



NORTHERN GRAMPIANS SHIRE COUNCIL
**ECONOMIC DEVELOPMENT
STRATEGY AND ACTION PLAN
2021-31**

OUR ECONOMY AND PEOPLE: What We've Learned So Far

A BASE TO BUILD UPON

Data Analysis And Document Review Summary



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The document summaries Northern Grampians Economic Development Strategy and Action Plan, 2021-2031 Background Report - Part 1: Data analysis, Part 2: Industry profiles and Part 3: Strategic Document Review.

Acknowledgements

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Data analysis and document review

Recently we've looked at what data and existing plans and investigation are telling us about our economy and the make-up of our communities.

We've gained an understanding of:

- our industry mix and what industries were driving our economy prior to COVID-19
- the role our economy played prior to COVID-19
- National and local industry trends
- how our economy has been impacted by COVID-19 so far
- the makeup of our community including: who is staying, who is going, and the skills that exist within our community
- our unique assets, opportunities, challenges and issues

We've systematically analysed key economic indicators across all industry sectors including:

-  Gross Regional Product
-  Value-added
-  Exports
-  Local sales
-  Jobs, wages and salaries
-  Productivity
-  Size of businesses
-  Population
-  Migration
-  Status of employment
-  COVID-19 regional economic impact data

Monitoring the economic impact of COVID-19 and predicting the likely longer term impacts on our businesses and workforce will help us make strong decisions. It will help the Steering Committee draft a plan that will spur long-term recovery.

All of the desktop research will be compiled into a detailed background report, provided to the community and used to help make data driven decisions about what goes in the ten year strategy.

SNAPSHOT



The document provides a snapshot of what we've learned about our economy and our people so far. We'll know a lot more through input from our business and wider community.

Focus area

Northern Grampians Shire is located in Victoria's central west; 110 kilometres west of Ballarat and 220 kilometres north west of Melbourne. It is also at the south-east of Victoria's Wimmera Southern Mallee region.

Northern Grampians is surrounded by Buloke Shire in the north, Loddon Shire and Central Goldfields Shire in the east, Pyrenees Shire, Ararat Rural City and Southern Grampians Shire in the south, and Horsham Rural City and Yarriambiack Shire in the west.

Northern Grampians' major towns Stawell in the south and St Arnaud in the north, both service centres for their surrounding rural communities. Smaller townships include Great Western, Halls Gap, Glenorchy, Navarre, Marnoo and Stuart Mill.



Our Economy: What we know now

Northern Grampians has the most 'advanced' economy in the (Wimmera) region in terms of diversity and labour market distribution.

However, it's not really growing inline with the rest of regional Victoria or Victoria as a whole. This is something the strategy will need to consider.

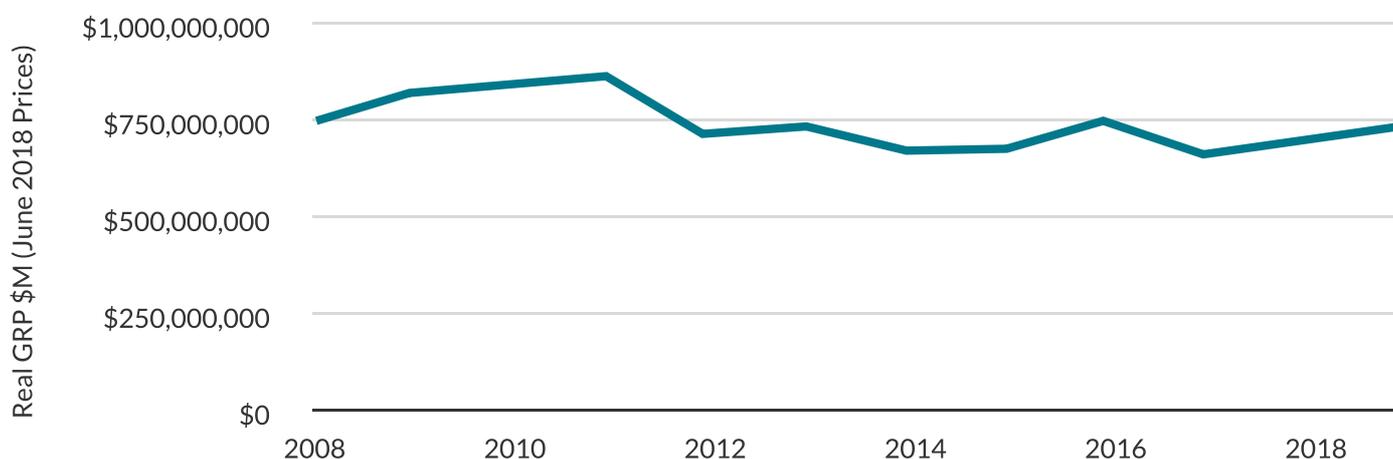


Figure 1: Northern Grampians Real Gross Regional Product (GRP) (June 2018 Prices)

Overview

	Northern Grampians	Grampians Region	Victoria
Gross Regional Product	\$740M	\$14,152M	\$454,590M
Value-added	\$682M	\$12,944M	\$423,628M
Exports	\$704M	\$7,070M	\$114,270M
Local sales	\$401M	\$8,572M	\$377,777M
Jobs	4,940	92,613	2,730,332
Wages and Salaries	\$332M	\$6,655M	\$220,353M
BS 2019 Estimated Residential Population	11,402	250,959	6,596,039
ABS Census Place of Usual Residence Population	11,436	236,744	5,926,624
Annualised Population Growth Rate (2011-2016)	-0.7%	1.4%	2.1%
Land Area	572,987 ha	4,862,647 ha	22,749,563 ha
Census Population Density	0.02 persons / ha	0.05 persons / ha	0.26 persons / ha
Median Age	48 years	42 years	37 years
Median Weekly Income	\$513 (\$26,674 pa)	\$580 (\$30,177 pa)	\$644 (\$33,556 pa)
Labour Force Participation Rate	44.77%	46.75%	49.43%

Our economy is changing

Like the rest of Australia, the make-up of Northern Grampians economy is changing from one that is dominated by the primary, secondary and tertiary sectors to one that is as equally reliant on sectors related to technical and lifestyle services.

Until the COVID pandemic, more wealth (GDP) was being created from tourism (domestic and international) in Australia than agriculture, based on 2016 census data.

The data tells us that Northern Gramians economy is shifting in the same direction. This is a trend we expect will continue and the committee will need to take this into consideration.

Sector	Industry examples	National	Northern Grampians
Primary This sector generates products from the earth's natural resources	Agriculture, fishing, forestry and mining industries	39.4% of all jobs	39.4% of all jobs
Secondary This sector transforms and adds value to natural resource products	Manufacturing, construction, electricity, gas, water and waste		
Tertiary This sector provides services which deliver products to consumers	Retail trade, wholesale trade, transport, postal and warehousing		
Quaternary This sector delivers services targeted largely to businesses, and other organisations.	Finance, real estate, information/media, professional/technical/scientific, administrative, and education services	61% of all jobs	51% of all jobs
Quinary	Health, accommodation and food services, art and recreation, other personal services		

Figure 2: Relative Employment by Broad Grouping, 2016: Australia and Northern Grampians

Broad sector	% of total jobs	% of total wealth generated (value-added)
Primary	16.67%	24.5%
Secondary	18.14%	17.4%
Tertiary	14.45%	9%
Quaternary	21.37%	31%
Quinary	29.3	18.5%

Figure 3: Broad sector share of jobs and value-added in Northern Grampians

Figure 3 shows that the Shire’s employment distribution by the five broad industry groupings is similar to the national average, with two important exceptions:

- Primary industries (agriculture and mining) (unsurprisingly) are around 4 times greater in Northern Grampians than the national average; simply a reflection of the vast rural sections of the Shire. These are among the Shire’s highest comparative advantage sectors.
- Quaternary industries (services to business/organisations) are under-represented in the Shire. The Shire is not yet a destination of choice for the key sectors of professional, scientific and professional services, information, media and telecommunications services, financial and insurance services, and education and training services. These are among the Shire’s highest comparative disadvantage sectors.

Relative Employment by Broad Grouping, 2016: Northern Grampians and Australia

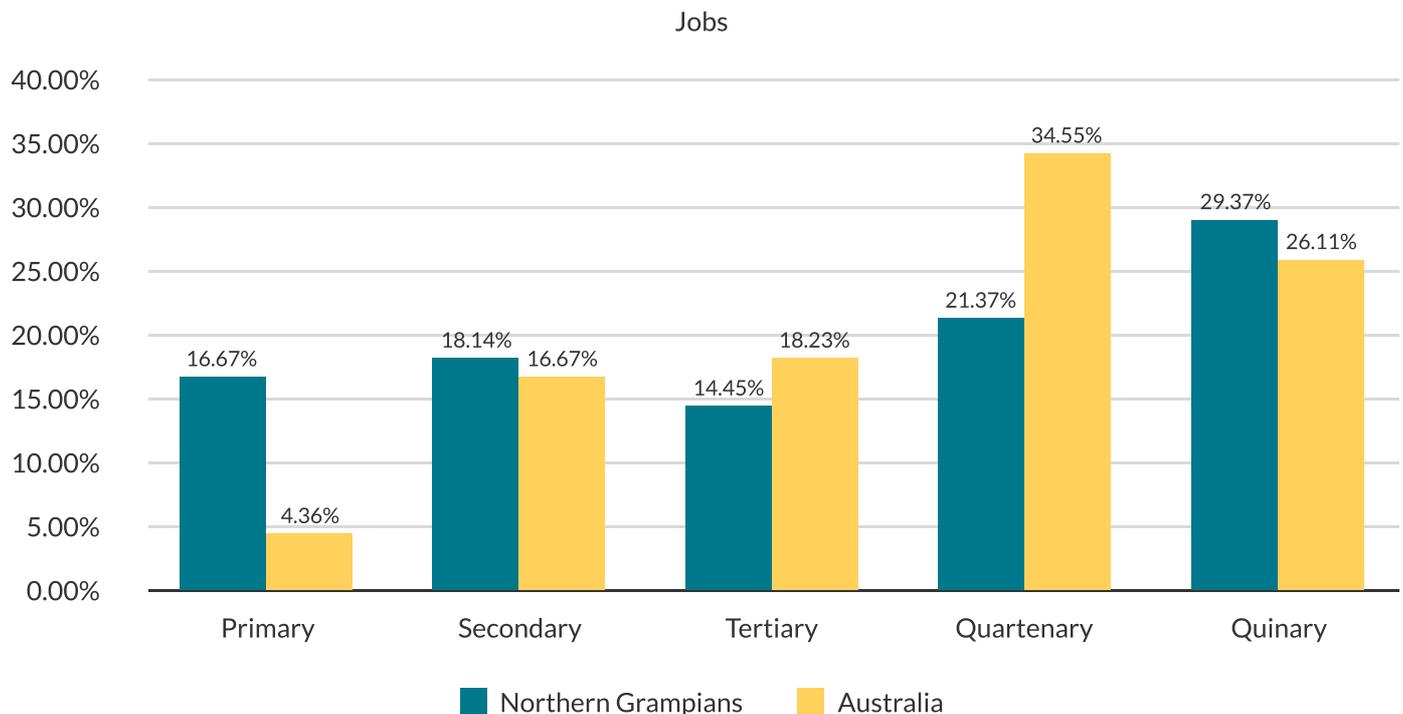


Figure 4: Relative Employment by Broad Grouping, 2016: Northern Grampians and Australia

Our changing economy has the potential to bring new opportunities for all sectors.

The committee will consider the continued diversification of Northern Grampians economy, and strategies to add value to agricultural, manufacturing and mining. Strategies to build on the Shires lifestyle and visitor experiences offering will also be considered.

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We must continue to diversify our economy, and add value to its agricultural, manufacturing and mining base, and to build on its service industries to sustain the viability of its towns and to offer attractive lifestyles and visitor experiences.

”

The transformation is already well under way.

- Northern Grampians has the most diversified economy and workforce in the Wimmera Southern Mallee region.
- The Shire’s ‘personal services’ industry sector (health, sport and recreation, culture and accommodation and food service) contribute 21.0% of the Shire’s jobs and 8.8% of output.
- This trend and progressive shift towards a service economy has been temporarily halted in 2020 by COVID 19.

Drivers of change

Existing documents identified the following drivers of change:

- Increased agricultural productivity, larger farms, new technologies, and automation reducing demand for workers.
- A changing climate.
- Global food demand provides opportunities for food producing areas that can successfully adapt to climate change and other factors impacting on agriculture, through sustainable practices and higher value niche and artisanal products.
- Lifestyle and liveability factors.

Other drivers for consideration include:

- An expert post COVID-19 increase in domestic and (eventually, a return of) international tourists seeking experiences which involve nature, outdoor health and wellbeing options, Indigenous interpretation and regional culinary products.
- Town centre revitalisation and masterplan implementation (Stawell, St Arnaud, Halls Gap).
- Resetting expectations of the Victorian economy in the next 3-5 years with reduced population growth, higher unemployment and business restructuring.
- Increased interest in rural and region areas as an alternative to Metropolitan living.

Investment Achievements and Setbacks

Northern Grampians Shire has achieved some important and significant economic development gains in the past few years. Some are still under development, all which demonstrate strategic advantages are at play.

Conversely, the review found that the Shire has lost some important business operations in the past decade. Notably, none of the examples were the result of business failure.

Almost all these losses have been for one of three reasons:

- Industry restructuring, including business mergers and acquisitions, leading to the Northern Grampians operation being wound down in favour of centralising the business in another regional location.
- The end of an industry or business life-cycle.
- Generational change leading to a winding up of operations.



OUR PEOPLE



Population

The size of Northern Grampians population is showing a slow decline, recording a slight annual decrease from year to year. Northern Grampians is one of just 11 regional Victorian municipalities projected to experience decreasing population over the next 20 years. This is in contrast to the growth outlook expected for regional Victoria overall.

In addition, the age profile of the Shire is older than regional Victorian and Victorian averages, and this ageing structure will become more pronounced over the next twenty years. People aged 65+ years are projected to increase from 23.8% of the population to 33.3% of the population. This would be about 640 additional people in the 65+ years age cohort or 23% more than current levels.

Despite the depopulation and aging trend, unlike many other rural communities across Australia with large agricultural sectors, the Shire has been able to hold onto a relatively high proportion of the most productive age cohorts.

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Retaining and attracting people to Northern Grampians, could continue to be challenging in the post-COVID 19 recovery period. But there are signs that the pandemic recovery will also create opportunities.

”

Ongoing population and economic growth need not necessarily be part of the Shire's Economic Development Strategy and may not be essential for the Shire's success. One reason for stabilising, and potentially increasing the Shire's population is to reduce the impact of ageing. However there is a balance to be found in having an adequate population to support up to date infrastructure, a productive economy, healthy lifestyles, and a sustainable environment; and this may not need constant growth.

Migration

We are losing young people to larger regional centres.

Between 2011 and 2016 Northern Grampians lost:

- 18-24 years to Ballarat (-86), Bendigo (-35) and Geelong (-51).
- 2 to 17 years to Ballarat (-30).

In 2016, the age group with the highest net migration to Northern Grampians Shire was persons aged 55 to 64 years.

Education

The number of children and young people in education has also fallen since 2011, with implications for the future regional workforce.

In 2016, the proportion of the population with tertiary educational attainment is significantly lower than for the rest of the state, although we can see a positive trend towards higher educational attainments.

The proportion of the population with a trade qualification is roughly in line with regional Victoria and higher than for the state as a whole. Just under half the population has no post-school qualification, which is noticeably higher than for regional Victoria as a whole.

Unemployment

As of 2019, Northern Grampians had an unemployment rate of 4.6%. Of this figure, 1.95% were looking for full-time work, and 0.75% were looking for part-time work. Like many rural, regional and remote communities, the unemployment rate is relatively low. People who are unemployed are unlikely to stay in rural, regional and remote communities because many of the social services have been centralised/rationalised to larger regional centres, and hence they tend to drift out of smaller communities.

Socio disadvantage

Northern Grampians Shire is among the most disadvantaged Local Government Areas in Victoria.

Based on pre-COVID-19 figures Northern Grampians lagged behind the majority of Victoria in terms of overall levels of employment, income, education, internet access, professional occupations and housing type.

Northern Grampians:

- Is the fourth most disadvantaged LGAs in Victoria, alongside Mildura, making 95% of LGAs in Victoria better off than Northern Grampians based on socio-economic indicators.
- There are 409 local government areas which are less disadvantaged.
- There are 134 local government areas that are more disadvantaged.



OUR STRENGTHS AND OPPORTUNITIES



Northern Grampians Shire has:

- The most diversified economy in the Wimmera Southern Mallee.
- Internationally recognised tourism assets in the Grampians (with national and state parks, outdoor and adventure experiences, indigenous interpretive experiences, recreational waterbodies).
- A strategic location to be a hub for the region in terms of product aggregation and distribution (although competes with both Horsham and Ballarat in this context).
- Rail and road links.
- Relative water security from the Wimmera Mallee Pipeline.
- Mineral resources and a history of mining activity.
- Significant housing affordability benefits advantages over major cities and regional centres (and first home buyer subsidies).
- Excellent local health services and close proximity to Ballarat and Bendigo for higher level services.
- Quality local school level education services.
- Excellent sport infrastructure, and strong local sporting clubs which play a significant role in the local community.
- Proximity to a number of major regional centres including Ballarat, Bendigo and Horsham for services and shopping which cannot be found locally.
- Liveability benefits of a rural lifestyle including less traffic and stronger community connections, allowing for more time for family and leisure.
- Greater workforce stability and lower staff turnover rates than major cities and more harmonious workplace relations.
- When complete, the Grampians Peaks Trail will be one of Australia's iconic long-distance walking experiences.
- When implemented, the Halls Gap Village Masterplan will deliver a range of infrastructure and public realm upgrades for the popular tourist town.
- When complete, the bypass of the Great Western township will provide opportunities to create a more attractive and pedestrian friendly environment in the Stawell town centre.

- Centres (Stawell and St Arnaud) also located on strategically important freight routes (Western Highway and Sunraysia Highway), and road upgrades (e.g. duplication of the Western Highway) will increase efficiencies for transport operators.
- Northern Grampians' manufacturing sector is closely linked to food processing, offering an ongoing base for further integration of agribusiness supply chains.
- Renewable energy technologies (including the manufacture and maintenance of materials to supply renewable energy operators and to co-locate renewable energy generation with manufacturing (especially including solar, geothermal and biomass conversion).
- Further 'elaborate' transformation of food products, which at a small scale is being pursued by niche and artisanal producers (eg smallgoods, flour, beverages and preserves).
- Agricultural production inputs (eg fertiliser, stockfeed, shedding and systems, veterinary and agronomy services).
- Agribusiness equipment, technologies and packaging materials (once a strength of Wimmera Southern Mallee towns) which have been dominated by imports in recent decades but could return to local manufacturing.
- Embracing the concept of the shire as the 'Gateway to the Grampians'.
- Strong heritage assets that have not been adequately protected (but remain intact).
- The diversity of new rural opportunities including intensive agriculture.
- Renewable energy opportunities.
- Outstanding existing lake and wetland assets and both active and passive recreation opportunities.
- Intermodal freight facilities and opportunities.

OUR CHALLENGES



Northern Grampians Shire has:

- A population challenge: persistent slight declines in population projected to continue for the next 20 years, and at a time when the COVID 19 pandemic is very likely to impact on Victorian and Australian population growth for at least the next 3 years.
- Very high levels of socio-economic disadvantage in the Shire's largest towns.
- An ageing population.
- Housing shortages and inappropriate mix of housing choices to meet the varying needs of the sale and rental markets.
- Proximity to the regional cities of Horsham and Ballarat in the south and, to a lesser extent, Bendigo in the north, inhibiting the attraction of government services and some business and professional services.
- Limited serviced and suitable industrial land to attract investment.
- A lack of logistics providers and intermodal facilities.
- Limited access to, and range of, post-secondary education and industry training.
- Not yet a destination of choice for the key sectors of professional, scientific and professional services, information, media and telecommunications services, and financial and insurance services.
- The legacy of small lots in the rural areas that are (sometimes) too small to farm, too big to live on and rarely with any basic services.
- Business development targets should be more focussed on those that attract less than 50 jobs (rather than hundreds) as the impacts of a sudden loss of jobs at a large organisation can have such devastating community repercussions.



The review identified some gaps including:

- The viable and sustainable level of very small towns and villages, in order to make best use of resources and to provide cost-efficient infrastructure.
- Agricultural practices and technologies that will sustain the Shire and region as a world competitive food producer, and the appropriate balance and competitive strengths associated with each technology (such as organic farming, biological farming, and genetic engineering).
- Land management approaches and policies on rights to farm or rights to develop in prime agricultural, heritage or environmentally significant lands and to cater for the rapidly growing artisanal producer groups.
- Creating communities around defined rural residential or hobby farm estates and releasing remaining rural living zoned land for commercial agricultural activities.
- Targets for renewable energy generation (wind, solar, biomass conversion) or low carbon energy production and carbon sequestration.
- The dramatic changes to geographically dependent businesses, through competition from internet, e-commerce and 'back-up logistics' giving greater accessibility to major centres/markets.
- Acknowledgement that health and social services is the largest employing industry in the Shire (and third largest in value added economic contribution) and is likely to continue to have the greatest rate of growth over at least the next decade and this should be a sector with more explicit and practical economic development actions.
- Local responses to COVID 19 pandemic recovery.

KEY INDUSTRY SECTOR PROFILES

This section profiles our key industry sectors. Data analysis tells us that the following industries are key sectors in Northern Grampian:



Agriculture



Manufacturing



Mining



Health Care and Social Assistance



Tourism

These industries display a combination of growth over time, substantial influence on economic growth (high value-added and employment for example) and specialisation.

Each key sector has been profiled to provide a snapshot of industry performance, COVID-19 impacts and trends.

Agriculture

Agriculture is one of Northern Grampians key sectors based on the wealth it brings into the economy and people it employs. A lot of the wealth in our region is in some way directly or indirectly linked to Agriculture.

- Agriculture as a whole is considered a driving sector in Northern Grampians in terms of regional exports, employment, value-added and local expenditure on goods and services (backward linkages).
- Prior to COVID-19, as a whole the sector contributed 16% of total economic benefit into the Northern Grampians economy. It was our number sector in terms of the wealth it generated in 2019 (value-added).
- 35% of sales were made locally, with the highest value of local sales compared to all other sectors in Northern Grampians.
- The sector was the 3rd largest export industry in the Shire in 2019. That means that the sector sold the greatest amount of goods and services to people or businesses from outside the Shire.

Key Economic Baseline Indicators (2019)

692 Jobs	\$108M Value-added	\$80M Export	\$17M Wages & Salaries
14% Of Employment	16% Of Value-Added	11% Of Exports	5% Of Wages & Salaries

Sub-sectors

In Northern Grampians, the strongest sectors in Agriculture includes:

-  Sheep Farming
-  Grain-sheep
-  Grain Growing
-  Poultry Farming And Other Livestock

Sub-sector	Jobs	Value-added	Exports	Wages and Salaries
Sheep and Grains	521	\$71M	\$60M	\$10M
Poultry farming and other livestock	100	\$24M	\$14M	\$3M
Other Agriculture (inc. vegetable, grape, olive and turf growing and nursery production)	35	\$7M	\$2M	\$1M
Agriculture support services	36	\$5M	\$5M	\$2M

COVID-19 Impacts Locally

	-47 Jobs		-\$800K Value-added		-\$100K Wages and Salaries	
Agriculture	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020
	692	645	\$9.0M	\$8.2M	\$1.4M	\$1.3M



Sheep and Grain in Northern Grampians:

- Is a driving sector, amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- Made up the largest portion of the Agriculture sector and is considered to drive industry in the Shire's economy.
- Made the greatest contribution to the economic benefit that flowed from Agriculture through value-added.
- Delivered 66% of the wealth generated by Agriculture in 2019 and over 10% of the total economic benefit to Northern Grampians (value-added) across all sectors.
- Is the third-largest export industry in the Shire.
- Employed the greatest number of people across all industry sectors, however wasn't in the top ten across all industries for wages and salaries.
- Grew for seven of the ten years from 2010 to 2019 and contributed nearly 5% of total value-added to Northern Grampians economy over that ten year period.
- Has a greater local demand for its goods, that from outside the Shire.
- Provided the greatest number of jobs overall in 2019, but wasn't among the top industries in terms of wages and salaries and productivity, by way of value-added to the Northern Grampians economy per worker.

National Sheep farming trends

Local trends are consistent with trends across Australia with strong growth in pricing for wool and lamb, driving increases in revenue. However, Sheep Farming is expected to have been negatively affected by COVID-19.

- Most sheep farms are small to medium in size and employ fewer than 20 people.
- Farmers will likely focus on export markets to shore up revenue lost from weak domestic consumption.
- Rising disposable incomes overseas, particularly in Asia, will help support continued export demand.
- China is the major export destination for industry products. Exports to China are projected to decline.
- Demand for labour in the Sheep Farming industry is typically seasonal. Due to travel bans implemented around the world, the industry is expected to face labour shortages.

- The industry is anticipated to benefit from the plummeting price of crude oil in the early part of 2020. This is forecast to place downward pressure on industry purchase costs, as farmers save on fuel.

National Grain-sheep farming trends

- Access to water will continue to be a key issue for industry farmers over the next five years.
- Rising disposable incomes will likely boost demand for high-quality grain-fed beef and lamb.
- Fluctuating annual rainfall has contributed to revenue volatility over the past five years.
- GM crops can help industry farmers boost their productivity by minimising crop water requirements.
- Demand for labour in the Sheep Farming industry is typically seasonal. Due to travel bans implemented around the world, the industry is expected to face labour shortages.
- Fluctuations in annual rainfall have contributed to industry revenue volatility.
- The outbreak of COVID-19 is expected to significantly affect the Agriculture subdivision in Australia, due to the export-oriented nature of many industries and their downstream industries.





Poultry (eggs and meat) and pig farming in Northern Grampians:

- Is a driving sector in Northern Grampians being amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- Within the top ten across all industry sectors for value-added, exports and local sales.
- Made a 23% contribution to the wealth delivered by Agriculture in 2019 and nearly 4% of total economic benefit to Northern Grampians.
- Experienced eight years of growth from 2010 to 2019.
- value added was 116% greater in 2019 compared to 2010.
- Has a greater demand for sales locally, that from outside the Shire, with a higher percentage of total sales being made locally in 2019.

National Egg Farming trends

Rising demand for free-range eggs has supported industry revenue growth.

- Per capita domestic egg consumption has increased, supporting industry growth.
- Free-range, organic and specialty eggs are projected to grow as a share of industry production.
- Industry players have increasingly shifted from cage to free-range egg production.
- Various external factors influence egg production, including feed costs and consumer demand.
- Supermarkets are anticipated to spur rising price competition over the next five years.
- Revenue in the Egg Farming industry is expected to grow by 1.2% in 2019-20.
- Reduced demand from the food-service sector is expected to constrain growth.
- Growth in the retail market has been boosted by increased consumer purchases, while the food-service market has declined as a share of revenue due to the COVID-19 restrictions.
- Revenue is expected to decline 6.4% in 2020-21, due to lower demand from the food-service sector across the whole year.

National Poultry meat farming trends

Industry operators primarily farm poultry for meat production. Poultry includes chicken, duck, turkey and game birds. Industry operators typically supply live birds that are ready for slaughter.

- Operators have benefited from a rise in per-capita poultry consumption over the past five years.
- The Poultry Meat Farming industry is projected to expand over the next five years due to a rise in health consciousness, boosting poultry consumption.
- Consumers will likely become increasingly concerned about poultry welfare issues.
- The industry's production processes have become increasingly automated over the past five years.
- The outbreak of COVID-19 is expected to significantly affect the Agriculture subdivision in Australia, due to the export-oriented nature of many industries and their downstream industries.
- As of February 2020, agricultural products exported to China have been stranded in docks, as local dockworkers have been in quarantine.
- In the long term, this is likely to benefit agricultural producers, as demand for Australia's high-quality agricultural products is forecast to increase.
- Consumers in China have already begun avoiding the traditional wet markets in favour of online businesses and supermarkets.

National Pig farming trends

The price of pig meat has risen over the past two years, supporting revenue.

- Rising imports of processed pig meat have weakened demand for domestic baconers.
- Pig meat consumption is anticipated to decline slightly over the next five years
- The industry is projected to become increasingly concentrated over the next five years.
- Fresh pork exports to the Asia-Pacific region represent a potential opportunity for the industry.
- Industry concentration has increased as bigger firms have secured larger supplier contracts.

- Rising imports of processed pig meat have weakened demand for domestic baconers
- Industry revenue is expected to rise in the current year, despite the COVID-19 outbreak. This trend can largely be attributed to a surge in the domestic price of pig meat following an outbreak of African swine fever that reduced China's pig herd by one half. However, economic disruption caused by the COVID-19 outbreak is anticipated to limit revenue growth in 2019-20.
- Food-service establishments represent a significant market for pork products. Social distancing regulations introduced by the federal and state governments following the COVID-19 outbreak are expected to cause demand from this market to fall in 2019-20.



Other agriculture in Northern Grampians:

- Includes things like: nursery production, turf, vegetable, olive, grape and other crop growing.
- Although other agriculture formed a small part of our Agricultural sector, value added was 482% greater in 2019 compared to 2010 - the largest positive difference in 2019 compared to 2010 across all 114 sectors.
- Was the only sector in the Agriculture industry that grew consistently for ten years from 2009-2019.
- Engagement businesses will seek to explore this trend and how the strategy should respond.

National Other Agriculture trends:

Organic crop farming:

- The perceived health benefits of organic produce have driven strong demand for industry goods and supported strong downstream demand from retailers.
- High profit margins will likely encourage more farmers to enter the industry.
- Price competition is forecast to increase over the next five years, limiting revenue growth.

Agriculture Support Services in Northern Grampians:

Industry operators primarily farm poultry for meat production. Poultry includes chicken, duck, turkey and game birds. Industry operators typically supply live birds that are ready for slaughter.

- Is a driving sector in Northern Grampians being amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- Grew for eight of the ten years from 2010-2019.
- Ranked 10th across 114 sectors for local sales, making 70% of sales to local customers.
- Value added was 60% greater in 2019 compared to 2010.

Manufacturing

Manufacturing makes a significant contribution to the Northern Grampians economy based on overall performance across all economic indicators. The sector sustains local producers and supply chains.

- Manufacturing as a whole is considered a driving sector in Northern Grampians in terms of regional exports, employment, value-added and local expenditure on goods and services (backward linkages).
- Manufacturing in the Northern Grampians has a higher share of employment compared to the sector's share of National employment.
- Manufacturing was the Shire's largest export industry in 2019, with 44% of goods and services exported from Northern Grampians (sold to customers outside Northern Grampians) coming from the manufacturing sector.
- Prior to COVID-19, manufacturing made the 4th largest contributor (11%) to economic benefit (value-added) in Northern Grampians.
- The sector made 12% of local sales in Northern Grampians in 2019, the 3rd highest for local sales.
- The greatest decrease in job numbers as a consequence of COVID-19 has been observed in the manufacturing sector.

Key Economic Baseline Indicators (2019)

628 Jobs	\$74M Value-added	\$306M Export	\$46M Wages & Salaries
13% Of Employment	11% Of Value-Added	44% Of Exports	14% Of Wages & Salaries

Sub-sectors

The strongest sectors in Manufacturing in Northern Grampians include:

-  Meat & Meat Product Manufacturing
-  Bakery Product Manufacturing
-  Other Food Product Manufacturing
-  Basic Chemical Manufacturing
-  Aircraft Manufacturing
-  Wine and spirits

Sub-sector	Jobs	Value-added	Exports	Wages and Salaries
Meat & Meat Product Manufacturing	422	\$42M	\$217M	\$28M
Bakery Product Manufacturing	40	\$2M	\$1M	\$2M
Other Food Product Manufacturing	32	\$8M	\$20M	\$3M
Basic Chemical Manufacturing	25	\$7M	\$29M	\$4M
Aircraft Manufacturing	6	\$3M	\$10M	\$2M
Wine and spirits	29	\$3M	\$10M	\$1M

COVID-19 Impacts Locally

	-67 Jobs		-\$1.2M Value-added		-\$500K Wages and Salaries	
	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020
Manufacturing	628	561	\$6.1M	\$4.9M	\$3.8M	\$3.3M



Meat & Meat Product Manufacturing in Northern Grampians:

- Is a driving sector in Northern Grampians being amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- Made the 3rd largest contribution (6.2%) to total wealth generated in Northern Grampians in 2019 through value-added. In 2019 \$42M of value was added to Northern Grampians from the sector.
- Generated 57% of all wealth from the manufacturing sector 2019.
- Value added was 131% greater in 2019 compared to 2010.
- Grew for seven of the ten years from 2010-2019.
- Was the number one export industry in Northern Grampians in 2019, at 31% of all exports (sales made to businesses/consumers outside Northern Grampians).
- 4th largest employer in the Shire, and was 3rd for wages and salaries paid across all industry sectors.
- Sells the majority of its goods to businesses/consumers outside the Shire, with 4% sold within Northern Grampians.

Pre-COVID-19 National Meat & Meat Product Manufacturing Trends:

- Adding value to existing meat products provides a significant opportunity to boost revenue.
- Investment in plant upgrades and new technologies is projected to improve industry efficiency.
- Imports of both beef and pork products have increased over the past five years.
- Australia's meat processors export over 70% of production, with beef accounting for most exports.
- The manufacturing industry is vulnerable to international market, political and especially currency fluctuations.
- Rapidly rising global demand for Australian meat has aided strong industry revenue growth.
- Meat production has been volatile over the past five years due to mixed weather conditions.
- Free trade agreements with China, Japan, South Korea and Indonesia will support export growth.

- Investment in plant upgrades and new technologies is projected to improve industry efficiency.
- Australia's meat processors export over 70% of production, with beef accounting for most exports.

National Meat & Meat Product Manufacturing COVID-19 Impacts

Heavy declines in exports due to COVID-19 are causing revenue to fall.

- Revenue growth for the Meat Manufacturing industry has been adjusted from a 0.8% rise to a 6.3% decline in 2020 due to a contraction in demand from key export markets.
- As China is the largest key export market, weakened trading conditions as a result of COVID-19 are anticipated to reduce demand for industry goods over the coming year.
- Demand from domestic markets, such as retailers and wholesalers, as a share of revenue, is expected as industry exports contract.



Bakery Product Manufacturing in Northern Grampians:

- Contributed 3% of total wealth generated by manufacturing in Northern Grampians in 2019 (\$2M) and 0.3% of total wealth.
- Made a comparatively small contribution overall to jobs, wages and salaries, exports and value-added, however it's been growing.
- Value added was 125% greater in 2019 compared to 2010.
- Grew for seven of the ten years from 2010-2019.

National Bakery Product Manufacturing trends:

- While per capita bread consumption is falling, consumers are spending more on freshly baked goods.
- The industry has increased its sales of artisanal products to cafes and restaurants.
- Consumers are anticipated to increasingly favour artisanal breads over factory-made products.

- Rising concerns about health and wellbeing are likely to help boost specialty bread sales.
- The COVID-19 outbreak has had a moderate impact on the Bakery Product Manufacturing industry. With many bakeries located in shopping malls and suburban shopping strips, reduced footfall following lockdown restrictions has resulted in lower sales.
- Industry operators that predominantly service the hospitality industry are also at risk, as cafes and restaurants temporarily close. Demand from food service providers is anticipated to recover as restrictions related to the COVID-19 pandemic are eased, although some cafes may be forced to exit the industry.
- Trends among Australian consumers to make their own bread or bake while at home during lockdown have also reduced industry demand.



Other Food Product (including prepared Animal Feed) Manufacturing in Northern Grampians:

- Is a driving sector in Northern Grampians being amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- Contributed 10% of total wealth generated by manufacturing in Northern Grampians in 2019 and 1% of total value-added by all industries.
- Contributed 3% of total exports across all industry sectors in 2019, ranking the 6th largest export industry overall in Northern Grampians.
- Grew by 13% over the ten year period from 2010-2019 in terms of value-added to the Northern Grampians economy.
- Grew for seven of the ten years from 2010-2019.
- yearly a quarter (24%) of total sales are made to local customers.
- Made a comparatively small contribution overall to jobs, wages and salaries and value-added.

National prepared Animal Feed Trends:

- International trade with overseas markets has been disrupted by the COVID-19 pandemic.

- Revenue in the Prepared Animal and Bird Feed Manufacturing industry is expected to decrease by 4.2% in 2019-20, in part due to disruptions to export sales caused by COVID-19.
- Demand from overseas markets like China is likely to be lower during the COVID-19 pandemic.
- Pet food production has higher profit margins and less volatile demand than stockfeed.
- The increasing trend of premium pet food will be an important focus for manufacturers.
- Revenue in the Prepared Animal and Bird Feed Manufacturing industry has fluctuated.



Basic Chemical Manufacturing in Northern Grampians:

The sector includes: Basic Organic Chemical Manufacturing, Basic Inorganic Chemical Manufacturing, Pesticide Manufacturing, Fertiliser Manufacturing and Other Basic Chemical Product Manufacturing n.e.c.

- Ranked 12th for total wealth generated (value-added) in Northern Grampians and delivered 10% of total value-added by the manufacturing sector.
- 5th largest export industry in Northern Grampians.
- 8th most productive industry in Northern Grampians based on value-added per worker.
- Made a comparatively small contribution overall to jobs, wages and salaries and value-added.
- Grew for six of the ten years from 2010-2019, with 2% more value added in 2019 compared to 2010.
- 29% of sales are made to local customers.

National Basic Chemical Manufacturing trends:

- Environmental concerns will likely underpin product innovation and technological developments.



Aircraft Manufacturing and Repair Services in Northern Grampians:

- Ranked 10th for total exports across all industry sectors.
- 3rd most productive industry in Northern Grampians based on value-added per worker.
- Delivered 3.5% of total value-added by the manufacturing sector.
- 4% of sales are made to local customers.
- Made a comparatively small contribution overall to jobs, wages and salaries and value-added compared to all other sectors.
- Grew for eight of the ten years from 2010-2019.
- Value added was down by -44% in 2019 compared to 2010.

Aircraft Manufacturing and Repair Services

- Supply chain disruptions in Asia are likely to hinder some manufacturers in this subsector, as supply of some production inputs becomes limited.
- Specialised components may be difficult to source from alternative suppliers in the short term.
- Some manufacturers in this subdivision may benefit from weakened import competition, as foreign producers are hindered by quarantine measures.
- Increasing demand for maintenance, repair and overhaul services has supported revenue.
- Greater defence funding has boosted industry-wide production of value-added aircraft components.



Wine and spirits in Northern Grampians:

- Wine and spirit manufacturing ranks 11th for exports in Northern Grampians and makes nearly 95% of sales to customers outside Northern Grampians.
- Wine and spirit manufacturing made up 4% of wealth generated the manufacturing sector as a whole and 0.4% of wealth generated by all sectors combined in 2019.
- Wine and spirit manufacturing made a comparatively small contribution overall value-added, jobs, wages and salaries, however is closely linked to the tourism industry and regional destination marketing.
- The wine and spirits industry grew for five out of the ten years from 2010-2019.
- value added was down by -84% in 2019 compared to 2010.

National wine production trends:

- Revenue for the Wine Production industry is expected to fall by 5.0% in the current year due to a combination of initial slowing growth and COVID-19 outbreak reducing exports to China.
- Industry exports and imports both anticipated to fall in the current year due to the COVID-19 outbreak. Both local and foreign demand is expected to fall.
- Some publicly listed major companies have downgraded their forecasts as consumption in key markets have been significantly affected. As a result, their revenue forecasts for 2019-20 have fallen.



Mining

The sector has a higher concentration of jobs and is more specialised in the Northern Grampians economy compared to the wider Australian economy.

- Prior to COVID-19, as a whole the sector was the fifth largest contributor to wealth delivering 7% of total economic benefit into the Northern Grampians economy in 2019.
- Mining was the Shire's second largest export industry in 2019, with 28% of goods and services exported from Northern Grampians (sold to customers outside Northern Grampians) coming from the mining sector.
- With COVID-19 projected to only have a relatively small effect on large parts of the mining sector, mining output is expected to decline by a small margin. However, mining firms are likely to reduce demand for support and contractor services from suppliers, including from companies in the industry, to cut costs and to maintain sufficient volumes of work for permanent employees.

Key Economic Baseline Indicators (2019)

201 Jobs	\$59M Value-added	\$195M Export	\$25M Wages & Salaries
4% Of Employment	9% Of Value-Added	28% Of Exports	8% Of Wages & Salaries

Sub-sectors

In Northern Grampians the strongest sectors in Mining is gold mining.

Sub-sector	Jobs	Value-added	Exports	Wages and Salaries
Gold: Non Ferrous Metal Ore Mining	178	\$55M	\$191M	\$24M
Sand: Non Metallic Mineral Mining	11	\$2M	\$3M	\$1M
Exploration & Mining Support Services	12	\$1M	\$1M	\$1M

COVID-19 Impacts Locally

	-10 Jobs		-\$500K Value-added		-\$400K Wages and Salaries	
	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020
Mining	201	191	\$4.9M	\$4.4M	\$2.1M	\$1.7M

Mineral Council of Australia report that:

- There are over 30 Exploration Licences (ELs) or applications for ELs in the Western Victoria (from Ararat to the border and Warracknabeal to Balmoral).
- In Western Victoria, there are a number of explorers for mineral sands, gold and base metals like copper in the region.
- There are over 15 separate exploration companies exploring for Mineral Sands, Gold, Platinum, Base Metals like Copper, Silver and Tin.
- Exploration leases allow explorers to search for gold and other minerals in a defined area, but it does not entitle the company to undertake mining.
- The number of exploration licences is set to grow in the Western Victoria.
- 'Victoria had the fourth highest exploration spend so far in 2020, above the Northern Territory, South Australia and Tasmania.'
- New data from the ABS shows that exploration spending in Victoria reached a historic high in the first three months of 2020.
- There may be almost as much gold still to be uncovered as has already been found in parts of the central and western Victorian gold zones.

Gold: Non Ferrous Metal Ore Mining:

- Non Ferrous Metal Ore Mining is a driving sector in Northern Grampians being amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- 2nd largest contributor to Northern Grampians wealth (8%) and 94% of wealth generated by the mining sector (value-added) in 2019 came from gold mining.
- Ranged 10th for job, contributing 3.6% of total jobs in Northern Grampians in 2019.
- Paid 7.3% of total wages and salaries in Northern Grampians in 2019.
- 6th most productive sector in Northern Grampians in 2019 based on the value-added to the economy per worker in 2019.
- Grew for seven of the ten years from 2010-2019.
- Value added was down by -66% in 2019 compared to 2010.

National Gold mining trends:

- Revenue growth for the Gold Ore Mining industry is projected to increase by 4.7% in 2019-20, due to higher gold prices in response to local and global economic uncertainty over COVID-19.
- Revenue growth for the Gold Ore Mining industry is projected to increase by 4.7% in 2019-20, due to higher gold prices in response to local and global economic uncertainty over COVID-19.
- Despite higher revenue for the industry, gold mining output is expected to decline, due to some supply and processing disruptions associated with COVID-19.
- Demand for gold is anticipated to increase in the current year, due to gold's safe haven characteristics.
- Gold is widely considered a safe-haven investment during periods of economic uncertainty.
- Australian gold ore is becoming increasingly difficult and expensive to mine as ore quality falls.



Sand: Non Metallic Mineral Mining

- Accounted for 4% of wealth generated by mining in Northern Grampians and 0.3% of total wealth (value-added) in 2019
- Made a comparatively small contribution overall to jobs, wages and salaries, exports and value-added, however it's been growing.
- Value added was 167% greater in 2019 compared to 2010.
- Grew for nine of the ten years from 2010-2019.

National Sand mining trends:

- Demand for mineral sands is expected to have declined moderately in 2019-20, due to disruptions across key manufacturing industries in China and other Asian countries. Although exports from the industry are relatively low, high volumes of titanium dioxide pigments that are processed downstream are exported, with declines in these exports negatively affecting the industry.
- Mining volumes are anticipated to have declined in 2019-20, due to supply chain and processing disruptions. Due to reduced demand and supply, industry revenue is projected to decline by 10.4% in 2019-20. However, part of this decline is due to the closure of Sibelco's mineral sands mining operations at North Stradbroke Island in Queensland at the end of 2019.
- With reduced industry activity in 2019-20, enterprise numbers and employment are expected to decline for the year. However, a rebound in 2020-21 is projected to then see these industry indicators rise, along with a jump in revenue.

Exploration and Mining Support Services

- Accounted for 2% of wealth generated by mining in Northern Grampians and 0.2% of total wealth (value-added) in 2019.
- Value added was down by -49% in 2019 compared to 2010.

National mining support services trends:

- With COVID-19 projected to only have a relatively small effect on large parts of the mining sector, mining output is expected to decline by a small margin. However, mining firms are likely to reduce demand for support and contractor services from suppliers, including from companies in the industry, to cut costs and to maintain sufficient volumes of work for permanent employees.
- Lower demand and revenue for the industry is expected to result in lower industry employment for 2019-20, as well as the closure of some industry firms.



Health Care and Social Assistance

- There is a higher share of employment in Northern Grampians in the Health Care and Social Assistance sector compared to the sector's share of National employment.
- The sector provided the greatest number of jobs and paid the highest in wages and salaries in Northern Grampians 2019.
- Prior to COVID-19, the sector made the 3rd largest contributor (11.5%) to economic benefit (value-added) in Northern Grampians.
- Ranked 5th (of 19 sectors) for exports.

Key Economic Baseline Indicators (2019)

864 Jobs	\$78M Value-added	\$25M Export	\$67M Wages & Salaries
17% Of Employment	11% Of Value-Added	4% Of Exports	20% Of Wages & Salaries

Sub-sectors

The sector is made up of:

-  Health Care Services
-  Residential Care and Social Assistance

Sub-sector	Jobs	Value-added	Exports	Wages and Salaries
Health Care Services	486	\$42M	\$10M	\$33M
Residential Care and Social Assistance Services	378	\$36M	\$15M	\$33M

COVID-19 Impacts Locally

	-47 Jobs		-\$600K Value-added		-\$300K Wages and Salaries	
	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020
Health Care and Social Assistance	864	817	\$6.5M	\$5.9M	\$5.5M	\$5.2M



Health Care Service

- Made the 4th largest contribution (6.1%) to total wealth generated in Northern Grampians in 2019 through value-added. In 2019 \$41M of value was added to Northern Grampians from the sector.
- Paid the greatest amount in wages and salaries to employees compared to all other sectors in 2019 (10.1%).
- Generated 54% of all wealth from the healthcare and social assistance sector 2019.
- Calue added was 32% greater in 2019 compared to 2010.
- Grew for nine of the ten years from 2010-2019.
- Ranked 2nd for employment across all industry sectors.
- Ranked 12th for exports and 45th for local sales.

National Health Care Service trends:

- Revenue for the public sector is expected to remain relatively stable, as most public services are considered essential, however private sector services are anticipated to suffer during the COVID-19 outbreak, as private sector services rely heavily on providing non-essential health services.
- The Health Services is forecast to continue growing strongly over the next five years due to Australia's ageing population, the increasing prevalence of many chronic diseases and rising private health insurance coverage.
- As government funding currently accounts for just under 70% of all health services revenue, future changes to government funding arrangements could substantially affect the sector.
- Industry value added is forecast to grow over the 10 years through 2024-25, exceeding the overall economy's forecast GDP growth over the same period. This suggests that the subdivision is outperforming the wider economy over the next five years.
- Technology change is continuous and significant. Hospitals are using robotic surgery, 3D imaging for positron emission tomography (PET) scans has been introduced and telehealth advancements are allowing the sector to embrace everyday technology for productive uses.



Residential Care & Social Assistance Services:

- Made the 5th largest contribution (5.3%) to total wealth generated in Northern Grampians in 2019 through value-added. In 2019 \$36M of value was added to Northern Grampians from the sector.
- Paid nearly the same amount in wages and salaries as the health care service sector - at 10% of total wages and salaries paid by employers in Northern Grampians.
- Generated 46% of all wealth from the healthcare and social assistance sector 2019.
- Calue added was 133% greater in 2019 compared to 2010.
- Grew for nine of the ten years from 2010-2019.
- Ranked 5th for employment across all industry sectors.
- Ranked 7th for exports and 48th for local sales.

National Residential Care Service trends:

- The Aged Care Residential Services industry has faced heavy disruption related to COVID-19. Aged care residential facilities are particularly vulnerable to potential COVID-19 outbreaks.
- On 11 March 2020, the Federal Government announced a health package valued at \$2.4 billion, which is expected to provide support to primary health services, including aged care facilities. In particular, \$101.2 million in funding has been announced to educate and train aged care workers in infection control, and to enable aged care operators to hire additional nurses and workers. Additional funding has been announced since then, bringing the total to \$850 million in COVID-19 specific funding. However, the sector is calling for a \$1.5 billion rescue package with many industry operators struggling to fund the additional costs associated with COVID-19 safety measures.
- Industry firms will need to cater to the diversifying needs of an ageing population.
- The industry has consolidated, with some operators seeking growth through acquisitions.
- Increased accreditation requirements have caused some operators to leave the industry.
- The industry's structure will change as it continues to move towards a more market-based system.

Tourism

Grampians Travel data for the period April 2019 to March 2020 tells us that:

- 'Eat out, dine at a restaurant or cafe' (47.1%) was the most popular activity undertaken by visitors to the region.
- Domestic overnight visitors spent \$405 million in the Grampians - up by 23.8% on YE Mar 19. On average, visitors spent \$145 per night in the region - up by 30.8% on YE Mar 19.
- The Grampians received 52,900 international overnight visitors - down by 2.6% on YE Mar 19. Visitors stayed for 253,500 nights in the region - down by 36.5% on YE Mar 19.
- Of domestic overnight travel, the region received 6.1% of visitors and 5.4% of nights in regional Victoria. Compared to YE Mar 19, the share of visitors was down by 0.1% pt and the share of nights was down by 0.6% pts.
- 'Holiday' (46.2%) was the largest purpose for visitors to the region, followed by 'visiting friends and relatives' (26.2%) and 'business' (20.9%) for domestic overnight travel.
- Visitors stayed on average 2.5 nights in the region.
- '65 years and over' (22.0%) was the biggest age group of visitors to the region, followed by '45 to 54 years' (20.5%) and '25 to 34 years' (18.5%) for domestic overnight travel.

Key Economic Baseline Indicators (2019)

531 Jobs	\$35M Value-added	\$42M Export	\$22M Wages & Salaries
11% Of Employment	5% Of Value-Added	6% Of Exports	7% Of Wages & Salaries

Sub-sectors

Tourism is made up of a number of sectors including:

-  Accommodation
-  Food and Beverage Services
-  Sport and Recreation
-  Heritage, Creative and Performing Arts

Sub-sector	Jobs	Value-added	Exports	Wages and Salaries
Accommodation	163	\$14M	\$35M	\$8M
Food and Beverage Services	271	\$15M	\$4M	\$11M
Sport and Recreation	50	\$3M	\$1M	\$2M
Heritage, Creative and Performing Arts	47	\$3M	\$3M	\$1M

COVID-19 Impacts Locally

	-38 Jobs		-\$800K Value-added		-\$100K Wages and Salaries	
Accommodation and Food Service	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020
	434	396	\$2.4M	\$1.6M	\$1.5M	\$1.4M

	-14 Jobs		-\$180K Value-added		-\$50K Wages and Salaries	
Arts and Recreation Services	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020	March (pre-COVID-19)	June 2020
	107	93	\$0.63M	\$0.45M	\$0.35M	\$0.30M



Food and Beverage Services:

- Is a driving sector in Northern Grampians being amongst the top 30 (of 114 sectors) for all key indicators (backward linkages, exports, employment, and value-added).
- Accounted for 51% of jobs generated by the tourism sector in 2019, and 5.5% of total jobs - ranking 6th at the 114 sector level.
- Contributed 43% of value-added-added by Tourism in 2019, and 2.2% of total value-added to Northern Grampians economy, ranking 12th overall.
- 8% of sales made by the Tourism industry to customers from outside Northern Grampian were made by food and beverage services (.5% of total exports).
- Grew for seven of the ten years from 2010-2019.
- Value-added was 80% greater in 2019 compared to 2010.



Accommodation:

- Has a higher share of employment compared to the sector's share of national employment.
- Accounted for 31% of jobs generated by the tourism sector in 2019, and 3% of total jobs - 11th largest employer in the Shire.
- Accommodation jobs paid 50% of the total wages and salaries from tourism and 3% of total across all sectors.
- Contributed 40% of value-added-added by Tourism in 2019, and 2% of total value-added to Northern Grampians economy, ranking 14th overall.
- The majority of sales made by the Tourism industry to customers from outside Northern Grampians came from the accommodation sector at 85%. Ranking 4th for total exports at 5% of total exports by all sectors.
- Grew for seven of the ten years from 2010-2019.
- Value-added was 13% greater in 2019 compared to 2010.



Arts and recreation services (including sport and recreation and heritage, creative and performing arts):

- Sport and recreation and heritage, creative and performing arts made a comparatively small contribution to the Tourism industry in 2019.
- Has a higher share of employment compared to the sector's share of national employment.
- Accounted for 18% of jobs generated by tourism sector in 2019, and 2% of total jobs.
- Heritage, Creative and Performing Arts grew for seven of the ten years from 2010-2019, however value added was down by -23% in 2019 compared to 2010.
- Sport and recreation grew for seven of the ten years from 2010-2019, however value added was down by -20% in 2019 compared to 2010.

National Tourism Trends

- Revenue in the Tourism industry decrease by approximately 19.4% in 2019-20, due to the Federal Government's inbound travel restrictions and limits to domestic travel implemented by state governments.
- The industry's average profit margin fell strongly in 2019-20, as tourism activity drops significantly.
- The Tourism industry is projected to recover from the COVID-19 pandemic and expand over the next five years.
- Tourism businesses are expected to heavily rely on domestic leisure travellers in 2020-21.
- If the Australian Government can reach an agreement with New Zealand and any other country that has successfully contained the virus, then some inbound travel may be allowed to start up again before the end of 2020. Once inbound travel restrictions start to ease, then the industry should start to see a more pronounced recovery.
- The Australian dollar is anticipated to remain weak over the next five years, likely encouraging international visitors to travel to Australia.
- The weak dollar is also forecast to limit outbound tourism and support growth in domestic tourist visitor nights. Rising tourism activity in Australia is anticipated to boost industry profitability over the next five years, with tourism operators likely to benefit from having a greater pool of potential customers.
- The recovery from the outbreak of COVID-19 and the increase in tourism activity are projected to boost both the number of establishments and industry employees over the next five years.
- Overall, industry revenue is projected to rise at an annualised 5.0% over the five years through 2024-25, to \$147.2 billion.
- Long-term growth in inbound visitor numbers is contingent on Australia's tourism infrastructure, including investment in road and rail transport infrastructure, foreign language signage and developing regional tourist areas are also important for the industry's long-term prospects.
- Australia's Tourism industry competes with the tourism industries of neighbouring countries such as New Zealand.
- The ability of Australia to cater to a range of international markets is likely to help attract visitors and drive revenue growth over the next five years.

- Digital platforms that make up the sharing economy have already affected many industry segments and are likely to become increasingly ingrained in consumer spending habits over the next five years.
- Digital platforms are likely to put further pressure on traditional tourism companies over the next five years.
- Industry players are anticipated to enhance their digital presence and boost their technology capabilities over the next five years as technology becomes an increasingly important part of providing tourism services.
- Public concerns about environmental issues are forecast to rise over the next five years. This trend is anticipated to increase demand for ecotourism, which will likely provide significant opportunities for industry players, particularly those operating scenic and sightseeing tours.
- Industry value added contribution to the overall economy, is forecast to grow over the 10 years through 2024-25.

