



COMMITTEE FOR
**GREATER
SHEPPARTON**

2024 POLICY TUNE-UP

Summary of outcomes from the C4GS 2024 Policy
Tune up and subsequent discussions with members
and Greater Shepparton community.

ACKNOWLEDGEMENT OF COUNTRY

The Committee for Greater Shepparton acknowledges the Traditional Custodians of Country and recognises the continuing and deep connection to the land, water, air and sky, culture and community.

We pay our respects to their Elders past and present. We acknowledge the region for the Committee for Greater Shepparton's activities is on the traditional lands of the Yorta Yorta Nation.

ABOUT THIS REPORT

In May 2024, C4GS convened a Policy Tune Up with the CEOs and peers of member organisations. More than 70 members attended and across the afternoon we explored the priorities for the region.

The Policy Tune up responded to a clear need ahead of local, federal and state elections beginning in late 2024; the noise of state and federal budgets, and other policy discussions like energy transition, water (MDB Plan), housing (Housing Statement, Plan Vic), and identify – and give voice to – ***our members’ shared priorities for the region.***

Greater Shepparton has always relied on itself to drive its priorities – sometimes in partnership with tiers of government, departments, and agencies, but often from its own resources and through local initiative and collaboration.

Over the course of the day, the discussions highlighted not just the challenges, but a wealth of big ideas and pragmatic solutions, highlighting the region’s untapped potential to secure a stronger future for itself – particularly if policy and regulatory frameworks can be made more locally relevant. It also highlighted opportunities for collaboration to achieve solutions that are relevant to Greater Shepparton.

This report captures discussions from the Policy Tune-Up as well as follow-up conversations with individual members, and later events including the Greater Shepparton Philanthropic Summit.

Next steps

Throughout the report we have identified opportunities. Several of these initiatives have commenced, for example the Manufacturers Forum and Human Resources Networking Group.

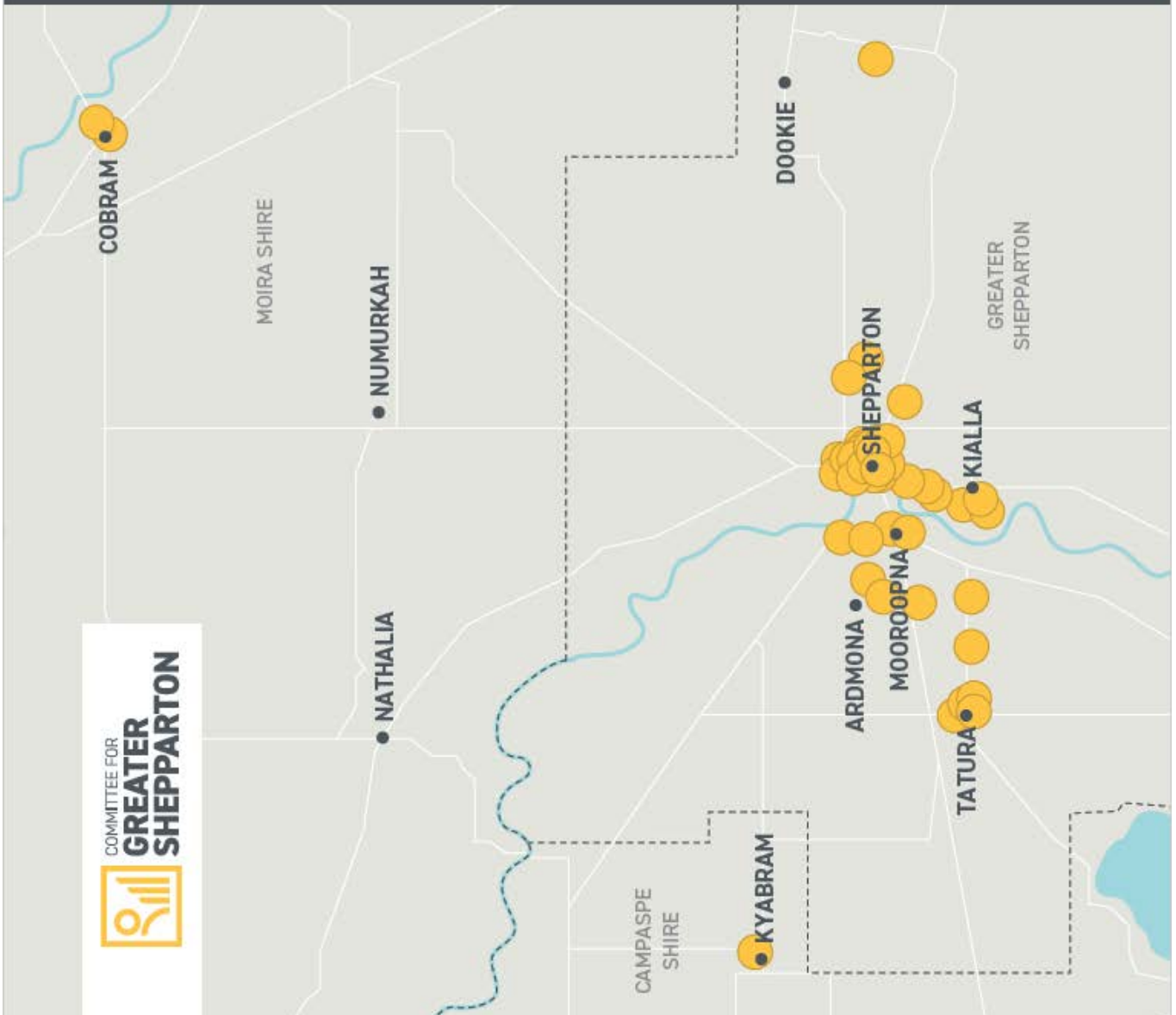
Overall, many of the opportunities align with our areas of focus and this report provides valuable confirmation and evidence to describe and support our efforts.

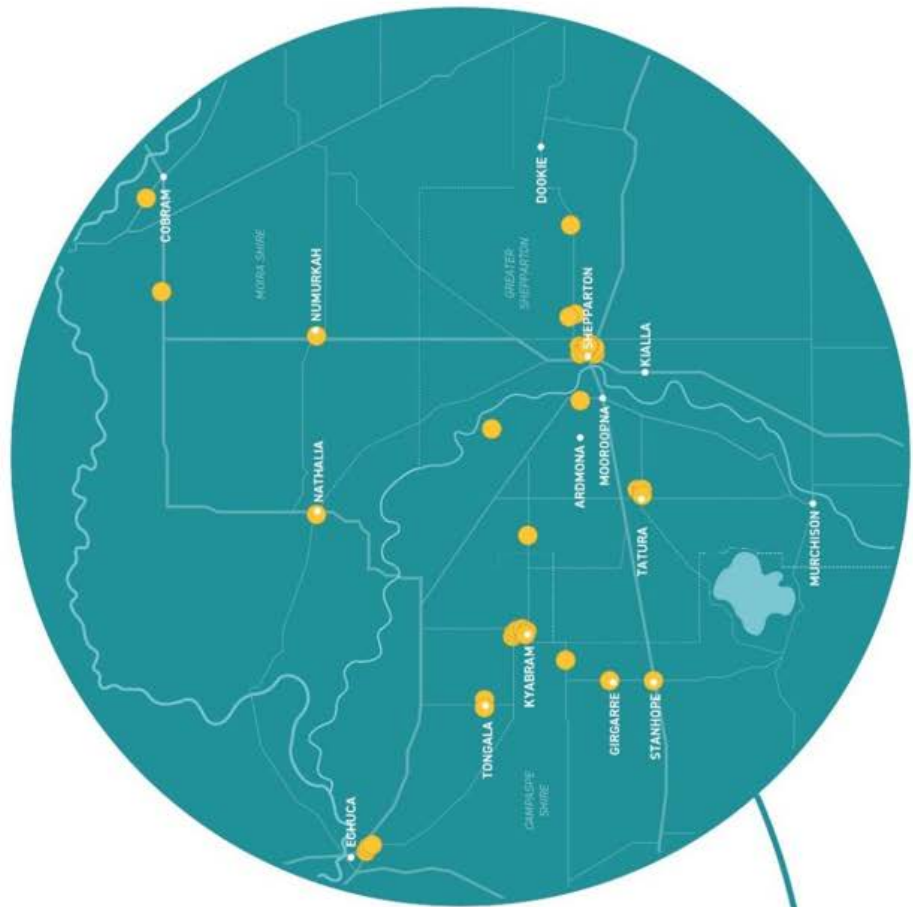
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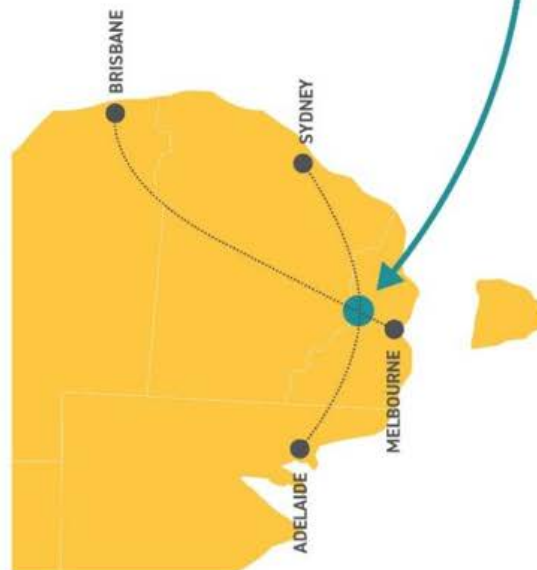
OUR MEMBERS

- Advanced Ag
- Advanced Computing
- Bega Tatura Milk
- Berry Street
- Beyond Housing
- Briarhouse
- Browns Project Solutions
- CAF Consulting
- Cameras Lawyers
- Camstrek
- Civilmart
- Cleanway
- Commonwealth Bank
- Community Insurance brokers
- CPE Construction
- Daves and Vary Riardon
- Destination Goulburn Valley
- EPEX
- Ethnic Council
- Foot Waste
- Friends of SAM
- Porphy
- Future Recycling
- Gagliardi Scott Real Estate
- Game Traffic & Contracting
- Ge a Break
- GMCU
- GALLEN
- Go Traffic
- GoFarm
- GOTTAEE
- Gouge
- Goulburn Broken Detachment Management Authority
- Goulburn Murray Community Leadership
- Goulburn Murray Water
- Goulburn Valley Water
- Graham Hill Eyecare
- Graham Thomson Motors
- Greater Shepparton Business Network
- Greater Shepparton City Council
- Greater Shepparton Foundation
- Greater Shepparton Secondary College
- GV Community Energy
- GV Health
- Hansen Yundlen
- Herbstown
- Hicks Transport
- HR Blueprint
- JH & Co
- Kaia Institute
- Kestrel Employment Solutions
- Kevin Hicks Real Estate
- Kraslas Brothers Transport
- La Trobe University
- Legacy Packing
- Lighthouse
- McPherson Media Group
- NJ Hall & Sons
- Moretto Building
- MOVE Shepparton
- NAB
- National Piano awards
- NBN Local
- Next Office Tech
- Nourit
- Onleys
- Opcon Property Group
- OzPac
- Parkdale
- Penal
- Plunkett Orchards
- Primary Care Connect
- Prominent Group
- PSC Griffith Goodall
- Quicklift
- Radevski Coolatona
- Ramsay Health - Shepparton Private Hospital
- Redlands
- Rubicon
- Rumbalara
- Saputo
- Shepparton Art Museum
- Shepparton BMW
- Shepparton Festival
- Shepparton FoodShare
- Shepparton Food Clinic
- Shepparton Theatre Arts Group
- Shepparton Toyota and Mazda
- SPC
- SPC Factory Sales
- Spire
- Superative Group
- Telara
- The Adviser
- The Apprenticeship Factory
- Trevaskis Engineering
- Unilever
- University of Melbourne
- Valley Pack
- Valley Sport
- Watters
- WB Hunter Group
- Woodruga Tate - DECA





CAMPASPE, GREATER SHEPPARTON AND MOIRA
**NORTHERN VICTORIA'S
MANUFACTURING HUB**



..... KEY NATIONAL ROAD FREIGHT ROUTES

WORKFORCE

Running to stand still

Members frequently referred to the region's sustained growth that is driving the demand for workforce - from entry level to specialists and senior professionals, and in new and emerging technical, construction and energy sectors.

Regional Development Victoria (RDV) confirmed they are aware of more than \$150 million of planned private sector investment in the Goulburn Valley. While this number is down on prior years it continues to drive a steady pipeline of activity and demand for skilled trades, project managers and construction skills.

Panel members indicated much of the business investment will see technology and automation improve operating efficiency and productivity – and this is being prioritised over further growth at this stage however it also sets businesses up to respond to growth.

The most common flow on impacts are the increased demand for large commercial and industrial sites that allow business to consolidate operations 'under one roof', and the changing skills mix required to operate and maintain the new technology.

Many employers described the impact of public infrastructure investment on the competition for skills and labour. Many reported losing staff to roles in Melbourne and interstate for pay rates that are well above industry standards.

"We don't have a single dominant industry or employer, so looking in from another city or region it can be hard to understand the industry we have, the scale of training needs, and the career opportunities."

"A lot of the tech is imported, and we rely on their experts and some local trades to install, but we need reliable, skilled local trades to keep things running into the future."

"We are seeing investment in more intense low water use agriculture, in particular undercover cropping projects of large scale that appear will be delivered across multiple stages and sites across the region." CAF Consulting

"Today our automated facility can sort and pack more fruit and more types of fruit - from apples to citrus, pears and summer fruits. This also means we operate year-round and we need the skilled workforce to match." Redlands

"We have the 20 hectares of high-tech glasshouses under construction in Tongala – that's about 10 MCGs. We will need from 160 to 200 staff across a wide range of skills including marketing, logistics, agronomy, electricians, pickers and management. We have plans to establish our bioenergy hub on site to drive towards net-zero. We expect this will be the first stage of our investment because the local region has the key ingredients of a hort workforce, a climate that's suited to glasshouse production and road connectivity." Paul Geurtsen, GoodnessGrown

"We are seeing a strong trend towards investment in technology and automation that improves operating efficiency and productivity. This has been assisted by supportive government policy but underneath that is just a real drive for the owners to make their business better" NAB

"We have seen a lot of local investment in dairy housing such as barns, climate structures such as feed pads and shading as well as feed storage. If current trends continue, in the next 5 – 10 years we will see a large increase in milk production produced by these types of systems. These will be complemented by smaller, agile farm businesses that continue to produce in our region." Murray Dairy

Health Sector

Health is Greater Shepparton's largest employer with around 1 in 5 residents employed in the health or care sector. The challenges for the health and care sectors are chronic and, unfortunately, consistent with growth and workforce needs across the nation.

Greater Shepparton's limited training pathways and the prospect of new major hospitals on the northern outskirts of Melbourne with each requiring 3000 and 4000 staff are elevating the challenge and concern for the provision of local services, and funding cuts to health services following the 2024 Victorian Budget will only exacerbate the pressure on health workers and the services they deliver to the community.

"The scale and quality of our services and facilities have grown to meet local needs in recent years, but we've also had a persistent vacancy rate of around 15% to 20%. That's 450 to 550 staff, spanning nurses, doctors, allied health professionals and admin and support services. Modelling suggests that the gap will remain over the next decade, and relying on temporary staff adds millions in cost. The fact is, health services around Australia are competing for staff, which is why one of our top priorities is working with other local stakeholders to attract talent to our region." GV Health

Growing local talent

Members spoke of work experience, work placement and workforce development and retention programs they have created to attract, develop and hold onto local talent. Many commented that cannibalizing local talent had not worked and are pushing labour costs to unsustainable levels - the only solution was to increase the pool.

A common concern was work readiness and not just among younger age groups entering the workforce for the first time. Members spoke of recruiting for attitude – ahead of skills – with the view that the skills could be learned and developed over time.

HR members noted the growing demands for and on their profession as workforce challenges continue. They also commented on the lack of work readiness, the need for holistic employment attraction and retention programs, and the training and retraining options needed to provide local talent with better opportunities and the confidence that they can continue to grow their career while living and working in the region.

Valley Sport confirmed participation in local sport had declined by almost 30% since Covid. There are signs of recovery, but cost of living pressures were an ongoing obstacle.

In later discussions several employers noted they use participation in team sports as an indicator of a potential employees 'soft skills' such as team work, communication and the ability to receive and learn from feedback (coachability) – but also acknowledged that participation in team sports is not a guarantee nor the only path.

"We have staff that work part time for the hospital and part time for us. They enjoy the variety of work and it's creating career opportunities that keep them in the region." Primary Care Connect

"We take on an IT trainee each year and support them to complete on the job training to gain a Certificate 3 or 4 in IT. After completion they move on

to other roles within the business or IT roles with other organisations. Up to 1/3 of our team started their career this way and we're fortunate to have a growing number of staff who have been with Advance for over 10 years. We've also helped our local secondary schools deliver IT subjects when unable to resource." Chris Motton, Advance Computing

"Over time we have built a process for up-skilling our quality assurance staff while they work with us, but we still need to recruit in qualified professionals in areas that can't train locally." SPC

"Right now, cost is the key reason kids and adults are dropping out of organised sport – and yet we know continued participation is a crucial investment in maintaining healthy lifestyles, developing skills for future employment and fostering stronger community connections." Valley Sport

We have been bridging the gap between employers, careers advisers and industry for over 21 years, in practical ways that include our work experience portal, career expos, industry placements, teacher professional learning days and even virtual reality. We know we are having an impact when we see more students placed into industry every year through our school to work programs, employers are understanding the different ways they can engage with secondary students and reaching out to get involved, and our Industry focused teacher learning days are become a yearly request from schools." GMLLEN Executive Officer

Local training and placements

Compared with other regional centres, Greater Shepparton has a narrow range of post-secondary training opportunities. This contributes to

- *Significant leakage of (particularly young) talent to other regional centres and Melbourne to pursue post-secondary study.*
- *Major financial hurdles. Even before university costs, relocating students face a starting hurdle of around \$30,000 per annum for accommodation, transport and living expenses.*
- *Limited opportunity for local and new locals to retrain, upskill and maintain the currency of their qualifications and training. This is frequently raised by relocating professionals wanting to understand the opportunities for their career and for their family.*
- *Greater difficulty attracting student placements due to cost (such as short-term accommodation and transport) and disruption (unable to continue work and other activities).*

"We have found a good fit with Deakin University. The course has 3 semesters per year which reduces the length of the optometry course to 3.5 years. This also reduces the costs of living away from home, and this also helps Deakin attract regional students who are interested in coming back to the region." Mark DePaola, Graham Hill Eyecare

"In addition to teaching medicine at the University of Melbourne Shepparton campus, each year we coordinate around 1,000 health placements across regional Victoria, which includes supporting around 350 nursing and allied health students to come to Greater Shepparton. These placements boost local health service delivery seeing more patients and offering more services. They also sow the seeds to attract students back to the region after graduation." University of Melbourne

"We have to convince graduates to relocate from another city or regional centre - where they have just spent the last 3-4 years studying, working and building a network - to a place they don't know. So

often they chose what they already know," multiple employers.

"We tried to work with a few universities to create placements for regional students, but we were allocated students from the city that had no idea of living and working in a regional area. It turned out to be a waste of time for them and for us, we have a much higher success rate of working with regional people" CAF Consulting

"Even with financial support, placements are expensive, and they disrupt students' work, and other activities and commitments. It's no surprise most students prefer placements that are close to home or a short commute." Multiple employers

"We continue to hear reports of the pressure on students to secure rental accommodation near their university well before they receive their semester timetable, and then discover they may have as few as four contact hours on campus." C4GS

"Local transport options do not support students from towns like Cobram travelling to training in Greater Shepparton," C4GS

"If we lived in any the other major regional city in Victoria, our kids could study engineering or allied health while living at home. Instead, they go to information days and the first message is you will need to leave Shepp to study" Parent

Apprenticeships and Traineeships

Members spoke of the critical role local TAFEs need to play in training a work force that matches the current and future needs in the region.

Members are eager to see apprenticeships delivered more efficiently for employers and apprentices, and with greater assurance the apprentice has the required skill and experience.

Construction is one of the largest employers after health and the sector is eager to see a more agile approach to trade training. Members recognised construction methods are increasingly diverse. Concepts including stackable apprenticeship 'units' with a capstone to confirm competency of the unit's requirements were frequently proposed to allow specialisations and speed into the workforce.

TAFEs are recognised as a dedicated career pathway, but with very narrow local university offerings, there is strong appetite to explore TAFEs' role in providing gateway or bridging courses to expand the opportunities and access for local students to a wider range of careers.

Members touched on the potential for a range of skilled and professional roles to begin with TAFE based trainee and 'para' qualifications that can progress to full professional accreditation when ready and if/when study outside the region is possible.

The Victorian Skills Authority data confirms 90% of roles in the Goulburn Region will require post-secondary qualifications, - the majority (50%) will require TAFE qualification with the balance requiring a degree or equivalent.

Members recognised that business automation, renewable energy, and circular economy investments often involved technology that has been developed elsewhere. As a result, industry is seeking skills and trades to support installation at existing sites, and ongoing maintenance. They see local TAFE providers as key to these training needs with calls to develop electrical / energy transition, automation

related trade training programs that take advantage of the sustained local investment.

Work readiness remains a concern for employers, but they also wanted to leverage the ‘advanced standing’ that comes with locals growing up and being involved in the operations of family farms and businesses. Members called for more locally relevant and agile approaches to training design and delivery.

“I’d like to encourage a lot more onsite assessments so we can keep our apprentices working – and eliminate any down time in a classroom environment,” Moretto Builders

“Employing people today can be very complex and time consuming for a business. Our Apprentices and trainees are hosted mainly to small and medium businesses who are trying to navigate all aspects of employment eg OHS and HR. They don’t have the resources that large businesses have to support them. Our role is to help support employers to get their apprentices and trainees through to completion.” Apprenticeship Factory

“We need to break down apprenticeships into components which allows options for the Employer and Apprentice to choose an appropriate pathway into the industry over shorter period.” Moretto Builders

“We are excited by the career paths we can create – especially for our entry level roles and apprentices who are working on world leading technology and are part of our global operations.” Redlands

“A short (12-month) qualification for framers and another for fixers would be a good start for our sector and a great way to bring a diverse range of employment into the industry,” Moretto Builders

“In our business most of our drivers are doing local round trips – not long haul or overnight. We want to attract more female truck drivers into our business. A training program that shows the variety of driver roles would be a good start,” Foott

“Our research shows access to trades is a determinant of community health and well-being –

and Greater Shepparton/Moira rank 6th last for the 25 locations across Victoria.” Prof Jacki Schirmer, Gardiner Foundation Dairy Showcase event Shepparton

Activating local workforce

Members discussed the potential to improve how industry is able to attract and retain under represented communities in their workforce with particular reference to physical and mental disabilities, CALD and first nations communities and local youth.

Supported employment and training providers, and employers agreed there is scope for greater diversity in local workplaces. Several members referenced their experience in taking on a new employee with a disability and confirmed they found it easier and of much greater benefit to the business than they had expected.

An underlying theme emerged with employers eager to explore engagement of first nations businesses, and more diverse employment opportunities, but expected this would require additional support from the business – which would be challenging with existing staff shortages.

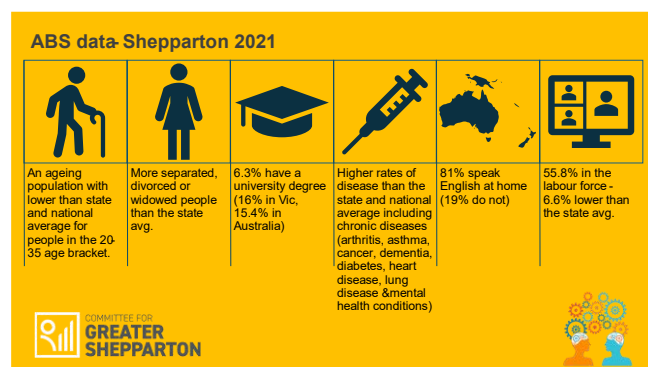
Many members commented on their limited awareness of the organisations that can assist with work experience, placements and recruitment from these cohorts – or commented there were so many organisations they didn't know where to start.

Members recognised the opportunity to develop and even align actions in local reconciliation action plans with the Goulburn Murray Regional Prosperity Plan, for business to work together on initiatives, and the appetite to engage local business and workforce.

The GROW Greater Shepparton program's funding ended in June 2023. This program provided a vehicle for supporting business and more diverse employment opportunities within the region that has not been replaced.

Members referred to repeated examples of migrants who have relocated with their partners or family and hold professional and skilled qualifications but are unable to access training opportunities to retrain or gain the required accreditation to use their skills in Australia.

The Community Outlook panel reflected on Greater Shepparton's ABS census data and the WHO's social determinants of health as indicators of the challenges in the region – but also the opportunities that come with multilingual communities and that ways to address participation and education such as transport and childcare are well known – they just need to be actioned.



World Health Organisation Social Determinants of Health

- Income and Social Protection
- Education
- Unemployment and job insecurity
- Working life conditions
- Food Insecurity
- Housing, basic amenities and the environment
- Early childhood development
- Social inclusion and non-discrimination
- Structural conflict
- Access to affordable health services of decent quality

"We are home to the largest first nations community outside of Melbourne so we should be leading the way."

"Apprenticeships and Traineeships are great ways of upskilling our young people, giving an opportunity to earn while they learn. For many young people it's their first job and we often take for granted what we think a young person knows about entering the workforce. Many employers are 2 or 3 generations older with very different views of the world. We need to support, teach and mentor these young people with knowledge, skills and expectations."

Apprenticeship Factory

"I was genuinely surprised by just how easy it has been to create employment opportunities for – and how much we have benefited as a business and as people," Foott

‘The conservative ‘lifetime cost’ of a 24-year-old not in work or study is \$1,515,400 – in contrast it costs us \$11,400 to support one student through senior secondary and into study and employment.’ Game Traffic & Contracting, Geared for Careers

“We continue to see a drop off in volunteers. It’s not just cost and time, many volunteers are concerned by the ever-increasing complexity and legal liability of their roles. We are actively exploring ways to provide better support for these increasingly complex financial and governance needs, allowing volunteers to focus purely on what they signed up for.” Valley Sport

“In 2023/2024 we invested more than \$1.7 million in surplus generated from our social enterprise to support 176 students successfully complete year 12, with 1,600 youth in the program overall. In 2024/2025 we are set to invest \$2million. We are proud of our program, and we are also proud that we have built a sustainable funding model to keep it going,” GAME Traffic & Contracting

“70 years ago family and community members established Connect GV to provide local support and education opportunities for children with a disability. Today we are one of few local accredited NDIS providers, we own and operate five residential houses for people with disabilities, and we provide a wide range of day, outreach and residential programs. Our multiple social enterprises such as Billabong Nursery provide supported employment and training opportunities, and also generate revenue that is invested back into our local services.

We are currently supporting more than 150 participants and estimate we have assisted many thousands of families and individuals to live their best life as part of our local community.” ConnectGV

“10 years ago, there were less than 10 service providers, today with the NDIS there are more than 600 in Greater Shepparton” NDIS provider

Attracting talent to the region

Domestic and international migration is essential to meeting the workforce needs of local industry and providing services to the local community.

Unlike the peer regional cities of Latrobe, Bendigo, Ballarat and Geelong, Greater Shepparton is more than a 90-minute train trip from Melbourne and therefore outside the commuter ‘sweet spot’. As a result, relocation involves a ‘boots and all’ commitment from a relocating worker and their family.

Greater Shepparton businesses are recruiting more than 250 professionals and key workers each year from overseas and outside the region, with monthly recruitment tracking around 20 new arrivals. Since 2021 almost 700 professionals with no prior connection have relocated to the region to take up roles with more than 100 local businesses. This rate is remarkable given Greater Shepparton’s total population growth is around 1000 per annum.

Surveys of the relocating professionals continue to show housing, private school options, access to career training and retraining, partner employment opportunities and transport have a significant impact on the professional’s willingness to relocate.

Greater Shepparton’s Community Connector Program works with each professional and family to support their relocation. Unlike a website or handbook, the Community Connector initiates contact with the relocating professional and will have at least 2 – 3 conversations before the professional relocates and continues for at least 12 months after they arrive. This helps manage the transition out of employer provided accommodation, support for partners finding employment and navigating school transition points.

Members referred to a range of financial, visa and social challenges associated with bringing staff to the region. The cost of providing accommodation and transport are major challenges for new arrivals. Some employers said the lack of accommodation and inability to secure accommodation their

relocating staff want had resulted in candidates staff declining offers of employment or leaving within 12 months.

Employers, managers and HR teams repeatedly referred to the extra effort that is required to 'on board' new talent to ensure they are familiar with Australian work and employment systems and processes. This also extends to rental and accommodation requirements such as a rental bond, a rental history and references, understanding the school systems and childcare.

Participating members noted the limited networking opportunities for local HR professionals and the lack of local training opportunities. C4GS will facilitate a HR professionals forum.

"The NAB Horizons report 2023 confirms 7% of the Aust population has moved from metro to regional Aust since 2019 and its projected to increase to 11% over next 5 years." NAB

"We place post-grad and PhD students with local industry to work on specific projects. It has immediate value for the students and business, and it also introduces the students to Shepparton and the industries and careers that are here," NorVicFoods, University of Melbourne

"We secured multiple casual relief teachers from the UK and Ireland to work in local schools. They were happy to stay with us for the full length of their visa and be a consistent face for our students and families, but they still had to go a pick fruit for 88 days." School Principal

"We repeatedly hear from relocating professionals that one of Greater Shepparton's strengths is its diversity – they can see themselves in our community," C4GS Community Connector

"To have my (allied health) qualifications recognised I would have needed to travel to Bendigo each week for several months. That meant finding childcare and a second car - I just couldn't make it work." Anonymous internationally trained health professional

Opportunity

1. Better utilise demand and activity forecasting with skills and talent attraction efforts
2. Greater local focus on technical and other highly skilled training opportunities
3. Coordinated regional attraction effort, targeted at in-demand skills cohorts
4. Greater HR sector coordination to understand need and collaborate on attraction efforts
5. Industry to work with tertiary education providers to grow local course offerings for in-demand skills
6. Collaboration between industry and education providers to design and deliver local up-skilling and micro-credential opportunities
7. Greater industry engagement in sporting clubs and activities, to improve visibility of local career local pathways and nurture talent
8. Industry collaboration with local schools to identify and promote regional university courses (Victorian and interstate) which are tailored to meet the needs of regional students
9. Greater industry engagement with schools and local TAFEs to identify career "pathway" course for local students.
10. Industry, universities and local councils collaborate on transport as a key means of student attraction
11. Greater industry engagement with local TAFEs to co-design local courses
12. Better coordination of reconciliation actions to demonstrate the true scale and impact of regional reconciliation efforts
13. Review and demonstrate impact of the GROW campaign as a basis for advocating future support
14. Development of dedicated local expertise to coordinate training and accreditation for migrant skilled workers, to take advantage of the skills already in our region

15. Execute existing action plans to get results
16. Greater coordination and collaboration of industry with wrap-around and support services, assisted by industry and stakeholder groups like C4GS
17. Quantify economic benefit of migrant workforce to the region to build a case for government support to expand scale and scope of community connector

PUBLIC TRANSPORT

Local transport options are increasingly recognised as restricting participation in work, training and broader community activities.

People relocating from metro centres or overseas confirmed the lack of transport options was a surprise and contributed to a sense of isolation – especially for partners and younger children – and added considerable cost to the decision to relocate to Greater Shepparton.

Local residents confirmed they were unable to rely on public transport, particularly for shift work that started or finished during the night.

Valley Sport confirmed transport was a factor in sports participation - particularly for younger age groups travelling directly from school to training during the week.

At the Greater Shepparton Philanthropic Summit residents and agencies spoke of trying to use public transport to access services located in Shepparton or to attend job interviews and training. It took almost a full day to complete a round trip that covered less than 20 km.

There is strong support for active transport and a network of commuter tracks and trails (as distinct from recreational tracks and trails) that links to major employers and service providers.

C4GS previous flood insights report confirmed workforce mobility was one of the most significant impacts with employers reporting 60-85% of their workforce were unable to attend work because of disrupted transport services and routes.

"With more than 400 staff employed at our Mooroopna site, our business precinct urgently needs a bus stop and continuous pedestrian path."
John Calleja, Gouge

"Shepparton- Mooroopna functions like a border town such as Cobram-Barooga and Echuca-Moama - but unlike border towns we don't have the services

on each side – our services are largely consolidated into Shepparton,” C4GS

"During the floods community spirit and support was everywhere, we got on with it and made things happen, we had to. At the same time of this crisis, I was receiving chemotherapy for stage IV Bowel Cancer. I remember the phone call clearly and being told my chemotherapy treatment was not deemed as an emergency, so emergency services were unable to support my transfer across the causeway for my oncology treatment at GV Health. Vicki Scott, Mooroopna Resident

Opportunity

18. Local/state government review of public and active transport, with targeted input from industry and workforce representatives
19. Advocate for investment in commuter tracks and trails that support active transport

HOUSING

The chronic lack of housing was the most common and universal challenge identified by all sectors.

Housing supply

Many employers spoke of housing as their greatest business challenge. Members reported potential employees had declined offers of employment or left within a short period - often less than 12 months - because they could not find appropriate accommodation.

Many members confirmed they had been called on to extend employer-funded accommodation beyond the initial period (often 3 months). However, this meant the accommodation was not available for the next relocating recruit.

Other employers spoke of agreeing to working-remote and working-from-home arrangements with the understanding the employee would relocate when they were able to secure accommodation. Employers and HR teams said this made it much harder for the employees to form connections and build their understanding of the local region.

Several relocators said that luck had a big hand in securing accommodation – and waiting for listings was too late.

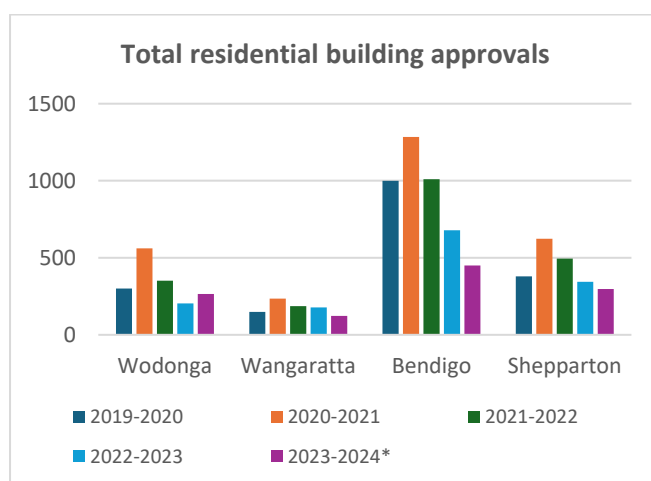
Panel members confirmed the recent increase in higher density development but noted this was more likely to be community housing providers and short stay accommodation – not long stay rentals.

"It used to be someone could sell up in Melbourne and relocate to Shepparton where they could buy a block, build their dream home with a pool and yard and still have cash in the bank." Home builder

"Approvals have been declining post the HomeBuilder grant stimulus provided through COVID, which distorted housing demand & supply for several years. Shepparton is close to turning around its housing approvals." CBA

“Taking on a new role 2 hours from Melbourne is completely different to taking on a new role in the next suburb or in a regional centre with high frequency fast rail or an easy commute. You can’t commute to see how it goes – its boots and all for you and your family.” Community connector

“Some professionals are paying 40-50% of their income on rent. This may be ok for a short period, but it won’t work over the longer term – if we can’t find them accommodation, we will lose them to another regional city or back to Melbourne.” Real Estate



Source: ABS, CBA Presentation 10 May 2024

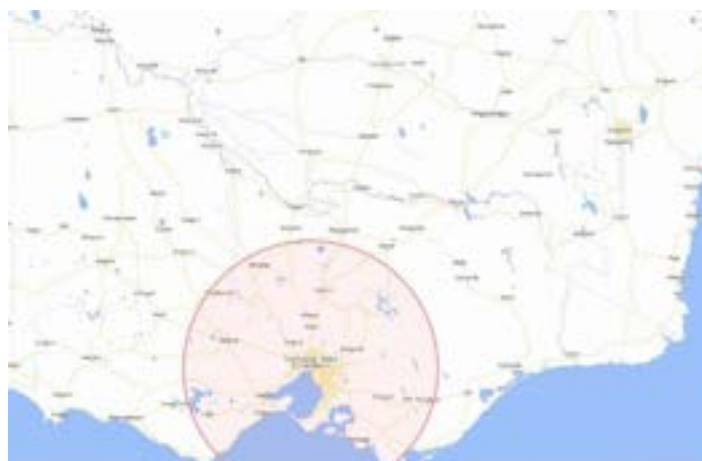
Rental markets

Greater Shepparton is more than 90 minutes from Melbourne – the upper limit for frequent commuting. This places much greater pressure on local rental markets to provide accommodation options for relocating professionals, key workers, and to support university placements.

It is neither attractive nor sustainable for professionals, students and other key workers to commute to Shepparton from Melbourne, or to commute from other regional centres such as Bendigo and Wodonga. Instead Greater Shepparton has a large and growing pool of Monday to Friday (or equivalent) renters.

Other than GV Health, the demand for professionals is dispersed across the Greater Shepparton economy which works against large scale investment by a particular employer. Businesses rely on accessing an active local rental market with a diverse offering.

The Reserve Bank of Australia (RBA) defines commutable as regional areas less than 150km from capital city GPO. Greater Shepparton is 194 km from Melbourne, compared to the peer regional cities of Ballarat (115 km), Bendigo (151km), Latrobe (135 km) and Geelong (74km). The RBA has produced data showing three distinct employment markets – metro, regional and commutable.





commute to another suburb or switch employer in the same postcode.” Community Connector

“Accommodation increasingly determines where we can offer placements and how many students we can bring here but we know that almost half the students we support chose to work rurally after graduation. With increases in cost of living, providing low-cost student accommodation is vital to students choosing to come to our regions.” University of Melbourne

While some career professionals may choose to stay in the Greater Shepparton region, experience shows many will move on in 3-5 years as they pursue the next step in their career. This segment prefers to rent and has clear expectations about the quality, type and location of housing they want.

Anecdotal reports continue to confirm that housing type, standard and location are key factors in relocators choosing which regional centre they will move to. Regional cities that can provide the preferred accommodation options are more likely to attract and retain the talent their industry and health sectors need to provide local services.

The limited frequency and options for public transport to and within Greater Shepparton reinforces the need for well-located accommodation.

“2024, Asking rents are rising strongly – 12% in Shepp and an amazing 23% in Mooroopna. House price growth in contrast is very low” CBA

“We are renting upwards of 15-20 serviced apartments and 70 houses and providing around 180 beds for employees every night. That cost, and the cost of coordinating it, has a significant impact on our financial resources.” GV Health

“It’s common for me to attend rental inspections on behalf of clients and be one of 60 even 80 other applicants,” Community Connector

“Many of our clients will stay in their current role until they are ready for the next career step – and they expect to relocate again to secure their next position. It’s not like Melbourne where you can

More housing variety

Surveys and anecdotal reports continue to show relocating professionals want apartments and townhouses close to work and the CBD. Less than 5% want a new free-standing house in a new estate.

At the same time, Greater Shepparton's demographics have changed significantly. Thirty years ago, almost half of all households were families with children. Today single person households, families with kids and couples without kids each represent around 30% of households and together are more than 90% of all household types.

"In the existing housing stock in Shepparton only 10% of existing dwellings are flats / townhouses, compared to 25% in Victoria overall." CBA

"We call it switching to the same – if they had an apartment they want an apartment, if they had private schools they want private school, if they could walk or take public transport to work, they want the same, and if the family could participate in activities via public or active transport, they want the same. One change is if they had a long commute – they want to be closer to work." Community Connector

Attracting private sector investment

'Mum and dad' investors are recognised as the primary source of rental properties in Greater Shepparton. This investor group is reported as being increasingly concerned by policy changes including landlord-tenant rights, rates, land tax and speculation on the future of negative gearing.

Commercial investment in Greater Shepparton's housing market has been limited and dominated by community housing providers.

Historically Greater Shepparton has been an affordable housing market. This has worked well for one-by-one relocations but appears to be working against private sector investment and particularly commercial investment in higher density developments because it generally means a lower return on investment compared to other centres.

Panel discussions and available data shows the average price for a two-bedroom apartment in Greater Shepparton is \$60,000 - \$110,000 below the equivalent property in Bendigo, Ballarat, Wodonga and Wangaratta.

Location	Median	Variation from Shepp	
Bendigo	\$396,000	\$111,000	40%
Ballarat	\$390,000	\$105,000	37%
Wodonga	\$355,000	\$70,000	25%
Wangaratta	\$343,000	\$58,000	20%
Shepparton	\$285,000	-	-

Source Domain 19 June 2024

With construction costs equal to, if not greater than in metro areas, this indicates a 10-unit development would provide investors with \$600,000 to \$1.1 million less compared to the same development in one of the other regional centres.

In addition to ROI, a range of factors are identified as obstacles to attracting further investment in housing.

- Increased land costs,
- The costs to 'renovate' previous residential or commercial sites eg top of shop developments (and to meet contemporary parking, fire safety, access and other regulatory requirements),
- limited market data to reassure finance/investors (limited existing product),

- community acceptance,
- lack of local, skilled workforce (with experience building higher density eg above 2-3 story), and hence
- the cost of bringing the required skills to the region and funding accommodation while here.

“We should be packaging up housing opportunities for investors who are willing to achieve the equivalent to bank interest and contribute to their community,” Member

Residential market	Vacancy as at March 2024	Growth in Asking rents % 12 mths to 4 May 2024	Asking weekly rent \$	Growth in Asking prices % 12 mths to 7 May 2024	Asking price \$
Bendigo (3550)	1.8%	12.0%	513	2.0%	\$565,079
Wangaratta (3677)	0.2%	3.6%	419	-7.5%	\$568,463
Wodonga (3690)	0.3%	11.1%	499	3.8%	\$587,505
Shepparton (3630)	0.9%	12.3%	440	2.4%	\$441,709
Mooroopna (3629)	1.2%	38.2%	479	0.9%	\$376,100

Source – SQM Research CBA panel presentation

The Victorian Government’s Regional Worker Accommodation grant fund and funding provided through Victoria’s Big Build have stimulated private sector investment.

Looking forward there is a need for systemic policy change to stimulate sustained investment that will progressively reset the housing mix to meet the changing needs and demographics of regional centres like Shepparton.

“We’ve run the numbers on a 40-unit development to rent to professionals. Assuming we were successful in attaining a \$5 million grant and providing 30% equity ourselves we would still be \$2 million short of break even. If we built the same development in Bendigo due to higher rents, we estimate we would be \$2 million better off.” Local property developer

“Even though approvals are low at present, the share which is units or apartments is very high in Wangaratta (41%) and Shepparton is also quite high at 28%.” CBA

“Organisations like ours having to rent local homes to secure accommodation for our workforce isn’t a good use of our city’s housing stock” GV Health

Land supply – speed to market & cost

Greater Shepparton has limited land available for residential development, and the current supply is below the required benchmark of 15 years.

Additional land has been identified for release; however, the land will have little material impact on available supply if the costs to develop force a price that is unrealistic in the current market.

The inclusion of major road and public infrastructure costs in land development plans is exacerbating current market pressures caused by supply chain disruptions and skill shortages.

The call for public land to be released for housing development is welcome however members are eager to see developments that meet multiple residential needs or ‘mixed residential’ and extend the options beyond the Affordable Housing remit to include students, first home buyers as well as downsizers and key workers and professionals.

“There are quite a few reports of people who bought blocks a few years ago and have been delayed or can’t meet the massive increase in building costs reselling their block at double the price they bought it for.” Gagliardi Scott Real Estate

“Identified growth precincts in Shepparton and surrounds could provide more than 5,000 new housing lots, however the infrastructure costs must be priced to facilitate the delivery of housing which is affordable for local buyers.” Spiire

Regional housing policy

The Victorian Housing Statement released in November 2023 expanded the application of a range of policy settings and initiatives designed for Melbourne to all of Victoria.

While regional Victoria and specifically Greater Shepparton share many of the identified challenges, regional Victoria’s housing markets, needs and solutions are not homogenous and require policy settings and incentives that can respond to local dynamics.

For example, the roll out of the Future Homes program to regional Victoria could be improved by adjusting the eligibility to include residential growth zones (RGZ) around major service providers and employers such as GV Health and our manufacturing precincts. These zones are well suited to the 2-5 story developments – exactly those proposed under the Future Homes initiative.

The Future Homes team has presented at several C4GS member events and roundtables with the proposed designs well received and members eager to explore the application in Greater Shepparton.

Members continue to express support for higher density residential development for a wider range of owners and tenants. There is also interest in options to repurpose or redevelop aging residential and commercial property in locations close to the CBD and key activity centres.

The Victorian Housing Statement also refers to initiatives to attract and support institutional investment and to facilitate conversion of underutilised offices and commercial office buildings. Both initiatives could have an immediate positive impact in regional areas where there is an oversupply of some types of commercial property, an undersupply of land and a critical need to boost supply of inner city apartment options.

“Train stations are logical activity centres in Melbourne and regional commuter cities like Ballarat and Bendigo but in Greater Shepparton our focus of

activity is GV Health, a hospital that services a huge catchment and needs staff on site 24/7.” C4GS

“We already have differential payroll tax that incentivises regional employment – can we apply concepts like this to regional housing policy to provide sustained targeted incentives for the different market dynamics” C4GS

“In Greater Shepparton, commercial property sales peaked at \$231 million in 2022 and then dropped to \$121 million in 2023 (a -48% reduction). Sales so far in 2024 have been almost non-existent (\$30 million).” CBA

“NDIS and allied health have taken up some of the larger commercial properties which allow them to incorporate a rehab gym. There’s indications this trend has peaked. We expect the increased land tax will see more commercial properties for sale but demand is still uncertain.” Gagliardi Scott Real Estate

“Greater Shepparton’s median household income and the median single adult income are below the annual moderate-income thresholds published by the Victorian Government. Its doesn’t need to be a polarising conversation about Affordable Housing, it’s a conversation about housing that is affordable in and for our local market,” C4GS

Opportunity

1. Greater coordination among employers, local government and developers to create a clear picture of demand for a variety of housing types within the region.
20. Industry collaboration and support for up-skilling of local workforce, with potential for government support.
21. Coordinated, targeted advocacy to government from industry, employers, workforce representatives, local government and peak bodies, to adjust policy settings to deliver better outcomes.
22. Prepare a ‘Greater Shepparton Housing Statement’ to guide the design and implementation of state and federal housing policy and initiatives.
23. Seek funding to undertake a housing supply chain analysis that can improve targeting of policy and incentives to stimulate private sector investment in Greater Shepparton and level the playing field with other higher-returning regional centres.

ENERGY

Members identified energy as one of their highest priorities and this was of particular concern to the manufacturing industry table discussions as well as livability.

Unlike many primary production regions, Greater Shepparton has a significant value-adding industry dominated by food manufacturing. More than a dozen value adding, manufacturing and processing (VAMP) sites are concentrated in a 3.4km² zone in Shepparton (Special K).

More than 50 VAMP sites are located across the bigger 'stainless steel' precinct that extends from Shepparton, to Stanhope, Echuca and Cobram and includes Greater Shepparton, Campaspe and Moira LGAs. Food manufacturing is the dominant activity, but the region is also home to personal products (White King), steel fabrication (Rubicon, Furphy, CPE) with sophisticated robots, co-bots and automation.

"Conversations about renewable transition in the regions are dominated by the future for fossil fuel towns and transmission lines. We also need to focus on the energy-dependent regions like Greater Shepparton. Getting it right in these regions is key to retaining local manufacturing, jobs and economic activity." C4GS

Energy reliability, quality & cost

Energy reliability and quality are critical to business performance and profitability.

Manufacturers are keenly aware of increased energy prices however many indicated the impact of lost production caused by micro flicks and power interruptions were of greater cost and concern to ongoing operations.

The less than one second power flicks in a complex automated operating plant interrupt the sequences. All sequences and valves need to be checked before operations can restart. The manufacturer will also incur additional costs to ensure compliance requirements such as temperature and time triggers have been met. Production delays can also result in downstream costs as scheduled logistics, delivery slots and export commitments cannot be fulfilled as agreed with retailers and exporters.

Non-food processors spoke of the additional shifts, overtime, and operating costs they incurred to fulfill time critical supply commitments to hospitals, and other commercial customers.

C4GS's previous reports detailing member experiences during the 2022 floods highlighted the region's energy vulnerabilities. Some – such as the levy around the Mooroopna substation – have been addressed. There are further opportunities to improve community and industrial energy resilience through investment in community and industrial scale batteries and other local energy generation and storage technologies.

Members have observed increased summer storm activity that coincides with increased power disruption – micro flicks and extended outages. This coincides with peak periods for horticulture and other agriculture sectors. The issue is a priority for local members but also an example of the need for localized issue identification and investment.

"In a modern automated manufacturing plant a less than one second power flick causes around 7 hours of downtime, as well as the costs of further

processing to meet compliance and food safety standards” Manufacturer

“Based on feedback from members, C4GS estimates the combined impact of microflicks on members in 2024 would be in millions of dollars, and a similar amount for increased operating costs.” C4GS

Replacing and displacing gas

Manufacturing members recognise their reliance on gas will present increasing challenges for their operations.

Of immediate concern is the likelihood of gas rationing during the next few winters, while and before Australian industry transitions to alternative manufacturing processes and/or sources of gas.

Members are unclear how ‘load shedding’ may apply and particularly for industries in the Greater Shepparton region.

Most businesses indicated they were somewhere along the energy transition path but addressing reliability was their first priority. Some indicated the reliability issues were eating into the resources and capacity for their transition.

Several members confirmed they have net zero and energy transition targets and deadlines that have been set within their international, national and local businesses.

Others indicated there was growing pressure from their consumers and project partners. Several suppliers indicated they were now required to document their pathway to net zero and similar ESG commitments as part of procurement and tender processes.

“We simply have no visibility of how gas rationing may roll out – this year and over coming years as we transition to renewables.” C4GS Manufacturers Forum

Energy– distribution & transmission

Historically Greater Shepparton has relied on sources of energy (electricity and gas) generated outside the region.

Across the Greater Shepparton region there are multiple large scale solar farms (100MW+) and residential solar take up is amongst the highest anywhere in Australia. The region is well suited to solar energy generation.

In all instances the energy is fed into the existing state/national network with the network's capacity to receive energy, the primary limitation on further energy generation.

Members are aware of energy islands, microgrids, large batteries and other emerging technologies that could enable the region to make greater use of locally generated energy (large scale and residential). Most of these initiatives have focused on community energy needs – members discussed the potential for areas within Shepparton to become renewable energy industrial zones with dedicated generation, storage and transmission.

State and federal energy policy and the regulatory frameworks need greater flexibility to allow regional manufacturing hubs to take advantage of their local energy generation and storage.

With significant network augmentation required to achieve the transition to renewables, and to enable electrification, members are eager to explore localized generation and use models that can sustain and retain our manufacturing clusters in Greater Shepparton, Tatura, Kyabram, Echuca and Cobram.

“The debate about which energy generation technology is distracting us from the urgent need to plan and invest in the network and storage to support local industry and communities in the future” C4GS

Energy transition - Bioenergy

Greater Shepparton is home to multiple local, national and international waste businesses that

provide industrial, commercial and municipal waste services.

Greater Shepparton's concentration of food manufacturing also means it has a large volume of waste that is suited to bioenergy opportunities, but further effort is needed to achieve feasible solutions.

Members are eager to see the region's waste streams underpin locally based research and training in renewable energy, circular economy and particularly manufacturing and value adding industries.

“Waste is a resource and much of it is going outside the region. We should be exploring local energy generation, circular economy opportunities, and becoming a hub for local training and research capacity in this area” Foott

“Of the 17 water corporations across Victoria, we are the second largest CO2 emitter behind Melbourne Water. Our Shepparton waste water plant was built for the equivalent of more than 1 million residents. Shepparton has 43,000 residents – the balance used by our local manufacturing and industrial customers.” GV Water

Opportunity

24. Improve brand recognition of the region as a value-add, future-focused manufacturing powerhouse. This will help drive workforce and investment attraction
25. Coordinated effort by industry, employers, local government and developers to identify beneficial initiatives and pathways to implementation
26. Quantify the regional cost of power interruptions as part of building a case for regional energy generation, storage and grid augmentation
27. Coordinate industry need with generation capacity to establish Shepparton as a renewable energy industrial zone, and advocate for government financial, policy and regulatory support to enable transmission and distribution

LAND USE & WATER

Protecting prime agricultural land

Our region is home to some of the best soils; however the land is productive because of our access to affordable and reliable irrigation delivered to the property through the extensive (6,000km) gravity fed, man-made channel network.

There is also a steady trend towards more intensive dairy and horticulture (barns and hi-tech glasshouses), and investment in higher value irrigated agriculture. Alongside these investments the region is becoming a key player in post farm gate operations (packing, manufacturing, processing) that is servicing a much larger geographic region and as the potential to grow as other regions consolidate.

C4GS has participated in multiple land use planning discussions that have begun with the presumption that land that is or has been farmed is prime agricultural land and must be protected from alternative use or development.

As the impact of the Murray Darling Plan becomes clearer it is anticipated at least some land will transition out of irrigation and into other uses that may include low water intensive agriculture, dry land agriculture, meeting the region's energy generation, storage and distribution needs, housing and lifestyle developments, and to support the consolidation and growth of value adding and services hubs like Shepparton.

"No where do the current MDB, VicGrid, Vic Freight Plan, Victorian Housing Statement and Plan Vic intersect with such intensity and possibility than Greater Shepparton. We extend an open invitation to ministers, agencies and departments to consolidate their efforts and demands on our region, and work with us to explore the obvious and immediate possibilities that come with coordination and collaboration." C4GS

Water

Managing the impact of water recovery on existing and remaining water users is critical to the future of irrigated agriculture, communities and the region. This is all but impossible if non-strategic water buybacks are used to recover water.

Members also acknowledged the notion of willing sellers, with frequent reference to the number of distressed sellers that may exist in the Goulburn Murray Irrigation District (GMID) at any point in time because of non-water issues. For example, the sector challenges described in the recent ACCC investigation of pricing and competition in the supermarket sector, as well as individual factors such as future capital investment needs and succession planning, or in response to other opportunities including the energy transition and current Vic Grid consultations.

C4GS continues to support the GMID Water Leadership Forum and efforts to progress the engagement and decision-making processes proposed in the Victorian Government's Prospectus. In doing so C4GS continues to emphasise the region's economic contribution beyond the farm gate and hence the multiplier impact of poorly designed and implemented water policy.

"Additional water entitlement is not required for the Goulburn River. Current entitlement volumes are unable to be fully utilised and modelling suggests additional water isn't required, even if constraints are addressed." GBCMA

"Depending on the volumes recovered from the region in this next round of the Commonwealth water purchases and the percentage of delivery shares that are terminated, bills could increase by 12 to 34% for some (remaining) customers. The outcome of unstructured Commonwealth water purchases is that remaining irrigators will wear the burden for funding an un-optimised network," Goulburn-Murray Water.

"Manufacturing in the LGAs of Greater Shepparton, Moira and Campaspe generate more than \$5.5

billion of revenue, employ more than 6000 locals and inject more than \$500 million into the local economies. More than \$3.2 billion or 56% is food and grocery manufacturing – and these are products that you see in the shopping trolleys of consumers across Australia.” C4GS

THANK YOU

Thank you to the members and friends of C4GS who participated in our Policy Tune Up event and have provided ideas and feedback to this report.

Opportunity

28. C4GS encourage all agencies to work together to undertake a Greater Shepparton response to the multiple State and Federal planning and consultation processes.

Manufacturing in northern Victoria (2023)			Moirā	Greater Shepparton	Campaspe	TOTAL
Food & Grocery	Output	\$million	\$ 850.0	\$ 1,245.2	\$ 964.9	\$ 3,060.1
	Employment	jobs	1076	1693	1370	4139
	Wages	\$ million	\$ 92.2	\$ 135.9	\$ 109.9	\$ 338.1
Total Manufacturing	Output	\$million	\$ 1,176.1	\$ 2,798.2	\$ 1,510.3	\$ 5,484.5
	Employment	jobs	1349	3021	1856	6226
	Wages	\$ million	\$ 119.0	\$ 271.8	\$ 162.1	\$ 553.0
Food and Grocery as % of total manufacturing	Output	\$million	72%	45%	64%	56%
	Employment	jobs	80%	56%	74%	66%
	Wages	\$ million	77%	50%	68%	61%

Remplan Economy Statistics

FOOD & GROCERY MANUFACTURING IN THE REGION 2023

Greater Shepparton, Moira and Campaspe



Manufacturing

\$3.1b

worth of food and grocery
revenue per annum



Employing

4,139

local workers



Generating

\$338.1m

in salaries and wages

TOP INDUSTRIES

Percentage of region's food and grocery manufacturing turnover



DAIRY PRODUCT
MANUFACTURING **52%**



FRUIT & VEGETABLE
PRODUCT
MANUFACTURING **22%**

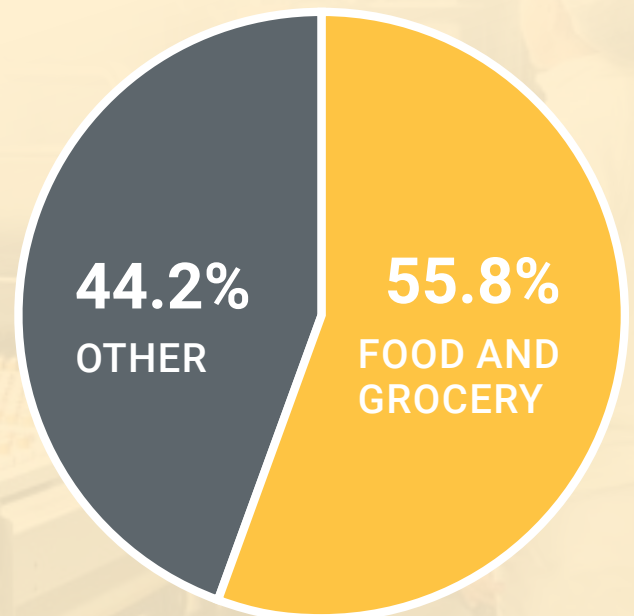


MEAT & MEAT
PRODUCT
MANUFACTURING **8%**



OTHER FOOD
PRODUCT
MANUFACTURING **7%**

FOOD AND GROCERY AS A % OF THE REGION'S MANUFACTURING TURNOVER



Source: REMPLAN Economy statistics for Moira, Greater Shepparton and Campaspe regions, 2023



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL



COMMITTEE FOR
**GREATER
SHEPPARTON**