

# THE VISION

A diverse, flourishing economy built on its current strengths in high-value agriculture and agricultural product manufacturing, along with potential future strengths in mining, tourism and construction.



# WESTERN MURRAY

Regional Economic Development  
Strategy **2018–2022**



Developed with the support of the NSW Government as part of the Regional Economic Development Strategies program to assist local councils and their communities in regional NSW.



# PREFACE

The NSW Government has worked with local councils and their communities to develop 37 regional economic development strategies across regional NSW. Each strategy is designed around one or more local government areas that form a functional economic region as defined by economic data and community input. While the strategies have been developed using a consistent approach, each is a product of detailed data analysis and local community consultation to ensure ownership through a ‘bottom-up’ process: it sets out a vision for the region, the strategies, and early-stage actions required to achieve the vision.

Regional economic development strategies articulate a framework for identifying actions crucial to achieving the regional vision. The projects listed in this strategy are example projects that have emerged from the initial application of the framework.

The power of these strategies are their ability to be used on an ongoing basis to identify additional high-value projects over time. By complementing existing funding processes, these strategies present new opportunities to strengthen and increase investment in regional development across NSW.

These strategies are only the first stage of planning a region’s future economic activities. They provide a vehicle for engaging the community in a ‘conversation’ about regional needs and priorities, assist in bringing together key stakeholders and mobilising resources, and in so doing, can facilitate faster access to dedicated NSW Government funding, such as the Growing Local Economies Fund, as well helping capitalise on other economic opportunities.

The Western Murray Regional Economic Development Strategy was prepared by Balmoral Group Australia Pty Ltd, on behalf of the region. It was formed in collaboration with the Balranald Shire Council, Hay Shire Council, Wentworth Shire Council, Mildura Rural City Council, Swan Hill Rural City Council, key stakeholders and the broader regional community, and it benefited from economic-analytical assistance from the NSW Government’s Centre for Economic and Regional Development (CERD).

It is presented in two documents, *Western Murray Regional Economic Development Strategy 2018–2022* (this document), which allows the reader to quickly and easily determine key content, and the accompanying *Western Murray Regional Economic Development Strategy – Supporting Analysis 2018–2022*, which details the Strategy’s approach, evidence and development process.

For more information about the Regional Economic Development Strategies Program please contact the CERD on 02 6391 3025 or [CERD@dpc.nsw.gov.au](mailto:CERD@dpc.nsw.gov.au).



Copyright © Balmoral Group Australia Pty Ltd 2018



# INTRODUCTION

The Western Murray Regional Economic Development Strategy (the Strategy) has been developed to identify economic development opportunities that capitalise on the endowments and industry specialisations of the Western Murray Region (the Region).

Spanning the NSW and Victorian borders, Western Murray is a functional economic region comprising the Balranald Shire, Hay Shire, Wentworth Shire, Mildura Rural City and Swan Hill Rural City local government areas (LGAs). The Victorian cities of Mildura and Swan Hill are the largest population centres in the Region. In the NSW portion are the large townships of Balranald, Hay and Wentworth<sup>1</sup>.

The Region has a diverse economy. Agriculture, Forestry and Fishing, Health Care and Social Assistance, Retail Trade, Education and Training, Accommodation and Food Services and Manufacturing are the main industries, with over 60 percent of the Region's workforce.

Agriculture is a major driver of the Region's economy, with industry specialisation in fruit, nut and vegetables, and sheep, beef cattle and grain production. Nursery and floriculture production and aquaculture have been increasing in size. In recent years, agricultural producers have introduced new products in response to increased demand for high-value food and beverages. Beverage Manufacturing and Food Product Manufacturing are also specialisation industries in the Region, adding additional value to primary production and contributing to the Region's growth.

The discovery of large deposits of high-value mineral sands provide an opportunity for future growth in the Mining sector, with flow-on effects for many of the Region's industries, particularly those in construction and transport.

There is also future opportunity for the development of solar energy generation, based on the Region's location and climate.

The Region is recognised for its distinctive natural amenities, including national parks, river systems and Aboriginal heritage, which support recreational and tourism industries. There is a well-educated and skilled labour force, supported by campuses of TAFE and La Trobe University, which provides additional economic strength, resilience and adaptability endowments for the Region's future.

Together with excellent health and social assistance institutions, these amenities and industries make the Region an attractive location for both young and older generations.

The Western Murray Strategy will draw upon the Region's endowments, economic strengths and industry specialisations to:

1. Drive growth in high-value agriculture and value adding in agricultural product manufacturing
2. Enhance and diversify the economy by leveraging growth opportunities in tourism
3. Grow the mining and construction industries to capitalise on the Region's mineral and solar endowments

The Strategy also takes account of regional risks and how they might be addressed.

This Strategy is the culmination of comprehensive data analysis and collaboration between the Balranald, Hay, Wentworth, Mildura and Swan Hill Councils, their communities and the NSW Government's Centre for Economic and Regional Development (CERD).

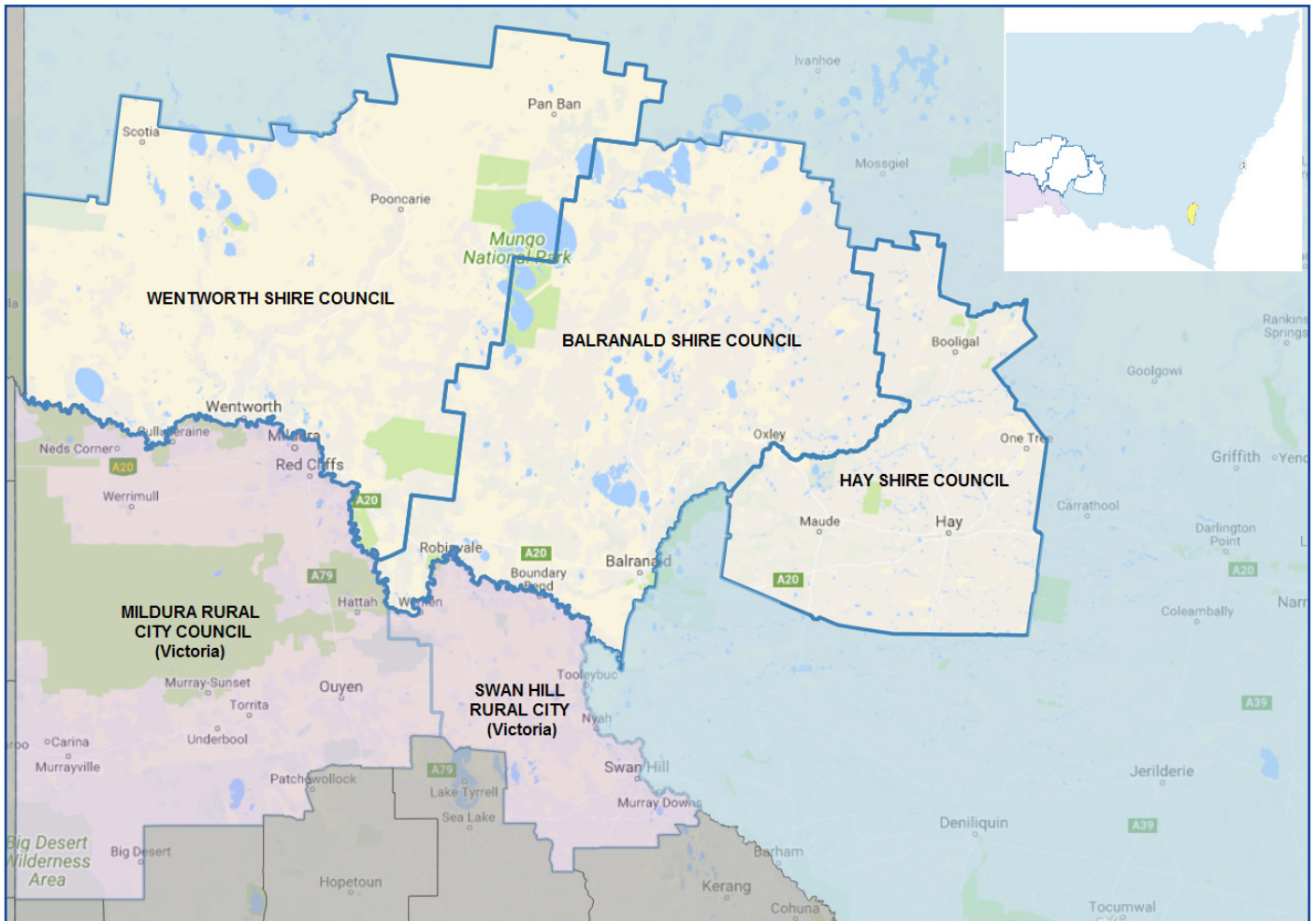
1. It should be noted that Mildura and Wentworth are often referred to as a single urban area (for example, the ABS defines the Significant Urban Area as 'Mildura-Wentworth')



# BACKGROUND

The Western Murray Region is an area rich in history and natural beauty, with the Mildura/ Wentworth region informally referred to as “Sunraysia”. Located at the confluence of the iconic Murray and Darling rivers, the Region spans two states: the far south-west of NSW and upper north-west Victoria/ At the time of the 2016 Census, the two largest cities in the Region, Mildura and Swan Hill, were home to almost 75% of the Region’s population of 86,488 residents. Large towns include Balranald (population 1,160), Hay (2,316) and Wentworth (1,220) in NSW, and Swan Hill (10,600), Red Cliffs (2,920), Merbein (1,980), Ouyen (1,045) and Robinvale (2,154) in Victoria.

Figure 1: The Western Murray Region



In addition to spanning state borders, the close-knit economies of the Region’s LGAs highlight the importance of a regional approach to economic development. Eighty-nine percent of the Region’s workforce work within the Region, and only 3% of jobs are filled by workers travelling in from other areas. There is also a large amount of ‘journey-to-work’ across the state border.

For example, 40% (1,105 people) of workers who reside in greater Wentworth travel to work in Mildura, with 1,161 Mildura resident workers (5% of Mildura resident workers) travelling to work in Wentworth<sup>2</sup>.

2. Australian Bureau of Statistics (ABS) 2016

The Region's economy has a specialisation in agriculture, viticulture, horticulture, food and beverage manufacturing, and tourism industries. High-value agricultural production is supported by the scale, diversity and productivity of the Region's soils, its substantial water infrastructure and irrigation capacity, a transport network with major highway corridors, and an international reputation for quality food manufacturing. Complex global supply chains create challenges for the Region's transport and infrastructure, and these must be efficient and competitively priced to maximise the Region's future productive growth.

Large 'heavy mineral sand' deposits have been discovered across the Region and there are good prospects for further discoveries. The 'ancient beach sands' have become one of Victoria's largest mineral exports. Mining has the potential to become another specialisation industry, driving growth in other industries, including Construction, Transport, and Scientific, Technical and Professional Services.

The local Tourism economy draws on the Region's unique natural endowments, which include the rivers and national parks. These support a range of recreational activities including sightseeing, food and wine tasting, fishing, water sports, houseboat holidays, festivals and heritage experiences.

To capitalise on these advantages, the Region will need to be responsive to the specific needs of these sectors to drive economic growth. The structure of the Region's demographics also pose challenges in sustaining future growth, and this is considered within the Strategy.

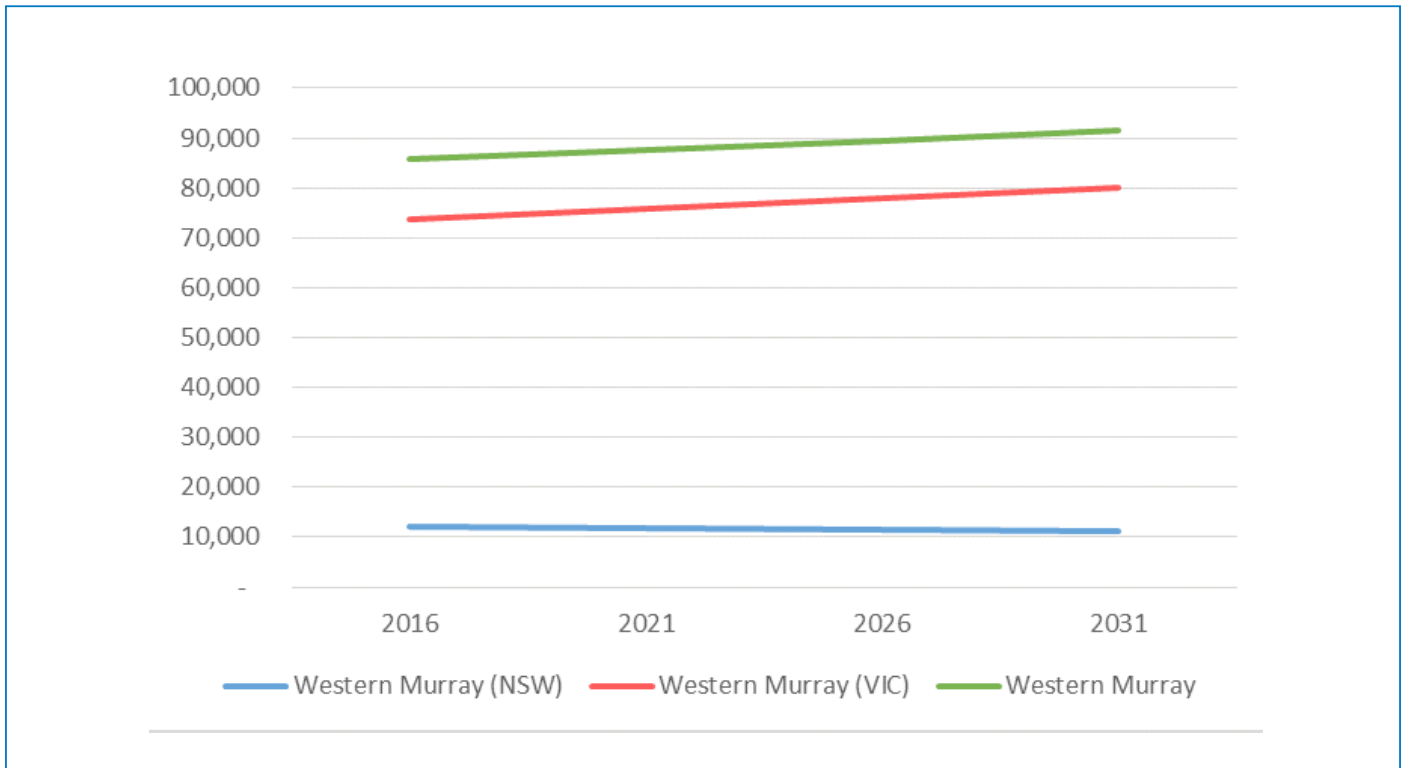
The community is supported by large Health Care and Social Assistance and Retail Trade sectors, which, after the Agriculture, Forestry and Fishing sector, are the largest employment sectors in the Region, accounting for 25% of its total employment combined.

Australian Bureau of Statistics (ABS) data indicate that the population of the Region increased 4.5% from 2005 to 2016. This was predominantly driven by growth in Mildura LGA, which grew by 9% to 54,564 residents. The population of Wentworth LGA increased 0.07% over the same period. However, the populations of Balranald, Hay and Swan Hill reduced during the period. The trend of a population increase in the Victorian LGAs and a decline in the NSW LGAs is projected to continue over the next decade. According to projections by the NSW Department of Planning and Environment (DPE) and Victorian Department of Environment, Land, Water and Planning, the Region's total population is expected to increase by 6.6% (5,647 people) over the period 2016 to 2031. The population in the Victorian LGAs is expected to increase by 6,397, but in the NSW LGAs is expected to decrease in population by 750 people<sup>3</sup>.

3. These estimates are extrapolated from expected migration, fertility and life expectancy rates and do not take into account the effects of events such as natural disasters or large-scale economic development projects; for the NSW component, the 'main' estimate was used.



Figure 2: Population projections for the Western Murray



Source: NSW Department of Planning and Environment, Victorian Department of Environment, Land, Water and Planning

The Region’s median population is slightly older than that of NSW as a whole and younger than that of Regional NSW, with a median age of 41 years (compared to 38 years for NSW and 43 years for ‘Rest of NSW’). Overall, the Region has a balanced population structure, however, in the Balranald, Hay and Wentworth LGAs, 43% of the population is 50 years or older (Figure 2).

The proportion of residents identifying as Aboriginal or Torres Strait Islander is higher than the NSW average, at 5.0% in the Region, compared to the NSW average of 2.9%.

The demographic statistics highlight the need for strategies that assist with the movement of people across the Region, allowing people with appropriate skills to locate to areas where local endowments drive job growth, and allowing older residents to locate in places where they can be supported and continue to contribute the economy.



# ENDOWMENTS

Endowments are strengths that a regional economy possesses and can capitalise on. Economic principles suggest that endowments play a key role in the economic development of regions. The Centre for Economic and Regional Development (CERD) in its Regional Economic Growth Enablers Report (2017) found that:

*“The future of individual regional economies is inexorably linked to their natural endowments and attempts to retain or establish industries without an underpinning endowment are unlikely to succeed.”<sup>4</sup>*

A region seeking to encourage economic development should therefore concentrate on factors that enable the growth of endowment-based industries, as well as building local leadership and institutional capacity and capabilities to facilitate businesses and public agencies and services to capitalise on the opportunities that a region’s endowments present. Endowments can lead to opportunities from which commercial and industrial interests may leverage and develop specialisations.

## Natural Features

### Geography

The landscape of the Western Murray is the foundation for its significant agricultural and tourism industries. The Region is characterised by its arid landscape, flat topography and natural assets, including the Murray, the Darling and the Murrumbidgee rivers and their tributaries. Scenic highlights include the Mungo, Murrumbidgee Valley, Yanga, Nimmie Caira and Mallee Cliffs National Parks.

The Department of Planning and Environment has identified parts of the Region suitable for renewable energy development due to their climate/solar characteristics and proximity to existing transmission capacity. The presence of mineral-rich sands is a substantial endowment that is not yet fully explored or developed.

### Location

The Western Murray is located in the Southern Basin portion of the Murray-Darling Basin. The centre of the Region is approximately 850 kilometres from Sydney, 430 kilometres from Melbourne and 530 kilometres from Adelaide. Consequently, the Region is traversed by major interstate road networks between NSW, Victoria and South Australia.

### Murray, Darling and Murrumbidgee Rivers

The 2,508 kilometre Murray River is the longest river in Australia. Swan Hill and Mildura are on the banks of the Murray, Wentworth is located at the confluence of the Murray and Darling Rivers, and Balranald and Hay are on the banks of the Murrumbidgee River.

### National Parks

The famous World Heritage listed Willandra Lakes and Mungo National Park host a number of remarkable Aboriginal artefacts, including the sites of the 42,000 year old ‘Mungo Man’ and ‘Mungo Lady’, the 20,000 year old ‘Ancient Footprints’, and the desert views of the ‘Walls of China’. Other popular sites for daily and overnighting trips include the Murrumbidgee Valley, Hattah Kulkyne, Yanga and Mallee Cliffs National Parks which are attractive to bushwalkers, birdwatchers and nature lovers.

4. [Regional Economic Growth Enablers Report \(2017\)](#), Centre for Economic and Regional Development.



# ENDOWMENTS

## Institutional and Industry Features

### Regional Institutions

There are clear economic and social links between the major centres across the Region. In recognising this, a Cross Border Commissioner has been established in NSW with the Victorian Government currently recruiting for the role. The Office of the NSW Cross Border Commissioner identifies and helps resolve issues that occur by being located near a state border<sup>5</sup>.

### Education

The Region contains many educational providers, including TAFE NSW Riverina, SuniTAFE, and the Mildura Campus of La Trobe University, which offers bachelor degrees in nursing, business and accounting, education, arts and health. The education sector is an important source of employment (8.7% of the Region workforce) and provides businesses workforce development and technological innovation opportunities.

### Tourism

Nature based tourism is a major strength of the region. Two organisations – Destination Riverina Murray (NSW) and the cross-border Murray Regional Tourism – inform the direction local governments and businesses should take to expand the tourism sector. Their destination management plans provide detailed strategies for future tourism growth, new projects and related infrastructure programs. Tourism offerings include national parks, the three major river systems, the Nimmie Caira events (boat cruises and fishing), wine and food tours, heritage and arts trails.

### Agriculture

Agriculture has historically been the biggest employer, with strengths in the viticulture and horticulture Industries: Grape Growing, Fruit and Tree Nut Growing, Citrus Fruit Growing and Grain Growing<sup>6</sup>. These sectors accounted for 60% of total employment in agriculture in the Region in 2016, with variation between LGAs due to local environmental conditions<sup>7</sup>. Agriculture is diversifying. The area planted to new crops is increasing. Cotton has become large enough that the Auscott Company recently built one of the largest cotton gins in the world in Hay.

### Water Security

The Region is in the southern parts of the Murray Darling Basin. The confluence of the Murray and the Darling rivers is within the Wentworth Shire. The Murrumbidgee River flows through Balranald Shire and the Lachlan River borders the Hay Shire. The Murray River is the northern border of the Mildura Rural City and Swan Hill Rural City LGAs. The rivers are essential for irrigated agriculture and other water-dependent (non-farm) industries. The rivers are also a key endowment for tourism and general liveability. Water flows (and water allocations) can vary from year to year, and this is can be a significant risk during exceptionally dry times.

5. <https://www.dpc.nsw.gov.au/programs-and-services/nsw-cross-border-commissioner/about-the-office-of-the-nsw-cross-border-commissioner/>

6. These are ANSIZ Level 4 code industries

7. For example, Hay Shire had a high concentration of Sheep Farming (Specialised) and Swan Hill had a high concentration of Grape Growing.



## Human Features

### Culture

The Western Murray has a rich and diverse culture and is home to many popular attractions and sites that are nationally and internationally significant. The Murrumbidgee, Darling and Murray rivers support the pioneering heritage and historical experiences of the paddle steamers. The Region is home to many heritage-rich small towns and villages with old colonial buildings. The area is also known for its diverse food and wine culture.

### Indigenous Culture

The Region covers the traditional lands of the Ngiyampaa, the Paakantji, the Barkindji, the Latji Latji, the Nari Nari and the Mutthi Mutthi peoples. The area is home to Mungo Lady and Mungo Man, which are among the oldest remains of modern humans ever discovered outside Africa. The discovery of these remains re-wrote history and led to the establishment of the Mungo National Park and the recognition of the Willandra Lakes Region as a World Heritage Area.

### Educated and skilled population

The Region has a well-educated population, supported by major tertiary education providers.

## Physical Infrastructure

### Railway and Road Infrastructure

The Region is in a central position between the NSW, Victorian and South Australia borders. This is a prime location for the freight network that connects industries with the four major cities of Sydney, Canberra, Melbourne and Adelaide. Major interstate roads including the Sturt Highway, Cobb Highway, Calder Highway, Murray Valley Highway and the Silver City Highway. The Region is also connected by rail to the Victorian V/Line at Mildura and Swan Hill.

### Aviation

There are five airports in the Region. Mildura Airport, the largest, has been recently renovated and is the busiest airport in regional Victoria, servicing 225,000 passengers in 2017 with services to Melbourne, Broken Hill, Adelaide and Sydney. Swan Hill LGA has aerodromes at Swan Hill and Robinvale. There is one aerodrome in Balranald, one in Hay and one aerodrome in Wentworth. These provide medical services, postal services, and also essential services to the agricultural sectors.



# SPECIALISATIONS

A region's economic strengths and specialisations can be identified using a number of analytical tools.

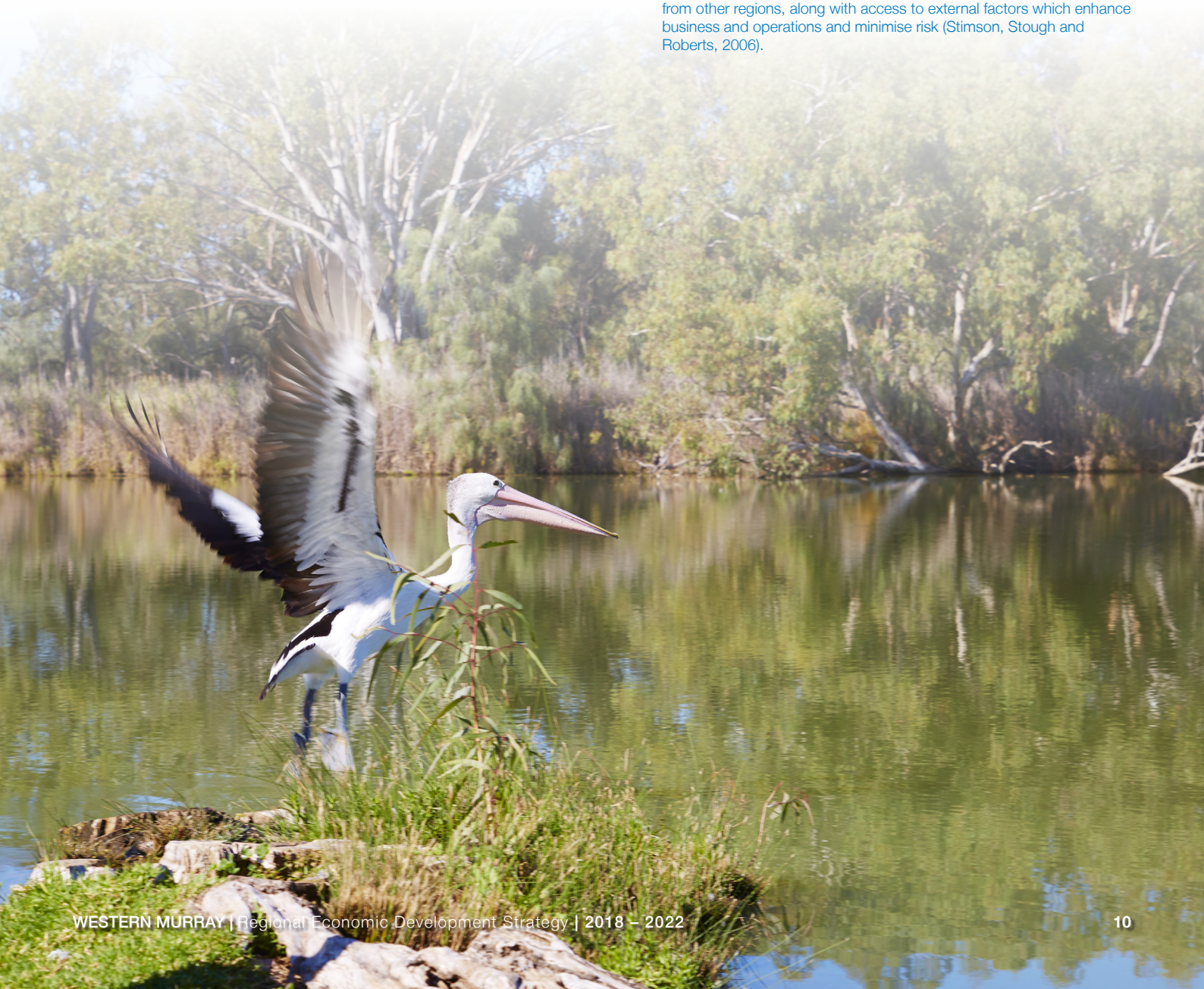
A common form of analysis used to identify a region's economic strengths and potential competitive advantages is the Location Quotient (LQ)<sup>8</sup>, which compares the employment concentration of an industry within the region with the same industry across NSW. The higher the LQ, the more specialised that industry is relative to the rest of NSW. For the purpose of this analysis, specialisations as defined by LQs are used as a proxy measure for industries that provide a region's competitive advantages.

While LQs are used in this document for that purpose, they are only a partial measure of competitive advantages, and are considered together with other measures, including Shift-Share analysis and Input-Output modelling, as well as qualitative evaluations, to arrive at the findings for the Western Murray Strategy.

Shift-Share analysis extracts the portions of employment growth that may be attributed to broad economy, industry-related and local effects. This form of analysis can help identify the endogenous strengths of a region and whether employment growth or decline is the result of internal or external factors. Input-Output analysis computes the value-add, consumption, imports and exports for individual sectors of the economy.

Agricultural, manufacturing and tourism industries are the key 'engine' industries of the Western Murray economy, driving income and exports. There are other key industries that also underpin economic activity. These include 'population-serving' industries such as Retail Trade and Health care and Social Assistance. The contributions of the main industries and opportunities for their development are analysed below.

8. A region's competitive advantage for an industry includes its ability to produce goods and services at a lower cost or differentiate its products from other regions, along with access to external factors which enhance business and operations and minimise risk (Stimson, Stough and Roberts, 2006).



## Location Quotient (LQ) Analysis

Figure 3 charts the 2016 LQ<sup>9</sup> (vertical axis) against employment growth over the 2011 to 2016 period (horizontal axis) for the Region's main industry sectors. Industry sectors are defined at the Australian and New Zealand Industry Classification (ANZSIC) 1 to 3 digit.

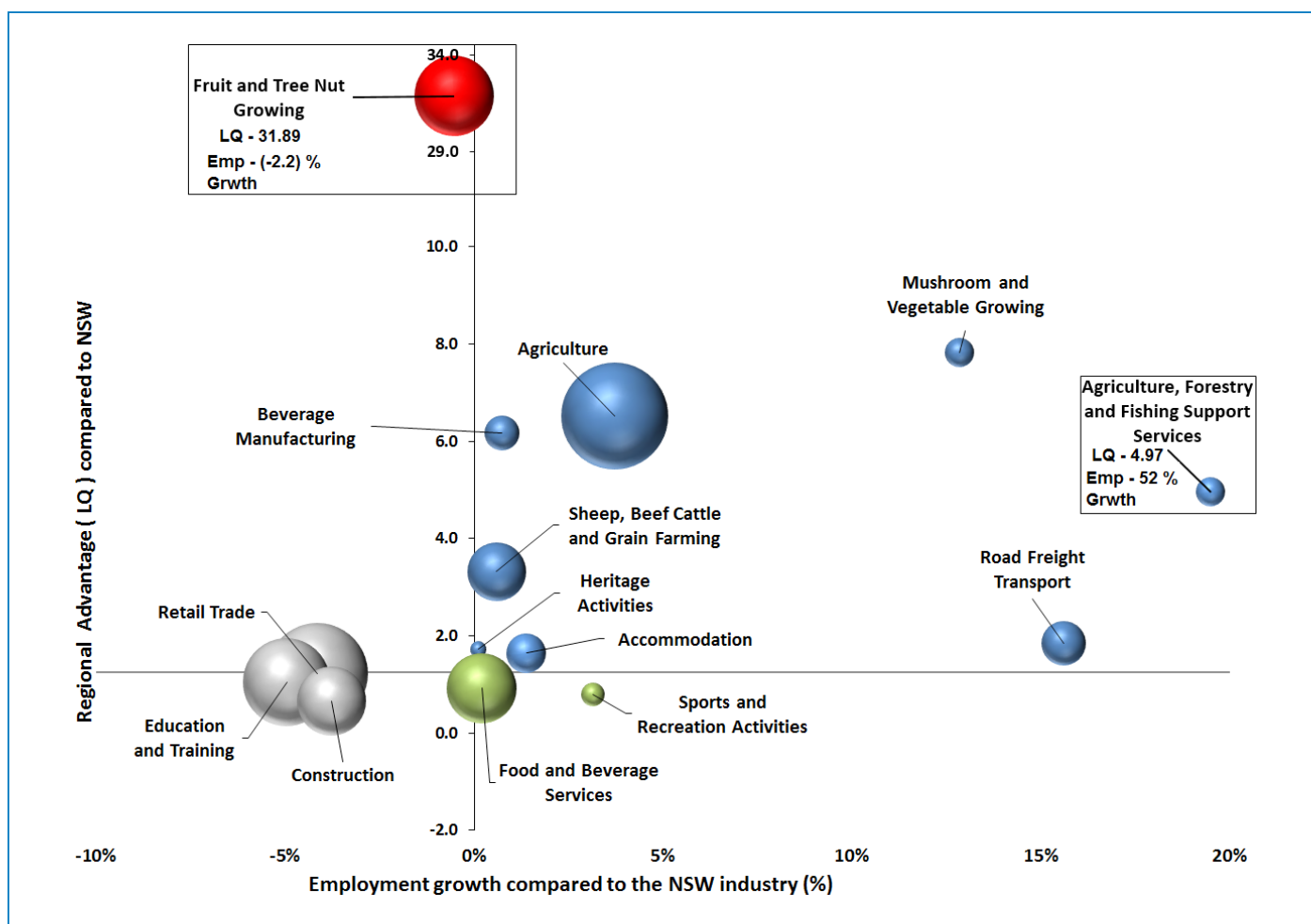
The size of the 'bubble' indicates the relative proportion of employment in the sector at the time of the 2016 Census (large bubble equals greater number of people employed). Industries above the horizontal axis are more specialised when compared to NSW, while industries below the axis are less specialised.

- **Red** bubbles indicate 'specialisation' sectors which have an LQ greater than or equal to 1.25 but experienced employment growth that was below the average growth of that sector across NSW.

- **Blue** bubbles indicate 'specialisation' sectors, which have an LQ of at least 1.25 and had positive employment growth compared to the NSW average growth for the sector.
- **Green** bubbles are 'potentially emerging' industries, which have an LQ under 1.25 (so may not yet be a specialisation), but experienced employment growth above the NSW average for the sector.
- **Grey** bubbles are potentially declining industries. These industries have an LQ under 1.25 and employment growth that was below the NSW sector average.

9. The Region includes two Victorian LGAs, so in the LQ calculation, the numbers employed in these LGAs have been added to both numerator and denominator.

Figure 3: Location Quotient and Employment Growth in selected industries



Source: CERD 2017

## The region's economic strengths

### Agriculture, Forestry and Fishing

With an LQ of 6.15, the Agricultural, Forestry and Fishing industry is the Region's most specialised industry. Compared to the broader State economy, it experienced employment growth of 4.2% between 2011 and 2016, from 4,412 to 4,877 persons employed (13.9% of total Region employment). Within Agriculture, Forestry and Fishing there are several sectors that can be classified as an 'engine' industry for the region, which are:

- Grape Growing (LQ of 59.9);
- Citrus Fruit Growing (LQ of 42.1);
- 'Other Fruit Tree Nut Growing' (LQ of 19.8);
- Vegetable Growing (Outdoors) (LQ of 8.2);
- 'Other Grain Growing' (LQ of 8.1);
- 'Grain-Sheep or Grain-Beef Cattle Farming' (LQ of 4.9); and,
- Sheep Farming (Specialised) (LQ of 4.1).

Approximately 60% of the Agricultural, Forestry and Fishing workforce is employed in the Grape Growing; 'Other Grain Growing'; 'Other Fruit and Tree Nut Growing'; and Citrus Fruit Growing (ANZSIC 4 digit level).

The geography of the Region further determines local specialisations. In 2016, these were:

- **Balranald** – Grape Growing (31%), Sheep Farming (Specialised) (24%), Nursery Production (8%)
- **Hay** – Sheep Farming (Specialised) (34%), Sheep-Beef Cattle Farming (11%), Cotton Ginning (10%)
- **Wentworth** – Grape Growing (36%), Citrus Fruit Growing (23%), Sheep Farming (Specialised) (11%)
- **Mildura** – Grape Growing (27%), 'Other Grain Growing' (13%), Citrus Fruit Growing (11%)
- **Swan Hill** – Grape Growing (24%), 'Other Fruit and Tree Nut Growing' (19%), 'Other Grain Growing' (16%)

As a whole, Agricultural, Forestry and Fishing is an engine industry that underpins the Region's economy. It accounted for net exports of \$135.9 million in the 2015–16 financial year, making it the largest contributor to the Region's income.

### Manufacturing

Manufacturing overall in the Western Murray has an LQ of 1.12. Absolute employment declined by 2.8% to a workforce of 2,295 (6.6% of total regional employment) between 2011 and 2016. Manufacturing is a specialisation in Wentworth (LQ: 1.26) and Swan Hill (1.44). Local specialisations can provide an opportunity to develop manufacturing plants, as has happened with the recent introduction of cotton and almond production.

Within Manufacturing there are several sectors that can be classified as an 'engine' industry for the Region. These are:

- Fruit and Vegetable Processing (LQ of 15.0);
- Wine and Other Alcoholic Beverage Manufacturing (LQ of 12.6)
- Basic Inorganic Chemical Manufacturing (LQ of 10.5); and
- Meat Processing (LQ of 2.3).

These industries represent a considerable value-adding sector based on the Region's significant agricultural output. The Manufacturing industry is the second largest exporting industry in the Region, generating \$101.6 million worth of income in 2015–16, of which Fruit and Vegetable Product Manufacturing contributed \$54 million.

In the context of an overall NSW industry decline in Manufacturing employment of 35% between 20011 and 2016, Shift-Share analysis reveals that the Region experienced real employment growth of 21%, indicating the sector is strongly competitive relative to other regions.

### Construction and Mining

Although Mining is a nascent industry in the Region, employing 238 people in 2016 (LQ of 0.75), the Region's mineral sand deposits are an underutilised endowment that has the potential to provide employment and economic growth in the future. Most of the current employment in Mining occurs in the Wentworth LGA, where it is the seventh largest employer and a 'localised' LGA-level LQ of 6.53.

Construction benefits from Mining development in the short to medium term, and in 2015-16, Input-Output analysis revealed that it had contributed \$12.5 million dollars in goods and services to the Mining sector. The area around Hay and Balranald has been identified as suitable for large-scale solar power generation. There is potential for the Construction industry to contribute to the development of new renewable energy farms.

The Construction industry contributed \$11.2 million worth of goods and services to the Agriculture sector in 2015-16, indicating large investment in farm infrastructure. Construction also consumed \$116.5 million worth of goods and services from the Manufacturing sector in the same year, suggesting that the Construction industry is an important part of the economy.

Employment in Construction in the Region grew by 5.5% between 2011 and 2016, from 1,557 to 1,911 persons. Although not a specialisation, it is an important enabling industry that is important for supporting growth in the Region's engine industries.

### Tourism

Although not recognised as an industry in the ABS data used in this analysis, Tourism can be defined through its contribution to other industries. Input-Output modelling indicates that Tourism contributed 11.2% of gross value added and 14.0% of full-time equivalent (FTE) jobs in 2015-16 in the NSW portion of Western Murray. These contributions were measured in the Accommodation and Food Services, Retail Trade and the Arts and Recreation Services sectors.

Employment in the Accommodation and Food Services industry group grew by 14.2% during the 2011 to 2016 period (2,224 to 2,540), and in the Food and Beverage Services sector, employment growth was 20.4%. Employment in Arts and Recreation Services also grew by 14.2% (from 318 to 363 persons employed), with most new jobs being in the Sports and Recreation Activities and Heritage Activities sectors. In contrast, Retail Trade employment fell slightly (by 2.2%, from 4,231 to 4,138 persons employed) and employment in Accommodation also declined slightly (-3.4%, from 616 to 595 persons employed), but remains an engine industry with an LQ of 1.64.

Together, these statistics suggest that growth in the industry as a whole is being driven by an increase in demand for food, drink recreation and sporting activities, but not necessarily a commensurate increase in the demand for tourist beds.

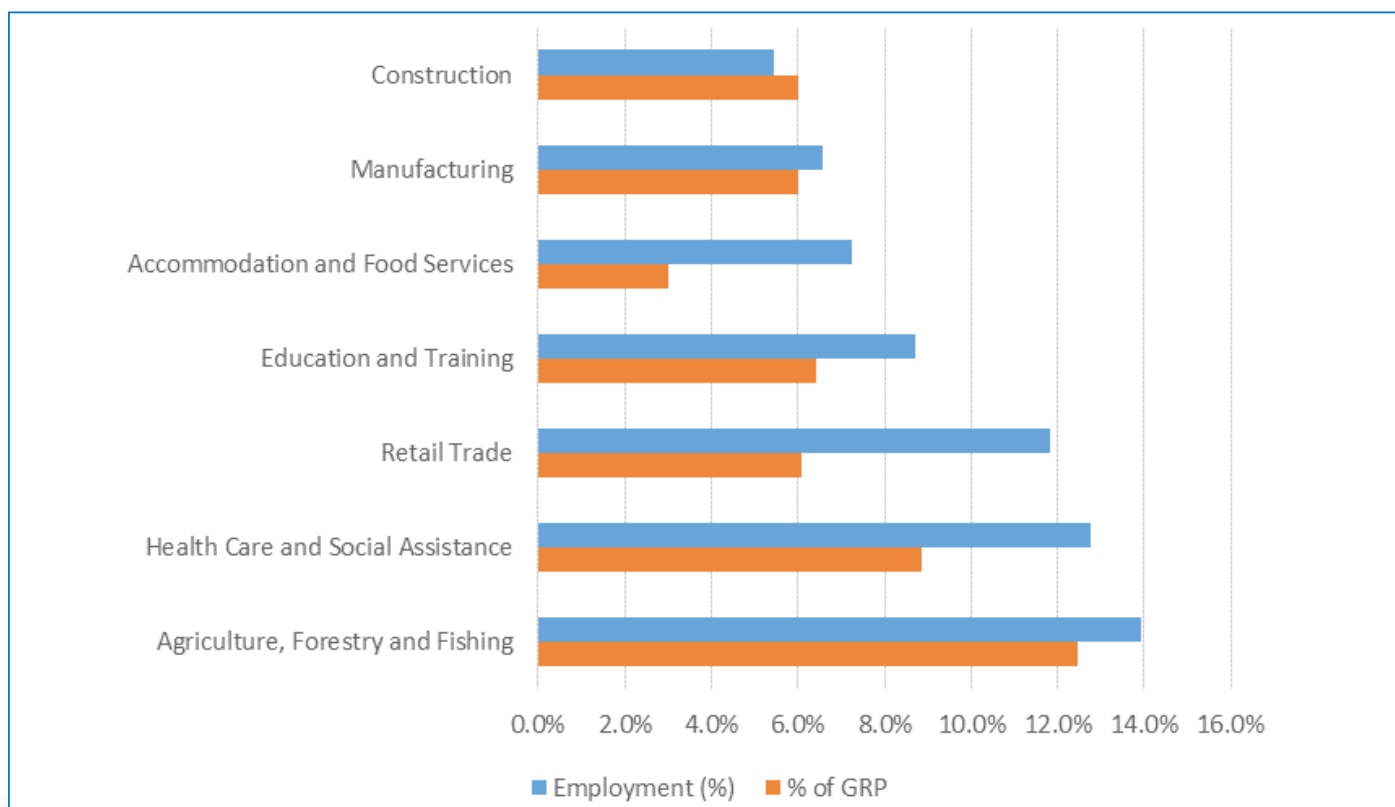


# SPECIALISATIONS CONTINUED

## Input-Output Analysis

Figure 4 provides a breakdown of the Region's economy by employment and Gross Regional Product (GRP). Agricultural, Forestry and Fishing is the largest employer by sector and accounts for the largest GRP as a percentage of the total economy. Health Care and Social Assistance was the second largest industry in terms of employment and GRP. Retail Trade and Education and Training are other sectors that have large employment bases and provide a substantial contribution to the economy.

Figure 4: Major Employment Sectors and contribution to Gross Regional Product



Source: CERD 2017 and Balmoral Group Australia



# STRATEGY

The Regional Economic Development Strategy for the Western Murray Region builds on the opportunities presented by its endowments, economic strengths and specialisations, while also aiming to address the key risks identified during the Strategy development process. It is a product of both economic analysis and community consultation.

The three elements of the Strategy are listed in order of relative importance. This was determined through identification of existing council priorities, linkages with ongoing infrastructure projects and the extent to which each item is immediately actionable by the councils, business chambers and other relevant institutions.

Each element is accompanied by a set of early actions, which should be interpreted as example actions derived from the preliminary application of the Strategy framework. It is expected that there will be other actions which are yet to be identified. An action's alignment with the Strategy is the primary consideration, rather than it being listed in this document. All proposed actions will be subject to further qualitative and quantitative evaluative processes.

## The Three Elements of the Strategy

|   |  |
|---|--|
| 1 | <b>Drive growth in high-value agriculture and value adding in agricultural product manufacturing</b><br>Encourage growth of new products and value-adding in agricultural industries to act as a catalyst for additional economic growth |
| 2 | <b>Enhance and diversify the economy by leveraging growth opportunities in Tourism</b><br>Capitalise on the natural and human endowments to promote the Region as a key tourism destination  |
| 3 | <b>Grow the Mining industry and Construction industries by capitalising on the Region's mineral and solar endowments</b><br>Capitalise on the Region's mineral and solar endowments to grow the Mining and Construction industries       |



## 1 | Drive growth in high-value agriculture and value adding in agricultural product manufacturing

Agricultural production in the Region is constantly adapting to changing market preferences and opportunities to provide high-value produce. High-value markets in India, China and South-East Asia are expanding, driving the allocation of land in the Region towards crops such as almonds and cotton. The already competitive Agricultural Product Manufacturing sector is well placed to expand and generate greater exports by processing new products for these markets.

### Infrastructure Priorities

**Enhance mobile phone and internet connectivity:** Upgrading mobile phone and NBN connectivity should be a priority to increase productivity in high-value agriculture as this sector is becoming more dependent on telecommunications technology. Examples include precision agriculture techniques such as micro-climate management, virtual fencing, precision spraying and fertiliser application, and optimal harvesting.

**Zone and service industrial land:** Zoning industrial land and providing adequate water, electricity and transport infrastructure will encourage manufacturing enterprises to develop in areas where local produce can be value-added. Locations where new, high-value crops are developing, such as almonds, could indicate future food processing and manufacturing potential.

**Improve road and rail infrastructure:** Sealing key local roads will increase the ability of producers to get their goods to value-adding facilities and ports.

**Support investment in water efficiency infrastructure:** Investment in on-farm water efficiency and storage infrastructure should be a priority for agricultural enterprises in the Region. High-value agriculture products would become less exposed to water shortages. Examples include general water use efficiency measures and water-demand-smoothing infrastructure such as on-farm storage.

**Invest in the Region's aerodrome facilities:** The maintenance and upgrading of the Region's aerodrome facilities to cope with increased traffic will support the critical work done by light aircraft supporting the agriculture industry.

### Organisational Priorities

**Streamline land-use changes:** The process to change agricultural land use from one type of production to another can be an onerous exercise that stymies the allocation of land to high-value production. Streamlining these processes should be a priority for the Region, underpinned by close relationships with the regulatory agencies responsible for planning and licensing approvals.

### Strategy Outcome

**Encourage growth of new products and value-adding in agricultural industries to act as a catalyst for additional economic growth**

#### Intermediate Outcome

- Agricultural production increases in value and volume
- Agricultural product value-adding enhances the value of exports from the Region

#### Outputs

- Enhanced productivity in high-value agriculture production
- Improved access to value-adding facilities and ports
- More agricultural product manufacturing opportunities

#### Activities

- Enhance mobile phone and internet connectivity
- Improve road and rail infrastructure for freight capability and movement
- Improve zoning and servicing of industrial land
- Facilitate land-use change for high-value agriculture
- Support investment in water efficiency infrastructure
- Invest in the Region's aerodrome facilities

#### Inputs

- Resource funding for telecommunications upgrades
- Resource funding for development of industrial land
- Resource funding for key road upgrades
- Resource investment in aerodromes
- Improve coordination between planning and regulatory agencies



## 2 | Enhance and diversify the economy by leveraging growth opportunities in Tourism

Tourism is focused on the Region's rivers, arid landscape, flat topography and historical towns. The Region offers visitors rich experiences in river-based activities, food and wine, fishing, festivals, history and heritage, nature-based and business travel. Destination Riverina Murray and the cross-border Murray Regional Tourism have developed complementary destination management plans that provide a strong foundation for growth.

### Infrastructure Priorities

**Upgrade regional infrastructure to enhance regional profile and visitor access:** Analysis of the Region's natural and human endowments, together with stakeholder consultation, identified key infrastructure projects that would help to establish the Region as a key tourist destination. These include:

- development of the Murray River Adventure Trail
- expansion of the Swan Hill Regional Art Gallery & Indigenous experience
- upgrade of Arumpo Road to ensure all weather access to Mungo National Park
- development of the Wentworth Riverfront and Eco-Resort
- development of the Mildura Motor Sports Precinct
- development of the Hay Riverfront
- development of the Shearers Hall of Fame
- development of the Hay Public Art
- development of the Nimmie Caira area

### Organisational Priorities

**Position the Region as the 'Gateway to the Outback':** The Balranald and Wentworth LGAs are well positioned to act as a gateway to Aboriginal, heritage, and nature-based tourism opportunities of inland NSW and the Northern Territory. Continued collaboration and coordination between councils and business will be required.

**Support cross-border collaboration:** The current cross-border strategies between Mildura and Wentworth, and Swan Hill and Balranald should be supported and expanded to ensure that visitors to the Region experience the attractions available on both sides of the Murray River. This Strategy represents an opportunity to expand collaboration to provide a truly regional experience.

**Support the development of new visitor experiences:** Tourism opportunities that help extend the time visitors spend in the Region need to be further explored. Examples of developments include:

- a Murray Adventure Trail, a multiday trail along the river that includes driving kayaking and cycling
- use of the Region's Aerodromes to facilitate tourism
- river cruising experiences, including multiday journey routes
- regional food and drink experiences
- local events, festivals, and conferences

### Strategy Outcome

**Capitalise on the natural and human endowments to promote the Region as a key tourism destination**

#### Intermediate Outcome

- Improved branding of the Region
- Improved availability of accommodation, services and experiential offerings
- Greater number of day and overnight visitors to the Region

#### Outputs

- Increased access to, and profile of, the Region's attractions
- Recognition of the Region as the 'Gateway to the Outback'
- Increased collaboration between businesses and councils on either side of the state border
- A wider variety of visitor experiences

#### Activities

- Upgrade regional infrastructure to enhance profile and access
- Position the Region as the 'Gateway to the Outback'
- Support cross-border collaboration on tourism projects and development
- Support the development of new visitor experiences

#### Inputs

- Resource funding for infrastructure upgrades
- Improve coordination between local councils and businesses

## 3 | Grow the Mining industry and Construction industries by capitalising on the Region's mineral and solar endowments

The Western Murray is endowed with land suitable for solar energy production, and has been earmarked as an energy zone by the Department of Planning and Environment. There are also unutilised and potentially unexplored mineral-rich sand deposits that could provide long-term export income. The development of both energy and mining operations are supported by the Construction industry, which will experience the flow-on benefits from these significant projects. Leveraging the Central Murray Regional Transport Strategy may also yield useful suggestions.

### Infrastructure Priorities

**Invest in enabling infrastructure for new mining projects:** Investment in transport infrastructure to link mineral deposits and intermodal facilities that move products to export destinations is required to enable further development of these resources. New mines also require power transmission, which in some cases has been privately funded. Transport, power and water infrastructure should be considered a regional priority for new mining development.

**Invest in enabling infrastructure for new solar energy projects:** Investment in transport and energy transmission infrastructure is required to support the development of large-scale solar energy projects and connect them to the grid. This should be considered a priority for enabling renewable energy development.

**Develop suitable and affordable accommodation for large-scale projects:** Proponents and stakeholders involved in mining and energy projects identified an opportunity to increase the amount of suitable accommodation available to house construction workers. The cost and limited accommodation options for housing workers is currently a constraint on new investment.

### Organisational Priorities

**Streamline application and approvals processes:** New energy and mining operations can face difficulty obtaining approval for development. Streamlining these processes should be a priority, underpinned by close relationships with the regulatory agencies responsible for planning and licensing approvals.

**Train the local workforce and attract skilled workers in the Region:** Ensuring that the benefits of new energy and mining developments are spread to local communities requires that local workers are employed in the construction, operation and maintenance of these projects. This requires that the local workforce are sufficiently trained and continue to meet industry standards and practice. Coordination and collaboration and promotion of workforce opportunities with the Region's local TAFEs and engineering educational institutions will ensure that apprentices, trainees, and established workers are appropriately skilled to be able to benefit from future development.

### Strategy Outcome

**Capitalise on the Region's mineral and solar endowments to grow the Mining and Construction industries**

#### Intermediate Outcome

- Mining and solar energy projects are developed, benefiting the Construction and related industries in the short term and creating long-term export benefits for the Region

#### Outputs

- A positive business and investment environment for new mining and solar energy projects is fostered within the Region
- The local workforce is involved in large scale infrastructure projects

#### Activities

- Invest in enabling infrastructure for new mining and solar energy projects
- Develop suitable and affordable accommodation for large-scale projects
- Streamline application and approvals processes for energy and mining projects
- Train the local workforce and attract skilled workers to the Region

#### Inputs

- Resource funding for infrastructure development
- Identify and resource appropriate residential and commercial accommodation development
- Coordinate with TAFE and other education institutions.

## Summary of Strategies and Actions

| Enablers                               | Drive growth in high-value agriculture and value adding in agricultural product manufacturing  | Enhance and diversify the economy by leveraging growth opportunities in Tourism   | Grow the Mining industry and Construction industries by capitalising on the Region's mineral and solar endowments  |
|--|--|---|--|
| People and skills                      |  | <ul style="list-style-type: none"> <li>➤ Support cross-border collaboration on tourism projects and development</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Train the local workforce and attract skilled workers to the Region</li> </ul>  |
| Government, regulation and information | <ul style="list-style-type: none"> <li>➤ Streamline land use changes to high-value agriculture</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Position the Region as the Gateway to the Outback</li> <li>➤ Support the development of new visitor experiences</li> </ul> | <ul style="list-style-type: none"> <li>➤ Streamline application and approvals processes for energy and mining projects</li> </ul>  |
| Infrastructure                         | <ul style="list-style-type: none"> <li>➤ Upgrade NBN and internet connectivity</li> <li>➤ Improve road and rail infrastructure for freight capability and movement</li> <li>➤ Zone and service industrial land</li> <li>➤ Invest in the Region's aerodrome facilities</li> </ul> | <ul style="list-style-type: none"> <li>➤ Upgrade regional infrastructure to enhance profile and access</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Invest in enabling infrastructure for new mining and solar energy projects</li> <li>➤ Develop suitable and affordable accommodation for large-scale projects</li> </ul> |
| Utilities                              | <ul style="list-style-type: none"> <li>➤ Support investment in water efficiency infrastructure</li> </ul>  |   | <ul style="list-style-type: none"> <li>➤ Invest in enabling infrastructure for new mining and solar energy projects</li> </ul>   |

# IMPLEMENTATION

This document sets out a vision for the Western Murray Region, as well as the strategies and actions that can enable the Region to achieve this vision. This Strategy was formed in collaboration with the Balranald Shire, Hay Shire, Wentworth Shire, Mildura Rural City and Swan Hill Rural City councils, business representatives, the Western Murray Region's community and Balmoral Group Australia.

Further details about the Strategy, actions, economic strengths and endowments of the Region can be found in the *2018–2022 Western Murray Regional Economic Development Strategy – Supporting Analysis*. This document is intended to be the first stage of an ongoing process where new actions to further progress the vision are identified using the Strategy framework.

## Regional Action Plan Implementation Review Process

This document includes strategies and actions that will be operated by the Balranald Shire, Hay Shire, Wentworth Shire, Mildura Rural City and Swan Hill Rural City councils, other organisations (such as Destination Riverina Murray (NSW) and Murray Regional Tourism (Victoria), as well as private business and government.

The cross-border and multi-LGA nature of the Region will present challenges for implementation as it will be crucial for the LGAs to engage in close collaboration. This is a significant institutional challenge.

It is therefore recommended that an Advisory Committee be appointed comprising representatives from each council, other institutions and industry leaders to monitor the progress of the Regional Action Plan. This Committee will meet quarterly to track the progress of actions identified in the Action Plan and apply the Strategy's framework to identify new actions that may be added to the Action Plan.

After two years, the Advisory Committee will conduct a formal review of the Action Plan that may be added to the Regional Economic Development Strategy. This will also provide the opportunity to update the Action Plan.

After four years, the Advisory Committee will also begin the process of updating or refreshing the Regional Economic Development Strategy.



### Disclaimer

The Crown in right of the State of New South Wales acting through the Department of Premier and Cabinet (Department) does not guarantee or warrant, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material contained in this publication.

Information in this publication is provided as general information only and is not intended as a substitute for advice from a qualified professional. The Department recommends that users exercise care and use their own skill and judgment in using information from this publication and that users carefully evaluate the accuracy, currency, completeness and relevance of such information. Users should take steps to independently verify the information in this publication and, where appropriate, seek professional advice.

Nothing in this publication should be taken to indicate the Department's or the NSW Government's commitment to a particular course of action.

### Copyright

This publication is protected by copyright. With the exception of (a) any coat of arms, logo, trade mark or other branding; (b) any third party intellectual property; and (c) personal information such as photographs of people, this publication is licensed under the Creative Commons Attribution 4.0 International Licence (<https://creativecommons.org/licenses/by/4.0/legalcode>).

The Department of Premier and Cabinet requires attribution as: © State of New South Wales (Department of Premier and Cabinet), (2018).

First published: August 2018

### © Photography courtesy of:

Hay Shire Council  
Mildura Rural City Council  
Swan Hill Rural City Council  
Wentworth Shire Council  
Destination NSW



Developed with the support of the NSW Government as part of the Regional Economic Development Strategies program to assist local councils and their communities in Regional NSW.



Mildura Rural City Council

