes.

- The Campaspe and Cohuna Local Learning and Employment Network (CLLEN) assist in creating employment pathways for young people and link to existing businesses
- North Central Catchment Management Authority project partnerships to address the impact of climate variability and government policy decisions impacting on farm viability
- Goulburn Murray Irrigation District (GMID) Economic Development Network, a strategic partnership to promote the broader irrigated agricultural region
- Partnerships with neighbouring municipalities have enabled the development of a more strategic focus and alignment of economic initiatives across a broader geographic region.

Significantly, strategic partnerships with the local community have become even more important to achieving economic prosperity particularly as governments have moved away from supporting top down to bottom up approaches to economic development initiatives.
The Economic Development partnership role undertaken by the Shire of Campaspe includes:

- Encouraging growth of social enterprise
- Facilitating an opportunity for each community to establish/update its local economic development/business sector goals through community planning
- Engagement of local leadership in government policy and strategy development as well as projects and programs
- Gaining broad community support for undertaking economic development projects and activities
- Assisting communities to develop strategies that focus on the retention and expansion of existing businesses rather than just focusing on attraction of large employers
- Acknowledging and celebrating community successes.

2.3 Planning and regulation

Strategic land use planning, which is a core responsibility of Local Government, can have a major influence on the investment appeal of a region. As well as ensuring that adequate land is available for industrial and commercial development. Council establishes mechanisms to protect valuable agricultural land.

A key example of Council planning for economic development is the Regional Rural Land Use Strategy (RRLUS) which the Shire of Campaspe developed in collaboration with the Moira Shire and the City of Greater Shepparton.

The key objective of the RRLUS is to secure and promote the future of agriculture across the region through the respective planning schemes.

The RRLUS is predicated on the following key elements:

- The region is Australia’s productive food bowl based primarily on dairy products and fruit production
- The scale of production has resulted in Australia’s greatest regional concentration of food processing industries and workforce
- The economy and the liveability of the region are integrated with and dependent on agriculture and its continuation
- The series of water reforms and the potential for new areas to be opened up for intensive production provide opportunity for expansion in the level of agricultural production.

The Strategy supports the implementation of the State Planning Policy Framework in particular:

Clause 11.05-3 Rural Production To manage land use change and development in rural areas to promote agriculture and rural production

Clause 14.01 - Agriculture seeks to protect productive farmland which is of strategic significance in a local or regional context and to:

Ensure that the State’s agricultural base is protected from the unplanned loss of productive agricultural land due to permanent changes of land use.

Clause 14.01-2 – Sustainable agricultural land use seeks (among other things) to facilitate the establishment and expansion of cattle feedlots, piggeries, poultry farms and other intensive animal industries in a manner consistent with orderly and proper planning and the protection of the environment.
2.4 Infrastructure

Infrastructure underpins economic activity. The focus of investment in infrastructure by the Shire of Campaspe is on roads, drainage, industrial land, commercial infrastructure, carparking, aerodrome urban design features including town entrance features, and tourism infrastructure.

Council’s role in the provision of public infrastructure is important in the retention of existing economic activity as well as evidencing government commitment to the region which can then attract future private investment.

2.5 Advocacy

A key delivery approach to meeting the needs and concerns of community is to advocate on their behalf on important issues and is a key success factor of the Shire of Campaspe Strategic Resource Plan.

Since the release of the Draft Murray Darling Basin Plan in November 2011 Council has sought to actively engage with the communities, businesses and stakeholders of the Shire in order to understand the key local views on the proposal.

Council led a focused advocacy program on behalf of the Shire’s residents and businesses to ensure the voice of the municipality was heard.

The advocacy approach also involved collaboration with The Murray River Group of Council’s and taking a lead role to support a regional response on behalf of the broader region.
3. ROLE OF LOCAL GOVERNMENT AND STATE GOVERNMENT IN GENERATING ECONOMIC DEVELOPMENT

3.1 Local Government

Increasingly, Local Government has become a key player in economic development in regional municipalities as it can offer consistent economic development services and solutions that address local needs. While the services offered by Local Government may vary from one council to the next, Local Government are generally not impacted by regional and economic program funding decisions of State and Federal Governments which have seen various regional development organisations come and go over time.

Bottom up strategies to engage small communities are key to successful local economic development. Many small towns have not actively pursued economic development strategies designed to revive business confidence and create new investment despite having community plans in place. Community planning has largely resulted in initiatives focused on social objectives rather than economic development.

Yet many regional communities are confronting significant and rapid adjustment processes, unfavourable seasonal and cyclical conditions, and out-migration from smaller towns, particularly by young people.

Local Government's role is to provide communities with some of the tools needed to understand and plan for change by refocusing on their competitive advantages, and seeking new ones.

While this is a positive strategy, the means by which communities can effect change and the capacity and resources appropriate to meet the challenge varies from one community to the next.

Success in employing initiatives and strategies to work towards this common goal is dependent on leaders working in partnership with all sectors of the community. This requires a framework of sustainability supported by the State Government.

Local Government also plays an important regulatory and strategic role including:

- Facilitating local strategic planning and development investigations, such as an industrial land use strategy or similar
- Identification of local economic development issues, strengths and priorities
- Development and maintenance of an efficient/streamlined local development approvals process and regulatory environment
- Facilitating local infrastructure developments and improvements
- Facilitating initiatives to address local inhibitors of business and industry development and growth
- Collating and providing information and advice to business and industry on the local economy.

3.2 State Government

The revitalisation of regional communities requires strategic intervention, vision, leadership, partnership and action, driven at the local level but supported by Local and State Government.

The role of State Government in generating economic development must be underpinned by an overarching strategic framework that is understood and linked through all tiers of government to grass roots community development. State Government can best achieve economic development by providing leadership, acting as a catalyst, providing essential infrastructure for regional communities and delivering accessible services.
Opportunities for this to be achieved are discussed below:

3.2.1  *Strategic Planning and Leadership*

The Regional Strategic Planning (RSP) initiative undertaken by the State Government provides an overarching strategy that identifies the issues and opportunities for the identified regions of Victoria. The Shire of Campaspe is a part of the Loddon-Mallee Northern Region which extends from the Goulburn river to the South Australian Border.

While this strategic regional work provides a framework to prioritise regional infrastructure gaps and economic and social development issues, there is a risk that the implementation of these projects is largely undertaken without strong engagement of the economic development teams on the ground in local Councils.

Economic development, particularly at the regional level is not the sole responsibility of either Local or State Government. Rather it is best achieved through partnerships, utilising all the resources available in a region, thinking strategically and regionally, and most importantly leadership. It requires the support and resources of government to coordinate and focus policy initiatives.

There is an opportunity to strengthen the outcomes from the RSP initiative by not only providing essential financial and project development/implementation support but also by providing essential leadership and engagement with Council officers. This would enable skills development, greater regional collaboration, strengthening of the partnerships between local and state governments as well as linking all levels of government.

This is particularly important in the context of the shift in government philosophy from a 'top down' to 'bottom up' methodology for both economic and community development and its application in the implementation of the strategic projects.

3.2.2  *Encouraging Business Growth*

It is necessary to recognise agricultural food production as a strategic priority for the State and ensure that infrastructure, skills and research are available in rural communities in order to underpin and sustain economic and social growth.

This requires Victoria to continue to be protected and promoted as a net exporter of food and food based products.

Opportunities for the State Government to support this principle include:

- Ensure agriculturally aligned Small to Medium sized Enterprises have adequate access to finance
- Regulation to support a pro-business agribusiness and food manufacturing environment
- Support initiatives that can improve productivity and assist adjustment of farming practices brought about by difficult rural trading conditions and variable climatic conditions, which can significantly impact the farming enterprises and more broadly rural communities.

3.2.3  *Connections to the Global Economy*

Business assistance for export development is a key strategy for industry growth particularly for regional businesses aligned to the agricultural sector. Support for dedicated regional exporter networks such as the Central Victorian Exporters Network (CVEN) is important to ensure:

- A committed focus on export market development for regional production
• Research of regional production strengths as key part of value proposition
• Explicit targeting of high value food production
• Skills development for regional producers and manufacturers
• Recognition of the competitive strengths of the regions and invest in market positioning and branding such as Victoria’s Food Bowl.

While fee for service support is available through Austrade, and access to export development grants through both State and Federal Governments, uptake is generally considered challenging as the services are not delivered within the region and are considered to be remote. The opportunities for niche market export development, particularly for small to medium sized enterprises, are often constrained.

Many regional Councils have built strong Sister City relationships in an effort to establish local connections to the global economy. These relationships often enable defining opportunities for economic development as credible relationships are developed over many years.

3.2.4 Developing Economic Infrastructure

Strategic economic infrastructure such as rail connectivity and expansion of freight and public transport options is important to the Shire of Campaspe. Connecting communities to enable access to a range of services including child care, education, training and employment opportunities will provide real benefit to residents and also stimulate visitor flows.

The steady growth of Echuca-Moama is increasingly absorbing government and private sector services, sometimes impacting on smaller towns due to access challenges. Public transport options can address the specific needs of dispersed population by connecting smaller towns to services centralised in the population centres.

3.2.5 Improving Level of Skills

Access to education opportunities in all regional communities via enabling technologies and improved transport access is critical to sustaining economic growth. A significant issue for food manufacturing businesses is the ability to attract and retain qualified and skilled employees.

There is a lack of research activity and allied course availability in regional universities that directly target the competitive strengths of the region. The creation of meaningful partnerships with industry, TAFE and schools is necessary to identify skills in demand, develop flexible educational programs and online technology options to increase access and value add to university and post secondary learning experiences. This includes the development of clear and sustained pathways for vocational training to complement regional competitive strengths.

Tertiary and technical education opportunities need to be accessible, ideally delivered in regional areas, and have full connection with the industries that exist in that area including agriculture.

3.2.6 Stimulating Innovation and Research & Development

The development of innovative strategies to adapt to a changing environment and operating landscape has been at the core of farm sector adaptation, efficiency and productivity. Research & development investment in key and emerging industries will further drive innovation, enhance competitiveness and deliver economic outcomes for regional communities.

To remain competitive the food production sector must exploit opportunities for value added production and export market development for niche production. This is important to encourage on farm diversification and income generation beyond commodity pricing.
3.2.7 **Improving Employment Opportunities & Employability, Promoting Regional Employment**

Over time, regional towns have struggled to retain their younger demographic profile, as young people have left in search of education and employment.

The State Government has an important role to play in advocating for, and working with the Federal Government to improve employment pathways and opportunities in regional communities through:

- Job creation incentives in regional areas
- Encourage growth of social enterprises
- Training incentives for companies
- Linking employers and the unemployed
- Attracting skilled young people back to regional areas
- Providing lifestyle opportunities to meet to the needs of young people.

Highlighting opportunities to young people and building their aspirations is a key focus for many career pathway and education programs. However, such programs often fail to connect with the agricultural sector due to a poor understanding of the career pathway opportunities within the sector, together with a lack of understanding of the economic value of agriculture in sustaining rural communities.

Planning for services to assist the Indigenous community need to be considered especially in relation to the provision of:

- Culturally appropriate employment services
- Access to education and training
- Health service provision
- Variety in employment opportunities
- Social and community infrastructure
4. THE DIFFERENCE IN THE ECONOMIC DEVELOPMENT ROLE OF LOCAL GOVERNMENT IN RURAL AND REGIONAL MUNICIPALITIES TO THAT OF METROPOLITAN BASED MUNICIPALITIES

The growth of Melbourne and regional cities such as Bendigo, suggests that concentrated economic activity and economies of scale and scope, leads to significant benefits. Growth stimulates market confidence and leads to competitive advantages such as access to support services and networks, real productivity gains, growing consumer base, and greater private sector investment.

4.1 Issues impacting regional Economic Development

4.1.1 Economic versus Socio-Economic Development

There is often a lack of recognition of the complexity of economic development in regional communities. More often than not Local Government becomes involved in the more integrated role of socio-economic development. This approach cuts across many traditional Local Government disciplines; requires multi-functional teams/individuals; and the skills, knowledge and know how to create strategic connections across board geographic areas and diverse communities.

In some regional municipalities the skills, knowledge and outcomes for economic development are vested in an individual officer or a small team of officers.

Government policy, globalisation, industry structural reform and a more competitive economic environment has created the need for Local Government to work together to respond to a changing economic environment. Significantly, until recently no formal training existed for economic practitioners. This made networking, collaboration, resource and knowledge sharing essential for regionally located practitioners.

4.1.2 Skills

Flexibility, adaptability and agility are core qualities required of regional economic development practitioners. There is increasing demand for specific skills pertaining to industry sectors in which competitive advantages have been identified. For the Shire of Campaspe, greater emphasis on the agribusiness sector and its impact on economic sustainability and small town viability are required, but are currently limited by budgetary constraints.

As the operating environment changes and funded economic development programs come and go, it becomes increasingly important to develop continuous and sustained promotional strategies to increase customer understanding of the services and role of Council in Economic Development.
5. **Barriers to Local Economic Development, Including Compliance Costs for Business and Planning Delays, and Solutions to Address These Barriers**

As identified by local businesses involved in the High-Growth SMEs Program being run across the GMID region, are lack of essential infrastructure, market failures in capital markets, government regulations, indirect labour costs, access to foreign markets, and difficulties in recruiting qualified staff and skilled workers.

5.1 **Lack of essential infrastructure**

Improvements in technology, transport and telecommunications are necessary to survive in the new competitive global environment; yet regional communities are often unable to capture the benefits of these advances due to lack of, or low priority considerations given to updating infrastructure in regional areas due to lack of critical mass.

5.2 **Government regulations and policies**

Government regulations and policies are often perceived by businesses as obstacles to the development of their businesses. These can include company taxes, personal income taxes, fiscal policy and labour law all represent the governmental regulations. Indirect labour costs are also described as a significant barrier to growth for small businesses.

As globalisation increases, Government policy and international trade relationships increasingly influence farm production risk and profitability. For example, decisions such as halting of live cattle exports, water trading reform, the Murray Darling Basin Plan and irrigation modernisation can be challenges to structural adjustment over the short, medium and long term. Such decisions are immediate and often bring immediate consequences that do not consider the ability of farming enterprises to respond to rapid structural reform.

5.3 **Access to foreign markets**

Export development is considered to be difficult, particularly for small businesses. Identifying and gaining access to markets represent barriers to international trade and globalisation.

Increased understanding of global markets and the opportunities to develop niche export markets is needed. This should include matching actual export demand opportunities to land use and land capability. This could also include strategies and initiatives that:

- Identify quantifiable product needs in international markets
- Identify the environmental factors for the production of the identified products
- Draw on the skills and competencies of the region's primary producers and
- Complement the future strategic plans and objectives of the region.

5.4 **Skills Shortages**

Difficulties in recruiting qualified staff and skilled workers are considered major barriers to small business, and this is an issue that is particularly detrimental to the food processing and allied engineering and technology support sectors in the shire of Campaspe.
6. **WAYS IN WHICH MUNICIPAL COUNCILS AND THE VICTORIAN GOVERNMENT CAN JOINTLY SUPPORT LOCAL ECONOMIC DEVELOPMENT TO PROMOTE EMPLOYMENT AND ATTRACT NEW INVESTMENT**

6.1 **Strategies to sustain Agribusiness**

There is a rising importance of regional economies in sustaining agricultural production. Agriculture in Australia has entered an important period where the foundations are being laid now to build the Nation’s capacity to meet the food supply challenges ahead. Positive opportunities lie ahead for agriculture in Victoria, provided some critical enterprise and industry factors are aligned.

Three key reforms in this realignment are:

- The reduction of fragmentation to make way for a coherent agricultural industry voice,
- The reduction of barriers to entry into the agricultural industry and
- To enable smart new rural industries in the food industry to grow their capacity and path to commercialisation as quickly as possible.

This will require a stronger investment into agrifood industries and a strong regional development agenda, based where the food production industry is located. Applied public policy that supports the growth of regional economies in which further food industry diversification is achieved and new rural industries can find a pathway to scale, is an important element.

6.2 **Support branding and market positioning strategies**

Effective economic development efforts incorporate marketing and communication strategies to transform the image of a community or region and increase awareness and appeal from targeted industries. Marketing efforts must be sophisticated, tailored and demonstrate tangible benefits. New sectors in the agrifoods industry, as well as allied industries are identified as future targets for economic development efforts.

At a local level the Shire of Campaspe has developed a marketing strategy for its industrial estates aimed at attracting new or expanding businesses and particularly those that relate to the core agrifoods and associated industries. At a regional level, the Shire of Campaspe is an active participant in the Goulburn Murray Irrigation District (GMID) Foodbowl Marketing Initiative; a collaboration between 6 regional council’s.

The GMID Foodbowl Marketing Initiative confirmed a need for a high-level program to position the GMID as a place to invest in the agrifood industry and has provided the platform to continue to refine and develop strategies to address the ongoing challenges such as:

Investment in:

- Enterprises in the primary stages of food production, including input suppliers, on-farm productions, first stage value-adding and transport and logistics industries for these primary stages
- Research and development in the agrifood industry
- Global economic thinking by the regional agribusiness sector

The GMID Foodbowl Marketing Initiative also confirms the need to:

- Build and promote the GMID's strengths and attractiveness for investment in high-value food processing enterprises.
6.3 Partnerships and collaboration

Local Governments, operating at the regional level, are strongly placed to contribute to strategic decisions, and to ensure local consistency of strategic decision-making at the regional level. The Murray River Group of Council’s provides a strong regional example of how effective regional and State partnerships can be achieved.

6.4 Infrastructure and investment strategies

Strategic infrastructure investment should occur when a region aims to strengthen its competitive advantages. These decisions should differ from region to region according to the interaction of opportunities with the region's established strengths, including its industry profile, natural resources, political strength and community consensus.

The injection of new capital is a key driver of strategic infrastructure development, economic expansion and job growth. Investment in much of regional Victoria has been lagging behind demand for a prolonged period, and while there are attempts to address this, infrastructure investment is in many cases aimed at sustaining existing industry base and competitive strengths, rather than growing them.

It is important to understand that long-term infrastructure and investment funding is required for any economic development strategies to be realised.

6.5 Supporting economic development strategies

The rapidly changing nature of the economic environment in regional Victoria requires constant evaluation and analysis to enable the continued strengthening and growth of regional economies into the future.

In 2012, the Shire of Campaspe faces a number of challenges that may impact economic prosperity including:

- Various changes in legislation, including the introduction of the Carbon Tax and the planned introduction of the Murray Darling Basin Plan
- A prolonged and severe drought through the last decade that has lead to significant changes in the agricultural landscape
- Lack of diversification and ageing workforce in the Agricultural sector
- A prolonged high Australian dollar comparative to export destinations
- Workforce challenges including skills-shortages and challenges in attracting and retaining young people
- International/National Companies whose head offices are located outside of the Shire of Campaspe leads to remote decision making which constrains opportunity to influence an outcome.

It is also important to recognise that there are opportunities that can bring about positive long-term economic outcomes, such as:

- Significant investment in irrigation infrastructure modernisation
- Natural and heritage assets that can support growing markets in cultural and eco-tourism
- Strategic Planning, including the recent Strengthening Victoria’s Foodbowl project, Regional Rural Land Use Strategy, Strategic Tourism Development Plan, etc.
- Strong partnerships with State and Federal governments
- Growing community energy and capacity, as can be seen through the various activities of groups including project groups involved in community planning, small town development committees, Chambers of Commerce, Committee for Echuca Moama and various event committees
State and Local Governments are well positioned to work together to:

- Helping local institutions plan, implement and sustain economic development initiatives
- Facilitating economic analysis, linked to local resources and competitiveness
- Linking economic development to sustainable natural resource management
- Futurist/innovation and best practice thinking.

6.6 Strengthening key value chains

An important adjunct to the shared development of economic development strategies, State and Local Government must work together to precisely define opportunities to strengthen the value supply chains within both municipal and regional areas by:

- Prioritising and strengthening livelihood sectors within municipal areas
- Establishing market linkages
- Identifying and filling gaps along the value chain
- Attracting and providing access to finance, including micro-credit
- Building capacity of small-medium enterprises and producers.

6.7 Develop and diversify sustainable and market-based livelihoods

The partnerships established between State Government, regional agencies, universities and Local Government are important to achieve sustainable outcomes for productive regions.

The Innovative Farming Program - Living with Less Water: Adaptation Strategies for the New Dryland project is being delivered by the North Central CMA, and is managed by a consortium of regional organisations headed by the Loddon Shire Council. The other consortium members comprise representatives from Gannawarra and Campaspe Shire Councils and Latrobe University (Bendigo Campus) with support from the Department of Primary Industry.

The aim of the project is to undertake a proactive approach to transitioning land and water use in response to climate variability and water reform. The project also seeks to identify land use and management options to ensure sustainable long term development with transition decisions based on quality information and local knowledge.

Commitment to regional partnerships is key to driving sustainable economic development into the future. Such initiatives can also seek to:

- Assist small-holder farmers and entrepreneurs to adopt new technologies to increase productivity and minimise expenditure
- Incorporate climate change adaptation strategies, such as Disaster Risk Reduction
- Promote clean energy and community-based environmental conservation linked to economic growth
- Promote sustainable practices and long-term management of natural resources.

6.8 Local leadership

The role of local leadership is accepted as a key enabler of regional economic performance. Leadership is especially important in smaller communities which are sometimes challenged to retain adequate infrastructure, skills and resources for economic development.

- Investment in the leadership skills of young farmers to ensure we have a forward looking industry for future generations
- Investment in regional leadership programs such as the Loddon-Mallee Community Leadership
Program and the Goulburn Murray Community Leadership Program to continue to grow the depth of leadership expertise within regional communities.

6.9 Resourcing and capacity

Local Government’s role in promoting and facilitating regional development is largely determined by its capacity to respond to and manage regional development issues. This capacity is influenced by a number of factors including, but not limited to:

- Broader (global) economic trends and impacts
- The Australian Government’s policy response to those impacts
- Government position on the role of Local Government as a facilitator of economic development
- Local Government’s changing organisational relationships with other agencies and the private sector
- Community perceptions of Local Government
- The level of resources available to Councils to support their economic development roles and functions.

The 2003 study “The Evolving Role of Local Government in Economic Development Facilitation” by SGS Economics, identified a number of activities where Local Government could effectively expand its functions in regional economic development. They include:

- “Working with other stakeholders (including neighbouring Councils) to establish regional planning frameworks. This does not suggest an upheaval of existing Local, State and Commonwealth sponsored organisational frameworks for facilitating regional development. What it does suggest is that Councils should work with other agencies to establish agreed principles and objectives to facilitate the economic development of their regions to the mutual benefit of constituent communities. Councils and other agents of change should be encouraged to communicate their regional development charters and look for ways to make the optimal use of their combined efforts and resources within existing frameworks.

- Engaging the private sector in regional planning frameworks. All too often, private enterprise, which is the principal driver of economic growth, is not embraced a key partner in the determination of regional priorities. Mechanisms to increase the private sector’s ‘buy-in’ into the regional economic development effort must be further explored.

- Understanding the key clusters that drive the regional economy. Building on the previous point, clusters must be industry led if they are to prosper. Local Government can provide the forums through which the clusters might grow. It can support cluster growth through its role as an infrastructure provider and in its role as an economic lobbyist for its region.

- Establishing and nurturing partnerships with the capital cities. For rural and remote regions, it is important to understand how local clusters are linked in to the capital cities, which are the engines of growth in the New Economy. A first step for Councils (and their partner agencies) is to establish partnerships with the capital city institutions to help strengthen their regions.

- Investing in local skills and knowledge (particularly within Local Government) of the meaning and importance of economic development”.

The report goes on to suggest that State Government can work in partnership with Local Government to achieve greater outcomes in economic development by:

- Better direct program funding for economic development to the particular needs of individual regions
- Work to reduce the duplication of activities that exist between different agencies whose charter is to facilitate regional economic development
• Provide greater financial resources to Local Government to enable the employment of economic development officers into specific roles that align to the competitive industry sectors
• Increase the range of programs and funding support that individual non exporting focused businesses can access
• Facilitate better working relationships directly with Local Government regarding economic development facilitation

6.10 Cluster or sector development

There are excellent examples of industry clusters in regional Victoria that are enhancing the competitiveness of their industry.

Several examples that the Shire of Campaspe has involvement with include:

• The Heathcote winemaking industry in Central Victoria (Shire of Campaspe and City of Greater Bendigo municipal areas).

• The Northern Victoria Poultry Cluster (Shire’s of Loddon, Gannawarra and Campaspe and City of Greater Bendigo)

• The Central Victorian Exporters Network (Shire’s of Campaspe and Moira, Rural Cities of Wangarratta and Mildura, Cities of Greater Bendigo and Greater Shepparton, Local Government areas)

• The Water Technology Cluster (comprising of businesses from northern and central Victoria and metropolitan Melbourne).

The most obvious element of these clusters is the integration between growing, processing, suppliers, regulators, and distributors. Cluster development strategies aim to boost whole industries by investing in and strengthening these industries including:

• Strengthening businesses that produce products and services for export to a national and global market
• Attracting businesses, particularly those in the identified clusters, based on competitive strengths to market to them directly
• Branding and marketing the region, highlighting its business clusters and its economic, social, cultural, physical, and natural advantages to attract businesses to locate and grow in the region.

A key role in the partnership for cluster development for the State Government, and the means by which it can add significant value is:

• Establishing regional financial, workforce, and educational infrastructure to understand sustainable enterprises, in order to encourage investment in the sustainable economy and to prepare people to participate effectively as workers, entrepreneurs, managers, consumers, and investors
• The regional physical infrastructure to provide energy, water, materials, buildings, and mobility in a way that is both environmentally and economically efficient.

(Source Sustainable Economic Development Network)
7. **BEST PRACTICE LOCAL ECONOMIC DEVELOPMENT INITIATIVES**

There have been many case studies on the “best practice” examples of economic development. Two examples from the Shire of Campaspe are:

### 7.1 Social ventures

In recent years, non-profit organisations have looked at establishing business ventures that earn income for the community. A best practice example of this within the Shire of Campaspe is the Girgarre Farmers Market.

This community enterprise was initially established to provide an outlet for struggling farmers and home based businesses to sell products in generate income. The goal was that the market would grow to increase visitation to the community and raise its profile.

The outcomes of this initiative within three years:

- The market attracts over 2000 visitors on a monthly basis and is growing
- The number of stall holders has increased ten fold and is increasing on a monthly basis
- The market generates income governed by the community that is funding community infrastructure and economic development projects
- Approximately 80% of the community in engaged in, or participate in, the market
- The community has established short, medium and long term plans for the growth and succession of the enterprise
- Regional community collaboration has developed through an initiative called Tiny Towns that aims to share knowledge, resources, skills to drive both social and economic outcomes for the small communities within the Shire
- New community leaders have and are continuing to emerge.

### 7.2 Export Development

In February 2008, the Shire of Campaspe employed a Chinese national as its Chinese Relationships Officer. The role was to build economic opportunities from Council’s Sister City relationships in China. The position became a regional role upon the recognition of the greater economic outcomes that could be achieved by regional collaboration.

The Chinese Economic Partnerships Officer formed an important link in the development of a partnership project between the Shires of Campaspe and Moira and the City of Greater Shepparton: The Regional Export Development Project.

This innovative project focused on bringing the global market place to the regional product base rather than the traditional export growth strategy of taking the product to the market. The Central Victorian Exporters Network (CVEN), a newly formed organisation at that time, assisted Local Government to meet its economic objectives and to engage the agribusiness and business communities in export-related activities and foster confidence to invest strategically in growth strategies focused on export.

This project was the catalyst that enabled CVEN to expand its support to regional businesses by engaging a number of industry specialists who each can offer a unique range of skills to address industry needs.

The value of CVEN to the region in supporting export development has recently been expanded with the support of the Shire of Campaspe. A strategic relationship was established to add value to the North Central Catchment Management Authority (NCCMA) Innovative Farming – Adaptation strategies for New Dryland Project.
CVEN has been engaged through this project to match actual export demand opportunities to land use and land capability. This partnership project is known as the Farm Enterprise Economic Sustainability Export Project.

The aims of the project are to:

- Complement the proposed sustainable farming practices and land capability as promoted by the NCCMA through the "Innovative Farming Project"
- Determine identified, quantifiable product needs in international markets
- Determine the environmental factors for the production of the identified products
- Draw on the skills and competencies of the region’s primary producers
- Complement the future strategic plans and objectives of the region.