Contents

About East Gippsland 3
The Economic Context 4
Development of the Strategy 6
Consultation Summary 7
Vision, Strategic Directions and Desired Outcomes 9
Strategic Direction 1: East Gippsland Open for Business 11
Strategic Direction 2: Embracing Opportunities 16
Strategic Direction 3: Infrastructure 22
Strategic Direction 4: Innovation Leadership and Partnerships 27
Strategic Direction 5: Marketing 29
Glossary 32
List of Related Strategies 32
About East Gippsland

East Gippsland covers approximately 21,051 square kilometres and is the second largest municipality in Victoria. To the east it is bordered by New South Wales, to the north and west it is bordered by the Victorian Local Government Areas of Towong, Alpine and Wellington.

Approximately 83% of the land is in public ownership, mainly as state forests, national and coastal parks, and marine national parks and virtually all of this remains clothed in native vegetation. The region contains a number of significant natural assets including declared ‘heritage rivers’, Ramsar listed wetlands and many national parks and reserves. Private land covers 17% of the region. Grazing occupies the largest area and there are significant productive areas of irrigated horticulture and dairying on the floodplains of the Snowy and Mitchell rivers.

The population of East Gippsland was 43,154 people as at 30 June, 2012. The population has grown at a rate of 1.0% per year for the 10 years to 2012 compared to a national population growth rate of 1.04% per year over the same period. The annual rate of growth increased to 1.04% in the five years to 2012, while the national population growth rate was 1.33% for the same period. The population of East Gippsland is estimated to grow from 44,300 in 2012 to around 56,000 by 2040.

Traditional major industries within the region have included agriculture, forestry, tourism and hospitality, fishing, timber, education and health care services. Emerging industries are food manufacturing and processing based on its credible food bowl heritage, particularly in relation to dairy, vegetables and meat production. The region is also recognised as having significant mining potential. There are considerable opportunities for supporting growth in food production and processing whilst also delivering sustainable outcomes for natural ecosystems. It is important to recognise that there are and there will be potential tensions and competing demands between different development activities that need to be recognised and managed accordingly.

The tourism industry attracted 1.1 million visitors in 2010, contributing $273 million to the regional economy. Major tourist destinations are Lakes Entrance, Metung and Paynesville on the Gippsland Lakes, and Mallacoota in the east. Nature based tourism is an important component of the total tourism industry.
The Economic Context

National
For the past decade, growth in the Australian economy has been relatively stable. Three headline indicators of the economy are Gross Domestic Product, Unemployment Rate and Inflation. Gross Domestic Product for Australia is forecast for 2.5% for FY 2014-15, and 3% for FY 2014-15. This is slightly below long term trend.

The unemployment rate is currently 6% (August 2014) and has stayed within one percentage of 5% (up or down) over the past decade.

Australia’s inflation rate is currently just over 3% per annum (August 2014) which sits in the middle of long term rates (over the past 20 years).

The key driver of the Australian economy over the past decade has been mining and resource investment and it will continue to influence Australia’s economy as the resource sector enters the production phase. Commodity prices, and the terms of trade particularly with China have a key influence on Australia’s economy. Over the next three to four years, resources investment is forecast to decrease, and commodity prices are likely to fall, however the volume of Australia’s mining exports is estimated to double in the decade from 2010-11.

The Australian Treasury is expecting that businesses in the non-resource sectors will continue to exercise caution in investment and hiring decisions for at least another year or two before strong broad-based growth takes hold.1

---

The Victorian Economy
The Victorian economy (as measured by Gross State Product GSP) is expected to grow steadily over the next three years. The growth is predicted to be though increased household demand, and modest growth in business investment.

The Victorian real GSP grew by 1.6% in 2012-13. It is expected to have grown by 2% in 2013-14, 2.5% in 2014-15, and then 2.75% for three years thereafter.

Employment growth will reduce the unemployment rate from a predicted peak of 6.25% in 2013-14 to 5.5% by 2017-18.

Inflation will fall to 2.25% in 2014-15 before stabilising at 2.5% in each of the following three years.

The current State Budget includes significant infrastructure expenditure on transport projects of $24 billion and schools and hospitals of $3 billion, averaging $6.5 billion per year out to 2017-18. However, the vast bulk of this is targeted at Melbourne projects. There is a significant outlay for vocational training of $1.2 billion spread over the next four years.

Implications for the key industry sectors in East Gippsland
The key driving sectors in the East Gippsland economy are:
- Agriculture, Forestry and Fishing
- Manufacturing
- Tourism
- Construction
- Health Care and Social Assistance.

For agriculture, mining and tourism sectors in East Gippsland, the comparative advantage that they hold is likely to be enhanced.

---

1 Dr Martin Parkinson, Secretary to the Treasurer, Speech to Australian Business Economists, 20 May 2014
This is due to:

- Australia has a comparative advantage in plentiful natural resources, and this provides industries such as mining, agriculture and tourism with a comparative advantage.
- The transition of the Australian economy from the mining boom can be expected to have a number of positive influences on the East Gippsland economy. Increased exports, slower growth in wages and low interest contributes to a more competitive cost base for businesses.
- The gradual transition of the South East Asia economy towards increased consumption and reduced investment, and its continued forecast strong growth, should continue to support its demand for Australian agricultural, commodities and food products.

The Victorian economy also is forecast to exhibit a return to trend growth, and so should promote increased economic activity in the regional areas, albeit that the major infrastructure expenditure in the Budget will be centred on Melbourne.

Looking to the future, some trends are highly likely. There are opportunities for a more productive Australian agricultural industry (John Freebairn, Richie Chair in Economics, University of Melbourne, Farm Policy Journal Winter 2014, Australian Farm Institute). However, the food processing sector is subject to increasingly strong overseas competition.

In the case of food processing, there is an increasing share of food products consumed in Australia that are processed overseas. A high proportion of Australian food exports are in raw or relatively unprocessed form, whereas a growing proportion of food imports are in a processed form. Imported processed foods as a proportion of the Australian processed food industry grew from 17.2% in 2001-02 to 22.9% in 2008-9. The largest imported processed food categories were processed fruit and vegetables, processed seafood (mainly prepared tuna), oils and fat and confectionery (Declining Competitiveness of Australian Food Processing, Gaetane Potard, Farm Policy Journal Winter 2014, Australian Farm Institute).

Where food processors have remained profitable they have been investing in state-of-the-art large scale technology in order to achieve the necessary productivity improvements to compete.
Development of the Strategy

This strategy was developed through background research and consultation with key sectors of the economy of East Gippsland to develop the priority areas of focus for the plan.

A research and background report was developed during the initial phases of the project which was based on a review of the relevant literature, and analysis of key data on East Gippsland’s economy.

The background report provided a relatively brief but pertinent overview of the East Gippsland economy and the economic development analysis, strategies and actions that are currently represented in various public documents in the shire. The report provided a basis for the consultation and engagement (six themed workshops) which was conducted as part of the development of the strategy.

The background report contained:
- An overview of the East Gippsland Economy
- A SWOT analysis
- A description of regional organisations and partnerships, and relevant strategies and plans
- Analysis and results from 28 key stakeholder interviews

Six themed workshops were held as part of the consultation conducted for development of the strategy. Approximately 80 people were engaged in the workshops with many organisations providing representatives at more than one meeting. Themes for the workshops were:
- Creating Strategic Directions
- Investment Facilitation
- Leadership and Workforce Development
- Emerging Trends and Opportunities
- Business Support
- Councillors Meetings
- Staff sessions (internally conducted)
- Workshop with the Project Steering Committee

As part of the overview of the East Gippsland economy, 28 stakeholders from East Gippsland Shire were interviewed. Interviewees were specifically identified and selected by the Project Steering Committee to cover the following sectors:
- Fishing
- Retail
- Agriculture
- Administration and services
- Construction
- Manufacturing
- Tourism
- Forestry

There were 15 interviews conducted with business and industry contacts around the Omeo and Swifts Creek region. A summary of all consultation is contained at the back of this document.

Within East Gippsland there are a number of relatively recent strategies and plans that have been produced relevant to this strategy. These plans and strategies have been documented in detail within the background report which supports the development of this project. A full list of related strategies is contained on page 32 of this document.
Consultation Summary

During the consultation process, several significant ideas and themes arose.

The strengths of the East Gippsland Shire as a place to live, work and invest came out very strongly:

- Natural assets – lakes, forests, coastline, mountains – clean, green environment
- Agriculture, agribusiness, food manufacturing, sustainable seafood harvesting, tourism – with a reputation for high quality beef, horticulture and seafood products, and outstanding outdoor tourism experiences
- Wildness, remoteness and undeveloped nature of much of the shire – unique areas to explore
- Strong communities with resilience
- Room for expansion
- Growth in health sector and professional services

Current barriers identified were:

- Road and rail freight infrastructure
- Distance, costs and inefficiency in moving freight to and from the region
- The changing nature of the workforce as the larger ‘baby boomer’ section of the workforce nears retirement, and about 1 in 5 young people are currently employed in part-time retail and hospitality jobs with no strong pathways to further education or permanent employment
- Concern about a ‘closed door’ feel for development and concerns about planning and approvals processes
- Structural change in the economy with declines in some traditional sectors including timber industries, and continued impacts on small retailers

Key ideas for economic development that were raised during the consultations included:

- Breaking barriers through targeted development and advocacy of critical infrastructure, and clever marketing that uses distance as a positive image for tourism (e.g. ‘miles away from care’), as well as innovation in product distribution and marketing
- New opportunities need to be supported in the feasibility, innovation, and investigation stages to encourage business investment
- Economic development in East Gippsland needs to take into account the value of the region’s natural assets including the natural environment on which tourism, lifestyle, the boating industry, and many small towns are built
- The need for a continued focus on innovation and research to underpin development in food production, food processing, seafood processing, value adding to forest products, innovations in land and water management, and links with tourism and tourism infrastructure
- There is an opportunity for R&D and innovation in the utilisation of current waste streams – food industry waste, timber industry by-products and waste, and use of waste water streams (current trade waste)
- Timber industry innovations can be encouraged through value adding, specialty products, change of technology, palletisation etc
- Investment by the private horticulture sector in improved packing and logistics, add to increased value for local producers and processors
- The Regional Produce Aggregator project and Innovation Centre/
Incubator proposed by East Gippsland Food Cluster could enable stronger links between horticulture, fish and meat products of East Gippsland to increase the growth and capabilities of the food sector and the promotion of East Gippsland’s local produce regional, nationally and internationally.

- Opportunities for clean technologies associated with agri-food production and processing
- Enhance food and destination experiences for tourism in conjunction with continued active promotion of natural assets and areas

- There is a need to focus on workforce development and planning, and ‘grow our own’ workforce (linked with the future vision for education (2022) and the Integrated Workforce Development Strategy)
- Infrastructure development is vital and considered part of future development and ‘future proofing’. Extension of existing services (e.g. natural gas) as well as projecting and advocating for forward demand for infrastructure. Included in infrastructure development is the consideration of alternative energy sources
- The resource sector, particularly mining, shows potential, but there is a need to be involved with the companies to increase local involvement and ensure positive economic legacies for the community (decisions regarding approvals and conditions are made at the State Government level)

The directions identified during the consultation for economic and tourism development:

- Need to further develop ‘clean, green’ branding
- Need to move from ‘commodity production’ to premium products
- Case management and advocacy for individual large developments is beneficial
- Knowledge and innovation is vital to new business development and so research and development needs to be supported
- Need for increased engagement with business, not for profit employers and industry required to understand the potential upcoming skills gaps, and effectively undertake workforce planning and development for the whole shire. There appears to be opportunities to develop jobs pathways in key sectors, e.g. within the food cluster, professional services sector, and health and community services. This requires multiple forms of promotion through various forms of media

There was a strong view of Council’s role in economic development. Those consulted felt that Council’s role in economic and tourism development should be about:

- Bringing people together, and building the capacity for collaboration across the shire and various industry sectors
- Supporting industry, business and key sectors and taking on a leadership role
- Facilitating the delivery of the economic and tourism strategy
- Positioning the region for growth (including advocacy on key infrastructure, reducing barriers for investors, encouraging a ‘can-do’ approach to business and industry support)
Vision
East Gippsland’s economy will be resilient with a growing and diversified employment base that is innovative and imaginative and supported by strong partnerships between business, industry, all levels of government and education providers.

Strategic Directions
This strategy lists five strategic directions each with its own list of goals, desired outcomes and background information. Each strategy is backed by a table of actions which identifies responsible bodies, the role of council and a time frame for implementation.

The five strategic directions are:
1. East Gippsland – Open for Business
2. Embracing Opportunities
3. Infrastructure Development
4. Innovation, Leadership and Partnerships
5. Marketing

The strategy recognises that East Gippsland has a diverse economy and there will be competing objectives and demands from industry. It is essential that industries in East Gippsland co-exist and any competitive tensions that exist are addressed through a collaborative and structured approach and process.

Desired Outcomes
• An investment environment that is attractive and where businesses and service providers are supported by a regulatory environment that is consistent with community aspirations and expectations.
• A diverse mix of economic activity that recognises and maximises the synergies between the various industry sectors and fosters a collaborative and integrated approach to industry development and marketing.
• Local enterprise that is encouraged and supported.
• Small towns are increasingly viable as a result of innovative approaches to the provision of services and goods at a community level.
• Water for agriculture and industrial processing to be secured through adoption of ‘best practice’ techniques to minimise demands for fresh water and maximise water reuse and recycling.
• The region’s agri-food production capabilities and efficiencies, and continued growth and expertise in environmentally-friendly yet intensive production practices, provide us with a competitive point of difference.
• Workforce development requirements are proactively addressed, as skills are lost through the ageing of the community.
• Education and training opportunities and partnerships are structured to support transition into the workforce to match the skills required locally.
• Priority is given to the development of more cost-effective and efficient freight and passenger transport services.
• Opportunities are identified and developed for natural resource-based industries to value-add in a range of innovative ways.
• A strong education and applied research sector is developed that supports primary industry in East Gippsland and ensures it maintains a leadership role in sustainable natural resource management.
• East Gippsland becomes an internationally recognised tourism destination through innovative marketing strategies.
• East Gippsland is considered a location of choice for those seeking an attractive and supportive lifestyle or retirement environment.
• The role that strongly creative communities play in attracting and securing economic activity is recognised, together with the value of arts and culture in developing a strong tourism industry and enriching the visitor experience.
• The region’s road, rail, air and water transport infrastructure meets the future needs of the community and its businesses, industries and visitors.
• Effective and transparent decision-making processes.
Vision, Strategic Directions and Desired Outcomes

Vision
East Gippsland’s economy will be resilient with a growing and diversified employment base that is innovative and imaginative and supported by strong partnerships between business, industry, all levels of government and education providers.

1. East Gippsland Open for Business:
   • Create a welcoming and positive environment that supports business and economic development, and enables streamlined and effective decision making to encourage business and economic growth
   • Strategically support economic development and investment
   • Proactively engage with business and industry to support growth and build business capacity to improve productivity

2. Embracing Opportunities:
   • Work with existing collaborative industry groups to deliver investment opportunities
   • Leverage business investment in the current strong and growing economic sectors in the East Gippsland shire: agribusiness (food and seafood), health services, manufacturing, education, tourism, and mining

3. Infrastructure Development
   • Support the development of new infrastructure that enables economic growth for the region
   • Advocate strongly for the investment in key infrastructure to support economic and tourism development in the East Gippsland Shire, including:
     o Road transport upgrades
     o Rail transport upgrades
     o Telecommunications for the 21st century
     o Tourism infrastructure
     o Services Industry infrastructure
     o R&D / Innovation Hubs

4. Innovation, Leadership and Partnerships
   • Develop strategic partnerships and collaboration to increase investment in East Gippsland and enhance the sustainability of the economy and business
   • Create opportunities for business and community leaders to engage in, and support, economic development
   • Encourage innovation in research, development, and education to support economic development in East Gippsland Shire

5. Marketing
   • Leverage East Gippsland’s natural strengths to market East Gippsland as a place to visit, live, work and invest

Figure 1: Framework for East Gippsland Economic Development Strategy

Desired Outcomes
Related Strategies and Plans

Community Vision 2030

Council Plan 2013 - 2017

Long-Term Financial Plan

Planning Scheme / Municipal Strategic Statement

East Gippsland Shire Economic Development Strategy 2015-2018

Links to external agency plans and strategies

Domestic Wastewater Management Plan

Open for Business

Waste Facilities & Disposal Strategy

Embracing Opportunities

Environmental Sustainability Strategy 2014 - 2017

Infrastructure Development

Emergency Management – heatwave, bushfires & floods

Marketing

Community Plans

Innovation, Leadership and Partnerships

Public Open Space Strategy & Foreshore Management Plans

2022 Vision for Education in East Gippsland

East Gippsland Trails Strategy

Gippsland Food Plan

Community Health and Wellbeing Plan

Gippsland Regional Plan

Gippsland Tourism Strategic Direction

Gippsland Freight Infrastructure Master Plan

Gippsland Regional Growth Plan

Related EGSC strategic documents

Related EGSC strategic documents

Related EGSC strategic documents

Related EGSC strategic documents
Strategic Direction 1: East Gippsland Open for Business

Goals

Council Plan Goal 3.1: Our business environment is adaptable and prosperous

- Create a welcoming and positive environment that supports business and economic development, and enables streamlined and effective decision making to encourage business and economic growth in East Gippsland
- Strategically support economic development
- Support businesses, industries and services to adjust to external change, and build resilience

Desired Outcomes

Council Plan 3.1.1: New Businesses and industries are attracted into the region and can easily start up
Council Plan 3.1.3: Businesses remain in the region

Economic Development Strategy

- An attractive investment environment where businesses and service providers are supported by a regulatory environment that is consistent with community aspirations and expectations.
- Local enterprise that is encouraged and supported.
- Effective and transparent decision-making processes.
- Small towns are increasingly viable as a result of innovative approaches to the provision of services and goods at a community level.

Strategic Direction 1: East Gippsland Open for Business

Background Information

Planning, Approvals and Permits
East Gippsland Shire Council has a key role in guiding and regulating land use and development in the municipality. As well as higher level strategic planning for the growth and development of East Gippsland, the shire also influences the way that individual developments occur through the assessment of applications for statutory planning approvals.

Ongoing development activity combined with the increased complexity of planning policy has resulted in delays in the development approval process. During the consultation and engagement conducted for the Plan, many issues were raised in relation to the planning approvals process within the East Gippsland Shire and the need to implement processes which are transparent, consistent, efficient and timely.

The encouragement of greater pre-planning engagement between developers and relevant officers in a proactive environment prior to the lodgement of planning applications will demonstrate East Gippsland Shire is “open for business”.

Pre-planning communication will provide the opportunity to clearly articulate the planning application process, determine perceived impediments, identify referral authorities and establish realistic time frames.
(See actions 3, 13 and 20)
Tourism and Business Development Organisations and Boards

Within East Gippsland there are a number of Council funded tourism and business development organisations and boards. These include Destination Gippsland Ltd, Business and Tourism East Gippsland (BTEG), East Gippsland Marketing Inc (EGMI), East Gippsland Shire Council Economic Development Board, and the Tourism Advisory Board.

BTEG is an incorporated association with a charter to provide leadership and representation for all of the Business and Tourism Associations and Chambers of Commerce in East Gippsland. East Gippsland Shire Council provides the majority of funding to support the BTEG. The BTEG has a number of actions and responsibilities as measures of performance/success. These include representation on the Tourism Advisory Board and implementation of actions from this Board, representation of micro businesses in the shire and engagement with the business community.

EGMI is a body established to promote the East Gippsland region as a desirable destination to visit, live, work and invest. EGMI attracts significant buy-in from the business community for a shire wide marketing campaign and develops its own strategic plan. BTEG and EGMI offices are collocated.

As the regional tourism body for Gippsland, Destination Gippsland Ltd provides EGMI with opportunities to promote the region’s strengths to the Melbourne market. Destination Gippsland Ltd works collaboratively on tourism marketing projects that help to increase visitation and raise the regional profile. Destination Gippsland Ltd also provides strategic direction, governance, and industry and product development to the East Gippsland tourism industry helping to improve product offerings and increase visitation.

The East Gippsland Shire Council Economic Development Advisory Board was formed in 2006. The Economic Development Advisory Board is composed of nine business and service leaders, the CEO of EGSC and two councillors. The board was established to provide advice to Council on the formulation and review of its economic development policies and programs, and lobby for the advancement of the economic development of East Gippsland. EGSC is currently undertaking a review of all the Boards that it supports. A draft recommendations paper detailing a new operating structure has been provided to Board members for their comments.

Innovation is vital for economic development and growth and within East Gippsland there is an opportunity to strengthen the strategic role of the Economic Development Advisory Board, and enhance its capacity to drive innovation and investment.

Consultation has found that in the minds of business, there is some confusion surrounding the responsibilities of BTEG, East Gippsland Marketing Inc, and Destination Gippsland Ltd. It is vital that the strategies and directions of each of these organisations is aligned to ensure the best use of resources, and best economic and tourism development outcomes for the shire.

East Gippsland Shire Council has agreed four year service agreements with both BTEG and EGMI with associated operational funding. These set out the roles and responsibilities of each organisation, their funding, their deliverables and KPI’s – and these will be aligned with this economic development and tourism strategy. The agreements also detail EGSC, BTEG, and EGMI’s responsibilities to avoid any overlay and to set clear guidelines.
on what areas each body is responsible for. It is about partnership and collaboration.

- EGMI - Deliverables are the marketing of East Gippsland through live, work, play and invest sectors
- BTEG - Support to the Business and Tourism Associations, annual business awards, and the delivery of small business programs

(See actions 5 and 6)

**Supporting Investment**
The East Gippsland region covers a vast area (more than 21,000 square kilometres) and faces many challenges associated with the geography and demography of a large rural and remote area.

Although the East Gippsland Shire Council is faced with significant and diverse challenges which may impact on investment and viability of new enterprises and development, Council could take a more proactive and innovative approach to supporting and advocating economic development in the region.

Increased collaboration and strategic discussions with key agencies at the local, regional and state level (DEPI, CFA, EGCMA and EPA) would assist business and industry to develop new industries and/or reinvest in existing enterprises.

Additional resources such as the development of business clusters using the learning from the East Gippsland Food Cluster, and a one-stop business support centre to encourage business growth and sustainability would assist with job creation and economic development in the region.

The region would also benefit from dedicated business support/development officers based in the more isolated sub regions in the shire such as the Omeo/Benambra district. These areas are relatively isolated from the coastal commercial centres and provide unique businesses and resource based business opportunities.

A formal practice of assessing of tenders for council works and services on the basis of positive local economic impacts will help facilitate increased local business participation in East Gippsland Council contracts.

(See actions 4, 11, 14 and 17)

**Adjusting to change**
There are many significant changes affecting business and industry in the East Gippsland Shire. Some of these trends include:

- ageing population, and workforce changes
- growth in higher skills jobs, and health sector jobs in particular
- changing trends in tourism
- climate change
- structural change in many sectors – i.e. agrifood
Ageing Population
As is consistent in many other regions, the workforce in East Gippsland is ageing and there is an exodus of younger people who leave the region for higher education opportunities or initial employment. Of particular note is the ageing farming population. Population ageing presents a number of challenges for local governments including the need to deliver additional human services. An increase in people living with chronic diseases and disabilities, places a higher demand on health services and workforce shortages as well as the financial strain providing these services. An ageing population also has implications for leisure and cultural services, housing preferences and with the farming sector specifically the issue of business succession.

Local government is uniquely positioned to have a positive impact on the “growing older” population but needs to develop a consultative strategy in conjunction with key stakeholder agencies and organisations to meet community needs emanating from this demographic change. This ageing population provides opportunities for business and the workforce to utilise the skills and experiences of the ageing and retired population.

The increase of people living with a disability provides various workforce opportunities in the health sector. Government can also play a role in assisting people with disabilities to enter or re enter the workforce through for example improving accessibility, delivering targeted training programs, innovative job creation, and incentives and support for employers. East Gippsland Shire can also advocate and support training and employment for aboriginal, culturally diverse and people with a disability as identified in the East Gippsland Shire Council Diversity Plan.

The Gippsland East Local Learning and Employment Network has highlighted that 45% of East Gippsland’s workforce is projected to retire by 2025. This will have a major impact on businesses, industries and the public sector, and also presents opportunities for growing the skills and workforce capacity of East Gippsland to meet the future workforce needs. Two key strategies have been jointly developed to take into account the potential impacts: East Gippsland 2022 Education Vision, and Integrated Workforce Development Strategy.

Growing Market of Higher Skilled Jobs
Within East Gippsland from August 2003 to August 2013, jobs at the higher skill levels (Bachelor degree or higher qualification, Associate Degree, Advanced Diploma or Diploma) are increasing as a proportion of overall employment – up from 37.0 per cent to 41.1 per cent. At the same time, jobs at the lowest skill level (with compulsory secondary education or a Certificate) are diminishing as a proportion of total employment from 19.9 per cent to 17.5 per cent (Sainsbury, 2013).

Whilst acknowledging local government is not the provider of education services, a strategic role could be undertaken by collaboration with relevant tertiary organisations, (especially since the establishment of Federation Training with closer links to Federation University) to establish innovative delivery models for higher level education provision which meets growing skill level demands for the future workforce aligned with the needs of industry.

Growth in the Health Sector
In terms of East Gippsland’s industries growth rates, the industries which have shown above average growth over the period 2006-07 to 2011-12 include health care and social services. Bairnsdale Regional Health Service (BRHS) is the largest health care service provider in the region and provides services including comprehensive primary care, acute care, aged care, community and home based health services to a growing population. The service employs more than 500 staff, in both full time and part time positions. BRHS operates three fixed campuses in conjunction with itinerant healthcare services in remote communities (Bairnsdale Regional Health Service, 2013). Other health service providers
that provide services in East Gippsland including, but not limited to, Gippsland Lakes Community Health, Orbost Regional Health, Omeo District Health, Paynesville, Mallacotta, Bruthen, and Cann River health and community providers and Gippsland Medicare Local.

Health sector investments include both public and private sector. There is a role for local government to work closely with this sector to encourage further investment, support jobs growth, and meet future workforce needs to service growing demand.

**Changing Trends in Tourism**

Gippsland Lakes and coastal centres have been the pivotal tourism features in the East Gippsland Shire. Tourism has a large profile in East Gippsland as it is viewed as a sector with the potential for economic growth.

East Gippsland and the Gippsland region as a whole is seen as a region with great tourism potential, especially if it can increase the awareness of its nature based experiences. The Inspired by Gippsland campaign, aimed at intrastate and interstate markets complements this approach by focusing on diverse and inspiring nature experiences and the benefits of discovering Gippsland.

The region’s prominence in Victoria’s Nature-based Tourism Strategy 2008–2012 and acknowledgment of product at a national level through Tourism Australia’s National Landscapes initiative is further recognition of its nature based experiences (Tourism Victoria, 2009).

In comparing visitation in East Gippsland to other regions in Victoria, it is notable that over the ten years to 2012 visitation to the Gippsland Region (including East Gippsland) averaged 1.1%, slightly above that of Regional Victoria (0.8%).

**Climate Change**

Climate change is a key challenge facing East Gippsland. Without action to reduce greenhouse gas emissions and prepare for a changing climate, the direct and indirect impacts will have major adverse effects on the environment, society and the economy.

In the context of climate change, adaptation refers to any action, either intentional or otherwise, taken to minimise the adverse effects of climate change or to take advantage of any beneficial effects. Adaptation is the primary means of dealing with the unavoidable impacts of climate change (Victorian Government Department of Sustainability and Environment, 2008).

Changes in climate will have a range of impacts on East Gippsland— for example on water resources, bushfire frequency and intensity, primary production, tourism and infrastructure. It will also affect the richness of biodiversity and the health of landscapes.

The East Gippsland Shire can play a strong role in supporting and advocating actions relating to climate change adaptation and has adopted strategies in conjunction with implementing the long term Community Vision, Council Plan, Council’s Environmental Sustainability Strategy, and community and community resilience planning. The East Gippsland Shire can also play a role in supporting and advocating climate change actions developed by other agencies for example Catchment Management Authority, the Department for Environment and Primary Industries. Council should support best practices and encourage appropriate R&D in order to ensure the health and sustainability of our natural eco systems. For example the state government developed Geo Spatial Tool for Gippsland that assesses the impacts of climate change in the agribusiness sector. This tool looks at soils, climate change and the impacts on the types of crops that would be suitable to grow into the future. This tool can provide data to support investment in the agribusiness industry.

This Economic Development Strategy recognises the role of Council, through BTEG, to provide support to develop small business responsiveness and resilience to adverse climate and weather impacts (as well as other important changes identified previously).
## Strategic Direction 2: Embracing Opportunities

### Goals

**Council Plan Goal 3.1:** Our business environment is adaptable and prosperous  
**Council Plan Goal 3.2:** Our economy provides opportunities for employment, learning and training

- Leverage business investment in the current strong and growing economic sectors in the East Gippsland shire as identified in Remplan: manufacturing, health, construction, agriculture/forestry/fishing, education, tourism, and retail trade.
- Work with existing industry groups to deliver investment opportunities and economic growth for the region.
- Work with industry, business and education providers to ensure the region has the skilled workforce to meet the current and future workforce demands, including the promotion of a diverse workforce.

### Desired Outcomes

**Council Plan 3.1.2:** Businesses and industries within the region grow and diversify  
**Council Plan 3.1.3:** Businesses remain in the region  
**Council Plan 3.2.1:** Businesses within the region provide diverse employment opportunities that meet the employment needs of local and future residents  
**Council Plan 3.2.2:** Education initiatives contribute to resilience and economic prosperity and fill know skills gaps

### Economic Development Strategy

- A diverse mix of economic activity that supports economic growth and employment in the region and maximises the synergies between the various industry sectors fostering an integrated approach to industry development and marketing.
- The continued growth of the region’s agriculture production capabilities, value adding opportunities and efficiencies providing us with a competitive point of difference.
- A thriving and strong small business sector and tourism industry.
- The continued growth of the industries that drive East Gippsland’s economy specifically agriculture, manufacturing

## Strategic Direction 2: Embracing Opportunities  
**Background Information**

### Business Clusters

A number of Councils in Victoria have attracted new business in their region through the creation of specific clusters or industry precincts. Clusters are defined by ‘integration between growing, processing, suppliers, regulators, and distributors’ that promote competitive strengths in order to attract new businesses. Local Government can provide the forums through which the clusters might grow and can support cluster growth through its role as an infrastructure provider and in its role as an economic lobbyist for its region (Parliament of Victoria, 2013).

The Gippsland region has a highly diverse food production system that involves a range and scale of enterprises, entities and service providers in the growing, harvesting, processing, marketing and distribution of food both domestically and for export.

In April 2011, the East Gippsland Food Cluster formally commenced operations and has been implementing a business plan that guides its activities. The EGFC is a not for profit organisation, which has been created for the following purposes:

- Sustainably growing the East Gippsland Food Sector
- Looking for opportunities to improve productivity through innovation and
supply chain synergies

- Developing workforce capability to support the sector and promote industry excellence

Within East Gippsland, there is further potential to develop and encourage the future growth of the food cluster including an “innovation centre” that provides assistance programs, training, and collaborative partnerships to food processing industries. The ultimate goal of the initiative is economic development and job creation. The centre could also act as a central logistics facility for local produce and products. (See action 77)

**Agri-business and Seafood**

East Gippsland is well endowed in terms of its natural assets and the ecosystem services that support the region’s vibrant agri-food sector. There are considerable opportunities for supporting growth in food production (with the ability to develop a point of difference around “clean and green” branding) and processing whilst also delivering sustainable outcomes for natural ecosystems. Meat production underpins East Gippsland’s agricultural output, however cereals and grains and horticulture are not far apart in second and third positions respectively, with dairy coming in as the fourth most significant sector.

East Gippsland’s vibrant horticulture sector is expected to show continued growth.

Lakes Entrance is home to one of Australia’s largest fishing fleets which lands around $30 million of sustainably caught fresh seafood each year. The industry is estimated to contribute $200 million annually to the Victorian economy (Department of Planning and Community Development, 2013). The Lakes Entrance Fisherman’s Cooperative (LEFCOL) is a major supplier of fresh and packaged fish for domestic and international markets handling over 4.5 million kilograms of fish each year (Gippsland Food Plan).

Mallacoota is renowned for its significant abalone industry.

There are significant opportunities in the region to improve profitability in the seafood, meat, dairy and horticultural industries through value adding and marketing. (See actions 21 to 27)

**Forest Industries**

The East Gippsland region is home to some of the most productive timber harvesting forests in Victoria. In the past, these forests have played a crucial role in Victoria’s sustainable timber industry. In recent years the amount of high-quality timber available for logging in the region has fallen, in part due to the creation of old-growth reserves. Approximately 20% of the forest resource is used for sawmilling with a medium level of value add (VAFI, 2013). Presently the regional woodchip market is facing price competition predominantly from Vietnam and Thailand. This situation is unlikely to change.

There are currently initiatives underway in East Gippsland that are aimed to maximise the production of high valued appearance grade timber products including high quality flooring, and furniture timbers. The East Gippsland Industry Options for Transition Report (Poyry and VAFI, August 2013) identifies a pathway and significant initiatives to transition the East Gippsland forest and timber industry:

- The sawmills need to undertake a series of actions to improve their profitability through value adding and marketing. Value-adding opportunities include the production of high grade timber (up to furniture grade) through kiln drying, dressing and laminating.
- Reinvestment in wood processing facilities is required incorporating new technologies to support productivity improvements including investigation of an engineered wood product facility
- Utilising the fibre for bio-fuel for a range of applications (bio-ethanol, bioenergy, industrial wood pellets)

(See actions 28, 29 and 30)
Strategic Direction 2: Embracing Opportunities
Background Information

Mining
The Stockman Project is located in the Victorian Alps, 470km by road north-east of Melbourne and 60km by road north east of Omeo. The project contains two copper-zinc-lead-silver-gold rich deposits, called Wilga and Currawong. East Gippsland’s Gross Regional Product is estimated by Deloitte to increase by $680 million as a result of the mine operations. East Gippsland’s average annual employment is estimated to increase by 210 jobs (direct and indirect) over the proposed life of the project.

A range of industries will benefit including construction services, trade/business services, transport and the electricity supply industry.

The Nowa Nowa project is located north of the township of Nowa Nowa, east of Bairnsdale. In late 2012, Eastern Iron reported the completion of scoping studies at the Nowa Nowa project. The outcomes of the study strongly supported the development of a mining operation based on a previously established resource of high grade magnetite and hematite iron. The Nowa Nowa project is about to be the subject of a MOU between EGSC and the proponents.

Oroya Mining is also investigating the extraction of copper. Oroya’s Orbost copper project in the Eastern Lachlan Fold Belt of Victoria has become its primary focus following a major electromagnetic survey which defined large anomalies that correlate with porphyry copper mineralisation intersected in drill holes. These advanced targets have the potential for hundreds of millions of tonnes of copper mineralisation. Exploration and extraction of gold deposits are also being investigated within the shire.

The shire’s main objective in working with mining developments is to ensure the best economic, social and environmental outcomes for East Gippsland. Developing Memoranda of Understandings gives the shire a mechanism to work with the companies to maximise legacy outcomes, and community benefits.

Council’s involvement with the mining industry is focused on mineral extraction. There is currently a moratorium on Coal Seemed Gas Industry in Victoria whilst the state government undertakes an assessment of the risk and opportunities in this industry.
(See actions 31, 32 and 33)

Health
In terms of East Gippsland’s industries growth rates, the industries which have shown above average growth over the period 2006-07 to 2011-12 include health care and social services (see section 4.1 context document– Adjusting to Change – Growth in the Health Sector).

Health services providers in East Gippsland are recognised for their extensive range of services, the ability to relate to and provide services to the most disadvantaged communities, and championing of the social model of health. The health industry in East Gippsland will continue to grow. It is important for Council to advocate and support education and training in the region that is aligned with skill level demand and local opportunities for employment within the health industry.

At present, there is no formal mechanism through which Council and health service providers can discuss increasing opportunities for private and public sector investment, and continuing to attract workforce for this growing sector.
(See actions 38 and 39)
Education

The attainment of educational qualifications in East Gippsland remains important given the strong past and projected growth of higher skilled occupations as well as the lower unemployment rates recorded for people with higher qualifications.

In terms of educational attainment, in 2011 there were 10.2% of persons aged 15 and over who had a bachelors or higher degree. While this is similar to the level for regional Victoria, it is well below the Victorian percentage of 17.2%.

Year 12 or equivalent attainment has increased in East Gippsland from 62.1% in 2007 to 65.8% in 2011 and continues to rise.

Destinations of school leavers have been tracked by Gippsland East Local Learning and Employment Network (GELLEN) and found that the proportion of students taking a university place has risen by only 2.6% in a decade (30.9% in 2013) compared to a 10% increase across Victoria (53.2%).

VET (TAFE) enrolments have fallen from 18.7% in 2004 to 11.6% in 2013. Apprenticeships and traineeships have increased from 15.7% to a peak in 2012 of 20.3% of year 12 completers. There was a 1.3% drop in 2013 and this trend is expected to continue.

Nearly a quarter of Year 12 completers have an employment destination, although more than half of these are in part-time employment, mainly in retail and hospitality.

East Gippsland lacks critical skills in significant industries, restricting growth and diversification. Skill shortages exist in engineering, health, allied health, education, statutory planning, process manufacturing, research and development especially in food technology, and technical roles in natural resource and public utilities management.

Many employers have struggled to attract and retain young graduates to take up vacancies. Most of these young professionals have been sourced from Melbourne but do not stay because they lack a commitment to working in rural areas, including East Gippsland. Generally these young graduates do not feel connected to the local community through family, social or sporting networks. Some employers are now sourcing entry level professionals and technicians from overseas using 457 Visas.

On the other hand, East Gippsland school leavers have one of the lowest participation rates of tertiary education in Victoria. This trend has been in place since 2004. Less than one in four Year 12 completers commenced university in 2012, compared with the state average of one in two. Deferrals are almost double the metropolitan rate. One third of deferees will never take up their university offer.

In 2010 East Gippsland and Wellington shires commissioned research into the employment needs of the industry areas of Construction, (both Civil Construction and building) Food Processing, and Transport and Logistics, through the Industry Workforce Development Strategy (IWDS). These industry areas have increased labour and skills needs and will require an increasing trained labour force. They tend not to be attractive to young people; and experience a gap between training available and workforce needs.

The IWDS did not cover the two largest professional workforces in East Gippsland, Health and Education. Both of these sectors experience difficulty in recruiting graduates for vacancies.
Council recognises that investing in local skills supports the local economy. A ‘grow our own’ approach to graduate recruitment could be adopted by East Gippsland Shire Council. This could include financially supporting or investing in the region’s own young people to access the degree courses which offer the skills needed by the region, and require those who received support to return to East Gippsland to work.

Some employers are individually providing leadership through offering cadetships to university students. Many employers are not aware that the State Government offers incentives through the Provincial Victoria Cadetship Program.

Many East Gippsland employers offer work placements, up to one day per week for VCAL students. Significant opportunity exists for these employers to offer pathways to employment through school-based apprenticeships or traineeships which would formalise their current arrangements. Council can play a significant role supporting and advocating industries in the region that offer workplace learning pathways including work experience, school-based apprenticeships and traineeships, workplace-based apprenticeships, traineeships, and cadetships to develop future workforce capacity. Council can also support and be involved in partnerships between industry and education service providers to assist young people attain higher level qualifications and develop skills and knowledge aligned with local employment opportunities in the region. (See actions 32, 33, 34 and 35)

Nature Based Tourism
About 83% of the land is in public ownership, mainly as state forests, national and coastal parks, and marine national parks and virtually all of this remains clothed in native vegetation. The region contains a number of significant natural assets including declared ‘heritage rivers’, Ramsar listed wetlands and many national parks and reserves, stretching from subalpine environments to the coast. It is the only place on mainland Australia where such continuity of natural ecosystems still exists (East Gippsland CMA, 2013). The Gippsland Lakes are an outstanding and highly visited feature.

A major opportunity for tourism development in East Gippsland is supporting investment that enhances nature based experiences. The Inspired by Gippsland campaign, aimed at intrastate and interstate markets complements this approach by focusing on diverse and inspiring nature experiences and the benefits of discovering Gippsland.

Currently the Gippsland Lakes Ministerial Advisory Council has about $8 million worth of projects underway or about to commence. The main projects related to economic and tourism development include:

- Sustainable Development Plan - to set clear objectives to facilitate sustainable development around the Lakes in the next 20 years
- Boating and fishing economic value studies
- Gippsland Lakes Environmental Centre of Excellence feasibility study
**Adventure tourism**

**Tracks and Trails**

East Gippsland’s premier trail is the East Gippsland Rail Trail with the Lakes Discovery Trail connecting the former to Lakes Entrance. There are opportunities to upgrade the management, maintenance and quality of this infrastructure and also to develop product packaging and effective partnerships. Other ‘tracks and trails’ include formal shared paths as well as informal cycling experiences around towns.

**Mountain Biking**

East Gippsland has established mountain biking tracks particularly at Nowa Nowa, with terrain and locations in some other parts of the shire potentially suited to the building of more. North East Victoria is positioned as a high quality mountain biking destination and possesses well-promoted product. There are opportunities for East Gippsland Shire to capitalise on this.

**Road Cycling**

A small number of major cycling events are held partly in East Gippsland which have varying degrees of participant, spectator and community participation. However the region can be said to possesses some characteristics which ideally suit the segments needs i.e. “diverse scenery and terrain, sealed roads, close proximity of villages and towns and existing tourism infrastructure”. The North East also has considerable strength in this category and East Gippsland’s location on part of the so-called ‘Queen Victoria Ride’ (Mt Beauty – Bright – Mt Hotham – Omeo – Anglers Rest – Falls Creek) offers considerable future potential for the region (East Gippsland Cycle Tourism Action Plan Steering Committee, 2012a).

The “Queen Victoria Ride” circuit is now being extensively used for high altitude training, both formally and informally, which offers commercial opportunities to this region of the East Gippsland Shire. (See action 40)
# Strategic Direction 3: Infrastructure

## Goals
- Advocate strongly for the investment in key infrastructure to support economic development in the East Gippsland Shire to support industry growth, including:
  - Road transport upgrades
  - Rail transport upgrades
  - Telecommunications
  - Tourism
  - Services
  - R&D / Innovation Hubs

## Desired Outcomes
*Council Plan 3.3.2: Our places, facilities and services provide a positive experience for visitors*

### Economic Development Strategy
- Priority is given to the development of more cost-effective and efficient freight and passenger transport services.
- The region’s road, rail, air and water transport infrastructure meets the future needs of the community and its businesses, industries and visitors.
- Water for agriculture and industrial processing to be secured through adoption of ‘best practice’ techniques to minimise demands for fresh water and maximise water reuse and recycling.
- The region’s telecommunications network and service meets the needs of the community, industry and business.
- EG Food Cluster - Project Charters/Logical Frameworks

---

## Strategic Direction 3: Infrastructure

### Background Information

#### Transport - Road
The Princes Highway is a key national transport artery and traverses East Gippsland from west to east. The major north-south route is the Monaro Highway link to Canberra but the Omeo Highway, Benambra-Corryong Road and the Bonang Highway are also important interstate connections. The Great Alpine Road is another important north-south route; it provides access to Wangaratta and the Hume Highway, which is part of the Auslink National Network (East Gippsland Shire Council, 2013).

The vast majority of freight movement occurs on the major roads. Nearly 50 per cent of the network carries less than 100 trucks a day which is a relatively small amount of freight – hence the importance of the resilience of the major road freight arteries. Since 2006 the number of registered vehicles has remained at a similar level. The majority of registered vehicles are in the light commercial and heavy rigid vehicle class. Within East Gippsland, although modest, there has been a slightly stronger increase in the amount of heavy rigid vehicle movement compared to that of Gippsland as an entire region. (See action 59)

#### Transport - Rail
East Gippsland is served by the Gippsland rail line which terminates at Bairnsdale. Passenger services operate three times a day between Southern Cross and Bairnsdale. Freight paths are available for goods into and out of Melbourne however there is currently no rail freight activity.

The Committee for Gippsland has indicated that a strong rail freight network will be needed for the region to take full advantage...
of the Port of Hastings – with this $7 billion container port expected to be operating at Hastings by 2030. The committee says having shipping facilities at the region’s doorstep will benefit local industries. Whilst the port is still some years away, planning for infrastructure needs to start soon. Currently two major impediments to optimal utilisation of the existing rail line is heavy congestion into Melbourne during peak passenger rail commuting windows and the poor condition of the Avon River Rail Bridge at Stratford with its constrained speed and weight limits (East Gippsland Shire Council, 2013).

(See action 2)

**Transport - Airports**

The main airports in East Gippsland are located in the vicinity of:

- Bairnsdale: aviation and non-aviation activities;
- Orbost; and
- Mallacoota.

Current uses are day trips to Melbourne, charter flights, medi-vac operations, aerial fire fighting activity and transportation of high value fresh goods. Whilst the East Gippsland Aviation Facilities Review, 2011 considered that large-scale investment by anything other than aviation-related businesses is generally unlikely, it did recommend the rezoning of additional zoned land for aviation, aviation related uses and non-aviation industrial land uses.

The Review discussed the potential for aquaculture export processing and logistics facilities at Mallacoota. This was identified as a long term opportunity that requires a robust business case to determine feasibility and possibly state funding to make investment viable. Such an operation would require runway pavement improvements to support the load bearing aircraft. The review stated that further investigation would be undertaken as part of the Victorian Aquaculture Strategy and Action Plan by the Department of Primary Industries.

The review recommended that the area to the south-east corner of Runway 07/25 be utilised for such an operation. It did not identify any food produce or substantive quantities of food products that is exported from the airports. Going forward, the growing requirement for protein from Asian markets, which are in close proximity to Australian suppliers, will present a stronger business case for air freight but it is likely to require air freight from major capital city airports. Dependent upon the value of commodities, the above mentioned regional airports could function in a tranship/transfer capacity for the transfer of very short-life (or high value products such as precious metals) products from the region to international markets.

The Committee for Gippsland has stated that: “For Gippsland and the south-east to meet its ambition of developing as a national food hub, improve its productivity, and enhance employment and higher education participation; a domestic airport in the region is required”.

The Committee argues an airport for the region could help service a growing population of more than two and a half million people (Gippsland and the south-east of Melbourne), which is 125 per cent more than Adelaide Airport services. Such an airport is expected to generate about 8000 direct jobs, and present immediate opportunities for the region’s local economy.

During the engagement and consultation phase of the plan, pilot training was
identified as an opportunity for the Bairnsdale Airport. Regional Development Victoria’s Aviation Unit has been investigating the viability of establishing pilot training facilities at relevant regional airports and Bairnsdale would appear to meet a number of key requirements. (See actions 59, 60)

Tourism Infrastructure
East Gippsland had 1.22 million visitors in 2012, most of whom were domestic overnight visitors (608,000) followed by domestic day-trip visitors (586,000) and then international visitors (25,595). The total expenditure by visitors in 2012 was $307 million, with an average spend per visit in 2012 of $257. The tourism sector employed 1,054 people in 2012 in East Gippsland (East Gippsland Shire Council, 2012).

East Gippsland accounts for 37% of visitor nights in the greater Gippsland region. Visitors to East Gippsland have a higher propensity to stay overnight, than to make a day trip to the region. Of the overnight visitors 82% are from within the state of Victoria (East Gippsland Shire Council Plan 2013a).

The Gippsland Lakes, Lakes Entrance and Mallacoota are the major drawcards for visitors to the shire. The high country and National Parks are also major tourism assets. Cycle tourism is also currently a fast-growing and high yield tourism niche market within the region however consumer demand can only be built and sustained over the medium to long term if adequate infrastructure is in place to support and further encourage that demand (East Gippsland Cycle Tourism Action Plan Steering Committee, 2012a).

In East Gippsland, specific regional priority infrastructure projects with high tourism potential include the Coastal Wilderness Walk, Croajingolong National Park, the Bancroft Bay Marina Metung and the Slip Road Marine Precinct Redevelopment Paynesville (Destination Gippsland 2013). (Since then, the Bancroft Bay Marina Metung project has commenced).

On-water and associated land based infrastructure in and around the Gippsland Lakes also needs improving and upgrading. Improved infrastructure and appropriate management should enhance the recreational experience whilst minimising detrimental environmental impacts. Foreshore walking tracks, cycling paths, viewing areas, interpretive signage, boat ramps, jetties and moorings all need development and improvement.

During the consultation to develop this strategy, examples of eco-tourism developments in NZ, US National Parks and Cradle Mountain Tasmania were highlighted as the level to aspire to in creating and enhancing the visitors’ experience of the lakes, coasts and wilderness of East Gippsland. There are also opportunities to investigate wilderness lodges, further eco-tourism, and ‘glamping’ sites/investments, and connecting trails and authentic local experiences (e.g. (f)route, arts, culture and fruit trail). (See actions 60, 62, 64)

Industrial land availability
A recent study into the availability of industrial land within the East Gippsland Shire demonstrated pent up demand for additional industrial land in Lakes Entrance, Mallacoota and Paynesville. The
lack of sufficient industrial land supply could have a constraining impact on employment and economic growth of those towns if not addressed.

The South Bairnsdale Industrial Estate has been considered East Gippsland’s premier industrial estate for large scale developments. The industrial estate is partially developed with a number of significant operations. There remains considerable potential for further development on the estate.

However this potential is not being realised as there is currently inadequate fire-fighting infrastructure and the cost associated with individual land owners having to install stand-alone systems is a deterrent to further investment.

An opportunity exists for Council to lead a process that would deliver an upgrade to the current water infrastructure servicing the estate; augmenting its capacity to provide the required water pressure to meet the building code standard. It has been recommended that a special charge scheme be introduced to raise the funding to implement the project. (See actions 68, 70)

**Telecommunications**

High quality and affordable broadband infrastructure is recognised as a key building block for communities in East Gippsland seeking to become more productive, liveable and sustainable. The importance of this infrastructure to regional, rural and remote areas and the particular challenges faced ensuring equitable and competitive access in these areas have been well documented.

The National Broadband Network (NBN) is expected to have a significant impact on work, education and health practices in regional and isolated areas that experience poor access to services, facilities and markets (Deloitte Access Economics, 2012; DBCDE, 2011).

It will:

- Reduce the location-specific nature of some industry sectors, allowing for greater decentralisation of businesses and employment.
- Provide access to larger markets for small and home-based businesses, especially in isolated areas.
- Enhance opportunities for employees to work from home or remotely (tele-working). It is envisaged that tele-working will promote workforce participation, especially amongst the mature aged, and households requiring work flexibility (Deloitte Access Economics, 2012).
- Increase access to education, health and government services in isolated communities. This will include the use of online learning environments to access vocational training and higher education, and tele-health services to respond to an ageing population.
- Increase productivity for businesses in many sectors such as manufacturing, design, logistics and health.

The recommendation in the Gippsland Regional Plan is that Gippsland is to be given the highest priority for the simultaneous rollout of high speed broadband and “non-fibre to the home” solutions that will benefit small communities, given this region has one of the highest dispersed populations with over 100,000 residents (40% of the regional population) being located in towns of less than 1000 people.
Strategic Direction 3: Infrastructure
Background Information

East Gippsland Shire Council strongly endorses this Gippsland Regional Plan recommendation as many of its small towns and residents are impacted.

EGSC recently responded to the Federal Government’s $100 million mobile programme providing feedback on the preferred options to manage this mobile programme and to provide a list of the known black spots in East Gippsland.

A report was also commissioned by the High Country Coalition of Councillors (HCCC) of which East Gippsland is a member which identifies the mobile telephone black spots across the HCCC, broadband black spots of the National Broadband Network (NBN) in the HCCC area, and identifies some indicative costs to address identified gaps. One of the report’s main recommendations is the need to undertake a demand side analysis of service requirements taking into account current demand and realistic future demand projections to be able to prioritise areas that require an enhanced service delivery. This would require consultation across the user groups as well as potential retail service providers. Of importance would be to understand the communities broadband expectations and to take into consideration areas where key businesses or higher end broadband users are currently negatively impacted through their location from an exchange, node or tower. (See actions 65, 66)
Strategic Direction 4: Innovation, Leadership and Partnerships

Goals

- Develop strategic partnerships to increase investment in East Gippsland and enhance the sustainability of the economy and business
- Create opportunities for business and community leaders to engage in setting economic development directions and supporting local enterprise
- Encourage innovation in research, development and education to support economic development in East Gippsland Shire
- Drive alignment across other areas of shire activity to ensure integrated outcomes

Desired Outcomes

4.1.2 Our reputation enables us to build partnerships and relationships that create mutual benefit
4.2.1 Community and council have a strong mutual understanding and support

Economic Development Strategy

- A culture that encourages and supports innovation and collaboration in East Gippsland
- Community and business leaders working together to encourage balanced, considered economic and community development
- East Gippsland known for innovation with research and development underpinning its future development

Strategic Direction 4: Innovation, Leadership and Partnerships
Background Information

Partnerships and collaboration

Working with the private sector, through the establishment of local enterprise partnerships built around ‘local functioning economies’, is key to driving economic development. Partnerships should reflect locally agreed sectoral clusters of leading businesses and other stakeholders including education providers and research institutions.

Success depends on bringing together the local leaders, innovators and entrepreneurs to lead the process of local economic development. Whilst allowing local approaches to define priorities for development, it is equally important that strategies have regard to the priorities of other levels of government and engage with broader economic development issues to establish the preconditions of success.

Council recognises the role that social enterprises, micro enterprises and industry groups can play in the growth of the East Gippsland economy. Council can play a number of roles to foster this growth through ongoing consultation and creating the collaborative environments to identify and develop business opportunities. Once these business opportunities are identified Council can support the development of these business opportunities through feasibility studies, business cases, training, access to funding, and facilitating relevant networking and communication. These business opportunities form part of East Gippsland investment prospectus as a place to invest.

(See actions 15, 17, 74 and 75)

Within East Gippsland, there is the opportunity to continue to sustainably grow the East Gippsland food sector and leverage the work of the East Gippsland Food Cluster to encourage the future growth of business clusters and local enterprise partnerships. Business cluster...
Strategic Direction 4: Innovation, Leadership and Partnerships  
Background Information

growth could include development of an “innovation centre” that provides assistance programs, training, and collaborative partnerships to food processing industries.

The key sectors of health and education are critical to the social and economic well-being of East Gippsland. Formal engagement and collaboration with both sectors will enhance advocacy and investment attraction opportunities. (See actions 75 and 76)

Innovation and Leadership

Good leadership and innovation is seen as essential if local government organisations are to effectively manage and survive in ever-changing environments. For many organisations, creating a climate for innovation will require change in organisational culture, management practices, and leadership styles.

In local government the potential for innovation cuts across all functions and services including asset management, development control, waste management, sustainability programs, natural resource management, community services, trading enterprises and economic development (Australian Centre of Excellence for Local Government, 2012).

Innovation in local government may include the continual search for new ideas - ideas that can solve a problem or capture an opportunity, external and/or internal, testing ideas through pilots and experiments and implementation and adoption through strategies and initiatives. Innovation in local government may also include partnering with organisations that play a role in driving innovation and economic development.

Federation Training aims to play a pivotal role in driving innovation and regional economic, social and cultural development (Advance TAFE, 2014).

Federation Training has two main campuses at Bairnsdale and Sale, plus specialist education centres at Lakes Entrance and Sale. Training and advisory services including on-site training are also offered to other communities within East Gippsland. Federation Training includes Forestec which is a specialist environmental, forestry and furniture design centre and SEAMEC which provides laboratories and a hub for marine and maritime industry training.

Within Gippsland, the Gippsland Community Leadership Program (GCLP) encourages current and emerging leaders from diverse backgrounds across the region to focus on the issues and opportunities within Gippsland. Throughout their program year, participants venture into a broad range of Gippsland’s industry sectors and communities, as well as learning applied leadership theories as a core part of their development. (See actions 73 and 74)
Strategic Direction 5: Marketing

Goals

Council Plan 3.3: Leverage East Gippsland’s natural strengths to market East Gippsland as a place to visit, live, work and invest

Desired Outcomes

Economic Development Strategy
- East Gippsland becomes an internationally recognised tourism destination through innovative marketing strategies.
- East Gippsland is considered a location of choice for those seeking an attractive and supportive lifestyle or retirement environment.
- East Gippsland attracts investment and increases visitation and skilled workforce.
- East Gippsland produce acclaimed locally, domestically and internationally

Strategic Direction 5: Marketing

Background Information

East Gippsland’s Provenance

Within East Gippsland, food production and processing plays a major role in the region’s economy and the resilience of its communities. It also contributes significantly to the Victorian economy. East Gippsland’s abundant quality produce is enjoyed by consumers locally, in Melbourne, as well as across other parts of Victoria, Australia and the world.

Meat production underpins East Gippsland’s agricultural output, however cereals and grains and horticulture are not far apart in second and third positions respectively. East Gippsland’s horticulture sector is expected to show continued growth (see section 4.2 – Embracing Opportunities – Agribusiness).

Dairy is the fourth most significant sector in the region (East Gippsland Food Cluster Inc, 2012).

Lakes Entrance is home to one of Australia’s largest fishing fleets which lands around $30 million of sustainably caught fresh seafood each year. The industry is estimated to contribute $200 million annually to the Victorian economy (Department of Planning and Community Development, 2013). Lakes Entrance supplies 40% of the wet catch at Victoria markets (i.e. non imported supply). Lakes Entrance Fishing Co-operative Limited (LEFCOL) is also currently exploring local value-adding opportunities. Fish catches are supplied directly to markets in Melbourne and Sydney. The East Gippsland fishing industry is the largest employer of this sector in regional Victoria.

To the east, Mallacoota is the base of a significant abalone industry known as Mallacoota Abalone Cooperative.

Further local value-adding opportunities need to be explored in horticulture, meat, dairy and fishing.
The region also has an increasingly important niche or boutique production and processing sector. Examples include regional wines, boutique beers, olive oils, preserves, fresh produce, spices and processed meats. (See actions 83 and 84)

**Developing a Point of Difference**
Creating a point of difference plays a very important role in economic sustainability in a competitive marketplace. Utilisation of regional place branding and a “fresh, green theme” will greatly enhance future marketing and branding.

Developing a strong, recognised and consistent brand and image is important for promoting heritage and tourism within a region. The development of a brand proposition for a destination should build upon the point of difference or unique selling point of that region (Tourism Victoria, 2009). Gippsland is seen as a region with great potential, especially if it can increase the awareness of its nature based experiences (see section 4.2 – Tourism – Nature Based).

There is great opportunity to create a point of difference within the existing and emerging food and seafood sectors for East Gippsland provenance. (See actions 83)

**Discovering East Gippsland’s Villages**
East Gippsland’s major towns include, from west to east, Bairnsdale (the largest town and administrative centre), Paynesville, Lakes Entrance, Orbost and Mallacoota. Smaller, but significant, towns in the more mountainous northern areas include Ensay, Swifts Creek, Omeo, and Buchan.

Many of the smaller towns in East Gippsland boast natural attractions such as clean, freshwater waterholes, scenic reserves, walking tracks, fishing, parks and gardens and camping facilities. Many of the smaller towns also have a distinct and fascinating heritage to be explored.

An opportunity exists to develop marketing programs based on the natural attractions of the Omeo, Benambra, and Swifts Creek sub-region within East Gippsland. (See action 89, 90)

**Resourcing and Support**
Within East Gippsland, Destination Gippsland Ltd, Business and Tourism East Gippsland (BTEG) and East Gippsland Marketing Inc provide marketing support to increase visitation and raise the regional profile (see section 4.1 - Tourism and Business Development Organisations and Boards).

The capacity of these organisations to resource a range of activity beyond current levels is limited and the potential wide range of opportunities available requires prioritisation and/or resourcing. Currently these organisations are competing with other regions and priorities for limited pool of local, state and national government funding and operating in a tight fiscal climate impacting private sector’s ability to further contribute (East Gippsland Marketing Inc, 2013). (See action 91)

**Events**
The region hosts around 70 community events annually including the Bruthen Blues & Arts Festival, the Gippsland Lakes Boat Show, the Seafarer’s Multicultural Festival and the Paynesville Music Festival.
A number of farmers markets are conducted regularly in Bairnsdale, as well as in the region’s smaller townships and in recent years F(route) has been developed. F(route) is a social enterprise based in East Gippsland that values and markets art, fruit, the environment and travel in the region – often through events.

Council has an events program coordinator, and supports local events though the Regional and District Events sponsorship – one of Council’s grant programs.

A new initiative is the East Gippsland Adventure Festival with the inaugural four days event scheduled for October 2015, and it is proposed as an annual event thereafter. It will consist of various adventure-related components that are expected to attract around 5,000 competitors. Lakes Entrance will be a hub for the event.

This concept is the result of a comprehensive study undertaken in 2013 to determine the most appropriate event opportunity for East Gippsland. The program of events will be determined following an event design process, utilising inputs from sport, and the adventure / event market, combined with local knowledge to create the most appealing event to showcase the region and attract maximum participation.

(See actions 93, 94 and 95)
List of Related Strategies

Strategies and reports of particular relevance include:

- The Gippsland Regional Plan (GRP)
- The East Gippsland Shire Future Freight and Logistics Needs Strategy
- Gippsland Tourism Strategic Direction 2013-2018
- East Gippsland Marketing Inc (EGMI) Business Plan 2013-2014
- East Gippsland Industry Options for Transition
- Labour Market Conditions in East Gippsland
- Inquiry into Local Economic Development Initiatives in Victoria
- Opportunities for Workforce Development in East Gippsland
- East Gippsland Shaping the Future Long-term Community Vision 2030
- East Gippsland Council Plan 2013-2017
- Victoria’s Regional Tourism Strategy 2013-2016
- East Gippsland Strategic Tourism Plan 2006-2011
- Gippsland Freight Infrastructure Master Plan (2013)
- Rural Councils Victoria Economic Development Activities and Capacity Audit (2012)
- East Gippsland Shire precinct and structure plans
- 2022 Vision for Education in East Gippsland
- East Gippsland Industry Options for Transition Report (Victorian Association of Forest Industries)
- East Gippsland Trails Strategy
- Gippsland Food Plan (2013)
- Draft Gippsland Regional Growth Plan (2013)
- Councils Environmental Sustainability Strategy
- Council Diversity Action Plan

Where applicable relevant strategic directions and actions within the current body of literature have been cross referenced and/or incorporated.

Glossary

BTEG – Business Tourism East Gippsland
CMA – Catchment Management Authority
DEPI – Department Environment Primary Industries
EGMI – East Gippsland Marketing Inc
EGFC – East Gippsland Food Cluster
EPA – Environment Protection Authority
GLGN – Gippsland Local Government Network
GLMAC – Gippsland Lakes Ministerial Advisory Council
RDV – Regional Development Victoria