

Future State

CREATING A LODDON CAMPASPE REGIONAL EMPLOYMENT & INNOVATION CORRIDOR PLAN

Background Review and Directions Report

Draft Prepared for DJPR + RDV

June 2022



Jobs,
Precincts
and Regions



INTRODUCTION

Urbis has been appointed to partner with Regional Development Victoria (RDV), the Department of Jobs, Precincts and Regions (DJPR) and the Loddon Campaspe Regional Partnership (LCRP) to develop a roadmap for the Loddon Campaspe Regional Employment and Innovation Corridor (LC-REIC). The purpose of this work is to:

- Further develop, progress and refine foundational thinking
- Identify potential future investment opportunities to amplify the LC-REIC
- Guide implementation activities & responsibilities for key stakeholders.

This project builds on a range of previous engagement activities, background analysis and policy work prepared by and for these stakeholders over the last few years. The previous work has been used to demonstrate the conceptual nature of the REIC and has been tested with key decisionmakers. In summary, the objectives of creating a LC-REIC are to:

- Establish a placed based framework for initiating a unique 'economic region' through policy and regional strategic planning and execution.
- Drive significant investment and accelerated impact to attract and regain regional visitors and residents by enhancing key corridor systems: digital, transit and community infrastructure, improving urban environments through active town centres.
- Attract and strengthen 'regional' knowledge intensive industries/jobs alongside growing creativity and links to arts, innovation, training – building on concentration of artisans, designers, technologists, and informers.
- Build a culture of start-ups and regional entrepreneurship to foster the most innovative regional settlement corridor in the country.
- Identify investment opportunities for applied research and development including linkages that leverage existing high value manufacturing, mining, agriculture, and health facilities combined with universities and other comparative advantage economic areas.

The REIC will also include a long-range vision that is informed by sound analysis and a strategic evidence base. Once established, the REIC will inform the program and priority for investment.

This is an interim working report that is the first step in the development of the LC-REIC Plan – creating a roadmap framework to guide the establishment of the corridor.

Urbis undertook the following activities to prepare this report and presents the synthesis of this information here within to communicate our understanding of the contextual drivers, together with the potential areas of further opportunity for the study area:

- attended a guided study tour with RDV of key sites within the LC-REIC study area, between Gisborne and Bendigo.
- undertook a review of 19 separate background reports and key datasets provided to the consulting team by RDV – see Appendix 1 for a list of background information.
- conducted additional complementary regional data analysis to form a comparative assessment of the key population, demographic and economic trends within the study area.
- held introductory meetings and listening sessions with key stakeholders from Macedon Ranges Shire, City of Greater Bendigo and Mount Alexander Shire councils; and La Trobe University.

The insights of this report will be used to inform the agenda and direction of a co-design Corridor Diagnosis and Synthesis Workshop scheduled for late June 2022. The workshop will be facilitated by Urbis and include key LC-REIC attendees from state and local government.

The workshop will be used to identify intersecting areas of alignment and divergence amongst key stakeholders along with a mutually shared project purpose and scope for the LC-REIC – including competitive positioning, established and emerging areas of excellence and long-term strategic vision and key success/risk factors.

KEY FINDINGS

Urbis' summary of the background review and synthesis phase has identified the following key problem statement for the LC-REIC:

Major macro (top-down) + locational (bottom-up) forces are exerting influence and creating pressure for change within the region. Businesses are saying they want to adapt and innovate but are constrained by capacity and capability. Additionally, the REIC ecosystem is not being actively curated/coordinated to leverage its assets and endowments to enable optimisation.

The high-level synthesis of key themes identifies clear evidence for development and refinement of the LC-REIC concept through a well structured strategic roadmap.

This background review and synthesis phase has identified the following key themes for the LC-REIC that will be further tested and refined through the development of a project roadmap.

Sound policy support and strategic evidence

Review of the analysis and strategic documents indicates there is clear economic clustering and specialisation along the corridor. This is anchored by the Calder Freeway and concentrated in Bendigo with and other key centres providing complimentary specialist clusters.

While there is relative strength in the number of businesses in knowledge-led sectors, and employment and output value growth is occurring rapidly in these industries, they are not the fastest-growing.

It is therefore important that the LC-REIC considers enhancing capacity and capability in both knowledge-led sectors as well as its more traditional output-producing industries.

The evidence broadly supports overarching policy direction with regional-level policies providing the strongest guidance of LC-REIC direction.

Broad stakeholder support but greater clarity around REIC intent and purpose required for success

Early consultation and engagement indicates there is aligned stakeholder support for the LC-REIC concept – though this needs to be continually reconfirmed through the roadmap development process

The opportunity for the roadmap is to create greater clarity about the project purpose, objectives and a set of initiatives that demonstrate a strong nexus to a strategic framework. Strong leadership is also required to drive implementation.

Existing pockets of innovation but broad capability and capacity constrains potential

Evidence indicates that businesses understand the need for innovation but are struggling with adoption and implementation. Constrained access to skills and broader capabilities combined with underperforming digital and innovation assets and infrastructure appear to be limiting the regional economic potential.

Successfully addressing these issues through the design and implementation of the LC-REIC will be critical to increasing innovation and unlocking economic benefits.

Regionally competitive set of existing and future assets are not being optimised

The region sustains a solid foundation of innovation enabling infrastructure and anchors to support ongoing investment, including the presence of three key universities, a world class hospital, major financial institution, substantial high-value manufacturing and a burgeoning start-up and creative industries culture.

However, evidence suggests that through greater alignment around purpose/intent, strategic coordination of investment and delivery of the right supporting elements a stronger employment and innovation ecosystem can be cultivated.

Strong growth creates opportunities and challenges

Population growth is driving growth in economic opportunities but is also creating pressures on the local housing and urban infrastructure systems, this impacts both current and potential future residents. Business growth is simultaneously being constrained by the lack of available land for expansion. The opportunity exists for a broader regional or corridor approach to strategic urban planning to unlock these constraints.



CONTEXTUAL ASSESSMENT

THE LODDON CAMPASPE REGION & PARTNERSHIP

Centred around one of Victoria's best regional powerhouses, Bendigo, the Loddon Campaspe region stretches from Melbourne's north-west peri-urban region to the banks of the Murray River.

Due to its enviable strategic location, rail and road networks, inherited natural beauty and an abundance of fertile land and heritage value, the region has strengths in mining, agriculture, tourism, and food processing.

The area is comprised of six local government areas including Campaspe Shire, Central Goldfields Shire, City of Greater Bendigo, Loddon Shire, Macedon Ranges Shire and Mount Alexander Shire.

The collection of these councils form one of Victoria's nine Regional Partnerships, established in 2016 by the Victorian Government.

Each Regional Partnership consists of local community and business leaders who are joined by the CEOs of local councils, a representative of Regional Development Australia and a Victorian Government Deputy Secretary, so that all levels of Government are represented.

This collaborative governance model has a role representing the specific local development interests of the region. Alongside providing a local voice, the Partnerships provide advice directly to the Victorian Government about regional priorities so they can then be incorporated into government policies, programs and planning.

The established regional collaborative governance model provides strong oversight and leadership opportunities to support the development and implementation of a potential LC-REIC project.



Figure 1: Map of Loddon Campaspe Region, Loddon Campaspe Regional Economic Development Strategy



CONTEXTUAL ASSESSMENT POLICY FRAMEWORK

POLICY CONTEXT

Urbis has reviewed the regional and local policy context to understand the strategic influencers for the region. This review has included state-based policy documents, supporting analysis and relevant local government economic development strategies.

The review has identified there is strong state government policy guidance and analytical evidence for the LC-REIC concept. However, there is an opportunity for greater clarity for LC-REIC objectives together with alignment and support from local government economic development policies, especially considering the potential relevance for the LC-REIC concept to support overarching local government economic objectives.

State Government Policy Support

Two main policy documents provide clear top-down economic guidance for the Loddon Campaspe Region. Both the Loddon Campaspe Economic Growth Strategy (EGS) (2019) and the Loddon Campaspe Regional Economic Development Strategy (REDS) (2022) identify an overarching economic vision and set of objectives and priority initiatives which build on regional strengths and capabilities.

In particular the EGS identifies five focus areas for its growth strategy framework which leverage regional strengths, including “agriculture, food processing, tourism and emerging industries. It also identifies population driven industries associated with Bendigo as the regional capital and the regional employment and innovation corridor between Gisborne and Echuca-Moama and seeks to respond to demands for current and future skills in industry sectors.”



Figure 2: Regional Economic Growth Strategy Framework, Loddon Campaspe Economic Growth Strategy (2019)

The EGS identifies the *Regional Employment & Innovation Corridor* (REIC) as one of the five core focal areas. Together with four other focus areas, they provide policy architecture to support the successful establishment of the LC-REIC with the aim of:

- delivering enabling infrastructure
- enhancing regional skills and pathways
- improving innovation and productivity
- attracting investment
- city planning and improvements.

Under the specific REIC focus area sit five core economic objectives/priorities which provide a high level framework to support the REIC concept. The objectives and supporting initiatives are sound but don't establish a comprehensive framework or strong nexus to a clear policy problem or overarching vision for the corridor. This is an area of opportunity for the roadmap project to develop.

REIC Economic Objectives within the EDS (2019)

- 3.3.1 – Expanded tertiary education and research investment
- 3.3.2 – Establish the employment and innovation corridor
- 3.3.3 – Facilitating entrepreneurship in the region
- 3.3.4 – Improved connectivity Infrastructure
- 3.3.5 – Township renewal

Figure 3: REIC Economic Objectives / Priorities, Loddon Campaspe Economic Growth Strategy (2019)

POLICY CONTEXT

The REDS is informed by and expands on the economic narrative and strategic directions identified within the EDS. It identifies five strategic directions for regional economic development:

1. *Support growth in agriculture and food manufacturing to enhance value adding throughout the supply chain.*
2. *Pursue diversification of the tourism sector by leveraging natural, cultural and built endowments.*
3. *Maximise gains in the “employment and innovation corridor” to attract professional services workers and entrepreneurial activity.*
4. *Foster better links between education providers, industry research, employers and students to develop career pathways and a workforce that meets the future needs of the region.*
5. *Leverage local opportunities to strengthen value chains and diversify into new industries, including mining, renewable energy and waste processing.*

The above strategic directions have been further refined based on updated data analysis and a review of local policies and strategic planning documents. They demonstrate a clear progression from the EDS and continue to identify specific policy support for the REIC.

The REDS directions clearly identify and leverage the region’s relative comparative advantages, in its businesses/sectors, as well as cultural, social and environmental components. This evidence-based analysis is complimented with an assessment of the specific enabling factors, opportunities, challenges and policy environment that relate to each of the five REDS strategic directions.

There is symbiotic relationship across the five strategic directions. With the right features and implementation, the REIC has the potential to act as a spatially grounded piece of regional economic strategy that can unlock opportunity across multiple economic objectives.

The REDS Strategic Direction 3 (Section 4.3) relates specifically to the “*employment and innovation corridor*” and identifies core opportunities and challenges to inform development of the REIC – see Figure 4.

The REDS also identifies strategic alignment with core state and local priorities, including the EGS, the Victorian Government’s investment in the Bendigo GovHub and the Regional (Rail) Network Development Plan which will improve rail service quality and capacity between Melbourne and Bendigo.

The REDS also suggests potential initiatives that could be further explored or developed in partnership between local, State and Commonwealth governments but stops short of establishing firm policy guidance. These are listed overleaf.

REIC Opportunities & Challenges within the REDS (2022)

	OPPORTUNITIES	
	Encourage collaboration	Supporting new and established local businesses and social enterprises to collaborate and thrive through developing or expanding networks.
	Population movement	Increased working from home among professional services workers has further increased the population shifts to high-amenity locations in the region.
	Finance hub	The region demonstrates employment specialisation in financial and insurance services relative to regional Victoria and could support further growth opportunities.
	CHALLENGES	
	Access to suitable housing	Improving housing stock quality and quantity is a key mechanism to attract skilled workers. The supply in the housing market has not kept pace with increased demand and is limiting growth and increasing inequality.
	Intra-regional transport	Public transport mobility across the region is substantially lower than the state as a whole and this constrains access to Bendigo – a major employment and commuter hub.
	Digital connectivity	Poor digital connectivity is a challenge across the region. It constrains digital innovation in existing businesses as well as reduces attractiveness for new businesses and workers to the area.

Figure 4: REIC Opportunities & Challenges, *Loddon Campaspe Regional Economic Development Strategy (2022)*

SUGGESTED POLICY OPTIONS FOR THE REIC

The following policy options are discussed in the REDS as opportunities that government partners could work together on but are not made as policy commitments. The opportunity for the LC-REIC Roadmap is to establish a clear, mutually agreed set of policy initiatives to drive REIC establishment.

1

“Create opportunities to grow research and development efforts and capability within the region, specifically targeting innovation that supports the region’s main industry sectors: food and fibre; manufacturing; mining; supporting Aboriginal economic opportunity and models of rural and digital health.”

2

“Identify the dynamic ecosystem of businesses, academics, ambitious startups, community groups, and not for profits, along the employment and innovation corridor to enable cross-pollination of ideas and practice to accelerate success.”

3

“Unlock digital potential in the region utilizing existing fibre optic networks to provide ultrafast broadband speeds to business within the corridor.”

4

“Examine the relationship between connectivity (transport and digital) and increase the frequency of transport services (air, road, and rail) operating within the corridor to promote improved commuting within the region.”

5

“Investigate east-west connections within the employment and innovation corridor for towns and subregions, particularly in the Macedon Ranges and Central Goldfields.”

6

“Maintain the liveability of the innovation corridor through service delivery and preserving the built and natural environment (including investigating opportunities to streamline planning).”

7

“Better coordinate housing and infrastructure developments to support current and future industry development and encourage residents to stay, live, and work in the region.”

8

“Provide improved support and expand networks for entrepreneurs and emerging businesses especially aligned to digital health, agriculture and food processing, mining (gold exploration and development) and mining, engineering and technical services (METS) sector, advanced manufacturing, and new aboriginal entrepreneurial opportunities.”

9

“Better position the region to attract large- and small-scale investment for business growth and infrastructure..”

POLICY CONTEXT

Local Government Policy Support

There is varied specific local government policy support for the REIC concept within current Loddon Campaspe Regional Partnership LGAs. However, despite this varied direct reference, there is strong alignment with the general economic objectives and themes across all local government economic development strategies.

Of the six LGAs analysed, only Greater Bendigo and Macedon Ranges Shire make direct reference to the REIC concept. It is noted that the both Mount Alexander and Campaspe Shire have current economic development strategies that are likely to have pre-dated the foundational REIC policy work.

A Stronger Bendigo 2030 has particularly strong policy alignment with the broader regional economic strategy context and many of its core economic objectives and themes would support the establishment of the REIC concept, including:

- City centre transformation and place-based improvements
- Improving speed and capacity of digital infrastructure
- Planning and supporting innovation and capacity building in core industries (e.g. mining)
- Supporting residential and business growth through integrated strategic land use and transport planning
- Supporting entrepreneurialism and business innovation
- Investing in city and regional brand
- Supporting education and skills improvement.

REIC Policy Support

- Confirmed
- Unconfirmed



Figure 5: Various state and local government economic strategies



CONTEXTUAL ASSESSMENT INTRODUCING THE REIC

INTRODUCING THE REIC

The Regional Employment and Innovation Corridor refers to a network that traverses the region from peri-urban Gisborne to Bendigo (and potentially even as far as Echuca).

The area has been singled out for its solid base of innovation-enabling infrastructure to support ongoing investment including the position of "three universities, a state-of-the-art hospital, a major financial institution, substantial high-value manufacturing and a burgeoning start-up culture" (Regional Economic Development Strategy, 2022).

In addition, a deep-rooted arts culture within Mount Alexander Shire and the Macedon Ranges accompanies recent investment in creative industries in Bendigo and drives demand for new innovation to support its demonstrated capability.

The REIC Plan seeks to recognise the region's creativity, innovation, sustainability and liveability, leveraging the population and associated significant public investment throughout the transport corridor to achieve this.

The corridor is an economic spine that coheres the economic functional region of Loddon-Campaspe. Conceptually, the corridor is a seam, towards which the region's economic critical mass organically gravitates.

The corridor spatially connects key urban centres in the southern, central and northern portions of the region (Gisborne, Riddells Creek, Woodend, Kyneton, Castlemaine, Bendigo, Rochester, Echuca).

The corridor transects the region and spatially connects up the production-based economy in the north and centre and the population serving economy in the centre and south.

The corridor connects Loddon-Campaspe to Greater Melbourne with whose economy the region is fundamentally tied. The region's employment growth is highly correlated with Greater Melbourne.

The corridor traverses four of the region's six LGAs. Campaspe, Greater Bendigo, Mount Alexander and Macedon Ranges capture the immediate agglomeration and scale economies associated with the corridor.

Loddon and Central Goldfields benefit indirectly, mainly from the flow-on effects of their adjacency to Greater Bendigo.



Figure 6: Conceptual Regional Employment & Innovation Corridor
City of Greater Bendigo

REIC CONTEXT ASSESSMENT

Key analysis conducted by DJPR in 2021 on the corridor confirms the REIC concluding:

“Since its inclusion as a focal area in the Loddon Campaspe Economic Growth Strategy, the employment and innovation corridor has consolidated but challenges may limit potential.”

Key findings from initial analysis confirmed...

- The Loddon Campaspe employment and innovation corridor exhibits a **high-degree of business clustering**
- Clustering is particularly **prevalent in the Calder Freeway section** of the corridor
- Relative to the rest of the Loddon Campaspe region, the corridor has a **disproportionate number of businesses in knowledge-led sectors**

... [however] knowledge-led sector analysis was nuanced...

- Despite business count growth, **knowledge-led sectors are not the fastest-growing among new businesses**
- However, **regional employment and output value growth is occurring most rapidly** in these industries
- These observations **suggest that existing businesses in knowledge-led sectors may be driving employment and output value growth**

... and challenges for further [REIC] development are clear.

- In terms of labour productivity, **the corridor slightly underperforms other employment and innovation clusters in Victoria**
- The corridor’s **employment and innovation potential is limited** by several factors:
 - Lower amount of **local tertiary research and development** compared to other clusters
 - Significant **outflow of local employed population** working beyond the corridor
 - Local **infrastructure challenges** [which impact intra-regional connectivity to employment and services].

This DJPR analysis identifies a series of opportunities and challenges for the REIC that should inform the identification of the scope for the LC-REIC Roadmap.

Business Locations – Employment and Innovation Corridor (EIC)

Trading Businesses as at 10 September 2021, REMPLAN (2021)

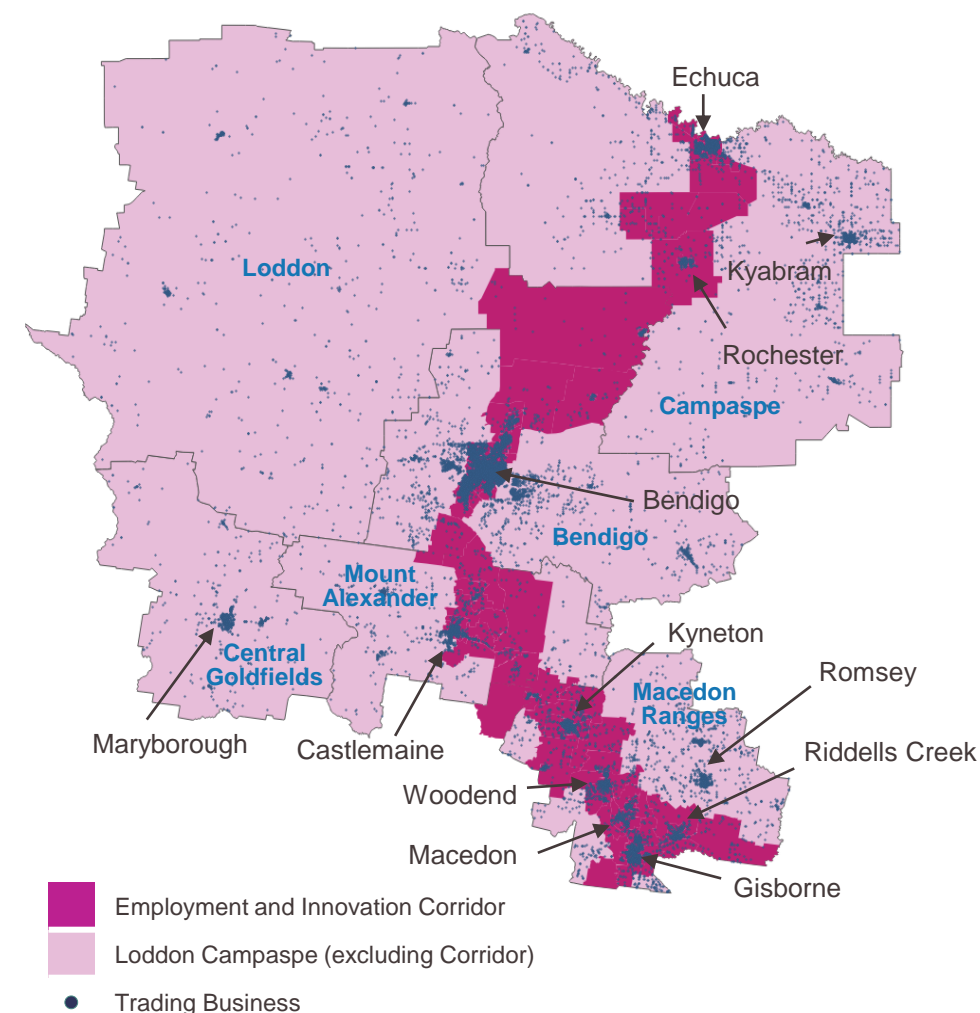


Figure 7: Loddon Campaspe Employment and Innovation Corridor Analysis, DJPR



CONTEXTUAL ASSESSMENT DRIVERS OF CHANGE

TOP DOWN DRIVERS

The global environment is being shaped by fundamental changes in climatic, geo-political, pandemic and technological forces that shape how national and sub-national economies grow and develop, how their communities live and work, and how resilient and sustainable their prosperity is.

High level consideration has been given to the broader trends and disruptive forces exerting a powerful influence on contemporary political, socio-cultural, economic, natural and technological landscapes globally.

In the context of Loddon-Campaspe, several top-down drivers are evident which will influence the future development pathway.



Population growth and migration

While large cities continue to grow strongly, there is an evident and sustained population drift, even before Covid-19, to regional cities and towns driven by the "push" from expensive and congested large cities and "pull" towards affordable, lifestyle-rich regional communities, which is supporting growth especially in Greater Bendigo and southern local government areas in Loddon-Campaspe.



Global demand

Global demand factors support mineral exploration and mining expansion in Victoria and will build upon the Loddon-Campaspe region's comparative advantage in gold mining and related value chains in high value manufacturing, engineering and technical services, thereby boosting economic productivity and supporting future community prosperity.



Future of work and living

Enabled by digital technology, the nature of how people work is shifting profoundly, with the effect of reframing the relationship between where people live and work. This is redefining notions of productivity, work-life balance and the daily commute in a way the delinks proximity to work places and is starting to provide people with greater choice in where they chose to live.



Climate adaptation

Climate changes related to human-induced global warming make extreme weather and climatic events like heat waves, wildfires, droughts, storms and floods more common and less predictable, pose more frequent risks to communities and place an emphasis on adaptation and mitigation to future-proof economies and communities of regions and cities.



Circular economy

There is a pervasive ethical and commercial imperative, evident in Environment, Social and Governance (ESG) investment, to reduce the resource consumption and waste generation footprint of urban development and economic production to preserve natural resources, shift to renewable energy, recycling and reuse, and minimise waste to landfill.



Economic resilience

The vulnerability of global trade and value chains to Covid-19 and geo-political disruptions are exposing Australia's reliance on overseas producers, suppliers and markets in key industries, with the effect of reframing economic resilience by way of input replacement, inventory management, logistics and supply chain management.



Technology and innovation

Successful economic regions and cities are increasingly defined by innovation, enabled by digital technology, highly qualified workforce, entrepreneurial talent pool and supporting eco-system of tertiary education, research and development, capital finance and funding.

BOTTOM UP DRIVERS

The physical, economic and network endowments of the Loddon-Campaspe corridor form the platform upon which the region's economic future will unfold. They define the region's comparative advantage and, guided by strategy, will build a competitive advantage for its economy and community.

In the context of Loddon-Campaspe, several bottom-up drivers are evident which will influence the future development pathway.



Investment in regional infrastructure

Sustained investment in public infrastructure is enabling the population shift and unlocking the latent potential of natural, human, built and cultural endowments of Loddon-Campaspe, notably in tertiary health and education, transport connectivity, water resources, business and employment, both in urban and rural settings.



Population growth

The region's recent population growth rate exceeds Victoria's and is concentrated in Greater Bendigo, Macedon Ranges and Mount Alexander, placing pressure upon housing supply and affordability, and creating demand for further physical and social infrastructure to support the quality of living of the community.



Natural endowments

The region is endowed with mineral wealth, agricultural land for cultivation and livestock and perennial rivers upon which its primary economy is based. Water, energy and telecommunication supply is unevenly distributed and acts as break on employment growth and urban development.



Economic specialisation

The region has a historic and strong specialisation in primary (gold mining, livestock raising) and secondary industries (food processing and manufacturing, mining-related engineering, augmented by a contemporary specialisation in knowledge intensive population serving industries, notably tertiary health and education, and the visitor economy.



Workforce and talent

Overall, the region's workforce is characterised by a tight labour market, in terms of workforce supply and qualifications, which acts as a break on economic growth. While there is growth in the >30 year cohort, the 15-29 year cohort is under represented. The presence of several university and regional TAFE campuses provides a basis for future workforce growth.



Regional connectivity

Proximity to greater Melbourne is an important asset of the region. It has facilitated population growth along the lower Calder Highway corridor within Melbourne's commuting catchment. It also enables access to metropolitan markets for the visitor economy and the export of food products. Air connectivity to major Australian cities will augment and dramatically expand the region's visitor economy.



Lifestyle quotient

The region's high lifestyle quotient is a magnet for migrating people in the 20-39 year cohort, accompanying children in the 5-14 year cohort, and >55 year old cohorts. The region's magnetic effect is mitigated by limitations to the supply of employment opportunities and housing availability.



Land supply

The ability of the region's land use framework to accommodate the land needs of future growth, both residential and employment, is a key enabling factor in its future growth.



CONTEXTUAL ASSESSMENT REGIONAL PERFORMANCE

ECONOMIC SNAPSHOT

In relative terms, the Loddon-Campaspe region accounts for a small proportion of Victoria's population, jobs and business enterprises, but performs a very strategic role in the state's export economy, particularly in agriculture, mining and financial services industries and their associated value chains in agri-business, engineering and technical services and fintech.

The tables show the size and scale of local government economies and their annualised growth rates.

Loddon-Campaspe accounts for 3.7% of Victoria's population, 3.5% of jobs, and 3.2% of business enterprises.

Growth varies within the region. Population-driven growth in the lower Calder corridor (Bendigo, Macedon and Mt Alexander) has coincided with increasing incomes, business enterprises and jobs.

Growth is low and slow in rural localities (Campaspe, Loddon and Central Goldfields) and in some places is declining.

The current size of the economy belies the potential opportunity for the region to greatly expand its economic footprint in Victoria's economy, in relation to export sectors (agriculture & agribusiness, mining & technology services, and tourism) and knowledge intensive services supporting the growing population (health, education, finance, professional services).

SNAPSHOT INDICATORS	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Loddon-Campaspe LGAs	Greater Melbourne	Victoria
Estimated resident population 2020	37,675	119,980	7,473	50,971	13,092	20,001	283,747	5,159,211	6,696,670
Total number of businesses 2020	4,211	8,255	1,001	5,058	841	1,625	23,587	515,686	660,214
Total employee income (\$m) 2019	916	3,189	125	1,740	230	430	7,764	168,939	208,874
Total own unincorporated business income (\$m) 2019	68	186	42	98	19	44	492	11,097	14,372
Number of jobs 2019	30,054	87,766	5,193	38,922	7,832	13,743	210,259	4,033,826	5,219,874

Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

GROWTH RATE (%)	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Loddon-Campaspe LGAs	Greater Melbourne	Victoria
Estimated resident population 2015-2020	0.1	1.8	-0.2	1.9	0.2	1.3	1.4	2.4	2.1
Total number of businesses 2015-2020	0.5	1.4	-0.6	1.9	0.3	1.1	1.2	3.9	3.7
Total employee income (\$m) 2015-2019	3.9	5.9	2.8	6.0	4.7	4.5	5.4	6.2	6.0
Total own unincorporated business income (\$m) 2015-2019	-6.8	3.1	8.3	4.7	4.9	6.6	2.3	5.4	4.9
Number of jobs 2015-2019	1.8	3.1	2.0	3.0	2.3	2.7	2.8	3.8	3.4

Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

INDUSTRY GROWTH

Historically, Loddon-Campaspe's economy is weighted towards primary and secondary industry. While the urban economy has some outstanding industry sectors, it is generally constrained by the size of the region's population.

The table and chart show the size and share of employment by industry and the annualised growth rate between 2015-2019.

Economic activity in goods production, notably gold mining, beef/dairy/sheep and food manufacturing, generally outpaces Victoria as a whole. Industries that provide services to goods production are prevalent too (transport, construction, utilities), approximately in proportionate share to Victoria as a whole.

Knowledge-intensive business services (professional services, information, media and telecom, administrative services) are under-represented in the region's economy compared to Victoria. Population-serving industries (retail, arts and recreation, education) are present in proportion to the size of the region.

The arts and recreation sector and finance and insurance are exceptional performers having outpaced Victoria and Greater Melbourne. Across the board, education and training has declined as an employment sector.

	% SHARE OF EMPLOYMENT 2019			% GROWTH RATE 2015-2019		
	Loddon-Campaspe LGAs	Greater Melbourne	Victoria	Loddon-Campaspe LGAs	Greater Melbourne	Victoria
Agriculture, forestry and fishing	3.3	0.7	1.6	0.4	2.0	0.1
Mining	1.0	0.1	0.3	5.4	8.4	-0.9
Manufacturing	8.2	6.2	6.5	1.7	0.3	0.4
Electricity, gas water and waste services	0.9	0.7	0.8	3.0	2.8	1.7
Construction	6.6	5.7	5.8	4.4	4.9	4.6
Wholesale trade	2.6	4.7	4.4	0.6	1.2	1.4
Transport, postal and warehousing	3.7	3.2	3.3	0.8	2.1	1.9
Retail trade	9.7	9.3	9.4	4.9	5.6	5.0
Accommodation and food services	7.6	7.9	8.0	3.4	2.2	2.0
Information media and telecommunications	1.2	2.1	1.8	2.7	2.8	2.6
Finance and insurance services	4.0	4.8	4.5	3.6	3.2	3.3
Rental, hiring and real estate services	1.5	1.9	1.8	-0.6	4.7	4.3
Professional, scientific and technical services	4.3	9.0	7.9	2.1	5.5	5.1
Administrative and support services	7.2	11.0	10.2	5.8	6.6	6.5
Public administration and safety	9.8	7.1	7.6	11.2	12.4	11.3
Education and training	6.8	6.5	6.5	-6.2	-3.7	-4.3
Health care and social assistance	14.3	11.2	11.8	4.8	5.3	5.1
Arts and recreation services	1.9	2.1	2.1	6.9	3.4	3.3
Other services	2.7	3.0	2.9	3.8	3.8	3.6

DEMOGRAPHICS

While Loddon-Campaspe has experienced sustained population growth across most age cohorts, growth is not distributed evenly, with the region showing declines in certain critical age cohorts.

The table shows the net population increase from 2015 to 2019.

Most age cohorts have experienced growth except for young children (0-4 years) and middle-age cohorts (40-44 years) and 50-54 years).

The largest urban centres experienced the largest increases (Bendigo >10,000, Macedon >4,500, Mount Alexander >1,200).

The largely rural localities increased by smaller amounts, particularly in the >60 year cohorts. The exception is Loddon, whose population contracted over the period.

The size and scale of population growth is an important predictor of employment growth. It is evident that the lower Calder corridor is attracting most of the population growth and will attract flow-on employment serving that growth.

NET CHANGE 2015-2019	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Loddon- Campaspe LGAs
0-4 years	-211	149	-18	57	-79	-29	-131
5-9 years	-28	534	-57	479	-53	37	912
10-14 years	73	1169	-12	528	40	74	1872
15-19 years	-126	59	48	354	3	-3	335
20-24 years	131	246	20	429	-7	-35	784
25-29 years	-40	1073	-68	-40	47	-60	912
30-34 years	-73	954	-61	-22	44	115	957
35-39 years	29	1107	21	436	-62	29	1560
40-44 years	-390	-128	-102	-200	-125	-47	-992
45-49 years	-104	739	-62	540	-49	16	1080
50-54 years	-190	-262	-22	88	-57	47	-396
55-59 years	85	515	-51	346	-2	33	926
60-64 years	220	819	96	158	19	5	1317
65-69 years	233	780	-5	67	80	380	1535
70-74 years	163	1214	121	686	158	316	2658
75-79 years	291	617	32	446	72	228	1686
80-84 years	182	361	33	213	124	80	993
85 and over	1	126	29	33	-11	21	199

INVESTMENT

It is a testament to the strength of overall economic growth of Loddon-Campaspe that the region has attracted considerable inward investment into its physical, social and environmental capital.

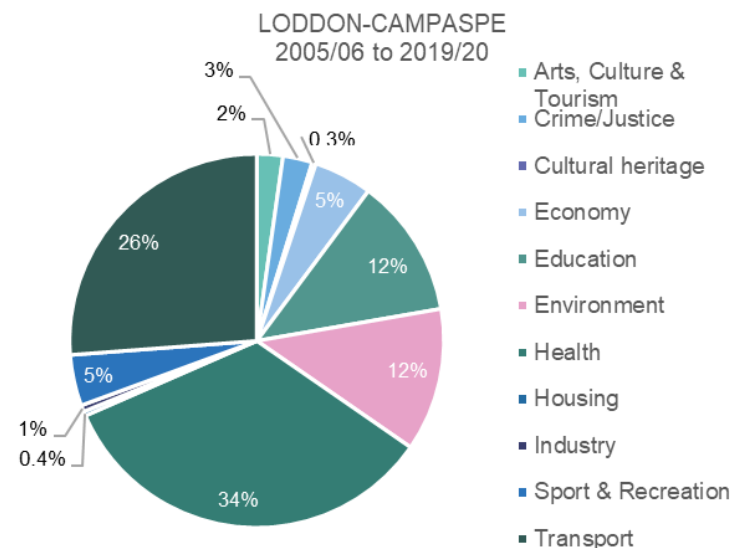
The tables and chart show the scale of investment between FY2005-6 and FY2019-20 across the Loddon-Campaspe region by locality and sector of investment.

Government, private and community investment is being made across an array of sectors with the aim broadly of building the region's capacity to grow a strong economy, support a vibrant & diverse community, secure water and energy needs, improve connectivity within Loddon-Campaspe and with neighbouring regions.

\$3.75 billion in public infrastructure and programs between FY2005-06 and FY2019-20 was funded by government, private and community organisations. The main recipients are health, transport, environment and education sectors.

The region's future opportunities hinge upon its ability to attract inward investment into its energy and water security for its urban and rural sectors as well as community-serving infrastructure to accommodate new growth in cities and towns to maintain population levels and inhibit depopulation in lower growth centres.

A key challenge for the region is to bring additional land into the market to accommodate industry and residential growth.



Source: Victorian Government, Dept of Jos, Precincts and Regions

SECTOR	\$	%
Arts, Culture & Tourism	84,376,210	2.2%
Crime/Justice	95,453,000	2.5%
Cultural heritage	12,550,000	0.3%
Economy	189,407,000	5.0%
Education	452,938,379	12.1%
Environment	464,783,575	12.4%
Health	1,267,476,556	33.8%
Housing	14,620,000	0.4%
Industry	20,874,000	0.6%
Sport & Recreation	165,614,657	4.4%
Transport	982,844,862	26.2%

LOCALITY	\$	%
Campaspe	149,529,139	4.0%
Campaspe & Greater Shepparton	7,100,000	0.2%
Campaspe & Murray	280,000,000	7.5%
Central Goldfields	69,655,813	1.9%
Greater Bendigo	2,305,241,795	61.5%
Greater Bendigo & Ballarat	900,000	0.02%
Greater Bendigo & Campaspe	91,000,000	2.4%
Greater Bendigo & Mount Alexander	35,521,000	0.9%
Greater Bendigo & Wyndham	20,000,000	0.5%
Greater Bendigo, Mount Alexander & Macedon Ranges	414,406,000	11.0%
Loddon	101,566,622	2.7%
Macedon Ranges	151,110,332	4.0%
Mount Alexander	124,907,538	3.3%

Source: Victorian Government, Dept of Jobs, Precincts and Regions

INVESTMENT SNAPSHOT

Key budgeted investments in the Loddon-Campaspe region in the 2005-06 and 2019-20

ARTS, CULTURE, HERITAGE

Supporting growth of the creative & visitor economies

Cultural & performance infrastructure
Public realm & place making
Cultural & arts enterprise

ECONOMY AND INDUSTRY

Supporting jobs & business enterprise

Business investment attraction, retention
Employment land
Government services

EDUCATION AND HEALTH

Supporting the growing population

Tertiary education
School upgrades
Hospital upgrades
Aged care

ENVIRONMENT

Securing reliable water supply for urban and rural users

Water pipelines
Water storage
Distribution schemes

SPORT and RECREATION

Building a healthy, socially connected community

Community sporting
Community wellbeing

TRANSPORT

Building connectivity for people and freight

Airport infrastructure
Highways and roads
Public transport infrastructure

KEY INVESTMENTS

Ulumbara theatre (Bendigo)
Art gallery upgrade (Bendigo)
Aboriginal cooperative (Bendigo)
Castlemaine goods sheds (Mt Alexander)
Holgate hotel, brewery discovery centre (Mt Macedon)
Port of Echuca precinct revitalisation (Campaspe)

KEY INVESTMENTS

GovHub (Bendigo)
Bendigo Bank HQ (Bendigo)
Regional decentralisation (Bendigo)
Streetscape enhancement (Loddon)
Echuca estate (Campaspe)
Wellsford Estate (Bendigo)

KEY INVESTMENTS

Tafe upgrade (Bendigo)
LaTrobe university health school (Bendigo)
Hospital expansion (Bendigo)
Echuca hospital (Campaspe)
Echuca estate (Campaspe)
Library redevelopment (Bendigo)

KEY INVESTMENTS

Groundwater (Bendigo)
Coliban recycled water (Bendigo)
Goldfield superpipe (Bendigo)
Malmsbury reservoir (Macedon)
Coliban rural water (Mt Alexander)
South West pipeline (Loddon)

KEY INVESTMENTS

Stadium (Bendigo)
Gurri Wanyarra wellbeing centre (Bendigo)
Wellbeing centre (Macedon)

KEY INVESTMENTS

Airport upgrade (Bendigo)
Highway and interchange upgrade (Bendigo)
Parking infrastructure (Bendigo)



CONTEXTUAL ASSESSMENT CORRIDOR PERFORMANCE

REGIONAL DEVELOPMENT

The economic development of the Loddon-Campaspe region is tied to its ability to produce for export and its growth is highly correlated with that of Greater Melbourne & Bendigo.

The table describes the interconnectedness of the region. Of the region's LGAs, the relationship with Greater Melbourne is most evident in Bendigo, the major commercial, mining and industrial centre, and Macedon Ranges, the most rapidly growing locality in the lower Calder Highway corridor.

Greater Bendigo's economy is symptomatic of large regional cities. It has a diversified economy founded on primary and secondary industry and strengthened by a large population served by tertiary services. Macedon Ranges' growth is being driven by urbanisation in the Greater Melbourne commuter belt which is attracting an array of population serving industries.

Campaspe's growth is moderately correlated to Greater Melbourne. Based strongly in agriculture and services to agriculture, Campaspe has a diverse population serving economy and is experiencing slow population growth.

Mount Alexander, also influenced by urbanisation in the Greater Melbourne commuter belt, is a population centre whose employment growth is strongly influenced by population serving industries.

Central Goldfields and Loddon are located to the side of the Calder Highway corridor. Their economies are more evidently agricultural with smaller population centres and are not strongly correlated to Greater Melbourne.

	GREATER BENDIGO	MACEDON RANGES	CAMPASPE	MOUNT ALEXANDER	CENTRAL GOLDFIELDS	LODDON
Regional dynamics 2015-2020	Primary economic & population centre Job growth is highly correlated to Greater Melbourne	Secondary economic & population centre Job growth is highly correlated to Greater Melbourne & Greater Bendigo	Third largest population & employment centre Job growth is moderately correlated to Greater Melbourne Highly correlated to Greater Bendigo	Fourth largest population & employment centre Moderately correlated to Greater Melbourne Highly correlated to Greater Bendigo	Agricultural economy with smaller population centres Weakly correlated to Greater Melbourne Moderately correlated to Greater Bendigo	Agricultural economy with smaller population centres Weakly correlated to Greater Melbourne Highly correlated to Greater Bendigo
Employment growth 2015-2019	Net growth overall Strongly based in mining & manufacturing, with diversified population serving industries	Net growth overall Strong growth in consumer & knowledge intensive services	Strong employment in agriculture & manufacturing and consumer services	Strong growth in manufacturing with diversified population serving industries	Net overall growth, especially in agriculture & health employment	Low net growth overall, based in production & population serving industries
Population growth 2015-2020	Net growth in all age cohorts, especially 25-39 years and >65 years	Net growth in all age cohorts especially 15-24 years	Strong growth in >65 year cohort, declining population in others	Population growth in most cohorts, especially >65 years	Low growth overall, especially >65 years, declining <15 years, 40-64 years	Declining net growth overall, except for >65 years
Business enterprise 2015-2019	Net growth overall Growth in knowledge intensive consumer services, decline in production industries	Net growth in manufacturing, construction, knowledge intensive consumer and producer services	Growth in manufacturing and knowledge intensive consumer services	Growth in construction & knowledge intensive producer services	Low net growth overall, especially in construction	Declining net growth overall, especially in agriculture
Skills mix 2016	High presence of high cognitive/non routine (professionals, managers) & cognitive/routine occupations (tech & trades, community, clerical)	All round skills in both high cognitive/non routine (managers, professionals) & cognitive/routine occupations (tech & trades, community, clerical)	High presence of high cognitive/routine (tech & trades, community, clerical) & non cognitive/routine (sales, machinery, labourers)	High presence of high cognitive/non routine occupations (professionals, managers)	High presence of high cognitive/routine occupations (tech & trades, community, clerical)	High presence of high cognitive/non routine (managers) due to agriculture

Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

EMPLOYMENT GROWTH

Employment growth in Loddon-Campaspe is highly urbanised. While the production economy is the region's bedrock, the urban services economy will drive future employment opportunities.

The table shows the net employment growth in industry sectors between 2015 and 2019 split by local government area.

While employment grew in all localities, the highly urbanised economies accounted for most of the growth.

Greater Bendigo attracted 54% of all new jobs followed by Macedon (22%), Campaspe (11%) and Mount Alexander (7%).

The critical mass of job growth is in urban-based public administration, health care, administrative services, retail and construction.

Employment loss is evident across the board in education and training, and in specific pockets in Bendigo (rental, hiring, real estate), Campaspe and Loddon (agriculture, wholesale), Central Goldfields (professional, scientific and technical services) and Mount Alexander (manufacturing, wholesale).

EMPLOYMENT GROWTH 2015-2019	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Loddon-Campaspe LGAs
Agriculture, forestry and fishing	-98	39	-32	31	146	8	94
Mining	9	290	11	15	-4	-3	318
Manufacturing	131	553	82	128	2	-37	859
Electricity, gas water and waste services	-1	71	-3	60	10	22	159
Construction	162	864	31	542	54	50	1,703
Wholesale trade	-122	93	-23	157	27	-29	103
Transport, postal and warehousing	226	145	6	128	58	-48	515
Retail trade	259	1,364	29	285	61	147	2,145
Accommodation and food services	135	428	7	86	38	59	753
Information media and telecommunications	17	31	-1	123	19	9	198
Finance and insurance services	161	334	5	261	-13	103	851
Rental, hiring and real estate services	27	-181	9	54	9	27	-55
Professional, scientific and technical services	87	127	4	343	-41	23	543
Administrative and support services	247	1,362	44	470	12	199	2,334
Public administration and safety	665	2,523	153	1,434	251	461	5,487
Education and training	-632	-1,347	-106	-931	-66	-121	-3,203
Health care and social assistance	647	2,255	98	661	150	181	3,992
Arts and recreation services	75	423	14	55	83	79	729
Other services	-59	443	11	124	1	71	591

Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

INDUSTRY SPECIALISATION

The Loddon-Campaspe region's industry specialisation profile is relatively diverse considering its historical strength in primary and secondary industry.

The charts show the relative concentration of industries in Loddon-Campaspe compared to Victoria as a whole and the relative growth in industry compared to Victoria.

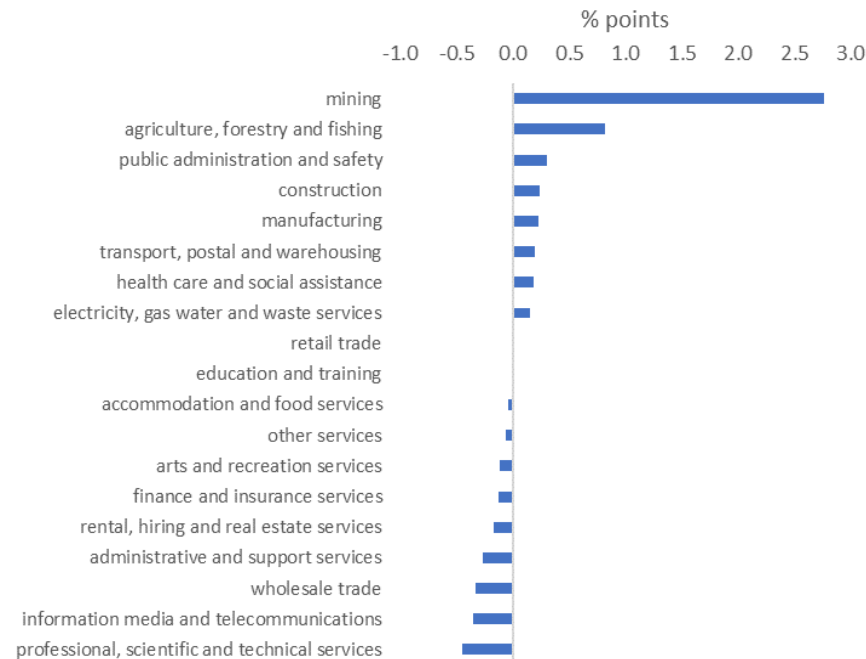
The picture that emerges is one of a region supercharged in mining, agriculture and manufacturing and the industries that service their production (construction, transport & warehousing, utilities).

Importantly it shows strong evidence of growth in knowledge intensive producer services (finance & insurance, information & telecommunications) and consumer services (accommodation & food, arts & recreation).

The region's future opportunities will be found in:

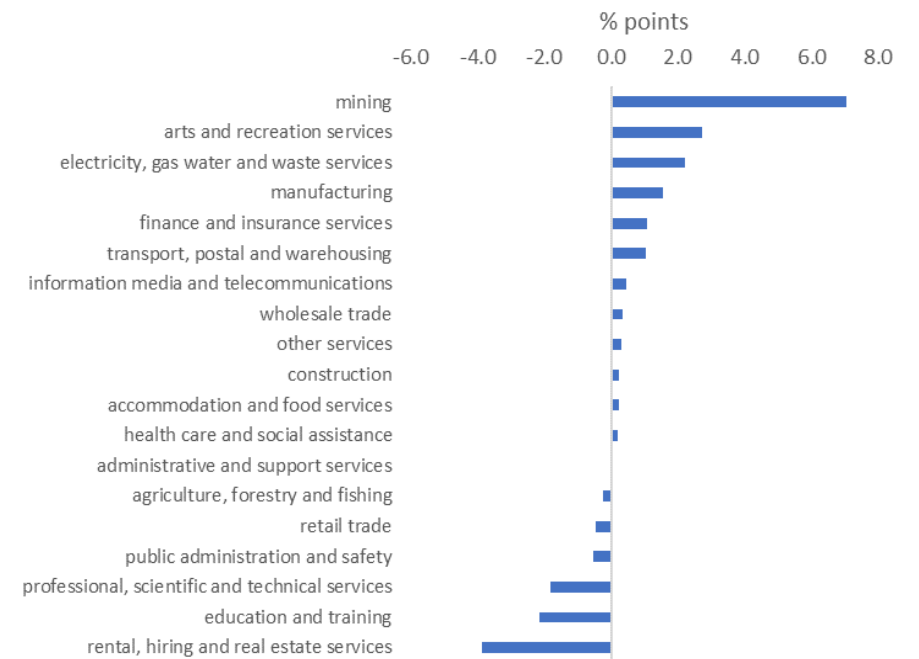
- The production economy (mining, food production, food manufacturing) serving metropolitan markets across Australia, inducing growth in downstream producer serving industries (construction, transport & warehousing, utilities) and upstream business serving industries (professional, scientific & technical, information & telecommunication)
- The visitor and creative economy (accommodation, arts & recreation, food services) enabling growth in supporting industries (transport, retail)
- The financial services economy (finance & insurance) with flow on to supporting industries like administrative services

LODDON-CAMPASPE NET SPECIALISATION
(v Victoria)



Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

LODDON-CAMPASPE NET GROWTH
(v Victoria)



Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

Loddon-Campaspe's economy is based on small businesses and micro enterprises, and over the past half decade has seen strong growth in construction, finance, professional services, and health, off-setting a decline in the number of agricultural, mining and transport & warehousing businesses.

The table shows the change in business enterprises between 2015-2019.

This period saw an overall increase in employment and corresponding growth in business enterprises in:

- Producer services (construction)
- Knowledge intensive producer services (finance & insurance, professional & scientific services)
- Knowledge intensive consumer services (health care)
- Consumer services (arts & recreation, accommodation & food services).

This period saw a reduction in enterprises in some industries, most notably agriculture and transport.

BUSINESS GROWTH 2015-2020	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Loddon-Campaspe LGAs
Agriculture, forestry and fishing	-75	-24	-28	-13	5	-26	-161
Mining	6	-17	0	0	0	-8	-19
Manufacturing	11	-8	-4	10	1	-10	0
Electricity, gas water and waste services	0	6	0	-2	-2	-2	0
Construction	29	154	7	102	20	61	373
Wholesale trade	6	-8	-5	-5	-4	-7	-23
Transport, postal and warehousing	-53	-34	-1	3	-5	-15	-105
Retail trade	-4	5	-9	-7	-1	2	-14
Accommodation and food services	-5	123	-1	10	-1	4	130
Information media and telecommunications	-4	-1	0	3	3	6	7
Finance and insurance services	46	67	-2	54	6	20	191
Rental, hiring and real estate services	4	4	6	56	-7	-4	59
Professional, scientific and technical services	28	77	6	92	0	32	235
Administrative and support services	17	50	-1	25	4	13	108
Public administration and safety	-2	-4	0	1	0	3	-2
Education and training	10	8	-1	12	-2	4	31
Health care and social assistance	16	85	3	57	3	2	166
Arts and recreation services	6	30	1	20	-2	19	74
Other services	16	19	6	34	0	12	87

Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

TALENT AND SKILLS

Loddon-Campaspe's skills base reflects the diversity of the regional economy, skewing towards knowledge intensive occupations in the lower Calder corridor, technical & trades, machinery and labourers in the agricultural and mining districts, and community & clerical occupations in the population-serving centres.

The tables show the distribution of workers by occupation and non-school qualifications in Loddon-Campaspe.

The region's workforce is characterised by:

- High cognitive/non-routine occupations (managers, professionals) concentrating in Greater Bendigo, Macedon Ranges and Mount Alexander
- High cognitive/routine occupations (technicians & trades, community, clerical) concentrating in Greater Bendigo, Macedon Ranges Campaspe, Central Goldfields
- Lower cognitive/routine occupations (sales, machinery, labourers) concentrating in Campaspe, Loddon, Central Goldfields

The region's future development opportunities hinge on its ability to create jobs, retain and attract talented people, and nurture skills within its resident workforce.

OCCUPATIONS 2016	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Greater Melbourne	Victoria
Managers (%)	17.8	11.0	35.0	14.6	12.4	14.3	13.2	13.5
Professionals (%)	13.2	20.1	10.7	22.2	11.3	23.8	25.0	23.3
Technicians and trades workers (%)	14.5	14.5	8.8	16.0	16.7	13.8	12.6	13.1
Community and personal service workers (%)	11.0	12.1	8.0	11.3	12.8	11.5	10.2	10.6
Clerical and administrative workers (%)	9.7	12.4	8.4	13.0	9.3	9.6	13.9	13.3
Sales workers (%)	9.9	10.5	5.5	8.0	11.3	7.7	9.7	9.7
Machinery operators and drivers (%)	7.4	6.1	7.0	4.9	6.9	4.6	5.6	5.8
Labourers (%)	14.9	11.8	14.8	8.5	17.8	13.1	8.1	9.0

NON-SCHOOL QUALIFICATIONS 2016	Campaspe	Greater Bendigo	Loddon	Macedon Ranges	Central Goldfields	Mount Alexander	Greater Melbourne	Victoria
Natural and physical sciences (%)	1.2	1.8	0.9	2.9	1.0	2.6	3.6	3.2
Information technology (%)	0.7	1.9	0.5	1.5	0.9	1.2	4.4	3.7
Engineering and related technologies (%)	16.3	13.8	13.6	16.2	18.9	11.8	13.2	13.5
Architecture and building (%)	6.1	6.7	4.4	6.6	5.6	5.0	5.3	5.5
Agriculture, environmental and related studies (%)	6.0	2.8	12.1	3.1	3.7	3.4	1.3	1.9
Health (%)	10.7	12.5	8.7	9.8	9.6	10.1	8.9	9.4
Education (%)	8.0	9.7	7.4	10.1	7.7	10.7	7.1	7.5
Management and commerce (%)	10.4	12.9	8.4	14.6	9.3	8.2	20.5	18.6
Society and culture (%)	9.4	11.6	8.3	10.8	10.4	12.8	12.0	11.7
Creative arts (%)	1.4	2.5	1.5	3.6	1.6	5.7	4.5	4.0
Food, hospitality and personal services (%)	6.8	5.5	4.4	4.3	6.3	3.4	4.7	4.9

Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)

WORKFORCE

Loddon-Campaspe's workforce has grown over the past half decade (including through the Covid-19 pandemic) at a marginally higher rate than population growth.

The rapid rate of employment growth has reduced the pool of unemployed people significantly, illustrating the region's key vulnerability, that the limited workforce pool is a constraint on future growth.

The table below shows the annualised growth rate (%) between 2015-2021 of the employed, unemployed and total workforce. The adjacent chart shows the relative unemployment rates of LGAs within the region.

The economic magnetism of the region's urban and rural growth drivers is evident. The employed workforces of Greater Bendigo, Macedon Ranges and Mount Alexander have grown quickly, fueled by population growth and the demand for population serving employment. Total workforce growth has been muted, in comparison, with the effect of absorbing previously unemployed people into the workforce.

The exception appears to be Campaspe where the workforce did not increase, implying evidence of workforce migration to adjacent LGAs.

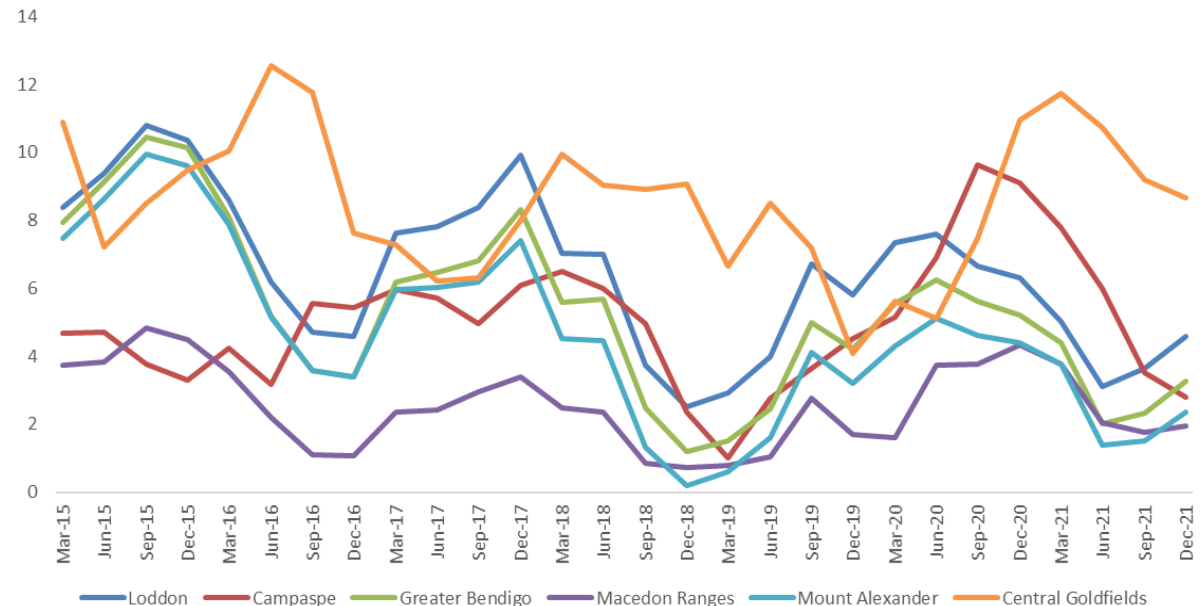
The chart shows the relative fluctuations in unemployment rate in the region over this period. Despite the cyclical nature of unemployment, the overall downward trend in unemployment is evident, except for the Covid-19 pandemic uptick in 2021.

Central Goldfields appears to be an outlier, both in the sense of having a consistently higher than average unemployment rate, and also running counter cyclical to the overall trend.

WORKFORCE GROWTH RATE (%) 2015-2021	Employed workforce	Unemployed workforce	Total workforce
Loddon	1.8	-12.0	0.7
Campaspe	-1.3	-4.1	-1.4
Greater Bendigo	3.6	-15.3	2.3
Macedon Ranges	2.3	-11.4	1.9
Mount Alexander	3.2	-19.4	1.9
Central Goldfields	0.8	-0.9	0.6
Loddon-Campaspe	2.3	-12.9	1.5

Source: National Skills Commission, Small Area Labour Markets
(<https://labourmarketinsights.gov.au/regions/small-area-labour-markets/#LGAdata>)

LODDEN-CAMPASPE UNEMPLOYMENT RATE (%) 2015-2021



INCOME

Loddon-Campaspe's employee income and own unincorporated business income are insightful proxy measures of wealth and labour productivity levels in the region. Relative to Victoria and Greater Melbourne, these indicators have changed, suggesting a shift in the region's underlying productivity.

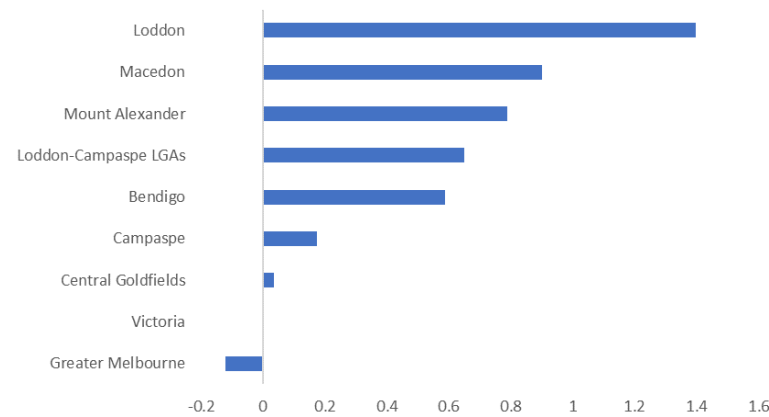
The blue charts show the net growth in the region's median employee income and median own unincorporated business income between 2015-2019.

Over this period most of Loddon-Campaspe LGAs show evidence of higher growth in net median income for employees (wage and salary earners) and own unincorporated business income (sole traders with ABNs, not incorporated businesses). At face value this suggests that the underlying productivity of the region's workforce has grown faster than Victoria as a whole, and Greater Melbourne.

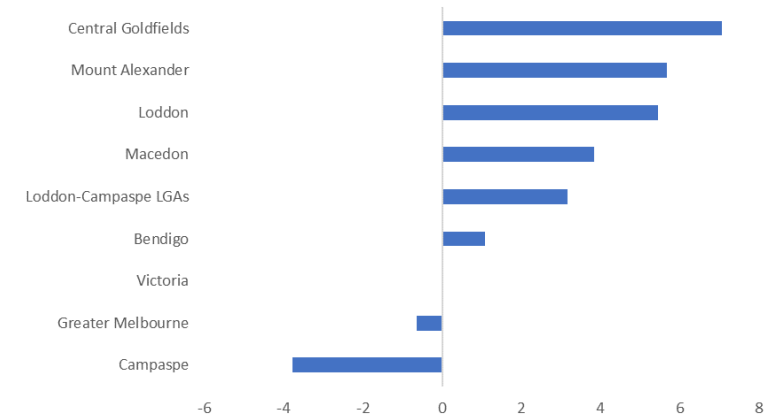
The orange charts show the net growth in total employee income and total own unincorporated business income over 2015-2019.

They suggest that the total pool of income from employed people and sole traders grew slower than Victoria as a whole, which is predictable because Victoria is weighted towards Greater Melbourne's higher wage differential.

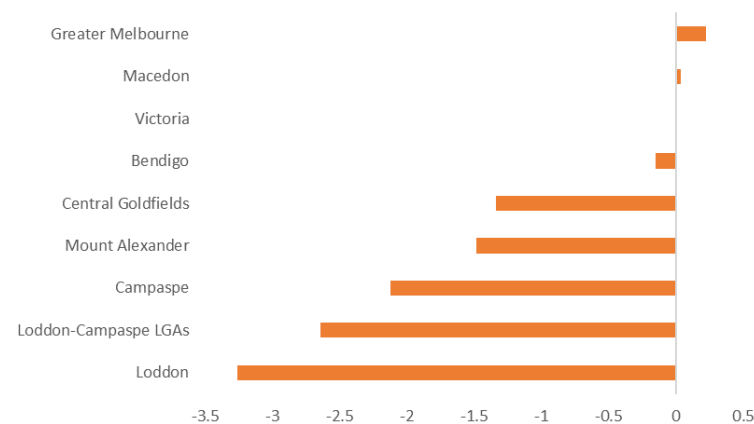
NET MEDIAN EMPLOYEE INCOME GROWTH (%)
v Victoria 2015-2019



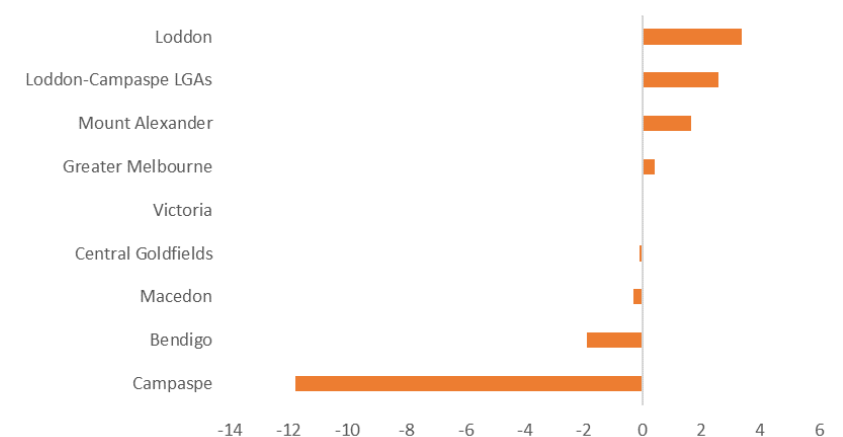
NET MEDIAN OWN UNINCORP BUSINESS INCOME (%)
v Victoria 2015-2019



NET TOTAL EMPLOYEE INCOME GROWTH (%)
v Victoria 2015-2019



NET TOTAL OWN UNINCORP BUSINESS INCOME GROWTH (%) - v Victoria 2015-2019



Source: Australian Bureau of Statistics, Data by Region
(<https://dbr.abs.gov.au>)



STAKEHOLDER INSIGHTS

1 DISTINCT BRAND OPPORTUNITIES

Due to a mix of unique natural assets, creative destination hubs and local makers and producers abundant in the region, it has a major opportunity to brand itself as a premium destination to live, work and visit.

“Already certain areas such as Kyneton are being labelled as “the next Daylesford”.

The region needs its own identity which capitalises on it’s own distinct strengths.

2 NETWORK FACILITATION REQUIRED

Stakeholders identified the need to understand how businesses across the region can work together to support, grow and innovate most efficiently.

Councils want to understand where they fit in as players and how they can leverage their strengths in conjunction with others to benefit the entire area.

“We could know more about what’s happening in other councils industry ecosystem?”

Broad support for the facilitation of the REIC was evident as a result of this.

Preliminary engagement was undertaken with project stakeholders representing the several regional local governments. Through these consultations broad REIC support was established.

The purpose of this early interaction as to gain a deeper understanding of the purpose and ambition for the region from those most intrinsically involved. Members participated in a series of semi structured interviews conducted in person and across digital platforms.

3 BUSINESS IS GROWING

The Loddon Campaspe business region is expanding with Gisborne now considered the boundary of activity as opposed to Kyneton.

“The future holds the promise of fast regional growth in areas like Gisborne, facilitated by access to connected road and airport networks directly to the area.”

4 CLARITY NEEDED TO DRIVE OUTCOMES

With the growth of the region outpacing regional growth plans and general sentiment of the area’s strengths and capability, stakeholders believe they need help understanding what the opportunities for the region actually are and how these should be executed.

“What does the region actually have to draw on? What are our distinctive strengths, challenges and opportunities?”

5 STRATEGIES TO EDUCATE AND RETAIN LOCAL TALENT

The region lacks the magnetism to encourage people to move to the area to pursue an education. It also struggles to retain and educate local talent in favour of other areas. Stakeholders believe there needs to be strategies in place that encourage, attract and retain local talent with the best education.

“Our education system is good but not great”

6 EXPANSION OPPORTUNITES CONSTRAINED

Housing affordability is becoming unattainable in the area as demand struggles to service the regions growing population. Rises in city dwellers investing in regional property has influenced this trend further.

“House pricing is up 40% from just last year in Bendigo with lower socio economic areas up 50-60%”.

Land availability is also an issue with limited space left to develop residential and industrial opportunities.

“Only small pockets of land are left to develop. Therefore the region struggles to attract new industries that require large areas of land.”

Planning controls are also outdated and restrict entrepreneurial interest in the area due to their tight regulations around land-use. Challenges have risen as a result of outdated planning frameworks that restrict local business activity.

AN INNOVATION REGION

Loddon-Campaspe is considered to have a vibrant, emerging innovation culture among its business enterprises, with the potential to become a digital innovation leader.

A survey* of 53 businesses conducted across 13 major industry sectors in 13 cities and towns in the small, medium and large business categories found that businesses believe in the region’s innovation potential.

For the region to fulfil its potential it needs to address key barriers, including:

- Finding skilled talent, particularly people with computer and data science qualifications
- Meeting an unfulfilled demand for digital innovation services, which either don’t exist or are hard to access in the region

**Source: Vector Consulting. Regional Innovation District Study: Key insights from the stakeholder survey*

A review was also conducted of the (Draft) Regional Innovation District Study by Vector Consulting, which looks at the case for, and feasibility of, the region becoming a digital innovation leader.

Some key findings from the survey of 53 local firms and 23 in-depth interviews are detailed in this section. In summary, while the region has strong potential given its competitive local industries and cluster of education and training anchors, a range of inhibiting factors limit ecosystem capability and capacity.

A GREAT PLACE TO DO BUSINESS

Businesses see Loddon-Campaspe as a great location for digital-intensive enterprises, agreeing that digital innovation is a priority for the region.

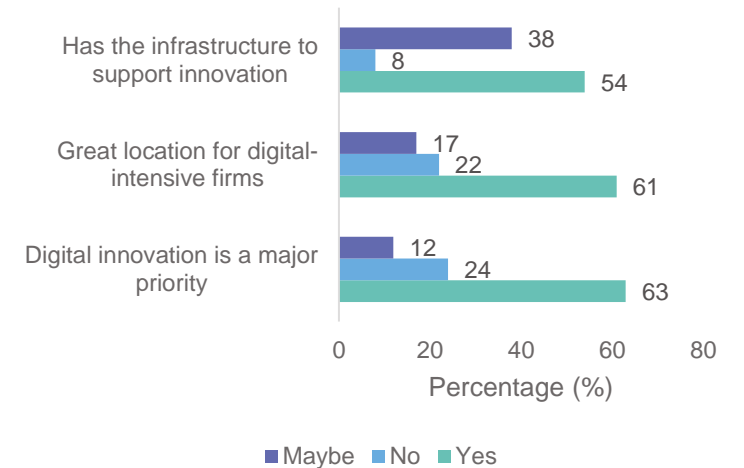
While there is already momentum around digital innovation in the region, only slightly more than a half said the region has the necessary infrastructure to support innovation.

Innovation takes a variety of forms, including prototyping and proofs of concept, commercialisation of new products and services, fields trials, and designing problem statements.

Business enterprises typically access existing innovation services through industry networks, events, co-working spaces, accelerators/incubators, consultancy services and R&D facilities.

Collaboration and co-innovation are important ingredients for innovation. Businesses typically collaborate with other businesses, consultants, tertiary education and research institutes.

HOW FIRMS SEE THE REGION



Data sourced: Vector Consulting. Regional Innovation District Study: Key insights from the stakeholder survey

A TECHNOLOGY ADOPTION GAP

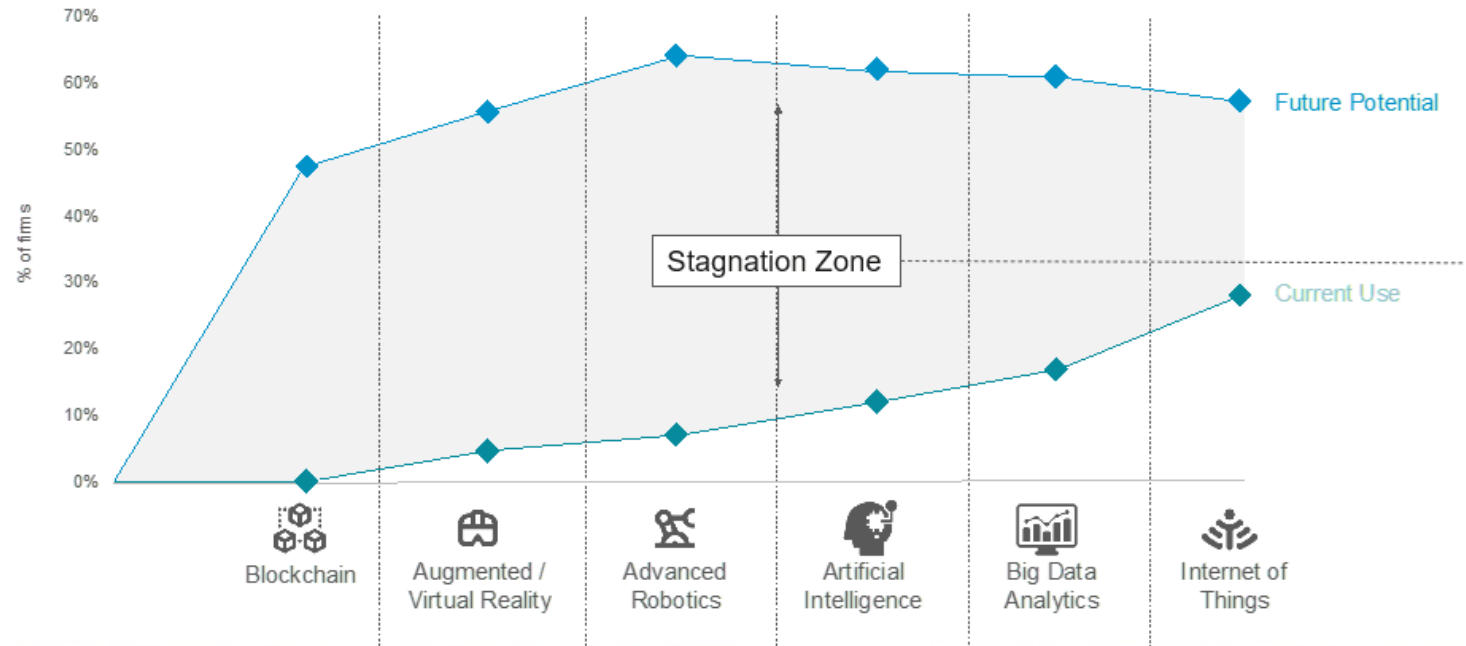
Despite strong levels of innovation ambition and activity, there appears to be a gap in terms of actual technology adoption.

Helping firms to close this gap is a major opportunity and priority

The majority of small and medium-sized businesses see the future importance of digital technologies for their business, even though they are not using (or are only partially using) these today.

The gap between current usage and future potential is a ‘stagnation zone’ for firms. Their inability to build specific technology capability and skills will stall growth and impact on their local and global competitiveness.

CURRENT AND DESIRED TECHNOLOGY ADOPTION



Source: Vector Consulting. Regional Innovation District Study: Key insights from the stakeholder survey

DEMAND FOR SKILLED TALENT

Key among the barriers to growth is the lack of skilled talent, particularly people with qualifications in computer and data science and business management and administration.

In addition to finding skilled talent, business enterprises report that other supply side factors impact their growth. These include:

- Meeting the demand from customers
- Supply chain and logistic barriers
- Access to suitable working premises

On the demand side, finding new customers is not considerable barrier. Nor is getting access to capital.

In terms of skills, there is an array of science, engineering, arts, mathematics-related capabilities that are in high demand:

- Computer/data science
- Business management/administration
- Business development/sales/marketing
- User interface/user experience designers
- Engineering

A key finding from the report is that regional innovation is being constrained by the challenges around digital capability and capacity across the industry ecosystem. Any strategy to improve regional innovation in the REIC should prioritise digital innovation capability.

DEMAND FOR INNOVATION SERVICES

A major barrier is that there is demand for digital innovation services that either do not exist or are difficult to access.

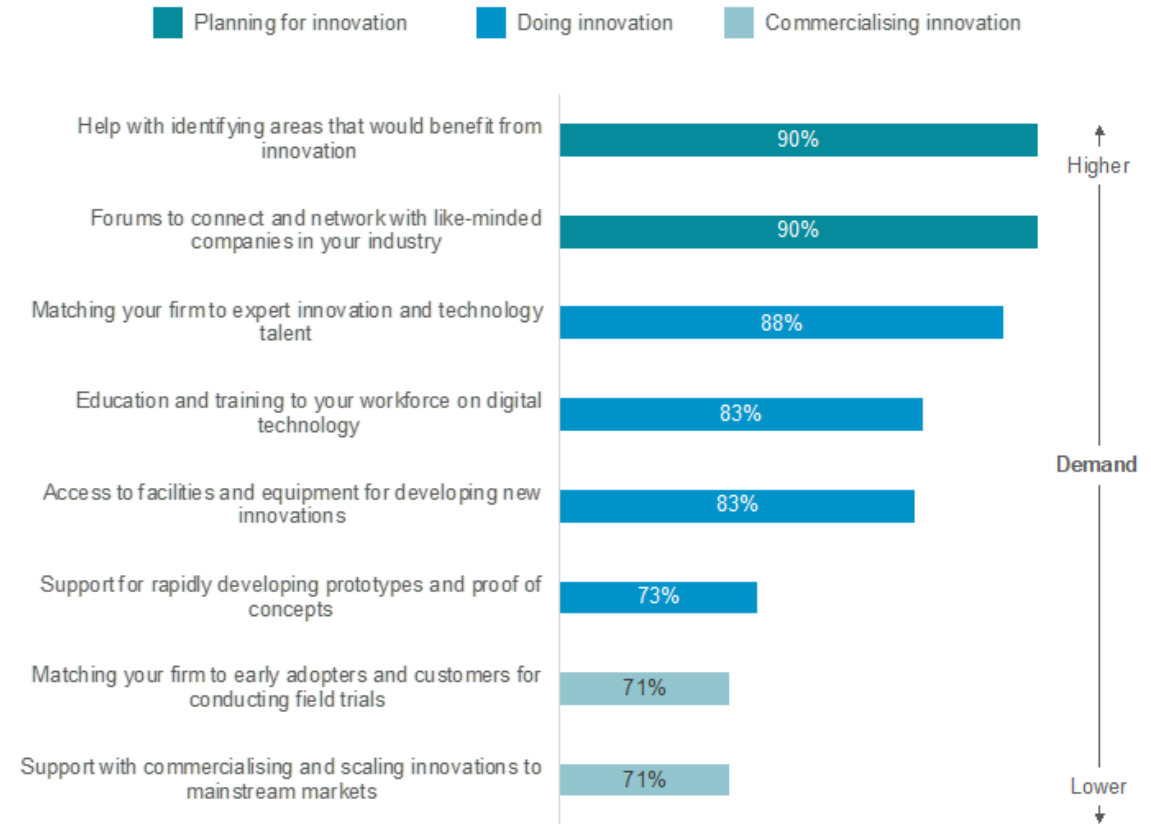
Many firms know digital innovation offers benefits but they do not understand what they are, relative priority, how to capture them or potential partners.

For many firms the immediate need to boost performance are basic: digital workforce training, access to collaborative spaces and advice on how digital innovation could benefit their business.

For a smaller number of firms (particularly those in agriculture, healthcare and IT / telecommunications) the needs are far more specialised, including assistance with prototyping and commercialisation.

Failure to access these services will likely lead to slower digital adoption, poor job creation and reduced competitiveness.

TYPES OF SERVICES IN DEMAND



Source: Vector Consulting. Regional Innovation District Study: Key insights from the stakeholder survey



REGIONAL EMPLOYMENT & INNOVATION CORRIDOR ENABLING ASSETS

REGIONAL ENDOWMENTS

The region is home to an abundance of natural and culturally significant assets that cannot be built or replicated in other areas.

The regions success is linked to its success in activating, promoting and celebrating these unique place-based characteristics as key attractors for future talent, visitors and investment.

Any future strategic objectives for the LC-REIC need to respond and capitalise on these endowments.

Natural Assets

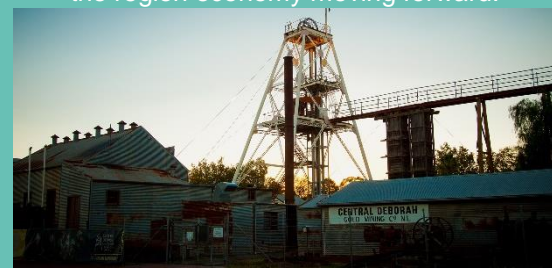
Fertile land and water access

The region has an abundance of fertile land well placed for a variety agriculture uses. In addition, the region is supported by three major river catchments and extensive irrigation infrastructure.



Mineral resources

Loddon Campaspe is a historic gold region and is home to the state's largest gold mine. The announcement of new exploration licenses and growth opportunities in associated mining, engineering and technical services (METS) industries will continue to support the region economy moving forward.



Environmental assets

The region is home to five National Parks and a further six State and Regional Parks, including famous tourist attraction, Hanging Rock. The Murry River is also a large tourist and cultural catchment for many across the state.



Heritage Assets

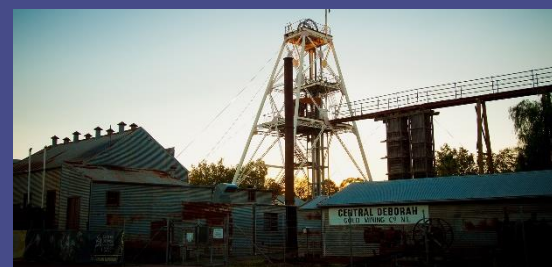
Aboriginal sites and heritage

The region is home to the Dja Dja Wurrung, Wurundjeri, Yorta Yorta and Taungurung Traditional Owners, as well as the Barapa Barapa people. Three heritage sites across the region are spiritually, economically and environmentally significant. The Dhehkunya Dja Land Management Board, manages four parks through Joint Management Plans.



Gold Mining Heritage

As a historic gold region, Loddon Campaspe is home to several significant gold rush era sites such as Castlemaine Diggings National Heritage Park, Bendigo Mining Exchange, Maldon historic streetscape and Hotel Shamrock among many others throughout the region.








EDUCATION ASSETS



The Loddon Campaspe region is a hotspot for education providers and education infrastructure and as such is well positioned further enhancing these assets to better service the innovation and skills development of the region.

La Trobe University has a campus in Bendigo, and other universities (Monash, Deakin, Melbourne and RMIT) also have a presence in the region.

The principal VET organisation is Bendigo Kangan Institute, which has campuses in Bendigo, Castlemaine and Echuca. It hosts the Food and Fibre Centre of Excellence, which offers training in food and fibre production, animal care management, plants and landscapes, primary food processing, environment and national resource management, and other related applied sciences.

LA TROBE UNIVERSITY	MONASH UNIVERSITY	BENDIGO TAFE (KANGAN INSTITUTE)	RMIT UNIVERSITY	MELBOURNE UNIVERSITY
	 MONASH University			
LOCATION: Bendigo	LOCATION: Bendigo	LOCATION: Bendigo, Echuca and Castlemaine	LOCATION: Bendigo	LOCATION: Bendigo
LAND SIZE: 33 Hectares	LAND SIZE: One building inside Bendigo Health (13 hectares)	LAND SIZE: not stated	LAND SIZE: Not stated	LAND SIZE: inside Monash University School of Rural Health
FACILITIES: Latrobe Art Institute, Rural Health School, residential accommodation, and Bendigo Tech School	FACILITIES: Vocational training and workplace facilities for undergraduate medical courses, graduate placements and research.	FACILITIES: Multiple campuses, facilities and courses spanning interests from automotive technology to veterinary nursing.	FACILITIES: Home to RMIT's Flight Training School.	FACILITIES: Vocational training and workplace facilities for undergraduate medical courses, graduate placements and research.
RECENT INFRASTRUCTURE INVESTMENTS: As part of its <i>Bendigo Campus Transformation Plan</i> , \$60 million was spent to deliver 4 new buildings in various fields. The plan aims to encourage more students to consider Bendigo as a great place to live and attain quality education.	RECENT INFRASTRUCTURE INVESTMENTS: Entire building was one element of the \$630 million Bendigo Hospital redevelopment (2018).	RECENT INFRASTRUCTURE INVESTMENTS: A new \$60 million campus centre was developed in 2021 to revitalise the campus and encourage new students to choose the site as their education provider.	RECENT INFRASTRUCTURE INVESTMENTS: With more than 300 flyable days each year, RMIT's new Bendigo facility houses a brand-new runway and training routes that are both regional and interstate.	RECENT INFRASTRUCTURE INVESTMENTS: Entire building was one element of the \$630 million Bendigo Hospital redevelopment (2018).
POPULATION SERVICING: Over 5000 students and 400 staff.	POPULATION SERVICING: A portion of the 1,700 student placements at Bendigo Health each year.	POPULATION SERVICING: 9,000 students every year	POPULATION SERVICING: produced more than 3000 pilots since it opened.	POPULATION SERVICING: A portion of the 1,700 student placements at Bendigo Health each year.
QUALITIES: Biggest university in the Loddon Campaspe region and La Trobe's largest regional campus.	QUALITIES: Biggest university in the Loddon Campaspe region and La Trobe's largest regional campus.	QUALITIES: largest further education provider in the area.	QUALITIES: Access to high-quality hands on training which is highly respected in the aviation industry.	QUALITIES: Students have access to the Clinical Skills Laboratory and high-fidelity simulation equipment at the clinical school.

MAJOR EMPLOYERS



The regions biggest employers are heavily concentrated in Bendigo as they seek to leverage the agglomeration effects of this major regional services hub.

These concentrations underpin some of the region's key specialisations and comparative advantages which need to be further enhanced by the LC-REIC project design.

BENDIGO HEALTH



LOCATION: Bendigo

BACKGROUND: Bendigo Health is the largest employer in Bendigo with a variety of health services available to the public.

SECTOR DOMINANCE IN THE REGION: #1 value producing sector in the region (Healthcare and Social Assistance). The sector produced \$1,298.5 billion towards GVA in 2020.

NUMBER OF EMPLOYEES: 4000.

CATCHMENT POPULATION: 320,878 (Loddon Mallee Region).

BENDIGO & ADELAIDE BANK



LOCATION: Bendigo

BACKGROUND: Bendigo and Adelaide Bank ('Bendigo') is Australia's fifth-largest bank with 1.6 million customers and assets of \$65 billion. It is listed on the ASX and still operates out of Bendigo.

SECTOR DOMINANCE IN THE REGION: #2 value producing sector in the region (Financial and Insurance Services). The sector produced \$979.9 million towards GVA in 2020.

NUMBER OF EMPLOYEES: 600 in Bendigo and 7,000 across Australia.

CATCHMENT AREA: Australia wide.

LATROBE UNIVERSITY



LOCATION: Bendigo

BACKGROUND: Bendigo is La Trobe's second largest campus, with over 5000 local and international students.

SECTOR DOMINANCE IN THE REGION: #5 value producing sector in the region (Education and training). The sector produced \$656.6 million towards GVA in 2020.

NUMBER OF EMPLOYEES: 400

CATCHMENT AREA: Victoria-wide as well as some international catchment.

DON KR CASTLEMAINE



LOCATION: Castlemaine

BACKGROUND: Don KR Castlemaine is a manufacturer of meat products such as ham, bacon and salami.

SECTOR DOMINANCE IN THE REGION: #3 value producing sector in the region (manufacturing). The sector produced \$974.8 million towards GVA in 2020.

NUMBER OF EMPLOYEES: 1,800

CATCHMENT AREA: Australia-wide

TRANSPORT ASSETS



The region is well connected to domestic markets via an extensive road and rail network, including two major rail corridors and seven highway connections – most notably the Calder Freeway, Midland Highway, Bendigo and Maryborough Rail Lines. These inter-regional connections underpin the REIC business cluster, however intra-regional connectivity is one of the challenges that has been identified to support optimization.

This network also ensures access to international markets via key seaports and airports. Bendigo Airport, which hosts interstate flights including a Bendigo-Sydney route, is the main airport with other aerodromes located across the region.

● Connection to regional markets

ROAD CONNECTION

MAJOR CORRIDORS: Calder Freeway and Midland Highway

LAST UPDATED: Both currently being updated now.

TARGET MARKET INTO LODDON CAMPASPE: Melbourne residents.

DURATION FROM CLOSEST MAJOR CITY: 50 minutes from Melbourne CBD to Gisborne, 1 hour 50 minutes from Melbourne CBD to Bendigo CBD.

SERVICE: N/A

● Connection to regional markets

PASSENGER RAIL CONNECTION

MAJOR CORRIDORS: Bendigo Rail Line

LAST UPDATED: Currently being updated now.

TARGET MARKET INTO LODDON CAMPASPE: Melbourne and regional Victorian residents.

DURATION FROM CLOSEST MAJOR CITY: 50 Minutes from Melbourne to Gisborne. 1 hour 50 minutes from Melbourne CBD to Bendigo CBD.

SERVICE: 24 services to Bendigo per day.

The Bendigo service is the third busiest regional rail service in Victoria (behind Geelong and Ballarat) carrying 2.59 million passengers each year (2017).

Punctuality of service is equal to 93.2%. Reliability of Service is equal to 96.8%

● Connection to interstate & international markets

AIR CONNECTION

MAJOR CORRIDORS: Bendigo Airport

LAST UPDATED: A projected \$10 million upgrade and expansion is forecasted.

TARGET MARKET INTO LODDON CAMPASPE: Sydney residents.

DURATION FROM CLOSEST MAJOR CITY: 1 hour 50 minutes to Sydney.

USE: 1-2 flights per day from both Bendigo to Sydney and Sydney to Bendigo.

CULTURAL ASSETS



The growth in the creative industries sector is leveraging investment in existing cultural assets within the region and creating a demand-led feedback loop which is further driving new asset development and improvement.

The emergence of the creative industries sector is also likely to be the source of new innovation and entrepreneurial behaviours and should be harnessed through the development and establishment of the LC-REIC.

BENDIGO ART GALLERY



LOCATION: Bendigo

OWNER: Public

BACKGROUND: Bendigo Art Gallery is one of the largest regional galleries in Australia. It hosts many local and international exhibitions and artists.

CATCHMENT AREA: Australia-wide

Value brought: \$20m in added value to the region's economy each year.

THE MILL



LOCATION: Castlemaine

OWNER: Private

BACKGROUND: Originally established as a Woollen Mill in the 1980's, The Mill has recently transformed into a place for food and artisan manufacturing, underpinning Castlemaine's vibrant culture. Boutique businesses on-site include winemakers, bakers, a craft brewery, and a cheese maker among others.

CATCHMENT AREA: Victoria and Australia-wide (tourists to Castlemaine)

Value brought: Unreported.

HANGING ROCK



LOCATION: Macedon Ranges

OWNER: Public

BACKGROUND: Hanging rock is a famous tourist site for movie buffs, nature lovers, picnic-goers and music enthusiasts alike. It is also a sacred indigenous landmark.

CATCHMENT AREA: Australia-wide

Value brought: Unreported.

ULUMBARRA THEATRE



LOCATION: Bendigo

OWNER: Public

BACKGROUND: The Ulumbarra Theatre is a redevelopment of the Bendigo gaol, which operated from 1863 until 2004. Today it houses international and national artists as well as private functions.

CATCHMENT AREA: Bendigo to Victoria-wide

Value brought: Unreported.

UNESCO CREATIVE CITY



LOCATION: Bendigo

OWNER: Public Recognition

BACKGROUND: Bendigo (and the broader region) was named a UNESCO Creative City destination in Gastronomy in 2019. The prestigious award recognises cities from around the world that place cultural industries at the heart of their development and excel in their field. So far, Bendigo is one of 65 cities to be awarded this title, next to other world cities from the likes of Italy, Spain, South Korea and Japan.

CATCHMENT AREA: World-wide recognition.

Value brought: World-wide recognition.

PLANNED INVESTMENT

Under Construction

Bendigo Health



Phase: Under Construction

Confirmed Investment: \$59 million in state government funding.

Details:

- The construction will focus on Bendigo Hospital Day Rehabilitation Centre.
- Operated by Bendigo Health, the new centre will consolidate rehabilitation services into one new location and provide a holistic approach to deliver patient-centred care.

CFA Fire Station



Phase: Under Construction.

Confirmed Investment: \$10 million in state government funding.

Details:

- Brand new fire station in Bendigo currently under construction.

GovHUB



Phase: Under Construction.

Confirmed Investment: \$90 million in state government funding.

Details:

- The new Bendigo GovHub will accommodate up to 1000 City of Greater Bendigo and Victorian Government workers.
- It will centralise the delivery of a range of government services currently provided at a number of different locations in and around Bendigo.

Bendigo Law Courts



Phase: Under Construction.

Confirmed Investment: : \$152 million in state government funding.

Details:

- The brand-new development will be built over five levels and contain 11 courtrooms as well as other amenities.
- It will service the Magistrates' Court of Victoria, Children's Court of Victoria, the Victorian Civil and Administrative Tribunal.

PLANNED INVESTMENT

Under Construction

Bendigo Metro Rail



Phase: Under Construction.

Confirmed Investment: : \$50 million in state government funding.

Details:

- The project will deliver Bendigo Metro three (3) with new stations at Goornong, Huntly and Raywood to give people in these growing communities access to train services close to where they live.

Hotels



Phase: Under Construction.

Confirmed Investment: : \$100 in private sector funding.

Details:

- Bendigo council has recently approved the application for three private sector hotels valued at \$100 million combined.
- Interest from other developers wanting to construct hotels is at an unprecedented level as firms seek to capitalize on strong and growing regional visitor economy.

Completed Business Case

100GIG Bendigo



Phase: Completed Business Case.

Confirmed Investment: None to date.

Details:

- Completed business case to understand the benefits of becoming a 100Bigabit region.
- The plan aims to drive investment in facilities and infrastructure that will deliver a 100GB city centre that can further attract jobs, new institutions and residential living in the city centre.

Finalised Funding Agreement

Bendigo Airport



Phase: Finalised funding agreement

Confirmed Investment: \$9.9 million (\$4.5 million in federal funding).

Details:

- Planned expansion of the airport to increase flight capacity and establish a dedicated airport business park.
- Increase flights to destinations other than Sydney.



STRATEGIC DIRECTIONS

EMERGING OPPORTUNITIES

The following early diagnosis and strategic directions build on an established framework for the spatial representation of innovation combined with the background review and synthesis of key information and engagement activities detailed in this report.

These themes will be further refined and tested during the Corridor Diagnosis & Synthesis Workshop with key project partners and will inform the identified project purpose and scope.

Catalysing a regional innovation and employment corridor is a critical strategy in converting comparative to competitive advantage and locking Loddon-Campaspe's future prosperity and productivity.

Achieving this is a deliberate process, requiring:

- An understanding of what makes innovation take place in cities, towns and regions
- Knowledge of Loddon-Campaspe's economic drivers that can be leveraged to support innovation
- Insight into issues and factors that influence and inform innovation and need to be further understood
- A collaborative effort from government at three levels, the community and private industry to build a shared view of the region's future
- A funded action plan to deliver a sequenced program of projects and initiatives that will build innovation and produce measurable results in terms of employment and prosperity

The chart presents an economic lens on urban and regional innovation systems.

Innovation flourishes where cities, towns and regions create the conditions that encourage creation and sharing of new ideas, provide accessible places for business to concentrate, allow enterprises to cluster together in value chains, provide jobs and incomes that attract talented workers, create flow-on for the community, and reinvest in the physical, social and human capital that creates more rounds of innovation.

How Spatial Development Affects Innovation In Cities, Towns & Regions

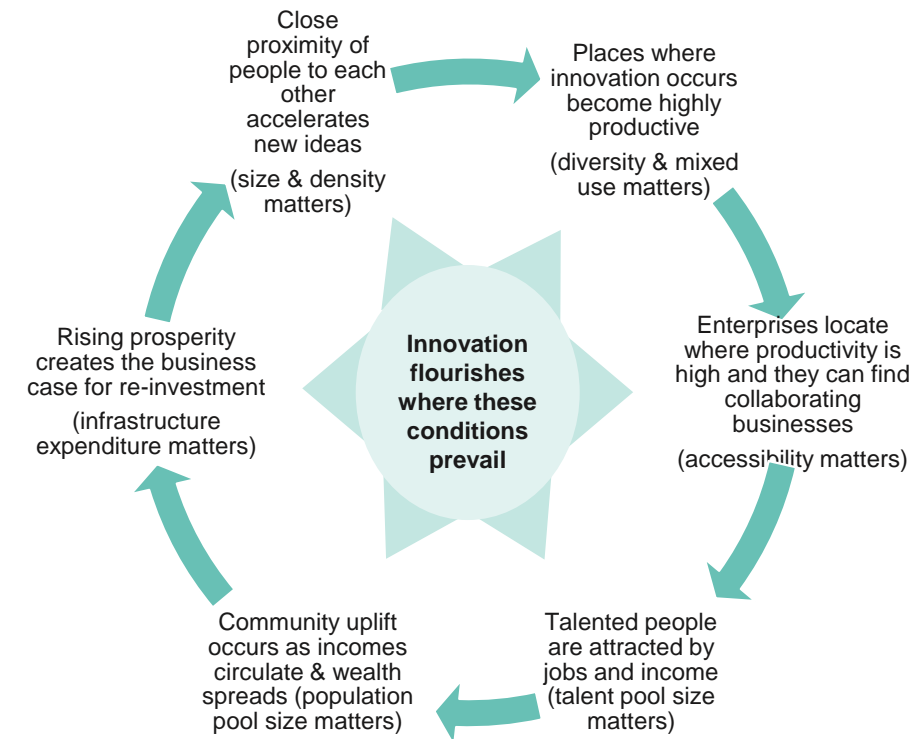


Figure X: REIC Economic Objectives / Priorities, Loddon Campaspe Economic Growth Strategy (2019)

STRATEGIC DIRECTIONS

POPULATION GROWTH

Regional land use & infrastructure planning

A key direction for the corridor is to have a coordinated strategy to the development of land use and infrastructure for Loddon-Campaspe as a region.

ASSETS

Population growth is a driver of population-serving industries and has seen a rapid growth in urban-centred employment, notably in arts & recreation services, accommodation & food services and health care.

Population growth is also a driver of construction which has expanded most rapidly in the major centres of Greater Bendigo, Mount Alexander and Macedon Ranges.

BENEFITS

Successfully leveraging further population growth is a necessary condition for future development by:

- Growing new markets for locally produced goods and services
- Building the liveability of the region and enhancing its attractiveness to a talented workforce

ISSUES

A constraining factor to population growth is the limited supply of housing which is becoming increasingly expensive and potentially unaffordable.

Key to achieving this is unlocking future urban land supply, as well as the coordinated investment and delivery of associated community infrastructure and physical infrastructure.

With this input, population growth can occur at a higher natural rate and will not constrain economic growth.

INDUSTRIES PRODUCING FOR EXPORTS

Industry sector development & clusters

A key direction of the corridor is to strategically build the value chains and supply chains supporting the region's main export industries, not only the production sectors but also emerging high value industries.

ASSETS

Loddon-Campaspe has diverse base of exporting industries, particularly in production sectors (mining, agriculture, manufacturing), creative and tourism economy, and financial services.

These perform an important role by generating income into the region which is then recirculated around the economy and supports economic resilience.

BENEFITS

Successfully leveraging export producing industries is a necessary condition for future development by:

- Expanding external markets for locally produced goods and services
- Building resilience in the region's supply chains and logistics chains

ISSUES

A constraining factor to export growth is the lack of a coherent and coordinated strategy for the development of land and infrastructure for key industry sectors.

Key to achieving this is the unlocking of emergent industries such as in the advanced manufacturing and creative economy and tourism sectors.

With diversification, export growth will reduce the region's vulnerability and reliance on traditional production sectors.

POPULATION-SERVING INDUSTRY

Building research and development capability

A key direction is to strategically build the research and development capability of the region off the back of the synergy between the tertiary health and tertiary education industries.

ASSETS

Loddon-Campaspe has a strongly developing capability in these industries, which are highly knowledge intensive sectors.

These perform an important role by serving the region's population and by providing high value employment opportunities to qualified people.

BENEFITS

Successfully leveraging recently budgeted investments like LaTrobe university health school and Bendigo hospital presents a platform for:

- Building a regional and rural health research capability
- Creating ancillary commercial opportunities for upstream and downstream value chains

ISSUES

A constraining factor to the development of advanced research and development capability in the rural and regional health fields could be the ability of the region to attract leading researchers and practitioners.

Key to achieving this is the development of a value proposition that combines both the availability of high value research and development occupations and employment with the world class liveability of a sought after region close to a major capital city.

With a focus on positioning liveability and quality of life, the region is better equipped to compete for highly skilled national and international talent.

STRATEGIC DIRECTIONS

TRADE AND CONNECTIVITY

Digital technology hubs

A key direction of the corridor is to enhance digital infrastructure and capability of Loddon-Campaspe both as a platform for innovation and a vehicle for global connectivity.

ASSETS

The region's physical proximity and connectivity to Greater Melbourne has enabled the successful development of its production economy on which its prosperity is based.

Future prosperity will rest on its ability to expand its reach globally, particularly across digital platforms, as the region's knowledge intensive service economy matures and grows.

BENEFITS

Successfully leveraging broadband infrastructure is a necessary condition for future development by:

- Expanding the region's reach into national and international markets for locally produced goods and services
- Enabling enterprises to emerge and develop in-situ and not be held back by physical remoteness from large markets

ISSUES

A constraining factor to digital trade and connectivity is uneven distribution of broadband infrastructure in the region and the expense of expanding infrastructure in low density settings.

Key to addressing this is the creation of aggregation points in the region, accessible by public transport, where a critical mass of enterprises can agglomerate to support the infrastructure needed to allow broadband infrastructure to operate.

With this, digital trade and connectivity could open up opportunities for the region's growing services sectors.

TALENTED WORKFORCE

Incubating the region's talent pool

A key direction of the corridor is to strategically build the workforce pool to meet the region's needs in vocational and academic skills particularly in science, technology, engineering, arts and mathematics qualifications.

ASSETS

Loddon-Campaspe's traditional workforce and skills profile will continue to be shaped by the production economy and the services to the growing population.

As the economy diversifies, new and high value service-based industries are emerging, notably finance and arts and recreation, which present an opportunity to secure future prosperity.

BENEFITS

Successfully leveraging recent investments in tertiary education and building on efforts of industry and education providers to develop targeted vocational training will benefit future development by:

- Securing an ongoing supply stream of talent that is nurtured from within the community
- Attracting talent to the region especially in areas of new growth where new communities will be built in future years

ISSUES

A constraining factor to future economic growth is the under-representation of certain age cohorts in the working age population of the region. So too is the apparent limited availability and affordability of housing to accommodate new urban growth.

Key to addressing these factors is the unlocking of land for urban development, the building of new communities that offer high liveability and access to employment centres.

Without this, efforts to develop the region's workforce will be constrained by limited population growth.

NATURAL ENDOWMENTS

Securing sustainability and resilience

A key direction of the corridor is to shore up the region's resilience with regard to water and energy security and sustainability of its natural endowments on which prosperity is built.

ASSETS

Loddon-Campaspe traditional economic base is built on the natural endowments of the region, notably mineral, arable land, pastures and abundant water. The rural and natural landscape are central features of the region's liveability and quality of life.

With growth, water and energy security are becoming more important factors. As is the waste sector and the reuse and recycling of resources.

BENEFITS

Successfully leveraging recently budgeted investments in energy supply and water storage and distribution provides a platform for:

- Sustaining population and economic growth in urban and rural centres
- Building new centres of industry for the emerging circular economy sector

ISSUES

Distance and density are constraining factors in the delivery of energy and water in the region, which places a focus on sustainable and localised solutions to energy production and water harvesting.

The costs of waste recovery infrastructure and facilities are a constraining factor to waste and resource recovery, requiring the aggregation of demand to support the scale of investment.

STRATEGIC DIRECTIONS

ENTERPRISE DEVELOPMENT

Network of business incubation and technology hubs

A key direction is to nurture the development of new enterprises from incubation to sustainability, on which the region's future prosperity rests.

ASSETS

Loddon-Campaspe's regional economy is based on small and micro enterprises. They are important because they employ many people and are part of the value chains and supply chains of larger businesses.

With growth occurring in the service sector, the region can capitalise on the digital age and create opportunities for new business to form.

BENEFITS

Successfully leveraging the opportunities of digital technology and assembling small business support services in aggregated hubs, serviced by public transport, will provide a platform for:

- Emerging entrepreneurs to pollinate new ideas, create innovation and commercialise new products and services
- Building new centres of industry in emerging sectors of the economy, both in production of goods and development of services

ISSUES

Fragility of businesses in the start up and incubation phase is well documented. Wrap-around support in the form of business development advice, co-location with other emerging enterprises, and access to common user facilities are key mechanisms for converting the success rate of start up and scale up business.

LEADERSHIP & GOVERNANCE

Positioning the region for investment and growth

A key direction of the corridor is the establishment of a shared vision for the region and a coordinated approach to positioning for future growth.

ASSETS

Loddon-Campaspe is a diverse region of six LGAs, four of which are traversed by the corridor, providing municipal services for their residents and businesses. Organised business and community groups perform an important role in economic and community-building of the region.

Collectively, these organisations and entities form a powerful leadership block and marshal extensive human, physical and capital resources.

BENEFITS

Successfully leveraging the opportunities of a consolidated and shared future vision could catalyse growth in an exponential fashion, which cannot be achieved by individual action alone. Benefits could include:

- Positioning and promoting the region for investment, visitation, talent attraction
- Advocating, at both a policy and resourcing level, for the region on issues of common cause, such as infrastructure and planning alignment

ISSUES

A constraining factor is the multiplicity of administrative and municipal entities within the region which complicates the region's ability to align systems and resources to deliver a unified intent.

Key to addressing this is the formation of a governance structure that combines the relevant local authorities and sufficiently enables them to develop a common view of the corridor, its purpose and value, and aligns necessary resources and systems.

URBAN CENTRES

Building high quality town centres

A key direction of the corridor is to make places where communities and business can gather face to face to socialise and trade.

ASSETS

Loddon-Campaspe's commercial centres serve the regional community in a variety of ways. They provide employment for workers, markets for commercial goods and services, social facilities and gathering points for the community.

Importantly they also facilitate the face to face sharing of ideas and information that leads to creativity and innovation and drives economic development.

BENEFITS

Successfully leveraging investment in town centre public realm infrastructure and facilities (parks, public transport, market places, municipal) provides a platform for face to face interactions which:

- Creating community connectivity and social value which enhances the region's liveability and quality of life
- Aggregating markets for goods and services which improves the viability of businesses that depend on face to face transactions

ISSUES

Capital and operating cost of public realm infrastructure is a constraining factor particularly in sparsely populated localities where the fiscal capability of municipalities is limited.



STRATEGIC DIRECTIONS

IMPLICATIONS & NEXT STEPS

DIAGNOSIS & IMPLICATIONS

The insights gained from this review will be used to inform the agenda and direction of a co-design Corridor Diagnosis and Synthesis Workshop – outcomes will include:

- **Confirm scope and intent for the second phase of the LC-REIC roadmap project**
- **Ensure understanding and alignment of attendees around project objectives and outcomes**
- **Identify any issues and opportunities to inform development of the LC-REIC roadmap**
- **Identify any additional key stakeholders to engage during roadmap development.**

Major macro (top-down) + locational (bottom-up) forces are exerting influence and creating pressure for change within the region. Businesses are saying they want to adapt and innovate but are constrained by capacity and capability. Additionally, the REIC ecosystem is not being actively curated/coordinated to leverage its assets and endowments to enable optimisation.

This background review and synthesis phase has identified the following key themes for LC-REIC that will be further tested and refined through the development of project roadmap.

Sound policy support and strategic evidence

Review of the analysis and strategic documents indicates there is clear economic clustering and specialisation along the corridor. This is anchored by the Calder Freeway and concentrated in Bendigo with and other key centres providing complimentary specialist clusters.

While there is relative strength in the number of businesses in knowledge-led sectors, and employment and output value growth is occurring rapidly in these industries, they are not the fastest-growing.

It is therefore important that the LC-REIC considers enhancing capacity and capability in both knowledge-led sectors as well as its more traditional output-producing industries.

The evidence broadly supports overarching policy direction with regional-level policies providing the strongest guidance of LC-REIC direction.

Broad stakeholder support but greater clarity around REIC intent and purpose required for success

Early consultation and engagement indicates there is aligned stakeholder support for the LC-REIC concept – though this needs to be continually reconfirmed through the roadmap development process

The opportunity for the roadmap is to create greater clarity about the project purpose, objectives and a set of initiatives that demonstrate a strong nexus to strategic framework. Strong leadership is also required to drive implementation.

Existing pockets of innovation but broad capability and capacity constrains potential

Evidence indicates that businesses understand the need for innovation but are struggling with adoption and implementation. Constrained access to skills and broader capabilities combined with underperforming digital and innovation assets and infrastructure appear to be limiting the regional economic potential.

Successfully addressing these issues through the design and implementation of the LC-REIC will be critical to increasing innovation and unlocking economic benefits.

Regionally competitive set of existing and future assets are not being optimised

The region sustains a solid foundation of innovation enabling infrastructure and anchors to support ongoing investment, including the presence of three key universities, a world class hospital, major financial institution, substantial high-value manufacturing and a burgeoning start-up and creative industries culture.

However, evidence suggests that through greater alignment around purpose/intent, strategic coordination of investment and delivery of the right supporting elements a stronger employment and innovation ecosystem can be cultivated.

Strong growth creates opportunities and challenges

Population growth is driving growth in economic opportunities but is also creating pressures on the local housing and urban infrastructure systems, this impacts both current and potential future residents. Businesses growth is simultaneously being constrained by the lack of available land for expansion. The opportunity exists for a broader regional or corridor approach to strategic urban planning to unlock these constraints.



APPENDIX

APPENDIX 1 – DOCUMENTS REGISTER

	DOCUMENT NAME	CREATED BY	DATE RECEIVED BY Urbis
1	Employment and Innovation Corridor – 2021 Analysis	DJPR	12/05/2022
2	Calder EIC Business Breakdown	DJPR	12/05/2022
3	A Stronger Greater Bendigo 2030	City of Greater Bendigo	12/05/2022
4	City of Greater Bendigo Council Plan 2021-2025	City of Greater Bendigo	12/05/2022
5	Macedon Ranges Shire Council Economic Development Strategy 2021 – 2031	Macedon Ranges Shire	12/05/2022
6	Macedon Ranges Community Vision 2021 – 2031	Macedon Ranges Shire	12/05/2022
7	Mount Alexander Economic Development Strategy 2013-2017	Mount Alexander	12/05/2022
8	Mount Alexander Shire Council Plan 2021 - 2025	Mount Alexander	12/05/2022
9	REMPPLAN Bendigo Employment & Innovation Cluster – Scoping Paper	REMPPLAN	12/05/2022
10	REMPPLAN Regional Innovation Investment: Identification of the Loddon Campaspe Innovation Corridor	REMPPLAN	12/05/2022
11	AECOM Realising the Bendigo EIC	AECOM	12/05/2022
12	REMPPLAN Bendigo and Loddon Campaspe Employment Cluster and Corridor	REMPPLAN	12/05/2022
13	SGS Employment Cluster Workshop	SGS Economics & Planning	12/05/2022
14	All Major Infrastructure Projects in Loddon Campaspe Region Between 2005-06 to 2018-19	City of Greater Bendigo	12/05/2022
15	100GIG Bendigo Loddon Campaspe Region BUSINESS CASE <i>(draft in progress)</i>	DJPR	13/05/2022
16	Bendigo City Centre Employment Cluster and Northern Victoria Growth Corridor Project	DJPR	13/05/2022
17	Loddon Campaspe Regional Economic Development Strategy	DJPR	13/05/2022
18	Regional Digital Innovation District Feasibility Study	Vector Consulting	24/05/2022
19	Regional Innovation District – Stakeholder Engagement	Vector Consulting	24/05/2022