



REGIONAL CONTEXT ANALYSIS



FUTURE OF
Benalla & District
PEOPLE · DEVELOPMENT · OPPORTUNITIES

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www.futureofbenalla.com.au





INTRODUCTION

TRANSITIONING AN INDUSTRY & LOCAL ECONOMY

In November 2019, the Victorian Government announced the closure of the native timber industry. This closure would include a period of transition for those towns, workers and industry participants affected. The Victorian Forestry Transition Program supports affected communities to plan for the future and diversify their economies by building on local strengths and assets.

Drawing on experience with energy transition in the Latrobe Valley, eleven towns across Victoria were identified to benefit from early intervention to facilitate transition. The Latrobe Valley Authority's (LVA) experience with Smart Specialisation (S3) methodology was seen to be an appropriate method for developing a roadmap for the future. Benalla was identified as one of the eleven towns, resulting in the creation of the Future of Benalla & District project.

The Future of Benalla & District project is proudly supported by Benalla Rural City Council as host agency of a grant from the Department of Energy, Environment and Climate Action. RMIT University has provided academic support in the use of the Smart Specialisation Strategy methodology.

PROJECT DESCRIPTION

The first phase of the Future of Benalla & District Project is to gain an understanding of the district through the creation of a context analysis; a deep dive into Benalla and surrounds. The context analysis uses demographic and descriptive data to understand the current community, business and population characteristics and activities in Benalla and district. Interviews with stakeholders from business, education/research, government, and community (the quadruple helix) provide insights into the knowledge base, the ways of working in the region, the existing connections and networks, perceived strengths, and existing innovation activities.

This analysis leads to this document which provides:

- a review of the geographical, demographic and other data related to Benalla and district;
- an overview of the insights gathered from the interview data;
- a summary of recent planning and strategy documents;
- a list of potential innovation opportunities.

In late 2023, each innovation opportunity will be examined through an Entrepreneurial Discovery Workshop. Subsequent to this, working groups will be created to develop these opportunities further if deemed viable, and create project plans for future investment. It should be emphasised that the opportunities identified are not quick fix solutions for existing problems, but mid to long term developments aimed to create an effective innovation system for the region as outlined below.

SMART SPECIALISATION



The first stage of developing a Smart Specialisation strategy is a close analysis of the existing economic, social, and environmental characteristics of the district. This is done through an analysis of tailored data sets, interviews with local stakeholders across business, community, government, and education, as well as a deep dive into existing relevant policy and strategic documents.

This analysis culminates in this document, a regional context analysis, which explores the existing assets, resources, knowledge base and strengths which can be utilised to support innovation and explore development opportunities for the future.

This approach draws on experience in the European Union with the implementation of Smart Specialisation Strategies. Successful strategies are built off having strong place-based collaborative innovation eco-systems.

THE PLACE

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Data

Most of the data available on the Benalla district is linked to the 2021 and 2016 Census from the Australian Bureau of Statistics (ABS). To enhance our understanding of this data, the REMPLAN and idCommunity platforms have been utilised to undertake specific analysis of community, economic and business characteristics of the Benalla district. The 2021 Census data is undergoing a phased roll out so in instances that the 2021 data was unavailable, the 2016 data has been used.

Overview

The Benalla LGA straddles the Hume Freeway, approximately 2 hours north of Melbourne, and 1 hour south of Albury. It covers an area of roughly 235, 263 ha.

The economic and social centre of the shire is the township of Benalla, with this centre being surrounded by small hamlets such as Baddaginnie, Tatong, Goormabat and Swanpool.

Within the North East region, Benalla is approximately 30 minutes from Wangaratta and 45 minutes from Shepparton, the closest large regional centres.

In the 1980's and 1990's, Benalla was considered a "government town". It was home to regional offices of many government departments. It was stated by a local during the interviews, that a third of the population was employed in the government sector at this time. A process of recentralisation under State governments throughout 1990's relocated these offices back to city, which took many skilled workers away from the region.

Benalla services large agricultural and manufacturing industries, and over time, has developed a significant Arts & Culture scene. This is yet to be fully embraced by locals and visitors, and could be marketed more broadly to strengthen the sector.

Public transport options are lacking, and considered essential by the majority of interviewees, to allow residents to travel to larger regional centres for education and employment.



Figure 1. Future of Benalla & District project focus area (REMPLAN, 2022).

THE PEOPLE

Overview

Benalla and district has a notably higher proportion of its population aged above 50 than both Regional Victoria and the state as a whole. 52% of the residents are aged 50 and above. That same age group makes up 42% of Regional Victoria.

The 2021 SEIFA (Socio Economic Indexes for Areas) index of disadvantage score for Benalla is 951. SEIFA scores range from 143 to 1,207. A higher score reflects lower levels of disadvantage. A score of 951 ranks Benalla as the 20th most disadvantaged LGA out of the 79 in VIC, and 233 out of 547 LGA's across Australia.

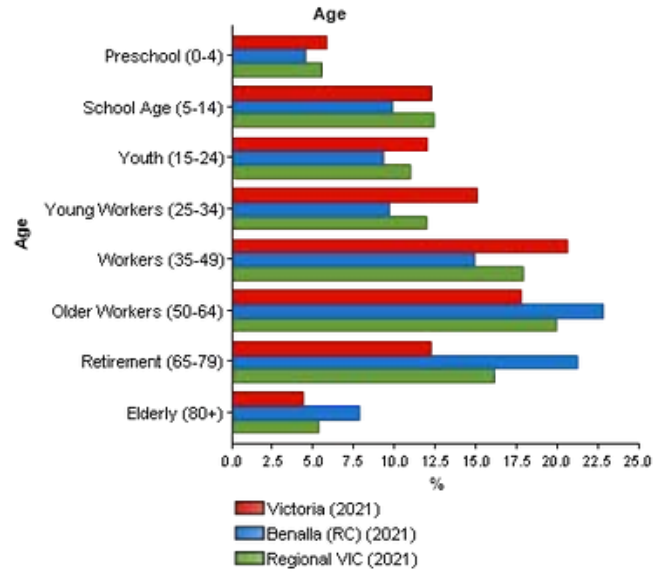


Figure 2. Age distribution of local population compared to Regional VIC and State of Victoria. (REMPPLAN, 2023)

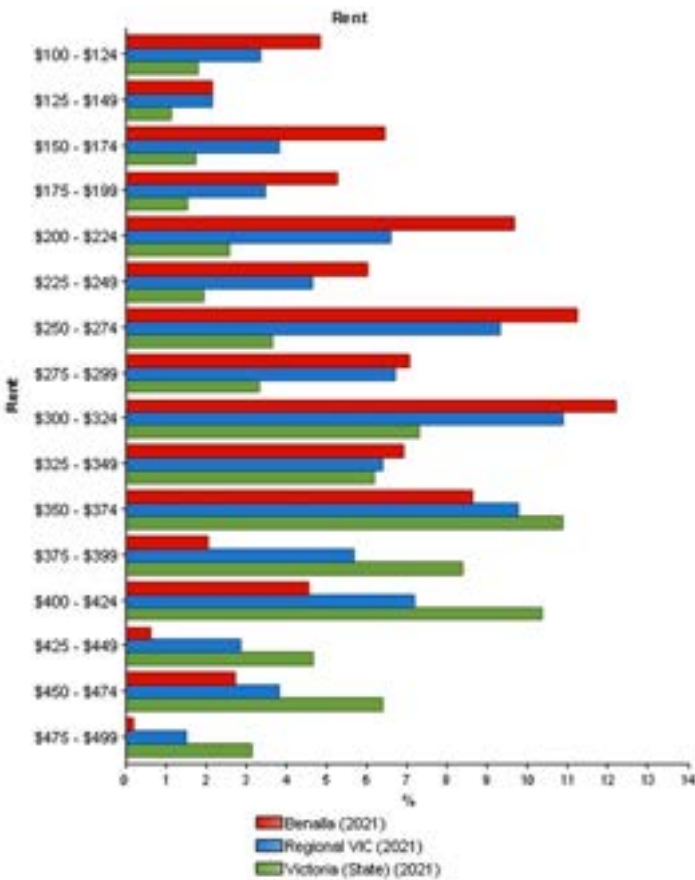


Figure 4. Weekly rent paid Benalla LGA compared to Regional VIC and State of Victoria. (REMPPLAN, 2023)

20% of people are living in rented accommodation. 53% of rent is between \$200 and \$350 per week. 70% are living in a home owned outright or with a mortgage.

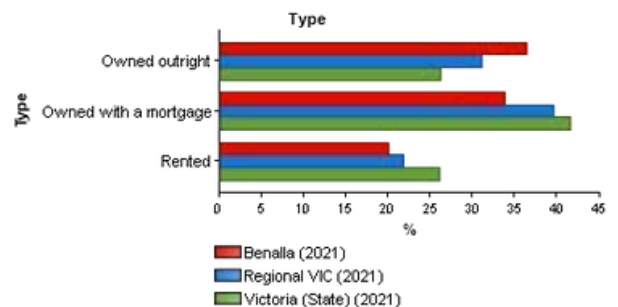


Figure 3. Housing type of Benalla LGA compared to Regional VIC and State of Victoria. (REMPPLAN, 2023)

THE PEOPLE

Employment

The median weekly income for residents of Benalla and district is \$655, compared with Regional Victoria \$720. Just over 50% of Benalla and district's population is engaged in the workforce, while Regional Victoria has 55% and the whole State of Victoria has 59% of the population engaged in the workforce.

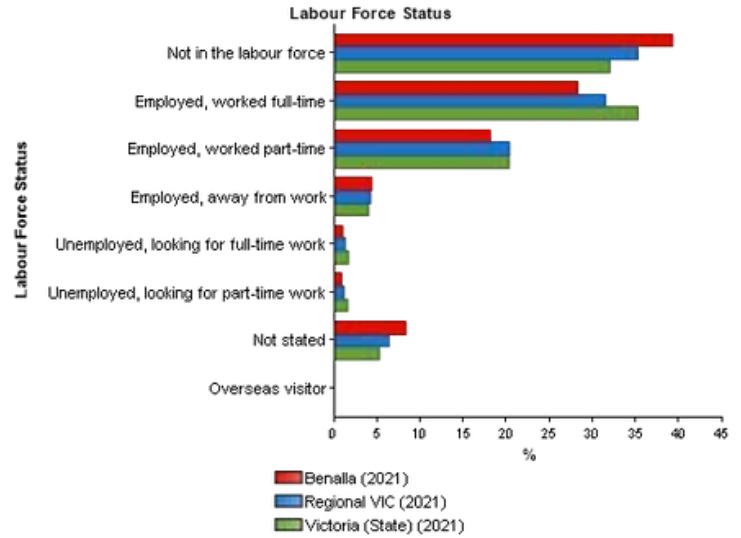


Figure 5. Labour force participation in Benalla LGA compared to Regional VIC and State of Victoria. (REMPLAN, 2023)

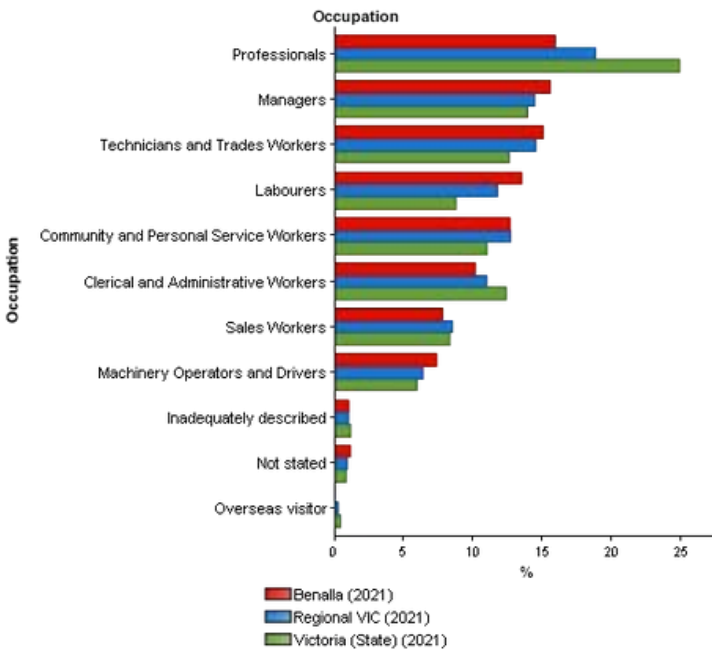


Figure 6. Occupation type in Benalla LGA compared to Regional VIC and State of Victoria. (REMPLAN, 2023)

Of those employed, 16% are Professionals, followed by Managers (15%), Technicians or Trades (15%), Labourers (13%), and Service Workers (12%). Of the entire workforce, 77% are employees, 10% own a business without employees, and 6% own a business with employees. Over 18% of residents are engaged in volunteer work.

Of youth aged between 15 and 25, 10% are disengaged from work and study. Nearly 8% of the population has need for assistance with core activities.



THE PEOPLE

Education

In Benalla and District, 39% of the population has completed Year 12. Regional Victoria sees 45% completing Year 12, while the state of Victoria has a 59% Year 12 completion rate. .

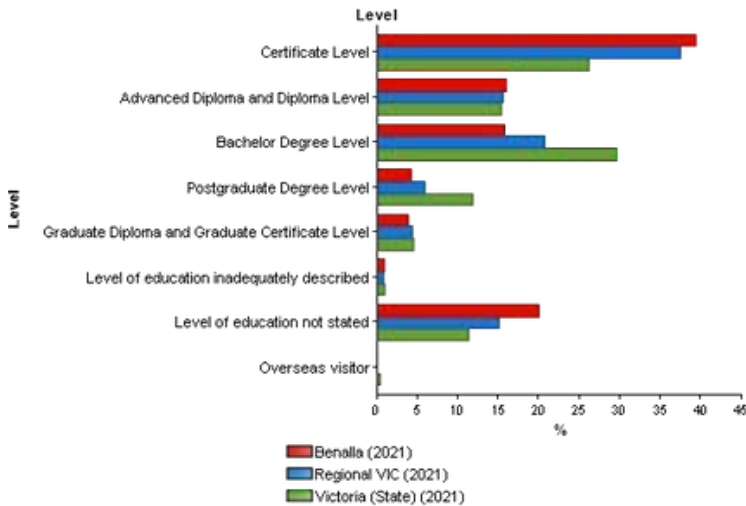
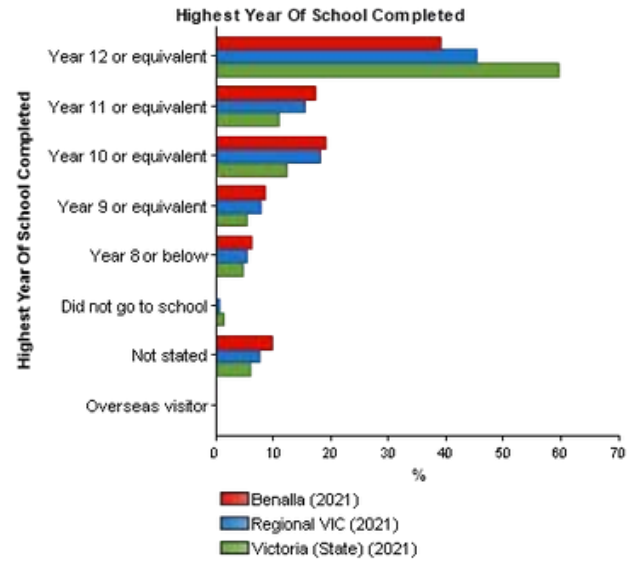


Figure 7. School completion in Benalla LGA compared to Regional VIC and State of Victoria. (REMPPLAN, 2023)

Of those possessing qualifications, 39% listed Certificate level, 15% a Bachelor level degree, and 4% a Postgraduate degree.



Figure 8. Qualification attainment in Benalla LGA compared to Regional VIC and State of Victoria. (REMPPLAN, 2023)

Students engaged in further study were most likely to be in Engineering (14%), Management & Commerce (11%), Health (11%), Society & Culture (10%) and Education (9%)

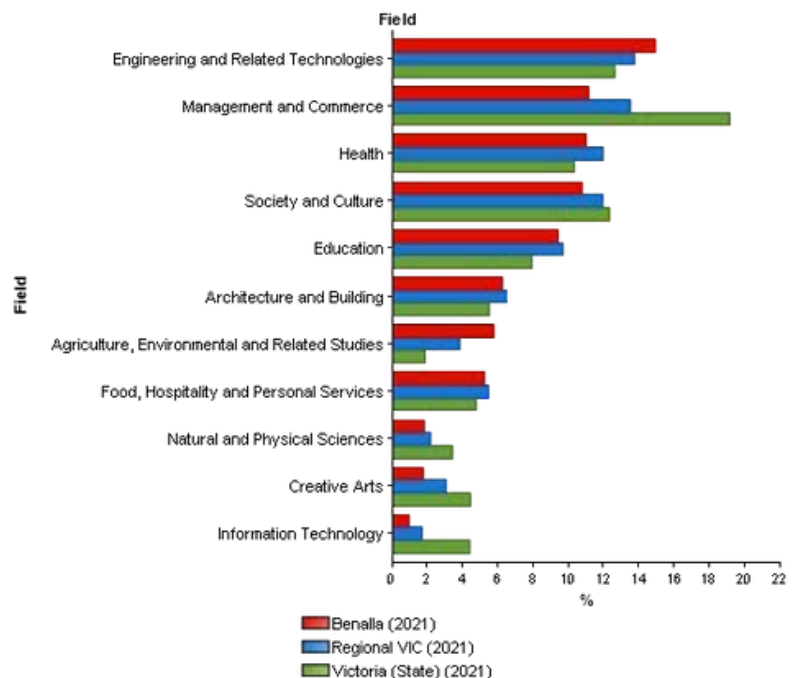
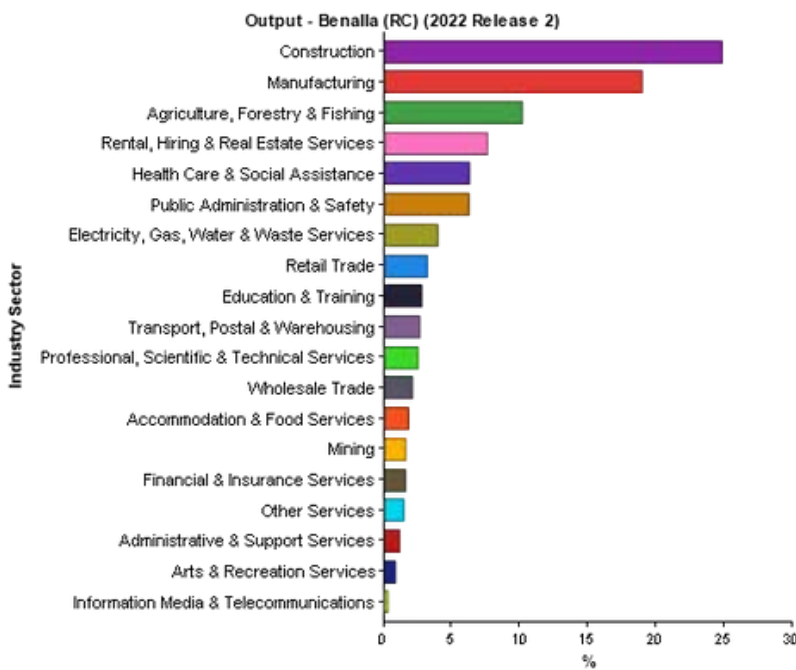


Figure 9. Field of study for Benalla LGA compared to Regional VIC and State of Victoria. (REMPPLAN, 2023)

THE ECONOMY

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GROSS REGIONAL PRODUCT OF \$969.82 MILLION



Output

Output is defined as the gross revenue that each industry contributes to the local economy. In 2021, the Construction industry accounted for almost 25% of the total output. Within the construction industry, Heavy & Civil construction, and Construction Services made up 20% of the total output.

Manufacturing contributed 19% of the total output, with Metal and Metal products manufacturing accounting for 36.3% of this, and Sawmill, Wood & Paper products accounting for 21.05%.

Agriculture, Forestry & Fishing was the third largest industry, contributing 10.2% to total output, with Sheep, Grain, Beef & Dairy Cattle making up 82.03% of the total Agricultural output.



Figure 10. Output of the Benalla economy (REMPPLAN, 2023)

Employment

16.6% of all employment in the Benalla region is in the Construction industry.

The Health Care & Social Assistance industry is the second largest employer in the Benalla region, with 15.3% of jobs being in this industry.

Manufacturing is the third largest employer, covering 10.8% of all employment in the Benalla region.

Agriculture, Forestry & Fishing (9.6%), and Retail Trade (8.3%) are also significant employers.

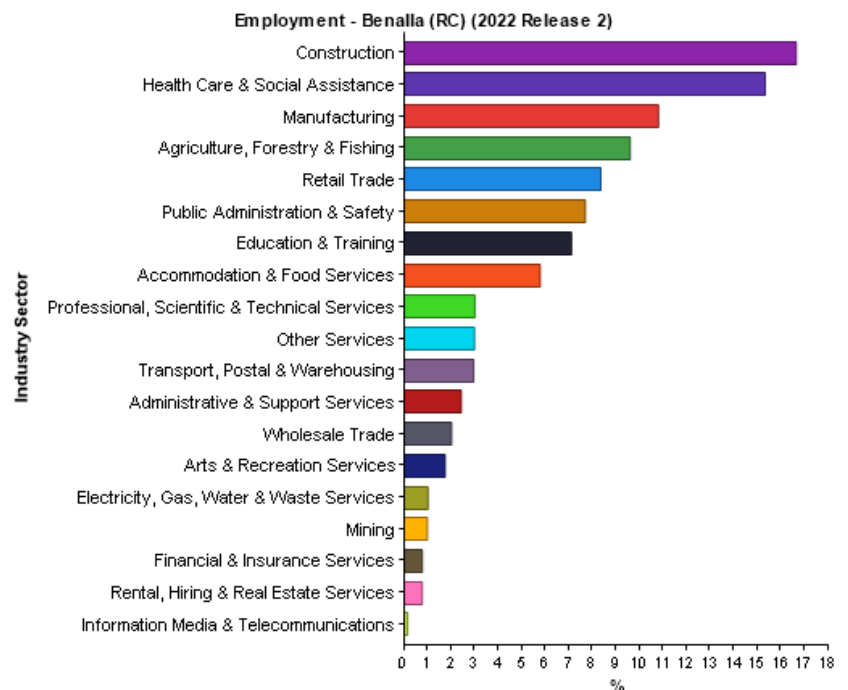


Figure 11. Employment by industry in Benalla. (REMPPLAN, 2023)

THE ECONOMY

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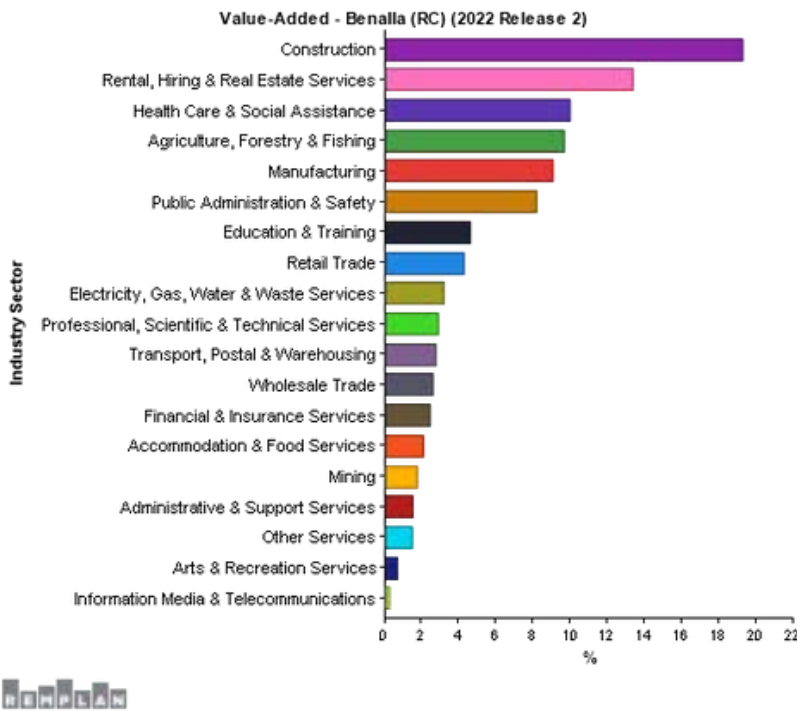


Figure 12. Value-added by industry in Benalla. (REMPPLAN, 2023)

Wages & Salaries

The Construction industry contributes significantly to the local region through the payment of salaries and wages. 19.4% of wages paid are in this industry.

Health Care & Social Assistance (16.7%), Public Administration & Safety (13.0%), and Manufacturing (11.3%) also contribute significantly.

These four industries together account for 60% of the total wages paid to workers in the Benalla region.

Agriculture, Forestry & Fishing contributes 3.1% of total wages paid, even though the industry is the fourth largest employing industry (9.6% of employees).

Value-Added

Value-Added can be calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector, or alternatively by adding the Wages & Salaries paid to local employees, the gross operating surplus and taxes on products and production.

The total Value-added for Benalla is \$900.131 million.

The Construction industry contributes \$173.64 million (19.3%) of total Value-Added.

Rental, Hiring & Real Estate Services contributes 13.4%, Health Care & Social Assistance 10.0%, and Agriculture, Forestry & Fishing 9.7%.

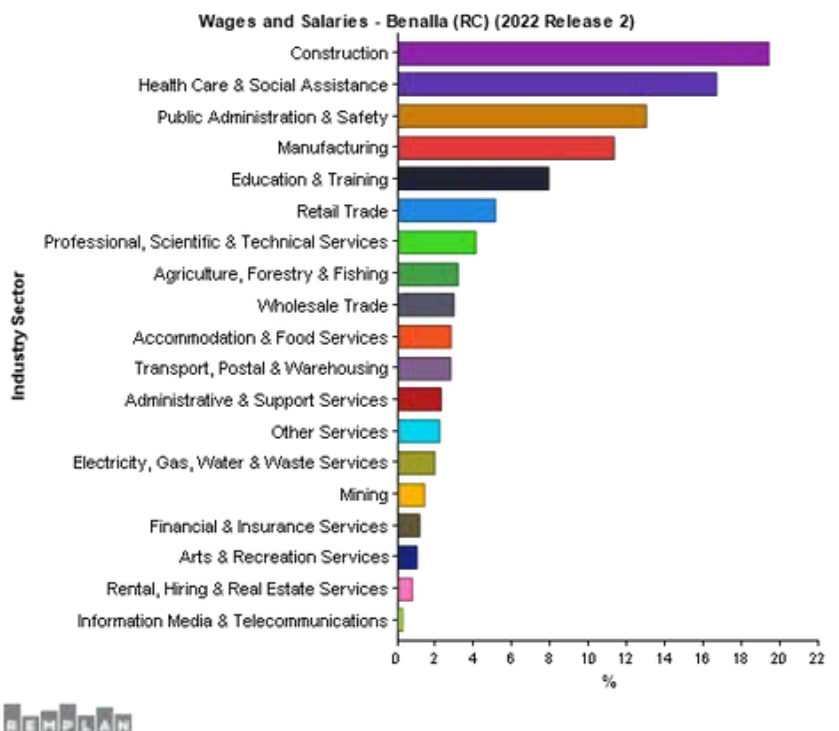


Figure 13. Wages & salaries by industry in Benalla. (REMPPLAN, 2023)

KEY PROPULSIVE SECTORS

Key Propulsive Sectors are those industries that rank within the top 5 industries (out of 19) in measures such as backward linkages, exports, employment, and value-added. REMPLAN has ranked these industries for the Benalla & District region.

Industry Sectors	Backward Linkages	Exports	Employment	Value-Added	Total
Agriculture, Forestry & Fishing	✓	✓	✓	✓	4
Mining		✓			1
Manufacturing		✓	✓	✓	3
Electricity, Gas, Water & Waste Services	✓				1
Construction	✓	✓	✓	✓	4
Wholesale Trade					0
Retail Trade			✓		1
Accommodation & Food Services					0
Transport, Postal & Warehousing	✓				1
Information Media & Telecommunications					0
Financial & Insurance Services					0
Rental, Hiring & Real Estate Services				✓	1
Professional, Scientific & Technical Services					0
Administrative & Support Services					0
Public Administration & Safety		✓			1
Education & Training					0
Health Care & Social Assistance			✓	✓	2
Arts & Recreation Services	✓				1
Other Services					0

Figure 14. Key propulsive sectors in Benalla. (REMPAN, 2023)

KEY PROPULSIVE SECTORS

Backward Linkages - details the industry sectors which spend the most on locally sourced intermediate goods and services per dollar of output. These industry sectors may not necessarily make the largest contributions to the Region's economy at present. However, due to well developed local supply chains these sectors have a significant capacity to deliver broad based economic benefits for the region.

Regional Exports - represents the value of goods and services exported outside of the Benalla (RC) Region that have been generated by local businesses / organisations. Another way of defining exports is as an inflow of money into the region, i.e. motels have an inflow of money from people who live outside the region's boundaries thus they are earning export equivalent dollars.

Employment - the key social outcome of economic development; employment data represents the number of people employed by businesses / organisations in each of the industry sectors in the Benalla (RC) Region.

Value-added - represents the marginal economic value that is added by each industry sector in a defined region. Value-Added is calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector. Value-Added by industry sector is the major element in the calculation of Gross Regional Product.

Within these measures of economic activity, the key propulsive sectors for the Benalla & District region, in descending order from most significant, are:

Construction - 4

Agriculture, Forestry & Fishing - 4

Manufacturing - 3

Health Care & Social Assistance - 2

No other industry scored higher than one point.

INTERVIEWS SUMMARY

80+ INTERVIEWS WERE CONDUCTED WITH REPRESENTATIVES FROM GOVERNMENT (12%), BUSINESS (40%), COMMUNITY (36%), AND RESEARCH/EDUCATION (12%).

This section brings together insights gathered from interviews with business, government, community and education/research stakeholders. Over 80 people participated in the interview phase of the project. These interviews have been critical to the project team in identifying the local assets and innovation opportunities.

Business/Industry Perspectives

Interviews with industry have been conducted across a wide variety of sectors in the Benalla region. Participants from horticulture, manufacturing, health, visitor economy, agriculture, digital, business services, retail, and construction all agreed to share their insights and experiences of Benalla.

Throughout the interviews, people commented on the diversity of farming options that the region offers. From the flat lands suited to cropping on the northern side of the region, to the beautiful grazing country to the south. The climate, rainfall, and soil are ideal for a variety of farming pursuits. There are people in the region exploring many innovative farming opportunities. From carbon neutral beef, and world leading animal embryo production, to small scale food production with new products such as goats cheese. Farm/agroforestry was seen as an opportunity to diversify existing farm enterprise income streams, while also improving soil conditions. There are also other benefits regarding carbon sequestration. There was a number of local farmers that participated in the original farm forestry movement back in the 1980's and 1990's, with this program having mixed results. Some of these farmers would be interested in participating in future trials, if there was some more rigour around suitable tree species, fire risk mitigation and the creation of a market for the harvested timber.

One researcher that was interviewed believed there was a viable opportunity to form a network of growers willing to dedicate 20ha each to plant Spotted Gum on a 40 years rotation. The key to this opportunity would be to work closely with the local timber and mill industry to create an end to end production system.

There are a number of locals that offer a farm tourism experience, but many noted that there are no formal avenues to network and discuss collaboration opportunities.

Even though the Benalla region has reasonably stable average annual rainfall of 550mm -700mm (depending on location), there was mention of the use of aquifers to store water in wet years for use in dry years.

One of the challenges in attracting new people into the agriculture/horticulture industries, is the cost of farming land in the region. The amount of capital required to get into these industries is prohibitive, and getting the younger generations into these industries is difficult for this reason.

There are some operators in the region looking at innovative natural health solutions, with one in particular working closely with researchers at University of Melbourne and Swinburne University to develop health compounds from eucalyptus leaves for animal, and eventually human benefit. Researchers have already discovered that one of these compounds have been found to improve the lung function in sheep, which is exciting. One of the operators in this field has built a network of eight growers, and partnered with a local nursery to look at selective breeding programs and optimal seedling raising programs. They are also in the process of scaling up to produce commercial quantities of the compound. There is the beginnings of a strong network and ecosystem around this particular industry locally.

INTERVIEWS SUMMARY CONTINUED.

Business/Industry Perspectives continued...

Our local growing conditions suit this industry, while our location and ease of road and rail access mean that an entire production system can be developed locally.

Regardless of industry sector, the majority of the businesses interviewed mentioned the difficulty in finding and retaining staff. Some of this is due to the skillset required, while housing was also mentioned as another barrier to attracting people to the area. Internet connectivity was also mentioned as an issue in some parts of town with speeds not fit for business purposes.

It was noted that some of the older tradespeople in town are starting to wind down towards retirement, with a lack of younger tradespeople coming through. The younger ones that are there, are struggling to access the capital required to take on the larger projects, like the redevelopment of the Visitor Information Centre.

A number of interviewees across business, community and education mentioned the local manufacturing sector as a key asset and key contributor to the local economy. It was said that these businesses offered locals employment opportunities across a wide range of careers. The economic data would support these comments, with manufacturing contributing 19% of the total local output, and making up 10% of local employment. When speaking with some of these local manufacturers, it was commented that they would like opportunities to network, and create closer working relationships. There is a business network in existence locally, but it doesn't appear to be very active. Many businesses mentioned there is no mechanism for local businesses to come together to share ideas, network or identify collaboration opportunities.

There could be an opportunity to create a Benalla Innovation Network with the overall goal being to build an innovation ecosystem. By bringing businesses, government, community and research together to hear from each other, build connections and collaborate, the Network could strengthen the local economy and enhance local capability.

Nearly all businesses recognised the contribution of the arts sector to Benalla for creating vibrancy and attracting tourists. While this recognition is evident, no-one could articulate how this could be strengthened and how to develop the supporting infrastructure such as accommodation and food & beverage offerings.

Education/Research perspectives

Throughout the interview phase of the project, many people from various education and research institutions kindly gave their time.

Benalla is home to early years, primary, and secondary education institutions, and also has a Goulburn Ovens TAFE campus going through a relocation to the CBD. Within the broader region, La Trobe University has campuses at Wodonga and Shepparton, Melbourne University has a campus at Dookie and Charles Sturt University has campuses in Albury and Wangaratta.

One of the challenges that was noted throughout the interviews is that many local residents seeking further education opportunities, have to travel outside of the region to find this.

One of the themes that was evident when interviewing some of the tertiary training institutions, is that there is now a greater emphasis on working more closely with industry. Education providers are now doing more to design specific training programs that align directly with the needs of industry.

Education/Research perspectives continued

Tertiary education providers stated that there are a number of existing opportunities for research to partner with local communities. These include:

- Research Projects. These projects usually need funding for a research assistant. Examples of previous projects include the Benalla Future Workforce Planning Report 2021-2022 which was completed by a PhD candidate from La Trobe University.
- Work Integrated Learning. Demand has grown and programs run year round and across all disciplines. Universities and TAFE's are focussing on creating partnerships with local industry to allow students to complete placements with local employers to gain "on the job" experience. The Winton Wetlands usually host 2 Masters students each year for placements.
- Small upskilling programs. During COVID, La Trobe University ran a "Leaders in Lockdown" course, which provided leaders and managers with short modules to improve leadership and management knowledge. Courses like these can be tailored to specific knowledge areas.

The project team spoke with researchers from University of Melbourne and Swinburne University to explore further what opportunities exist around the health compounds found in various eucalypt species. Researchers from both institutions confirmed that there is immediate opportunities for these compounds to be used in animal health, and they are working on creating production systems at a commercial scale. The researchers both stated that the next step would include the creation of a sustainable market for the product.

The Winton Wetlands is a major local asset that works closely with a number of research institutions. The Committee of Management of the wetlands has built partnerships with University of Melbourne, Charles Sturt University, La Trobe University, University of Western Sydney, Deakin University, Federation University Australia, Sandhurst Catholic Diocese, and the Department of Education. Some of these partners conduct research with specific animals present at the wetlands, others are involved in wetland health, and restoration. The Wetlands also hold an annual Restoration Science Forum with each forum focusing on a specific theme. Close to 70 people from local councils, research institutions, catchment management authorities, a number of different state government departments, community organisations and interested community members attended the 2022 Science Forum. This type of event is a great example of bringing the quadruple helix together to collaborate for a specific purpose.

Another example of a local organisation working with researchers is the Benalla Migrant Camp. This work is not as recent as other examples, but in 2014, the Migrant Camp worked closely with Dr Bruce Pennay, a historian from Charles Sturt University, to research and write a history of the camp. The book was revised in 2017 after the Former Benalla Migrant Camp was included on the Victorian State Heritage register. The migrant camp was also used as a case study in research led by Dr. Alexandra Dellios regarding the migrant contribution to nation-building.



Education/Research perspectives continued

Most interviewees from across the quadruple helix (business, community, education, government) spoke about the importance of Tomorrow Today to Benalla. Tomorrow Today is an independent community foundation that works with families, schools and the community to ensure that our local children and young people can achieve their potential in school, work and life.

Tomorrow Today run many programs from the PEEP (Parents Early Education Partnership) program, through to programs focusing on transitioning from school to work.

Tomorrow Today's Education Benalla Program supports 1,500 children/families and collaborates with 124 community partners to deliver more than twenty programs and activities. Benefits of the program include:

- over 80% of Benalla's 0-4 year olds and a parent/carer attend Tomorrow Today's parent education program
- 9% decrease in the proportion of children developmentally vulnerable in one or more areas Australian Early Development Census (AEDC) data.
- 350% increase in work experience placements (Benalla P-12 College data, increase in work placements in 2019 compared to previous four years (2015-2018)
- 10% increase in transition to work or study post-school (dandolo analysis of Benalla P-12 College and FCJ College Australian Curriculum Assessment and Reporting Authority (ACARA) data 2014 to 2018)
- 19.3% decrease in the number of people aged 15 to 24 years who disengaged from education and/or employment (ABS Census data, 2016 vs 2021)

(Data provided by Tomorrow Today).

"Education is the key to change. It helps to lift people out of poverty and unemployment."

(Community)

Community Perspectives

The project team is very appreciative of the many community members that came forward to participate in interviews. Their opinions and contributions are very much appreciated and are vital to having complete evidence on which to build development opportunities.

Community interviews were held with members of the community representing both themselves, and many different organisations. From sporting clubs, the arts, history, nature based organisations, and many of the single interest groups that advocate for specific projects and issues in the area.

The interviews were also conducted across a range of age ranges, from young students up to retirees.

Community members all had interesting perspectives on strengths, opportunities and challenges that Benalla face. The following is not an exhaustive list, but rather, a sample of the main themes that were raised by community members:

- People have suggested revitalising the CBD, including closure of Fawckner Drive. The Commercial Hotel was identified as a key asset that could be developed as part of this revitalisation.
- Others thought Benalla could be the Sporting capital of Victoria. There are many good sporting assets in the town, with state funding committed at the last election to redevelop the Benalla Indoor Recreation Centre.



Community Perspectives continued

- Community members lamented the lack of caravan park facilities in the Benalla area.
- Many locals saw the Lake precinct as a key asset, but commented there are issues with the water quality. Water testing conducted by the EPA on the 14th November 2022 following the October flood event, indicated e.coli levels of 6400 MPN/100ml (Most Probable Number), well above the recreational water level guidelines of 260 MPN/100ml. Innovative solutions to filter the incoming water could be explored.
- Many commented on the aging population of Benalla, and saw this as an opportunity, not just a challenge. How can we use the experience and knowledge of older residents. More mentoring opportunities were mentioned.
- It was mentioned that while many locals are happy to volunteer on local committees and boards and to run events, there is an element of volunteer burnout.
- The youth cohort that participated in brainstorming sessions felt that there is a lack of "hangout" spaces for our youth. This could be something to develop.
- There is concerns around the relocation of the GO TAFE campus. Many community members wondered about the number and variety of courses that would be offered in the new smaller campus.
- The Benalla Migrant Camp was mentioned as an asset by many community interviewees. It was noted that the site presents some complexities, and there are a number of different users of the site.
- As with the business interviewees, without exception, community interviewees identified the Art Gallery, and arts in general as an asset in Benalla. It was mentioned that the opportunity here has not been fully developed.

"Our location is a strength. We are an hour from the Murray River, an hour from the High Country and two hours from Melbourne."

(Business)

Government perspectives

Interviewees from the various levels and departments of government all had interesting contributions to share with the project team.

Some of the government interviewees noted that Benalla is generally a reasonably conservative community. It is often the case that ideas and innovations are tested elsewhere and proven, before Benalla will follow.

The Department of Energy, Environment and Climate Action have commenced the development of new forest management plans for Victoria. The North East plan aims to establish principles for the balanced use and care of the forests in the area. There will be a public consultation phase during the plan development which will be important for the Future of Benalla and District project to engage. There could be intersecting points between the forest management plan, and the work that the Future of Benalla and District project undertakes.

"Climate change is real. How do we bring a modern contemporary view to older thinking?"

(Government)



Government perspectives continued

The Victorian Forestry Plan has included \$120 million to plant 16 million trees over the next 10 years in Gippsland. More than 14,000 hectares of softwood plantations will be planted over the next 5 to 10 years under the program. While this doesn't directly relate to the Benalla region, there could be opportunities to advocate for similar programs locally.

The Federal government has announced funding of up to \$2000 (GST inclusive) per hectare of new long-rotation plantation forest established with a minimum plantation size of 20 hectares. This presents opportunities for farm forestry locally. Developing a network of small scale growers that could access this funding and supply local sawmills could provide potential diversified income streams for farmers. Across multiple forestry regions in Australia, it appears that investment in new plantations are typically not viable beyond distances of approximately 100km to the nearest processing facility (Mackay & Gregg, 2018). Benalla is home to a significant mill operation which could make any local farm forestry projects economically viable.

Benalla is prone to natural disasters, with storms, floods and fires all impacting the region in recent years.

There are a number of renewable energy projects locally either in development or under construction. The following projects are examples of local projects:

- a 149 mW solar farm owned by Gentari at Glenrowan West,
- an 85mW solar farm located at Winton owned and operated by FRV,
- a 250mW solar farm located at Goorambat East had a planning permit approved by Benalla Rural City Council in 2019,

- a possible 400mW solar farm currently being investigated by Neoen to be located at Goorambat West,
- A new renewable hydrogen production and refueling site is planned for Winton to be developed by Lochard Energy and is currently undergoing community consultation.

With housing constraints present in regional areas, it is becoming increasingly important for industry to partner with education and skills providers to "grow their own workforce", rather than importing workers from elsewhere.

The Benalla Art Gallery was highlighted as an important local asset by government representatives from both local government and state government. With 75,000 exhibition visitors to the gallery in 2022, it is an important tourism attraction for the local area.

In 2022, the gallery exhibited artworks by 76 different artists across 31 different exhibitions. The gallery also provides opportunities for schools and community members to participate in a range of activities and programs. In 2022, 2,310 community members participated in programs offered by the gallery, while 1,217 students participated in the gallery's education programs.

The Benalla Art Gallery is also working hard to foster relationships with other local organisations. A recently opened exhibition "Always and Altered", presented in partnership with the University of Melbourne and the Winton Wetlands, explores our interactions with an impact on the land.

The director of the art gallery also sits on the Benalla Street Art advisory committee, which will also help to build connections between the gallery and the street art offering in the town.

Benalla also holds a significant parcel of land zoned "Industrial 2", which can be used for a variety of uses. There is no other "Industrial 2" zoned land of this size in the state, which provides Benalla with a unique competitive advantage.



Conclusion

Many of the interviewees noted a feeling of complacency within the town. Interviewees from across the quadruple helix noted that people seem to be happy with doing things how they have always been done.

Some felt there was a lack of vibrancy in the town, despite events like the Street Art festival, and the Benalla Festival.

Others noted that they felt there was a lack of direction and leadership within the town, both within the business community, and from all levels of government. Many felt there was no clear overall strategy or plan for the town, and that some of the development occurring was rushed through, and ad hoc, rather than conforming to an overarching vision.

Interviewees from across the quadruple helix noted the challenges associated with relatively low education attainment levels in the Benalla region. One of the larger employers in the area noted that 55-60% of their staff hold a bachelors degree, with 15% of the broader community holding this level of education, there are issues with recruiting appropriately trained staff.

Many people lamented the lack of food and beverage options available in town. There is little in the way of night time economy activity.

Many of the retail shops in town close shortly after lunch on Saturday and are closed on Sunday, providing nothing extra to keep tourists in town.

One of the strengths of Benalla that was mentioned by interviewees, was the large organisations in the manufacturing sector, with this being supported by the economic data. Is there opportunity to further develop this industry and enhance the local capability by creating an innovation ecosystem bringing industry, government and research together.

There is no shortage of interesting ideas and potential opportunities for projects in the Benalla district. Interviews highlighted the Winton Wetlands and the Benalla Art Gallery as important assets in the town. The interviews also highlighted opportunities in farm/agro - forestry and natural health compounds found in eucalypt leaves.

The economic data combined with the interviews highlight the importance of the local agriculture and manufacturing sectors to the Benalla economy.

Smart Specialisation places significance on identifying unique assets in a region that can support innovation. Stakeholder interviews have been crucial to identify these assets in the Benalla district.

The insights shared by the diverse range of interviewees suggest a number of areas that could be subject to further exploration and development.

These will be explored further in the final section of this report. Before that, a summary is provided of initiatives for change and a vision for the Benalla district as expressed in previous policy documents.

"Benalla has a strong volunteering culture, but it's all up to the older cohort. How do we get younger people involved?"

(Government)



SUMMARY OF REPORTS

The *Benalla Rural City Community Plan 2016-2036* is a comprehensive document that outlines the long-term vision for the rural city of Benalla. The plan is designed to guide the growth and development of the community over the next two decades. The plan identifies Benalla's future challenges, and also some of the opportunities.

The plan identifies seven key themes that are important to the community. These themes are further broken down into a series of goals, objectives, and strategies that are intended to guide decision-making and resource allocation. The themes identified are:

Community wellbeing and sense of place focusses on making Benalla a vibrant city with strong and self-reliant communities across the municipality. Aiming to celebrate and promote diversity and respect and acknowledge all members of the community. To achieve this requires increasing two-way communication between communities, groups, organisations and individuals to ensure they are strengthened and enhanced.

A well-connected and accessible community focusses on providing access for all to a wide range of services and facilities, efficient and reliable telecommunication networks and maintaining infrastructure in a way that minimizes resource consumption. Advocating for the best possible telecommunications system, an upgrade of rail services and creating more housing types for older and younger people will be key.

A vibrant, thriving and progressive economy focusses on creating a robust economy with resilient and innovative industries, actively attracting growth industries with incentives. The town needs to attract and retain a skilled workforce by having easy access to quality education and promoting our region as a lifestyle destination. This will be achieved by promoting business and business opportunities, increasing collaboration with businesses, supporting social enterprise and entrepreneurs, and facilitating appropriate and sustainable development.

Planned population growth aims to provide adequate education, recreation, health, and wellbeing infrastructure to support social and cultural richness and diversity, with expanding industries and a larger skilled labor force for current and future markets. This will be achieved by supporting and encouraging a diversity of residential and commercial development and developing a proactive plan for population growth.

A sustainable environment seeks to use and support renewable energy sources, minimise waste by recycling and reusing more, have healthy waterways, and prepare communities for natural disasters and a changing climate. This will be achieved by encouraging people to take responsibility for the health of our natural resources, being more environmentally conscious, promoting renewable energy resources and having robust programs in place for emergency management for all communities.

Benalla Rural City, a destination of choice aims to develop a thriving and strong tourism industry, diverse employment opportunities, supporting a wide range of sport and encouraging social inclusion. We will provide opportunities for people of all ages and abilities to participate. This will be achieved by increasing the variety of visitor accommodation, improving marketing, and branding of Benalla and encouraging collaborative marketing efforts between council and owners of commercial, retail and tourism enterprises.

Leadership and community spirit strives to foster a strong community spirit and a strong sense of place and identity which is strengthened by a network of volunteers and community leaders. We will have a wide range of diverse candidates standing for local government. This will be achieved by encouraging, supporting, and celebrating volunteers and community groups, ongoing mentoring, and leadership development strategies to encourage community participation and delivering the Benalla Rural City Community Plan.

Overall, the Benalla Rural City Community Plan 2016-2036 is a comprehensive document that provides a roadmap for the growth and development of the community. It recognizes the importance of a holistic approach to community development, and seeks to promote social, economic, and environmental sustainability in the rural city of Benalla.

SUMMARY OF REPORTS

The *Neighbourhood Liveability Assessment of Benalla* report offers an evaluation of the quality of life in 25 neighborhoods within the town of Benalla. This assessment is conducted using 18 indicators to gauge various aspects of liveability. The report not only highlights the town's strengths but also pinpoints areas that could benefit from enhancement, intervention, and the accumulation of evidence to endorse future advocacy endeavors.

The report suggests that these results are combined with existing and future community strengthening activities to gain further understanding of these results before formulation of future planning activities.

With support from Council the results of the report can be used for the following activities:

- Initiate conversations with the local Benalla community to grasp the contextual significance of these indicator outcomes and their direct influence on the area's liveability.
- Facilitate discussions spanning the entirety of the Council, fostering the development of future policies and plans.
- Utilise these outcomes to advocate for future funding applications and the establishment of new partnerships between the Council and external entities.

In summary, Benalla provides residents with high levels of liveability and a wonderful rural lifestyle and a number of strengths have been identified in the liveability indicators to support this. These include:

- an active central activity area for the town that provides access to fresh food via supermarkets;
- good access to public transport stops in the centre of town;
- low unemployment in many areas;
- growing diversity in housing dwelling types;
- high levels of volunteering indicative of good community connectedness;
- limited access to electronic gaming machines;
- a walkable centre of town;
- good accessibility to public open space in most neighbourhoods of Benalla.

However, this assessment has also identified issues that require further exploration to improve the liveability of Benalla and consequently the health and wellbeing of residents living in the area. These include:

- a lack of public transport stops in the area surrounding the Benalla Hospital area;
- limited access to Public Open Space in the northern areas of the town;
- low levels of walkability in some neighbourhoods of town;
- an ageing population;
- poorer access to services for older people in the northern, western and south-western areas of town that do not meet community needs for successful ageing in place;
- high levels of population estimated incidence of family violence; and
- low rates of household internet access in some areas that appears to be co-located with areas of socioeconomic disadvantage.

This report has been developed to provide evidence of these neighbourhood based differences that exist in the rural location of Benalla. It is hoped that this evidence will be used to support the development of future policy and planning initiatives that will further improve the liveability of the area.

SUMMARY OF REPORTS

BENALLA RURAL CITY COUNCIL PLAN 2021-2025

Benalla Rural City Councils purpose is to meet the community's needs and aspirations, through leadership and quality service, with a focus on thoughtfully planned growth to maintain and enhance the high productivity of the collective community.

This plan is council's medium term strategic planning document that guides decision making and sets key directions to work towards the community's vision for the future. This plan has been informed by the long-term Benalla Rural City Community Vision 2036, extensive community consultation over a six-month period and key strategic documents, plans and policies.

Input into the Council Plan was invited through a varied number of engagement methods, and they heard from a range of age groups, a balanced gender mix, residents from within Benalla and rural areas, and residents with a culturally diverse background.

The Benalla Rural City Community Vision 2036 incorporates seven guiding themes. These are: community wellbeing and sense of place; a well-planned, connected, and accessible community; a vibrant, thriving, and progressive economy; planning for population growth; a sustainable environment; a destination of choice, and leadership and community spirit.

From these seven themes, five themes provide the framework for the key objectives and strategies within the Council Plan. These are community, livability, economy, environment, and leadership.

The objective for community is to create a healthy, safe, and resilient community who are connected, involved and inclusive. The objective for livability is to create vibrant public spaces and places with connected and accessible roads, footpaths, transport, and parking. The objective for economy is to create a thriving business and industry with flourishing tourism, diverse education and employment and a focus on population growth.

The objective for environment is to create a healthy and protected natural environment with high quality, efficient and sustainable waste management and sustainable practices. The objective for leadership is to create good governance, high performance culture, and an engaged and informed community, and effective and responsive advocacy.

The community has said they want a well-informed council, affordable rates, a tip shop/repair café, hard waste disposal, car charging stations, green spaces, strengthened business/education links, sustainable planning, a tourism strategy, and small business support.

Strategies to reach these objectives include partnering with key stakeholders, such as Victoria Police, to promote and enhance community safety. Working with key health, welfare, and community organisations and networks to support better learning, development, and wellbeing outcomes for community members.

Strategies also include advocating and planning for outdoor spaces and enhancing and maintaining key places of significance. Attracting new investment, business, and industry to Benalla, and supporting a circular economy. Actively promoting responsible behaviors to reduce waste and demonstrate sustainability leadership to the community. Improving customer experience through responsive, timely, efficient, well planned, and accessible services.

SUMMARY OF REPORTS

BENALLA RURAL CITY COUNCIL PLAN 2021-2025 cont.....

Health strengths and challenges for Benalla have been identified. Strengths include high levels of volunteerism, higher consumption of vegetables than the Victorian measure and lower estimated homeless persons. Challenges include a high number of people on a low income, large percentage of highly disadvantaged people, higher rate of domestic violence incidences compared to Victoria and higher rates of diagnosis for anxiety and depression than Victorian measures.

Performance measures will include community satisfaction with advocacy, consultation, customer service, development and overall direction from council.

OVENS MURRAY REGIONAL ECONOMIC DEVELOPMENT STRATEGY

The *Ovens Murray Regional Economic Development Strategy (REDS)* looks to set out medium to long term strategic directions for driving economic development in the region Ovens Murray region. Benalla's population makes up approximately 10% of the region.

The five strategic pillars set out in the strategy are:

- Expand business and employment opportunities in the transport, distribution and logistics industries
- Strengthen and diversify the visitor economy through leveraging the region's nature and epicurean tourism industries
- Expand on existing strength in manufacturing to take advantage of opportunities in new industries
- Support and expand economic and employment opportunities in growing sectors (health, social services, education)
- Position the region to benefit from emerging growth opportunities in natural resources

While Benalla is rarely specifically mentioned within the strategy, with the majority of focus being on the larger centres of Wodonga and Wangaratta, and also the tourism potential of the Alpine resorts, the existing strengths of Benalla align well with the pillars set out in the REDS. Benalla's location and ease of access show it to be a good location for transport, distribution and logistics, the local arts and culture offering provide unmatched tourism opportunities within the region, Benalla is home to a strong manufacturing sector, strong links between local health and education institutions providing career pathways for locals, and Benalla has seen significant investment in renewable energy production in the recent past.

Developing these strengths and aligning with the REDS pillars may provide access to further external funding sources for future expansion projects.

SUMMARY OF REPORTS

The *Benalla Future Workforce Planning Report 2021-22* focuses on a deep dive analysis of the current and future jobs and skills needs within the municipality. This analysis offers an overview of the education and training needs employers have said they need to fill the jobs of the future, key challenges identified, and some ideas for potential solutions to these challenges.

Growth industries in the Benalla LGA include allied health, tourism, concrete manufacturing, renewable energy, agribusiness, construction, and logistics. The objective of this report is to determine current job opportunities, predictions of future job opportunities and recognising skill gaps and how to fill them. The data for the report was collected through qualitative in-depth research by face-to-face interviews with local businesses and focus groups held with a mix of local business, council, and education providers. Employers from the top 19 industries for employment in Benalla were consulted for input on current and future labor force barriers, skills and training and employment opportunities.

The report demonstrates the barriers to employment are more entrenched in the community in a range of ways as opposed to being as the result of the COVID-19 pandemic or any one factor. It is clear the priorities to meet current and future roles are existing skill gaps, future skill needs, education and training needs and infrastructure shortfalls.

The main barriers to employment are difficulties finding appropriate staff, insufficient accommodation for workers, inadequate internet, and lack of public transport.

Employers say they have difficulties finding staff with the main barriers being workforce readiness and attitude, lack of enterprise skills, lack of professionalism, drug and alcohol use (fear of a drug test on employment), limited qualified candidates, and employees not being passionate about their jobs. Current skills gaps also include core skills, motivation, reliability, poor quality resume and no cover letter, lacking ability to communicate affectively and build rapport with clients, leadership, and work ethic. Future skills that are predicted to be needed in the future were said to include digital skills, innovative mindset, intuition, planning skills, resilience, troubleshooting capabilities, negotiation skills and respect of diversity.

Most industries have education and training needs for employees to hold at least a certificate qualification, with some employers happy to offer on the job training through apprenticeships. Infrastructure requirements to improve job outcomes across industries are internet, public transport, a networking business hub, digital transformation, short and long term housing, and improved workplace spaces and conditions.

To solve these issues it will require collective community groups, industry leaders and educators to work together. No singular organisation will be able to resolve these needs on their own. Solutions could include developing a systemic approach to address the future skills gaps, and establishing working groups to create the plans for future skills gaps, which the working groups will implement.

By 2025, new jobs or additional skills within job roles, will evolve in the Benalla region within existing industries. Additional skills will be required by jobseekers. A range of education and training will be essential. To prepare for these roles, skills building needs to start now.

INNOVATION OPPORTUNITIES

OPPORTUNITIES TO EXPLORE FURTHER

The interview process and data analysis has identified a number of distinct innovation opportunities that warrant further investigation through an Entrepreneurial Discovery Process.

This context analysis suggests 6 assets and opportunities that should be the focus of Entrepreneurial Discovery Process (EDP) workshops.



ARTS & CULTURE



EUCALYPT DERIVED
HEALTH PRODUCTS



MANUFACTURING
ECOSYSTEM



BENALLA MIGRANT
CAMP



FARM/AGROFORESTRY



WINTON WETLANDS

ARTS & CULTURE

Basic Proposition:

Benalla has a thriving Arts and Culture industry with a diverse range of offerings. Building a strong arts ecosystem where people can network, share ideas and work together could elevate this further. Creating a strong creative and cultural environment is known to have positive impacts on social cohesion, belonging and also helps to foster innovation and economically diverse economies (A New Approach, 2019). Creativity is an important driver of incremental improvements in products and processes, and it has been found that technological and economic creativity go hand in hand with artistic and cultural creativity (Florida, 2019).

Key Assets:

A number of key assets were mentioned throughout the course of the interviews. These assets include:

- Benalla Art Gallery
- Street Art (Wall to Wall Festival)
- Silo Art Trail
- Ned Kelly History
- Costume Museum
- Benalla Migrant Camp
- Winton Wetlands
- Indigenous History
- North East Artisans
- Cohort of local artists

Strategic Competitive Advantage:

Very few towns the size of Benalla can boast the diversity of Arts and Culture that Benalla has. Arts and Culture are locally recognised as being an important economic driver in the region.

Key Challenges:

Understanding how each of the offerings contribute to the overall arts sector locally.

Design Principles/Workshop Takeaways:

The workshop would need to explore what innovation opportunities exist to develop a creative arts network. The workshop would need to identify whether the Benalla Art Gallery is the central hub for this network.

EUCALYPT DERIVED HEALTH PRODUCTS

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Basic Proposition:

Investigate the feasibility of making Benalla a hub for Eucalypt derived health products. Build on existing local knowledge to create an industry and scientific hub, exploring the benefits of these natural compounds.

Key Assets:

Local knowledge of Eucalypt derived health compounds.
Soil conditions that are conducive to growing particular species of eucalypt with high levels of beneficial compounds.
Location and ease of access.
Existing partnerships between industry and research institutions.

Strategic Competitive Advantage:

There is already significant work that has been completed locally in this area, and it has been found that some of the compounds are already in demand.

Key Challenges:

Access to funding is a key challenge to work through. Another challenge will be spreading the potential economic benefit broadly through the local community. Accessing a suitably skilled labour force will also present challenges in the future.

Design Principles/Workshop Takeaways:

An EDP workshop would need to gain a further understanding of the potential to develop a variety of in demand health compounds.

The workshop would also need to identify the future infrastructure and workforce capability requirements needed to develop the opportunity into an ongoing sustainable industry. The workshop could investigate training needs and identify any potential partnerships with local skills and training providers.



MANUFACTURING ECOSYSTEM

Basic Proposition:

Benalla's manufacturing sector is the third largest employer and 2nd largest contributor to overall output in the local economy. Many in the sector focus on their own operations and have not explored opportunities to collaborate. The aim of building an innovation ecosystem made up of representatives from the quadruple helix would be to grow the manufacturing sector precinct, by encouraging complementary businesses to locate in the Benalla region. An effective manufacturing ecosystem could encourage firms to engage in stronger learning about process and market opportunities, possibly leading to joint venturing or novel product development.

Key Assets:

A strong manufacturing sector already operating in Benalla.
A large parcel of land zoned "Industrial 2". Land in this zoning is very hard to find in the state of Victoria.
Location and ease of access.
Training providers either in town or within 1 hour drive.

Strategic Competitive Advantage:

There is already significant manufacturing operations located in Benalla and there is also a stock of Industrial zoned land ready to develop. Benalla is easily accessed by road and rail, and geographically, is situated at an important transport intersection.

Key Challenges:

Promoting Benalla as an attractive investment opportunity for prospective manufacturing operations is a key challenge. Housing for labour force is also a challenge.

Design Principles/Workshop Takeaways:

An EDP workshop would need to gain a further understanding of the potential to develop an innovation ecosystem around the manufacturing sector. Identifying relevant representatives from the quadruple helix will also be important for creating an innovation ecosystem.

The workshop would also need to identify the future infrastructure and workforce capability requirements needed to fully support the expansion of the manufacturing sector. The workshop could investigate training needs and identify any potential partnerships with local skills and training providers.

BENALLA MIGRANT CAMP

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Basic Proposition:

The Benalla Migrant Camp is an important piece of our local history. Between 1949 and 1967, an estimated 60,000 European post World War 2 migrants passed through the Benalla Migrant Camp, many of which were women and children (Benalla Migrant Camp Inc, 2023).

Not many of the original buildings remain at the site, but what is still there, is an important piece of Australia's Post World War 2 migrant history. Restoration and promotion of the site and cohesion amongst the current user groups will enhance the site's usefulness and standing within the community, and historical tourism visitors.

Explore ways to better integrate user groups, and enhance the historical standing of the site. The aim is to embed the Migrant Camp into the visitor economy in Benalla, while also promoting the historic and research importance of the site.

Key Assets:

The Benalla Migrant Camp site.
A strong advocacy group for the site.

Strategic Competitive Advantage:

There are very few remnants of Australia's Post World War 2 migrant history, especially one with original buildings, and a site that was mainly dedicated to women and children.

Key Challenges:

There is a number of existing tenants that use the site for a variety of purposes. The site itself also presents challenges. It is part of the Benalla airport precinct.

Design Principles/Workshop Takeaways:

An EDP workshop would need to identify and understand the potential uses of the site. It would also need to seek agreement from existing tenants on how they will co-exist in the future, and how each can contribute to the preservation of the site. It would also need to be identified how the Migrant camp fits within the broader tourism sector in the region.



FARM/AGROFORESTRY

Basic Proposition:

Farm Forestry has historically had a strong uptake in the Benalla region with previous schemes having mixed success.

It has been found that combining farm plantations with existing farm operations can have many benefits, from improved soil conditions to diversified income streams.

Key Assets:

Benalla is home to a significant sawmill operation that has a large workforce, and generations of milling knowledge.

Access to land.

Researchers with intimate knowledge of the local area, and the farm forestry industry/opportunity.

A history of willingness to participate in farm forestry projects.

Strategic Competitive Advantage:

It has been found that farm forestry projects are most successful when the distance from plantation to mill is less than 100km.

Benalla is centrally located in good growing country. The Ryan & McNulty mill provides a real advantage to access farm forestry projects in and around Benalla, Mansfield, Murrindindi and Alpine shires. Access to suitable growing land is also an advantage.

Key Challenges:

Previous farm forestry initiatives have not necessarily been successful. Overcoming any reputational damage of such projects would need to be a key objective. Understanding the economic benefits of a new farm forestry industry is also a key challenge.

Design Principles/Workshop Takeaways:

An EDP workshop would need to examine what opportunities exist in the region for farm/agroforestry. Is farm forestry an economically viable industry on its own, or are opportunities for bush foods, health compounds and oils options that should be integrated into the opportunity.

An EDP workshop would also need to investigate how farm forestry could sit alongside some of the other innovative farming practices occurring in the region such as carbon neutral beef and small scale food production.



WINTON WETLANDS

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Basic Proposition:

The Winton Wetlands is the largest wetlands restoration project in the southern hemisphere. Fully developing the wetlands into a scientifically significant site and also developing the eco-tourism aspects of the site, could bring visitors to the region from across the globe.

Key Assets:

The main asset is the Winton Wetlands themselves. A dedicated and skilled workforce and committee of management also enhances the potential of the site.

Strategic Competitive Advantage:

Being the largest wetlands restoration project in the southern hemisphere brings advantages due to scale and the potential for a multitude of sustainability and scientific projects. Its location alongside the Hume Freeway means access to the site is easy and convenient.

Key Challenges:

Understanding the scientific significance of the site presents a key challenge. There has been many research projects and partnerships with the wetlands, but could these have taken place at any wetlands site?

Design Principles/Workshop Takeaways:

An EDP workshop would need to understand the existing research partnerships that the wetlands currently have. An understanding of the potential of future projects is also important to understand.

Understanding the tourism potential of the wetlands is a key objective. The Wetlands cafe and hub is popular with Winton locals and travellers from further afield. Are there further tourism opportunities (accommodation etc), that could be explored?





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