

SWIFTS CREEK FUTURE

Regional Context Analysis



ACKNOWLEDGEMENT OF COUNTRY

Swifts Creek Future acknowledges the Traditional Custodians of the land our project covers, the Gunaikurnai people, and their enduring connection to Country.



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SUMMARY

Over the last ten years, the availability of native timber for harvesting has decreased by around half, mainly due to bushfires and setting aside forest for wildlife protection. At the same time, consumer and retailer demand has grown for plantation timber products. The Victorian Government has developed the *Victorian Forestry Transition Program* to assist the timber industry as it manages its transition away from native forest harvesting to a plantation-based timber supply.¹

The Victorian Government had initially proposed to close the native timber forestry industry by 2030. An announcement was made on 23 May 2023 regarding a revised timeline for this transition. Native timber harvesting in Victoria's state forests will now end by 1 January 2024 with existing Government supports being brought forward and scaled up.

As part of this community transition work, 11 communities have been identified for funding for the preparation of Local Development Strategies (LDS). The LDS grants program assists communities to undertake diversification planning to support their transition to new, sustainable industries.² Swifts Creek (SC) is one of these towns, the LDS project has been titled "Swifts Creek Future". Swifts Creek (SC) is one of these towns, the LDS project has been titled "Swifts Creek Future".

A key objective of the LDS is to promote collaborative ways of working within a community and to provide capability training that will support communities in pursuing long-term economic development opportunities. To achieve this, the LDS will draw on the *Smart Specialisation Strategy* (S3) methodology, an evidence-based, inclusive process for identifying and developing regional strengths and assets and opportunities for innovation.

At its core, a successful Smart Specialisation Strategy depends on effective collaboration between local stakeholders from government, business/industry, community, and the research/education sectors - the 'quadruple helix' - in identifying and

pursuing opportunities for innovation and economic development (see Figure 1).

The S3 process should support efficient innovation systems as a collective endeavour based on public-private partnership and provide an experimental platform to give a voice to all affected by the transition, not just the 'usual suspects'.³

Six innovation opportunities were defined from the aligned themes discovered throughout the consultation, historic and policy review, and economic data. The opportunities include:

- » Nature-based recreation and tourism
- » Education & Skills Centre
- » Multifunctional Tourism Centre
- » Value-add primary industry
- » Oram Estate Independent Living
- » Soil and Cultivar Research

Each of these opportunities will be explored further throughout the Entrepreneurial Discover Process (EDP) to define the specific capabilities and viability of each theme to the district.

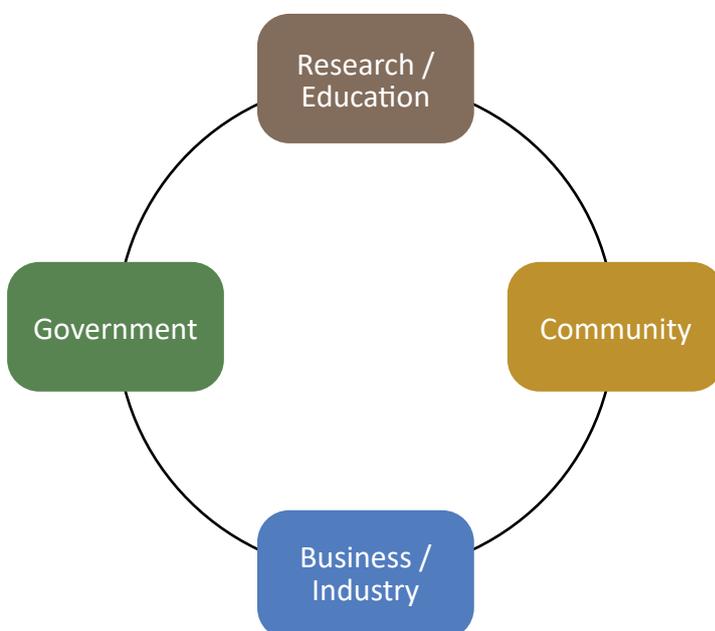


Figure 1: Smart Specialisation Strategy 'quadruple helix' model

1 DEECA (2023). Forestry Transition Program: Supporting businesses, workers and communities to transition out of native timber. Retrieved from deeca.vic.gov.au/forestry/forestry-transition-program

2 DEECA (2023). Community Development Fund. Retrieved from deeca.vic.gov.au/forestry/grants/community-development-fund

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3 Interreg Europe (2020). Smart Specialisation Strategy (S3): A policy Brief from the Policy Learning Platform on Research and innovation. Retrieved from interregeurope.eu/sites/default/files/2021-12/Policy%20brief_Smart%20Specialisation%20Strategy%20%28S3%29.pdf

PROJECT OVERVIEW

Swifts Creek Future is supported by the *Swifts Creek Local Development Strategy Community Reference Group* (SCCRG) which maintains the roles of:

- » acting as a conduit between the project team and the community;
- » providing local perspectives on the project;
- » raising concerns and discussion points on behalf of the community; and
- » providing input into the planning, detailed design and implementation of the Local Development Strategy projects.

The SCCRG was established in the early stages of the LDS funding with a group of interested and active community members with significant concerns about the effect on the community of the Forestry Transition. Membership is open to residents and landholders within the project area.

By using the S3 methodology, which was successfully pioneered in the European Union (EU), this project comprises four key stages. These stages can be summarised as follows:

1. Regional Context Analysis (RCA)

Identify specialisation assets in the region through a quantitative as well as qualitative analysis.

2. Entrepreneurial discovery process (EDP)

Group evaluation of whether innovation opportunities identified in the RCA should be further investigated by an Innovation Working Group.

3. Innovation Working Group (IWG)

For each innovation opportunity identified, an IWG is tasked with the preparation of a more detailed business proposal to the point where there is a clear feasibility outcome.

4. Implementation

To consider reports and any business propositions arising from each IWG, and to recommend on the appropriate steps to implementation of recommendations.

The S3 approach seeks to ensure that proposed actions are based upon sound evidence that properly reflects the comparative advantages and complementarities of local assets (both physical and human) of particular places with other districts and global competitors. This approach:

- » emphasises the need to ensure that activities are fully integrated into the local economy and its supply and value chains
- » helps to build connections of ideas, finance and trade with similar activities elsewhere.
- » promotes the use of enabling technologies that can transfer and add value between related sectors.⁴

The S3 approach relies on a process of entrepreneurial discovery that can reveal domains of economic activity where a region or district excels or has the potential to excel in the future. It empowers entrepreneurs who are able to combine the necessary knowledge about science, technology and engineering with knowledge of market growth and potential in order to identify the most promising activities. This involves establishing policy mechanisms to gather the region's "entrepreneurial knowledge" and effectively convert it into policy priorities.⁵

This document represents the outcome of the first stage of the S3 process. The RCA uses economic, demographic and descriptive data to understand the current community, business and population characteristics and activities in the Swifts Creek district (see Figure 2 over page). Interviews with 78 stakeholders from the 'quadruple helix' have provided insights into the ways of working in the region, its perceived strengths, the relevance to different kinds of supply chains, and possible innovation opportunities. This report also relies on validated economic data that offers detailed information about the performance of key sectors in the district's economy.

4 UK Government (2015). Smart Specialisation in England. Retrieved from assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/436242/bis-15-310-smart-specialisation-in-england-submission-to-european-commission.pdf

5 OECD (2013). Innovation-driven Growth in Regions: The Role of Smart Specialisation. Retrieved from oecd.org/sti/inno/smart-specialisation.pdf

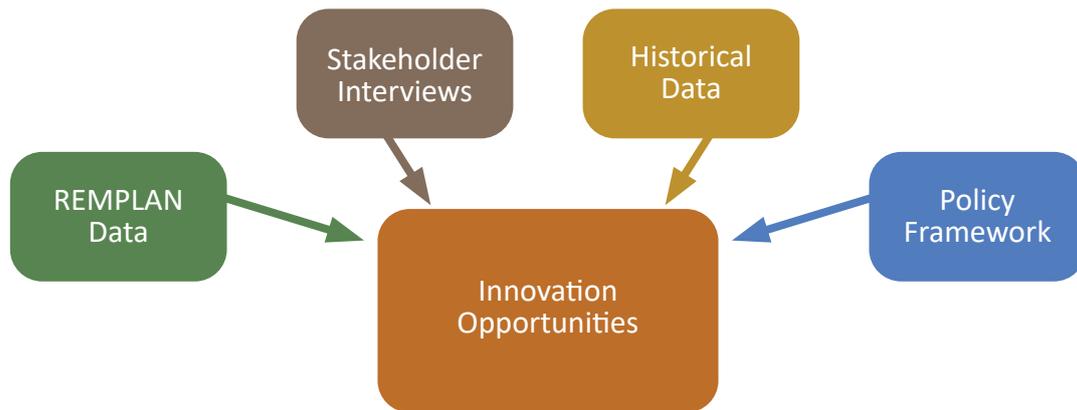


Figure 2 Innovation opportunities are driven through various data sources

THE PLACE

Located approximately 400km North-East of Victoria’s capital the Swifts Creek Future project area is a part of the wider East Gippsland Shire Council (EGSC) and sits in the picturesque Tambo Valley. Positioned within the renowned Great Dividing Range the area was once described as “Long Gully”⁶ from Tongio to Tambo Crossing with the Great Alpine Road weaving its way alongside the Tambo River.

Swifts Creek Future project boundaries include the geographical areas of the following 12 towns (see Figure 3):

- » Swifts Creek (232)
- » Tongio (50)
- » Bindi (49)
- » Nunniong (n.a.)
- » Wentworth (n.a.)
- » Brookville (16)
- » Ensay North (29)
- » Ensay (155)
- » Doctors Flat (13)
- » Reedy Flat (n.a.)
- » Cassilis (21)
- » Tambo Crossing (25).⁷



Figure 3: Map of the Swifts Creek district

⁶ Fairweather, K. M. (1975). Time to Remember. Bairnsdale: James Yeates & Sons.

⁷ Within brackets is the population size for each geographical area in the district (data from 2021 Census).

THE HISTORY

When the discovery of gold in the area led to the creation of small settlements in the mid-1800s, other industries slowly developed thanks to the wealth of natural resources. For example, key strengths and assets of the region included agriculture (spanning dairy, beef, and sheep for wool and meat production) as well as timber harvesting. In the early 20th century, in response to the local need for essential food items and the difficulties in transporting supplies to the area, Swifts Creek and Ensay set up a butter factory and a flour mill. During the 1960s, the Burwood Timber Mill in Cassilis and the Collins Timber Mill in Brookeville were the primary facilities for processing timber in the region. Simultaneously, the towns of Cassilis, Brookeville, Nugong, and Tongio West were slowly declining due to the diminishing prosperity of the surrounding mining operations.

In response to these changes, Ian Ezard of Swifts Creek constructed the Swifts Creek Sawmill to support the remaining population and sustain the local economy. Over time, the pre-existing timber mills relocated their operations to Swifts Creek, further impacting the populations of the smaller, more remote communities.

Although the region once had numerous small schools in locations like Reedy Flat, Tambo Crossing, Tongio, Doctors Flat, Cassilis, Tongio West, and Brookeville, by 2010, the educational landscape had changed. In that year, the remaining institutions in the project area, Swifts Creek Primary School and Swifts Creek Secondary College consolidated to form the Swifts Creek P-12 School.

The community is one of historic resilience and collaboration, joining together in times of hardship when facing droughts, floods, fires, fluctuating industry and the economy. Significant fires have been remembered and recorded in history in 1939, 1952, 1965, 2003, 2006 and 2019 with significant losses felt across the area. Floods created a challenge for the area in 1950, 1970, 1998, 2007, 2012 and 2021. The most significant drought hit the area in 1997 and persisted until 2009 leading to many farming businesses closing down and relocating in search of better economic prospects. Those that remained had to innovate and diversify to ensure the longevity of their operations.

This is exemplified by the olive farm "Nullamunje," which planted its inaugural olive grove in 1998. The olive trees demonstrated their adaptability to the hot and rocky soils, extracting the essential minerals for their growth from the rocks that are abundant in the stony hillsides of Tongio. It's particularly noticeable that many of the area's larger farms have diversified their operations, branching out from specialising in a single type of production. For instance, farms that traditionally focused exclusively on beef farming have expanded to include sheep farming, a practice better suited to extreme weather conditions. In terms of cattle breeding, while Hereford has historically been the preferred breed, some farmers have innovated by crossbreeding with other varieties, with a notable shift towards Angus beef cattle.

Farmers have also been adapting by introducing more 'feed-lot'⁸ approaches, i.e. integrating feeding practices to provide more intensive finishing for animals before sending them to sale or processing facilities. Local annual calf sales have always been the main point of sale for local beef producers. However, direct sales to processors and exporters have increased the available market options and created a diverse range of income opportunities. Due to challenging environmental conditions, the exploration of soil improvement techniques and fodder growth has also resulted from innovation. Changing approaches over time and introducing new practices more suitable for the local market and environment are signs that the agricultural industry in the district is constantly seeking innovation opportunities.

A recent example of business innovation in the area is the Swifts Creek Bakery, which relocated from a side street to a more prominent position on the main street. This strategic move has notably increased its visibility, drawing more customers for coffee, breakfast, and more. This shift has notably boosted the town's vibrancy. Another local establishment, "The Albion", formerly known as the Junction Hotel Swifts Creek, faced challenges with multiple ownership changes and reduced revenue during the COVID-19 pandemic.

⁸ Feedlots are purpose-built facilities where livestock are provided with a balanced grain-based diet to help them reach their quality potential; Meat & Livestock Australia Limited (2021). The role of feedlots in the Australian beef industry. Retrieved from goodmeat.com.au/animal-health-welfare/feedlot/

In 2022, the hotel was taken over, reverting to its original 1870s name and undergoing a significant renovation. This transformation has enhanced its presence on the main street, contributing to increased local traffic and a growing interest in the town. These instances demonstrate how even minor modifications within a small community can lead to significant impacts and positive outcomes.



The Butter Factory



The Ensay Flour Mill. Photo courtesy of: Sue Costello

THE PEOPLE

Much of the data available on the Swifts Creek district was sourced from the Australian Bureau of Statistics (ABS) and REMPLAN Economy data. Table 1 below presents statistics and metrics for the project area compared with East Gippsland as a whole. The SC district contributes to 1.4 per cent of the gross regional product. Despite the size of the area under analysis and the lower population density compared to the whole of Shire, the SC district shows a higher per-hectare Gross Regional product, per capita gross

regional product, and per-worker gross regional product.⁹ Table 1 below presents statistics and metrics for the project area in comparison with East Gippsland as a whole. The district contributes 1.4 per cent of the Gross Regional Product. Despite the size of the area and the lower population density in comparison to the whole Shire, the SC district shows a higher Per Hectare Gross Regional Product, Per capita Gross Regional Product, and Per Worker Gross Regional Product.

	SC District Area	East Gippsland Shire (EGS)	% of SC District to EGS
ABS 2022 Estimated Residential Population:	615	48,922	1.2
ABS 2021 Census Place of Usual Residence Population:	590	48,715	1.2
Land Area (ha):	159,963.110	2,093,950.160	7.6
Census Population Density (persons / ha):	0.004	0.023	-
Gross Regional Product (\$M):	\$41.774	\$2,812.531	1.4
Per Hectare Gross Regional Product (\$):	\$261	\$1.343	-
Per Capita Gross Regional Product (\$K):	\$70.803	\$57.734	-
Per Worker Gross Regional Product (\$K):	\$153.579	\$150.774	-

Table 1: Statistical information for Swifts Creek Future area in comparison to East Gippsland Shire as a whole.



Swifts Creek

⁹ REMPLAN Economy provides valuable insights into the performance of key sectors in the district's economy. Underpinned by the latest data from the ABS, REMPLAN Economy delivers estimates of employment, output, wages and salaries, imports, exports and gross regional product for 114 industries.

The 2021 ABS Census reveals that the district is home to 590 people. As depicted in Figure 4, the median age is 55, with 30 per cent of residents under 39. This demographic profile closely mirrors the East Gippsland Shire, where the median age is 52, and 37 per cent of the population is under 39. A notable difference in the age distribution within the project area, compared to the entire Shire, is the smaller number of people aged between 15 and 34. This disparity may be attributed to the tendency of young people to move out of the district in pursuit of better educational and employment opportunities elsewhere.

Interestingly, the population over 70 in the project area is significantly lower than in the Shire. Interviews with several residents suggest this could be due to older individuals leaving the district, possibly because of limited access to healthcare facilities and services or a desire to be nearer to family members who have moved away. Encouraging these age groups to stay in the district would help grow the population, boost the local economy and retain a wealth of knowledge and skills in the community.

Age Demographics of Swifts Creek District

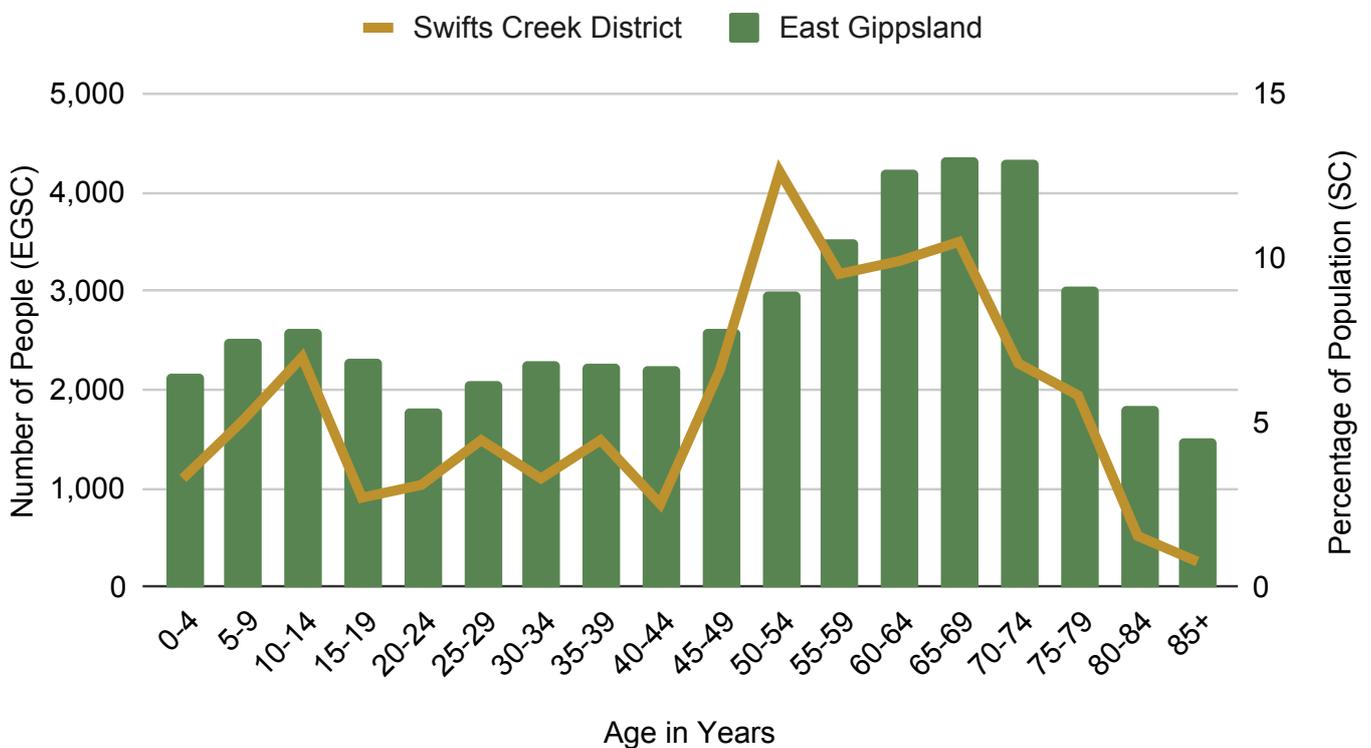


Figure 4: Age demographic data of the Swifts Creek district in comparison with the East Gippsland Shire as a percentage of population.

THE EDUCATION

Figure 5 below shows the percentage of the population with educational attainment within the project area and in the State of Victoria. In the project area (green columns), the data on educational attainment reflects a relatively low percentage of

individuals with a level of education higher than secondary schooling qualification. Only 16.5 per cent of the population holds Bachelor's or post-graduate degrees, notably lower than the state-wide average of 29.2 per cent.

Level of Highest Educational Attainment

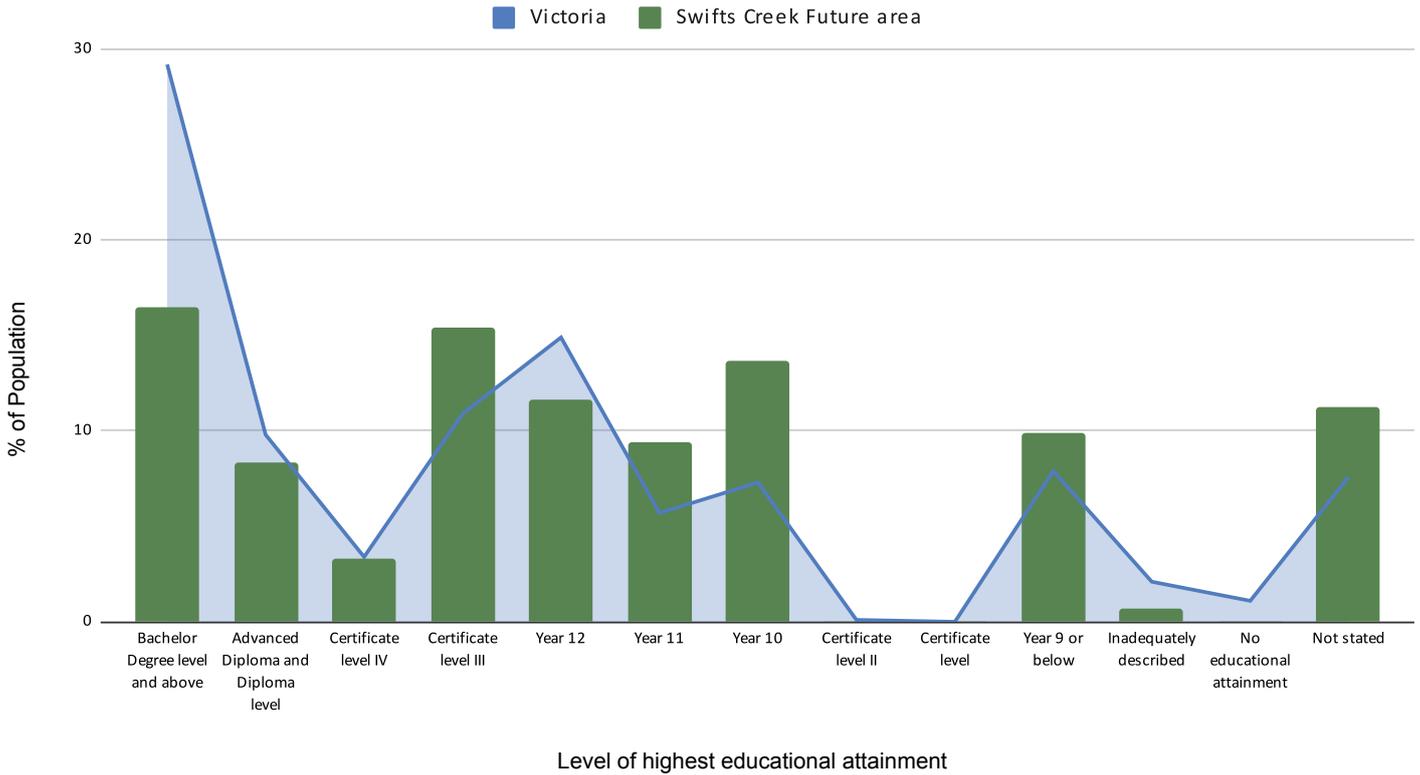


Figure 5: Level of highest educational attainment of Swifts Creek district compared to the state of Victoria.

Two main reasons for this disparity emerged from the interviews: first, individuals with specific skills or qualifications often relocate due to the lack of suitable job opportunities matching their expertise. Second, the area might face a shortage of job openings demanding higher qualifications. Community interviews also highlighted that numerous residents have moved out to seek higher education. Often, given the limited opportunities to apply their newly acquired skills in the district, they choose not to return.

The project area hosts a single P-12 school, divided into two campuses in Swifts Creek, catering to the educational needs of residents from Omeo, Benambra, Dinner Plain, and nearby areas. Additionally, Omeo has a primary school serving students from prep to grade six, primarily accommodating children from Omeo, Benambra, and the surrounding regions north of Tongio. Typically, the annual enrolment at Swifts Creek P-12 fluctuates between 60-80 students, a figure that tends to vary with local industry and employment trends.

THE ECONOMY

The following information delves into the economic landscape of the Swifts Creek District, spotlighting the outputs generated by diverse industries within the region. Focused on the total gross revenue generated by local businesses and organisations, this analysis delineates the financial indicators crucial to understanding the district's economic dynamism.

In 2022, Swifts Creek District reported a total output of \$89.022 million, a figure deeply rooted in the contributions from various sectors. Notably, Agriculture, Forestry, and Fishing emerged as the primary drivers, constituting 41.7 percent of the district's total output. Following closely were Manufacturing and Construction, each contributing significantly to the economic canvas.

Moreover, this section unveils intricate insights into the employment landscape, emphasizing the sectors contributing substantially to local job creation. Agriculture, Forestry, and Fishing emerge as pivotal, constituting nearly 40 percent of all employment opportunities within the district. This significant proportion underscores the sector's pivotal role in the local workforce, a stark contrast to the broader East Gippsland region.

Additionally, the analysis extends to local sales, showcasing the value of goods and services exchanged within the district, illuminating sectors like Construction, Agriculture, Forestry, and Fishing as primary contributors. Concurrently, it unveils the import and export dynamics, illustrating the region's economic interactions beyond its boundaries.

Through an examination of key sectors' value-added contributions, employment, regional exports, and backward linkages, this section pinpoints the key propulsive sectors driving Swifts Creek District's economic narrative. These sectors, ranging from Agriculture, Forestry, and Fishing to Construction and Manufacturing, form the backbone of the district's economic prosperity, laying the foundation for sustained growth and development.



Rainbow Track, Reedy Flat. Photo courtesy of: Sally Kendall

Output

This section presents the total gross revenue produced by businesses and organisations within the Swifts Creek District. The output data reflects the gross revenue across various industry sectors in this specific area. Gross revenue or total sales or income is a key financial indicator. In 2022, Swifts Creek District's total output was estimated at

\$89.022 million. As detailed in Table 2 below, the top three sectors contributing to this output were Agriculture, Forestry, and Fishing, with a contribution of \$37.124 million (41.7 per cent), followed by Manufacturing at \$14.036 million (15.8 per cent), and Construction at \$13.522 million (15.2 per cent). These three sectors accounted for nearly three-quarters (72.7 per cent) of the district's total gross revenue.

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)		East Gippsland (S) (2022 Release 2)	
	\$M	%	\$M	%
Agriculture, Forestry & Fishing	37.12	41.70	607.49	10.80
Manufacturing	14.04	15.80	958.50	17.10
Construction	13.52	15.20	882.30	15.70
Rental, Hiring & Real Estate Services	5.67	6.40	534.89	9.50
Education & Training	5.27	5.90	242.79	4.30
Health Care & Social Assistance	3.65	4.10	450.13	8.00
Accommodation & Food Services	2.27	2.60	194.48	3.50
Transport, Postal & Warehousing	2.02	2.30	210.22	3.70
Mining	1.68	1.90	51.65	0.90
Electricity, Gas, Water & Waste Services	0.97	1.10	209.25	3.70
Professional, Scientific & Technical Services	0.93	1.00	169.77	3.00
Administrative & Support Services	0.49	0.50	79.73	1.40
Public Administration & Safety	0.38	0.40	291.87	5.20
Retail Trade	0.38	0.40	242.71	4.30
Other Services	0.33	0.40	122.68	2.20
Arts & Recreation Services	0.32	0.40	41.52	0.70
Wholesale Trade	0.00	0.00	141.93	2.50
Information Media & Telecommunications	0.00	0.00	68.60	1.20
Financial & Insurance Services	0.00	0.00	112.13	2.00
Total	89.02	100	5,612.63	100

Table 2: All industry sectors in Swifts Creek District ranked by Output in comparison with East Gippsland Region

In the Swifts Creek Future project area, the Agriculture, Forestry and Fishing sector predominantly comprises sheep, grains, beef, and dairy cattle, the leading sub-sector driving the local economy with a contribution of \$35.095 million in 2022. Followed by poultry and other livestock, other forms of agriculture (each contributing 0.7 per cent to the total output), and agriculture, forestry, and fishing support services (0.8 per cent). Manufacturing, the second highest output, includes sawmill product manufacturing as the most significant contributor at 4.5 per cent, followed by other wood

product manufacturing, petroleum and coal product manufacturing, wine, spirits and tobacco production, bakery product manufacturing, and furniture manufacturing. These combined account for 11.2 per cent of the total output.

Construction services, as the third largest contributor to output, are divided into heavy and civil engineering construction, which makes up 9.8 per cent of the total output, and construction services, which make up a 5.4 per cent contribution.

Employment

This section shows the number of employees whose place of work is located within Swifts Creek District. Employment data represents the number of people employed by businesses/organisations in each industry sector in the Swifts Creek District. The total employment estimate for Swifts Creek District was 272 jobs in 2022. The major contributors to employment are indicated in Table 3.

In the project area, the primary sectors for employment are Agriculture, Forestry, and Fishing, accounting for nearly 40 per cent of all jobs (equating to 105 people employed). This is in stark contrast to the broader East Gippsland Shire, where the same sector comprises only about 10 per cent of employment. This discrepancy underscores the significance of agriculture, forestry, and fishing in the project area. Other major employment sectors include Education and Training (with 40 jobs or 15 per cent), Manufacturing (29 jobs or 11 per cent), Healthcare and Social Assistance (27 jobs or 9.9 per cent), and Construction (26 jobs or 9.6 per cent).

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)		East Gippsland (S) (2022 Release 2)	
	Jobs	%	Jobs	%
Agriculture, Forestry & Fishing	105	38.6	1690	9.1
Education & Training	40	14.7	1801	9.7
Manufacturing	29	10.7	1377	7.4
Health Care & Social Assistance	27	9.9	3315	17.8
Construction	26	9.6	1784	9.6
Accommodation & Food Services	17	6.3	1624	8.7
Transport, Postal & Warehousing	8	2.9	666	3.6
Administrative & Support Services	4	1.5	521	2.8
Mining	3	1.1	63	0.3
Retail Trade	3	1.1	1936	10.4
Professional, Scientific & Technical Services	3	1.1	618	3.3
Public Administration & Safety	2	0.7	1128	6.0
Arts & Recreation Services	2	0.7	249	1.3
Other Services	2	0.7	772	4.1
Electricity, Gas, Water & Waste Services	1	0.4	231	1.2
Wholesale Trade	0	0.0	411	2.2
Information Media & Telecommunications	0	0.0	97	0.5
Financial & Insurance Services	0	0.0	174	0.9
Rental, Hiring & Real Estate Services	0	0.0	197	1.1
Total	272	100	18654	100

Table 3: All industry sectors in Swifts Creek District ranked by Employment in comparison to employment within East Gippsland Region as a whole.

Local Sales

This section shows the value of goods and services produced in Swifts Creek District, sold to local industry sectors as input into production and for value-adding. Local Sales data represents the value of goods and services produced in the region sold to local industry sectors as intermediate inputs into production and for further value-adding. The total value of local sales for an industry sector relative to exports provides insights into the degree to which the industry depends on local demand versus demand outside the region.

The total local sales estimate for Swifts Creek District in 2022 was \$10.983 million (see Table 5 on the next page). Construction, Agriculture, Forestry and Fishing, and Transport, Postal and Warehousing were the three major contributors to local sales, as indicated in Table 4 below. These three sectors together represented almost three quarters (or 74 per cent) of all local sales.

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)		East Gippsland (S) (2022 Release 2)	
	\$M	%	\$M	%
Construction	3.854	35.1	310.930	21.4
Agriculture, Forestry & Fishing	3.014	27.4	118.464	8.1
Transport, Postal & Warehousing	1.264	11.5	124.673	8.6
Manufacturing	0.892	8.1	170.240	11.7
Professional, Scientific & Technical Services	0.455	4.1	143.599	9.9
Administrative & Support Services	0.350	3.2	64.703	4.4
Electricity, Gas, Water & Waste Services	0.341	3.1	76.492	5.3
Accommodation & Food Services	0.305	2.8	22.426	1.5
Other Services	0.167	1.5	40.192	2.8
Public Administration & Safety	0.078	0.7	37.702	2.6
Retail Trade	0.076	0.7	47.659	3.3
Mining	0.067	0.6	11.564	0.8
Arts & Recreation Services	0.060	0.5	7.704	0.5
Health Care & Social Assistance	0.044	0.4	2.826	0.2
Education & Training	0.014	0.1	68.912	4.7
Wholesale Trade	0.000	0.0	37.710	2.6
Information Media & Telecommunications	0.000	0.0	62.847	4.3
Financial & Insurance Services	0.000	0.0	62.842	4.3
Rental, Hiring & Real Estate Services	0.000	0.0	84.487	5.8
Total	10.983	100	1,455.147	100

Table 4: All industry sectors in Swifts Creek District ranked by Local Sales in comparison with totals in East Gippsland Region.

The following Table shows a more detailed breakdown of three major industry sectors (Construction, Agriculture, Forestry and Fishing, and Transport, Postal and Warehousing) in Swifts Creek District ranked by Local Sales:

	Swifts Creek Region v2.0 (2022 Release 2)	
Industry Sector	\$M	%
Construction Services	3.525	32.1
Heavy & Civil Engineering Construction	0.330	3.0
Sheep, Grains, Beef & Dairy Cattle	2.036	18.5
Other Agriculture	0.337	3.1
Poultry & Other Livestock	0.058	0.5
Agriculture, Forestry & Fishing Support Services	0.583	5.3
Road Transport	1.127	10.3
Postal & Courier Pick-up & Delivery Service	0.138	1.3
Sub-Total	8.134	74.0
Other	2.849	26
Total	10.983	100

Table 5: Selected industry sectors in Swifts Creek District ranked by Local Sales.

Local Expenditure

This section shows the value of intermediate goods and services purchased by industry sectors within Swifts Creek District. Local Expenditure data represents the value of intermediate goods and services purchased by local regional industry sectors.

A high level of local expenditure on intermediate goods and services proportionate to total output indicates a well-developed local supply chain and that any expansion in this sector would typically deliver broad-based benefits for the region's economy. The total local expenditure estimate for Swifts Creek District is \$10.983 million. Sheep, grains, beef and dairy cattle alone represented 45.3 per cent of all local expenditure.

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)		East Gippsland (\$) (2022 Release 2)	
	\$M	%	\$M	%
Agriculture, Forestry & Fishing	5.202	47.4	170.129	11.7
Construction	2.810	25.6	389.209	26.7
Manufacturing	1.259	11.5	194.640	13.4
Transport, Postal & Warehousing	0.324	3.0	73.369	5.0
Education & Training	0.275	2.5	38.636	2.7
Rental, Hiring & Real Estate Services	0.256	2.3	71.242	4.9
Accommodation & Food Services	0.190	1.7	46.037	3.2
Health Care & Social Assistance	0.184	1.7	79.406	5.5
Mining	0.153	1.4	14.011	1.0
Professional, Scientific & Technical Services	0.092	0.8	43.217	3.0
Electricity, Gas, Water & Waste Services	0.081	0.7	60.424	4.2
Administrative & Support Services	0.044	0.4	20.370	1.4
Public Administration & Safety	0.042	0.4	70.580	4.9
Arts & Recreation Services	0.037	0.3	13.698	0.9
Retail Trade	0.022	0.2	60.271	4.1
Other Services	0.012	0.1	35.504	2.4
Wholesale Trade	0.000	0.0	38.985	2.7
Information Media & Telecommunications	0.000	0.0	18.195	1.3
Financial & Insurance Services	0.000	0.0	17.225	1.2
Total	10.983	100	1,455.147	100

Table 6: All industry sectors in Swifts Creek District ranked by Local Expenditure in comparison with East Gippsland Region as a whole.

Regional Exports

This section shows the value of goods and services produced by industry sectors in Swifts Creek District sold to consumers, businesses, and governments based outside the region's boundaries. Another way of defining exports is as an inflow of money into the region. For instance, motels have an inflow of money from people who live outside the region's boundaries; thus, they are earning export dollars. No distinction is made between domestic and international exports.

Swifts Creek District's total regional export estimate in 2022 was \$59.253 million. The major contributors to regional exports are indicated in Table 10 below, with Agriculture, Forestry and Fishing making more than half (or 54.8 per cent) of all Regional Exports. The three first industry sectors alone (Agriculture, Forestry and Fishing, Manufacturing, and Construction) produce 87.2 per cent of all Regional Exports, as indicated in Table 7 below.

A closer inspection of the top industries for regional exports in the project area showed sheep, grains, beef and dairy cattle accounted for \$31.708 million (53.5%) alone.

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)		East Gippsland (\$) (2022 Release 2)	
	\$M	%	\$M	%
Agriculture, Forestry & Fishing	32.447	54.8	439.644	25.4
Manufacturing	12.427	21.0	620.505	35.8
Construction	6.745	11.4	213.874	12.3
Education & Training	3.107	5.2	57.940	3.3
Mining	1.541	2.6	27.093	1.6
Accommodation & Food Services	1.117	1.9	80.512	4.6
Health Care & Social Assistance	0.587	1.0	24.965	1.4
Transport, Postal & Warehousing	0.367	0.6	33.654	1.9
Professional, Scientific & Technical Services	0.263	0.4	6.208	0.4
Electricity, Gas, Water & Waste Services	0.240	0.4	88.713	5.1
Rental, Hiring & Real Estate Services	0.151	0.3	11.801	0.7
Arts & Recreation Services	0.125	0.2	6.322	0.4
Administrative & Support Services	0.107	0.2	9.214	0.5
Public Administration & Safety	0.014	0.0	22.940	1.3
Retail Trade	0.012	0.0	8.955	0.5
Other Services	0.001	0.0	31.546	1.8
Wholesale Trade	0.000	0.0	17.372	1.0
Information Media & Telecommunications	0.000	0.0	11.803	0.7
Financial & Insurance Services	0.000	0.0	19.612	1.1
Total	59.253	100	1,732.672	100

Table 7: All industry sectors in Swifts Creek District ranked by Regional Exports in comparison to East Gippsland region.

Regional Imports

This section shows the value of intermediate goods and services imported into Swifts Creek District by industry sectors. Another way of defining imports is as an outflow of money from the region. For instance, a local business outsourcing accountancy services to a firm in another region results in an outflow of money thus they are importing services. No distinction is made between domestic and international imports, and no indication is given as to the type of imports. The total regional import estimate for Swifts Creek District is \$39.148 million.

The major contributors to regional imports in 2022 were Agriculture, Forestry and Fishing, Manufacturing, and Construction, as indicated in Table 8 below.

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)		East Gippsland (\$) (2022 Release 2)	
	\$M	%	\$M	%
Agriculture, Forestry & Fishing	16.911	43.2	171.055	10.9
Manufacturing	9.804	25.0	602.896	38.3
Construction	5.679	14.5	217.918	13.8
Education & Training	1.133	2.9	28.926	1.8
Accommodation & Food Services	0.928	2.4	50.073	3.2
Rental, Hiring & Real Estate Services	0.866	2.2	62.526	4.0
Health Care & Social Assistance	0.864	2.2	64.066	4.1
Transport, Postal & Warehousing	0.786	2.0	40.469	2.6
Mining	0.741	1.9	17.714	1.1
Professional, Scientific & Technical Services	0.361	0.9	41.340	2.6
Electricity, Gas, Water & Waste Services	0.340	0.9	51.060	3.2
Administrative & Support Services	0.203	0.5	14.624	0.9
Other Services	0.187	0.5	32.578	2.1
Retail Trade	0.133	0.3	40.011	2.5
Arts & Recreation Services	0.117	0.3	10.545	0.7
Public Administration & Safety	0.094	0.2	53.591	3.4
Wholesale Trade	0.000	0.0	26.289	1.7
Information Media & Telecommunications	0.000	0.0	24.111	1.5
Financial & Insurance Services	0.000	0.0	25.923	1.6
Total	39.148	100	1,575.715	100

Table 8: All industry sectors in Swifts Creek District ranked by Regional Imports and compared with figures for East Gippsland Region.

Value-Added

This section shows the value added by industry sectors in Swifts Creek District to intermediate inputs. Value-added data represents the marginal economic value that is added by each industry sector in a defined region. Value-added is calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector or by adding the wages and salaries paid to local employees, the gross operating surplus and taxes on products and production. Value-added by industry sector is the major element in calculating gross regional product, gross state product and gross domestic product. The total value-added estimate for Swifts Creek District in 2022 was \$38.892 million.

A value-added industry is a sector of the economy that adds value to raw materials or products through various processes and activities. The value-added concept is based on the idea that by processing, refining, or enhancing a product, its value increases, allowing companies to charge a higher price for the final product leading to increased profitability and competitiveness.

The major contributors to value-added are as indicated in Table 13 below. Agriculture, Forestry and Fishing, Construction, and Rental, Hiring and Real Estate Services are the sectors with the highest Value-added to local inputs, with 38.6 per cent, 12.9 per cent, and 11.7 per cent respectively.

	Swifts Creek Region v2.0 (2022 Release 2)	
Industry Sector	\$M	%
Agriculture, Forestry & Fishing	15.011	38.6
Construction	5.034	12.9
Rental, Hiring & Real Estate Services	4.543	11.7
Education & Training	3.857	9.9
Manufacturing	2.972	7.6
Health Care & Social Assistance	2.604	6.7
Accommodation & Food Services	1.153	3.0
Transport, Postal & Warehousing	0.910	2.3
Mining	0.787	2.0
Electricity, Gas, Water & Waste Services	0.547	1.4
Professional, Scientific & Technical Services	0.476	1.2
Public Administration & Safety	0.243	0.6
Administrative & Support Services	0.242	0.6
Retail Trade	0.221	0.6
Arts & Recreation Services	0.161	0.4
Other Services	0.131	0.3
Wholesale Trade	0.000	0.0
Information Media & Telecommunications	0.000	0.0
Financial & Insurance Services	0.000	0.0
Total	38.892	100

Table 9: All industry sectors in Swifts Creek District ranked by Value-Added.

The following table shows a more detailed breakdown of three major industry sectors (Agriculture, Forestry and Fishing, Construction, and Rental, Hiring and Real

Estate Services) in Swifts Creek District ranked by Value-Added:

Industry Sector	Swifts Creek Region v2.0 (2022 Release 2)	
	\$M	%
Sheep, Grains, Beef & Dairy Cattle	14.118	36.3
Poultry & Other Livestock	0.360	0.9
Other Agriculture	0.322	0.8
Agriculture, Forestry & Fishing Support Services	0.211	0.5
Heavy & Civil Engineering Construction	3.443	8.9
Construction Services	1.590	4.1
Ownership of Dwellings	4.543	11.7
Sub-Total	24.587	63.2
Other	14.304	36.8
Total	38.892	100

Table 10: Selected industry sectors in Swifts Creek District ranked by Value-Added.

Key Propulsive Sectors

In conclusion, the industry sectors which are the key drivers of the district's economy in terms of

regional exports, employment, value-added and local expenditure on goods and services (backward linkages) are detailed in table 11.

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

Table 11: Key Propulsive Sectors

The industry sectors in the previous page which correspond to a tick in Table 11 are amongst the top five (of 19 sectors) contributors to economic activity in the Swifts Creek District in relation to backward linkages, exports, employment, and value-added.

Value-Added

Represents the marginal economic value added by each industry sector in a defined region. Value-added is calculated by subtracting local expenditure and expenditure on regional imports from the output generated by an industry sector. Value-added by industry sector is the central element in the calculation of gross regional product.

Employment

The key social outcome of economic development; employment data represents the number of people employed by businesses/organisations in each of the industry sectors in the Swifts Creek District.

Regional Exports

Represents the value of goods and services exported outside of the Swifts Creek District that have been generated by local businesses/organisations. Another way of defining exports is as an inflow of money into the region, i.e. motels have an inflow of money from people who live outside the region’s boundaries thus they are earning export equivalent dollars.

Backward Linkages

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

Across these measures of economic activity, the key propulsive drivers of the Swifts Creek District region’s economy, in descending order from most significant, are described in Table 12 below:

Industry Sector	Total
Agriculture, Forestry & Fishing	4
Construction	4
Manufacturing	3
Education & Training	3
Transport, Postal & Warehousing	1
Arts & Recreation Services	1
Public Administration & Safety	1
Mining	1
Rental, Hiring & Real Estate Services	1
Health Care & Social Assistance	1

Table 12: Key Propulsive Sectors

The major key propulsive sectors in the Swifts Creek District have been identified as:

- » Agriculture, Forestry & Fishing
- » Construction
- » Manufacturing
- » Education and Training

THE POLICY FRAMEWORK

Policy frameworks significantly influence S3 projects by shaping the regulatory landscape, outlining strategic priorities, and fostering public-private partnerships. These frameworks dictate how resources are distributed, encourage favourable regulations for innovation, require alignment with overarching goals, promote collaborations among stakeholders, and set criteria to measure success. Essentially, they provide the necessary structure and guidelines to support and implement initiatives that focus on a region's unique strengths and competitive advantages, aiming to drive economic and societal development.

A significant number of policies and reports from the local and regional area, East Gippsland, were considered throughout the development of the Regional Context Analysis (RCA). Some of the documents included in the analysis include:

- » “A study of community sustainability and enterprise”, known locally as the “ARUP Report”, was developed by the Department of Natural Resources and Environment in October 2000. This whole-of-community approach project focused on agriculture, tourism and community and business structure and infrastructure to identify opportunities for economic development to support the sustainability of the communities in the area previously referred to as the Omeo Shire. The outcomes of this report are aligned with many of the assets and themes from the Swifts Creek Future project. However, many of the proposals from this report did not evolve further than the report, therefore these opportunities remain relevant.¹⁰
- » Omeo Region Community Plan 2012-2017, developed by the East Gippsland Shire Council in 2012. This was an Omeo and District community-supported consultation to assist the East Gippsland Shire in planning for change and prioritising projects for planning purposes. Many of these priorities are similar to those that have arisen in the Swifts Creek Future project, some of these visions, such as independent living facilities, local fresh food markets, large vehicle parking in Swifts Creek, central booking service for tourism packages in the area, and improved public transport options to the south.¹¹
- » Shaping the Future: Our Community Vision 2040, was released by the East Gippsland Shire in June 2021 after collaboration with the East Gippsland

10 Department of Natural Resources & Environment. (2000). *A Study of Community Sustainability & Enterprise*. Melbourne: Arup Environmental & Planning, Environmental Research & Information Consortium, Rendell McGuckian.

11 East Gippsland Shire Council. (2012). *Omeo Region Community Plan 2012-2017*. Bairnsdale: East Gippsland Shire Council.

Community to define the aspirations, values and priorities of the communities within the area and how the Council can support this vision, within their abilities, to be realised.¹²

- » Destination Gippsland Annual Report 2021-2022. Describes the achievements and direction of engaging the tourism sector in Gippsland through showcasing the area's strengths, cultures and events.¹³
- » Gippsland Regional Economic Development Strategy (REDS) released by the Department of Jobs, Precincts and Regions in March 2022 identifies the State's priorities and opportunities for developing regional areas to create thriving and resilient communities and economies.¹⁴
- » East Gippsland Economic Development Strategy 2022-2032, released in 2022 by East Gippsland Shire Council, describes the current and potential economic targets and opportunities of the region and the accompanying Four-Year Action Plan to specify Council's potential investment, planning, facilitation and marketing activities.¹⁵
- » The Victorian Skills Authority's “Victorian Skills Plan for 2022 into 2023”, the first of its kind, outlines an approach to connecting industry, learner and community insights as evidence for provision of training and skills across Victoria.¹⁶
- » Environmental Sustainability Strategy 2022-2032, released in June 2022 by East Gippsland Shire, outlines a 10-year strategy to ensure that sustainable behaviour and decision-making are embedded into all aspects of the lives of East Gippsland residents. The strategy prioritises addressing environmental degradation and climate change through conservation and sustainable management practices of land and biodiversity and building community resilience to the effects of climate risks and natural disasters while ensuring engagement and collaboration with Traditional Owners.¹⁷

12 East Gippsland Shire Council. (2012). *Shaping the Future: Our Community Vision 2040*. Bairnsdale: East Gippsland Shire Council.

13 Destination Gippsland. (2022). *Destination Gippsland Annual Report 2021-2022*. Mirboo North: Destination Gippsland.

14 Department of Jobs, Precincts and Regions. (2022). *Gippsland Regional Economic Development Strategy*. Melbourne: Victorian State Government.

15 East Gippsland Shire Council. (2022). *East Gippsland Economic Development Strategy 2022-2023*. Bairnsdale: East Gippsland Shire Council.

16 Victorian Skills Authority. (2023). *Victorian Skills Plan for 2023 into 2024*. Melbourne: Victoria State Government Jobs Skills Industry and Programs.

17 East Gippsland Shire Council. (2022). *Environmental Sustainability Strategy 2022-2032*. Bairnsdale: East Gippsland Shire Council.

- » Culture & Creativity Strategy 2023-2033 was released by East Gippsland Shire Council in 2023 to promote East Gippsland's thriving and rich culture and creativity through development, expansion, preservation, access and advocacy for new cultural and creative outcomes.¹⁸
- » East Gippsland DRAFT Housing & Settlement Strategy released in 2023 by East Gippsland Shire Council, provides a framework for managing the region's settlement and housing growth to 2041 while considering the diversity, sustainability and equity for development and supporting decision-making regarding policy development and infrastructure investment.¹⁹

The objective of this section was to draw together and integrate a range of policies and related plans that have a direct significance to the scope of this project. The analysis of the above-mentioned policies shows the existence of a number of common themes, particularly around assets identified, challenges to be addressed and strategic directions for future development.

Assets of East Gippsland and the Swifts Creek Future project area:

- » Primary production including beef, lamb, wool, honey, fruit and vegetables, fodder and fibre.
- » Natural environment.
- » Historical features and knowledge.
- » Eco-tourism or nature-based tourism.
- » Arts & Culture.

Challenges economic development and opportunities face:

- » Roads and infrastructure.
- » Digital Technology and accessibility.
- » Climate change and adaptability.
- » Production and living costs.
- » Maintaining remote populations.

Strategic directions:

- » Agricultural production development and education.
- » Tourism and sustainable housing.
- » Compact development of towns and settlements to promote use of farming land for production.
- » Increasing digital technology and access.

- » Alternative and diversification in production to adapt to climate change.
- » Build business and community resilience.
- » Build, grow and promote culture, tourism and creativity of the region.

These strategies aim to be achieved by:

- » Identifying and exploring opportunities to improve access to education opportunities in rural and remote areas through identification of demand in study areas and providing supported learning in local areas.
- » Increasing connectivity and digital innovation through improved telecommunications and digital education.
- » Improving community wellbeing through business and skills improvement and sustainable housing development for population maintenance and growth.
- » Nurturing and supporting innovative and diverse primary production through leadership, business and education and skills programs and protecting the established agricultural land.
- » Cultivating tourism by leveraging marketing strategies and celebratory festivals to showcase the area, foster business growth, craft engaging visitor experiences, and enhance infrastructure.

The interplay between policy frameworks and Smart Specialisation initiatives stands as a pivotal force in steering the outcomes of the Swifts Creek Future project. An array of policies, such as the ARUP Report, Omeo Region Community Plan, and East Gippsland Economic Development Strategy, underscore the concerted efforts to identify assets, tackle challenges, and set strategic trajectories for growth. Notably, assets like primary production, the natural environment, and cultural richness are recognised alongside infrastructure, technology, and climate resilience challenges. Strategic directions outlined, including promoting agricultural development, fostering sustainable tourism, and bolstering digital access, align with the overarching goals of driving economic prosperity and community resilience. The convergence of these strategies aims to enhance education accessibility, digital connectivity, business resilience, and diversified production, all geared towards fostering growth and nurturing the vibrant identity of East Gippsland. These policies collectively form a roadmap that, if implemented cohesively, holds the potential to propel the region toward a sustainable and thriving future.

¹⁸ East Gippsland Shire Council. (2022). *Culture and Creativity Strategy 2023-2033*. Bairnsdale: East Gippsland Shire Council.

¹⁹ East Gippsland Shire Council. (2023). *East Gippsland Housing & Settlement Strategy DRAFT*. Melbourne: SGS Economics & Planning.

CONSULTATION PROCESS

Throughout the consultation process, the Swifts Creek Community Reference Group actively supported the Project Manager by providing referrals for the interviews and the revision of this document. The project enables the community of the Swifts Creek District to collaborate and contribute to the project's success and future outcomes. The data collection focused on investigating and determining perceived assets, challenges and innovative opportunities. Community engagement activities and participation in local events helped promote the project and reach more participants.

The Smart Specialisation Strategy methodology included gathering knowledge and insights about the district through engaging representatives from Government, Research/Education, Business/Industry, and the Community. Interviews with 78 participants, representing 13 per cent of the district's population,

were instrumental in creating this Regional Context Analysis report. Figure 6 below illustrates the age distribution of participants in the study. Although efforts were made to ensure balanced participation across different age groups, it was challenging to involve more individuals under 35 years old. Many in this younger demographic viewed such projects as the responsibility of older generations.

One notable finding from the interviews was the varying perspectives on the district's main challenges across different age groups. For instance, younger families highlighted the lack of facilities and infrastructure, such as housing and extracurricular activities, as a barrier to staying in the area. In contrast, older generations expressed greater concern about transport accessibility and the availability of essential services, especially healthcare.

Age Distribution of Interviewees

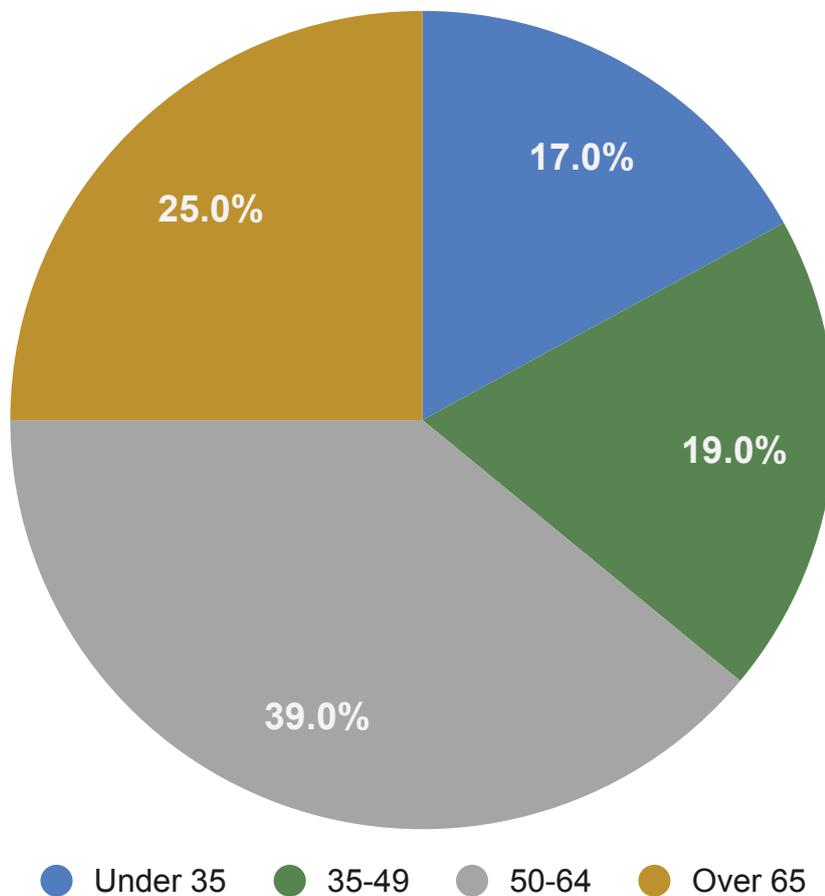


Figure 6: Age distribution of respondents

Throughout this project, we have engaged a broad range of relevant stakeholders across the district, aiming for balanced representation from the 'quadruple helix'. However, as depicted in Figure 7, we encountered challenges in securing a larger number of interviews with representatives from the education and research sectors (comprising only 11 per cent of the interviewed sample). This was primarily due to the limited presence of academics and education providers in the area.

Interview sample by industry sector

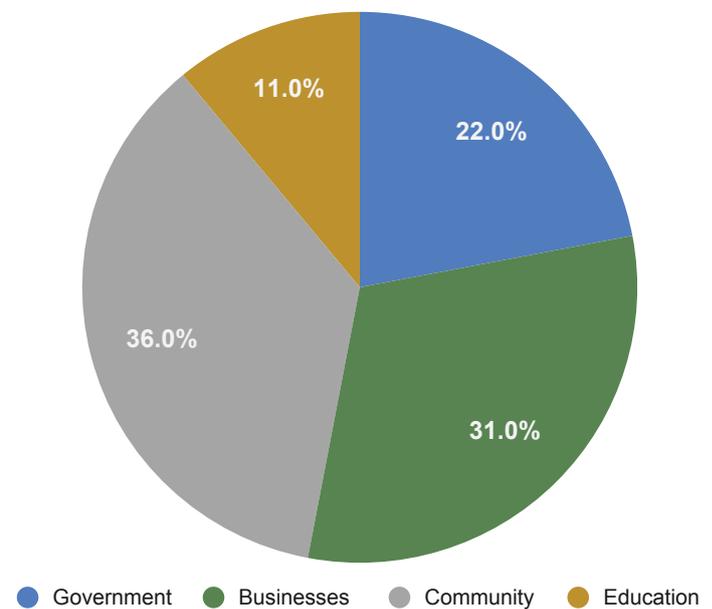


Figure 7: Quadruple helix respondents

Figure 8 (below) displays the breakdown of interviewees by geographical location. The blue bars represent the population size in each area. The green line on the right axis corresponds to the number of individuals interviewed from these locations.

Interviews conducted by geographical area

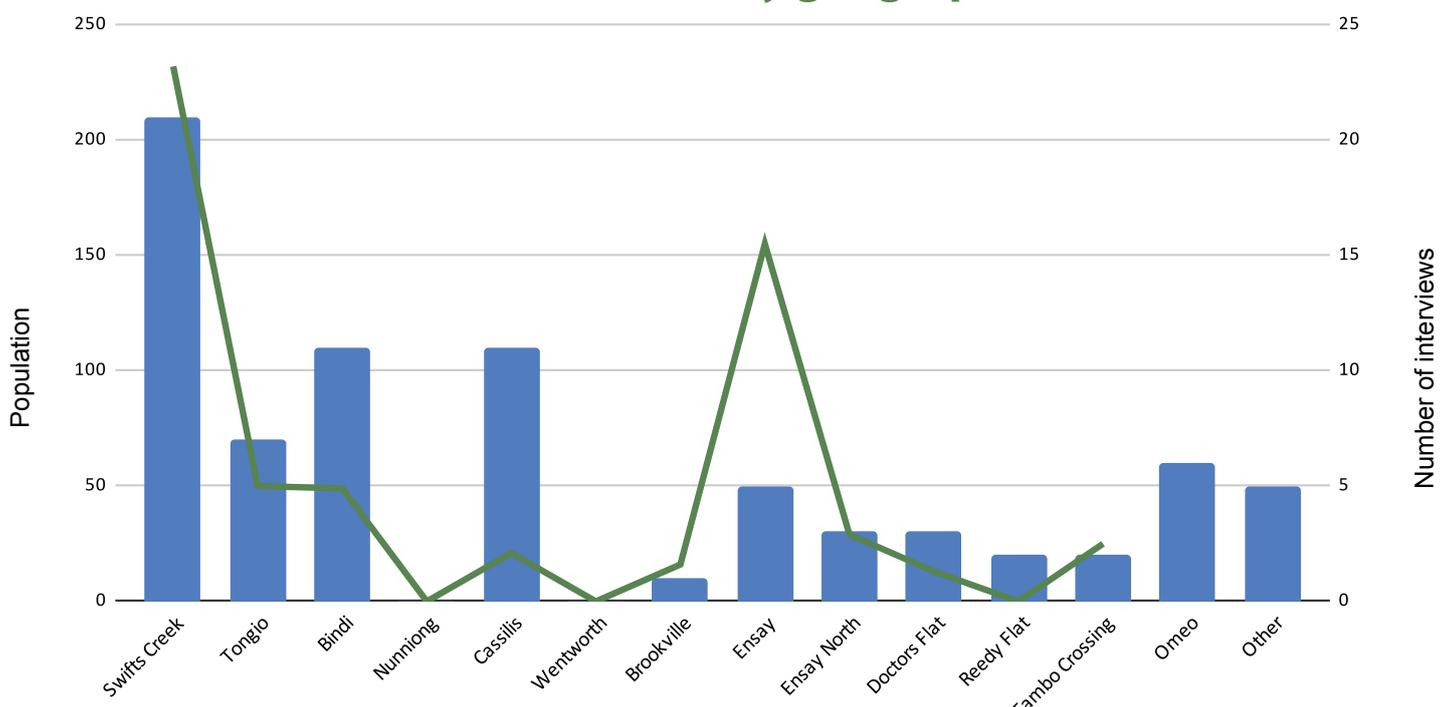


Figure 8: Representation of interview participants from each area compared with total population

INDUSTRY INSIGHTS

In the consultation process, we aimed to include a diverse range of business representatives. However, a significant majority (65 per cent) of those interviewed were agricultural operators, including both contractors and farm owners. This is a clear reflection of the role of the Agriculture, Forestry & Fishing industry sector in the district. Additionally, we engaged a diverse range of other businesses encompassing sectors like hospitality, food service, horticulture, winemaking, retail, and pet care. Skilled trades, including plumbing, construction, electricians, maintenance, and mechanics, were also recognised as crucial contributors to the local economy.

Interviews with industry representatives revealed that businesses, including those in the dominant agricultural sector, face significant challenges due to limited access to essential resources, like machinery and equipment, seeds and fertilisers, labour and expertise in farm and business management. In particular, the cost of importing these resources impacts the profitability of many small businesses. For agricultural enterprises, the expenses related to exporting from the district (i.e. cost of transport) are particularly high. Additionally, poor road conditions, especially along the Great Alpine Road from Bruthen to Harrietville, at the western base of Mount Hotham, exacerbate these challenges, by limiting access (both to and outside the district) during winter.

To address these challenges, improving local resource availability and infrastructure (especially roads) is essential to bolstering the activities of large and small businesses. An example of a local response to these needs is Peak Pasture & Livestock in Omeo. Established in partnership with Omeo Rural and Hardware, this enterprise was founded to provide agricultural consultancy services, focusing on pasture, livestock, and soil improvements to enhance sustainability and productivity. Launched in 2022 with just one consultant, it quickly reached full capacity, underscoring the high demand for such services in the district. Although its primary client base, driven by networking and the involvement of members from the Omeo Better Beef group, extends mainly outside the project area to Omeo and nearby regions, the success of Peak Pasture & Livestock highlights the district's need for more resources and expertise in sustainable agricultural practices.

Setting up consulting services in the area is not without its challenges. These include securing financial support for starting and establishing the business, especially when the entrepreneurs themselves lack initial capital. Additionally, building a client base and gathering sufficient evidence to validate new practices are significant hurdles. These challenges are common across various sectors, not just agriculture. The region's tendency to stick to traditional practices and resistance to change have constrained not only existing businesses but also the growth and viability of new enterprises.

Interviews highlighted other barriers preventing new farmers from entering the agricultural market. For instance, the consolidation of smaller farms by larger farming companies has made market entry or survival more challenging for smaller farms. The interviews emphasise the importance of implementing succession planning (especially within the agriculture industry) as a way to address this issue. A 2021 survey by the East Gippsland Shire Council of 435 farmers found that only 42.3 per cent had succession plans, with the average age of farm owners or managers being 65.²⁰ Of the landowners interviewed none had an established succession plan identified. None of the landowners interviewed had a defined succession plan, indicating a risk of these farms being sold to larger companies in the absence of such plans.

Traditionally, business owners in the area often lack formal education but have forged their success through experiential learning. These business owners possess valuable knowledge that, if shared through collaborative efforts, could benefit others in the region. Their knowledge, ranging from plant and animal production, climate-adaptive practices, and financial and marketing acumen, to practical skills like fencing, equipment handling, and digital know-how, is invaluable. Many business owners do not recognise their own capabilities and knowledge or do not know how to share them. However, through the interviews, many of them expressed an interest in contributing to community knowledge in some form.

An evident knowledge gap pertains to technological advancements and advanced enterprise practices, which can hinder the establishment and growth of small businesses. Larger operations have the

²⁰ East Gippsland Shire Council. (2021). *Farmer Survey Report & Actions*. Bairnsdale: East Gippsland Shire Council.

potential for further growth through the adoption of management technology and improved financial and marketing resources. The interviews highlight that several qualified and skilled community members possess expertise in areas such as commercial and regulatory law, accounting, marketing, management, IT, and agriculture but are underutilising these valuable skills to support other local businesses. Interestingly, the business owners who have higher education backgrounds or who have recently settled in the district have demonstrated a greater willingness to take risks and implement innovation and new approaches, often leading to success demonstrated by increased land size/ownership, production and financial gains more broadly. This can also be seen in the activities run by local committees, such as the Cassilis Cemetery and Recreation Reserve, where onboarding new members reinvigorated local capacities, leading to events such as the Cassilis Community Market and successful grant applications (some of them helped to raise the necessary funds to upgrade local infrastructure).

Nullamunjie Olive Grove serves as a prime example of how innovative approaches within traditional agriculture can result in remarkable success. The owner travelled to Tuscany (a region in Italy considered the leading producer of extra-virgin olive oil in the world), where he found that the soil, topography and climate were very similar to his farm in Tongio. After researching the varieties of olive that best suited this environment, i.e. Frantoio, Correggiola and Leccino, he planted these species on his farm in Australia. This led to the farm's expansion and a steadfast commitment to organic and sustainable farming practices. No pesticides, herbicides, or synthetic fertilisers are used; instead, livestock is used stock for weed control and pruning.

Collaborative initiatives like the Gippsland Agriculture Group (GAgG) and Peak Pasture & Livestock exemplify the region's growing interest in evidence-based practices tailored to the local climate and soil types. Additionally, the Department of Energy, Environment, and Climate Action (DEECA) conducts workshops focusing on soil improvement, livestock management, pasture education, and the importance of biosecurity, demonstrating evidence-based innovations in the region. The objective of these workshops is the promotion of improved and sustainable soil and livestock management practices and more profitable

production. Although these workshops are not specifically tailored to the project's area, they often include field visits to inspect soils in different locations to analyse the effect of different ground treatments and crops on the production and soil.

Despite regular attendance, some interviewees mentioned that participation in these events is often limited by resistance to change among the community or an approach that "if it's not broken don't fix it". A notable difference in attitudes between landholders who view farming as a lifestyle and those who see it as a business was also mentioned. Farmers who structure their production as a business are more open and quicker to adopt new practices compared to those who form part of their lifestyle.

The Gippsland Agricultural Group (GAgG) was established more than two decades ago, as a Top Crop group on a 10-hectare site near Bairnsdale Aerodrome, primarily focusing on soil health and crop variety trials. Evolving into the Gippsland Branch of Southern Farming Systems, it focused on research trials and demonstrations. In 2020, the initial 10-hectare site expanded to 100 hectares, prompting the restructure of the Gippsland Branch. Now, GAgG leases and manages the Gippsland Research Farm, aiming to enhance productivity, profitability, and sustainability through relevant product research trials and demonstration facilities in the region. Focusing on engaging farmers in Central and East Gippsland to support them to improve their farming practices, this non-profit, volunteer-driven organisation is farmer-managed and dedicated to serving the local farming community and exemplifies collaboration between farmers, academic institutes, private companies and government agencies. However, engagement from local producers is often limited due to time constraints or a lack of capacity to take time off work. The GAgG Spring Field days in Bengworden in October 2023 drew interest due to the current commodity prices and forecast seasonal challenges producers such as a dry and low-production summer followed by equally low-production seasons. Practices trialled in the GAgG research farm could also benefit the district, though local farmer involvement remains minimal.

Beef production is predominant in the area, evidenced by the popularity of the annual mountain calf sales since 1940. These events feature high-quality Angus and Hereford breeds, attracting repeat buyers and selling 7,000-9,000 stock annually across Benambra, Omeo, and Ensay. However, rising transport and production costs and fluctuating commodity prices have led many farmers to sell directly to buyers or export companies at contracted prices for more price security. The region also boasts a wide variety of other produce, including grapes, apples, sheep meat and wool, olive oil, honey, wine, and cider. For example, Butchers Gully Vineyard and Cassilis Estate Wine and Cider, both based in Cassilis on the previously known Mt Markey Winery, collaborate to grow grape, pear and apple varieties suited to the local climate and soils, producing wine and cider. The varieties grown by these companies were specifically selected to adapt to the district's climate, topography and soils after studying other production areas with similar characteristics in England, France and the USA. Challenges facing these businesses include flooding, fires, pests and drought. To minimise the use of chemicals in the area, many farmers adopt alternative practices, such as livestock used for weeding maintenance and pruning, together with more traditional harvesting and pressing techniques to minimise mechanical and chemical intervention.

Food & Fibre Gippsland developed a provenance brand in response to suggestions from various stakeholders across Gippsland businesses. This initiative, aimed at aligning the region's agricultural products with the successful visitor economy branding of Destination Gippsland (DGL), led to the creation of 'Gipps, Trusted Provenance, Land'. Launched in 2022,²¹ this brand, sharing stylistic elements with DGL, is available to businesses producing goods in Gippsland using a significant amount of Gippsland-sourced ingredients or resources. The goal of this branding initiative is to elevate Gippsland's reputation as a producer of high-quality, environmentally friendly products, both nationally and internationally. It also seeks to encourage consumers to visit the region and engage with producers through farm gates, farmers' markets, food events, and agritourism activities.

21 Food & Fibre Gippsland (2023). Building a trusted brand for Gippsland products. Retrieved from foodandfibregippsland.com.au/gippslandtrustedprovenance



Destination Gippsland's 'Gipps, Trusted Provenance, Land' brand.

Similarly, the Tambo Valley Producers²² established in 2012 by local producers to market and brand local produce, initially aiming to encompass more than just beef production. However, due to limited resources, the group has focused on beef. Initially established to promote the area's products and create direct links with other producers and potential buyers, the group faced substantial barriers, due to the producers' limited ability to volunteer time to establish this new venture, lack of project management skills and insufficient funding for this initiative to take off. Despite these obstacles, some farmers remain interested in developing a local brand to enhance the market value of the area's produce.

22 Seedstock Central (2016). Hereford store cattle producers rebrand producer group for calf sales. Retrieved from seedstockcentral.com.au/2016/02/16/hereford-store-cattle-producers-rebrand-producer-group-for-calf-sales/

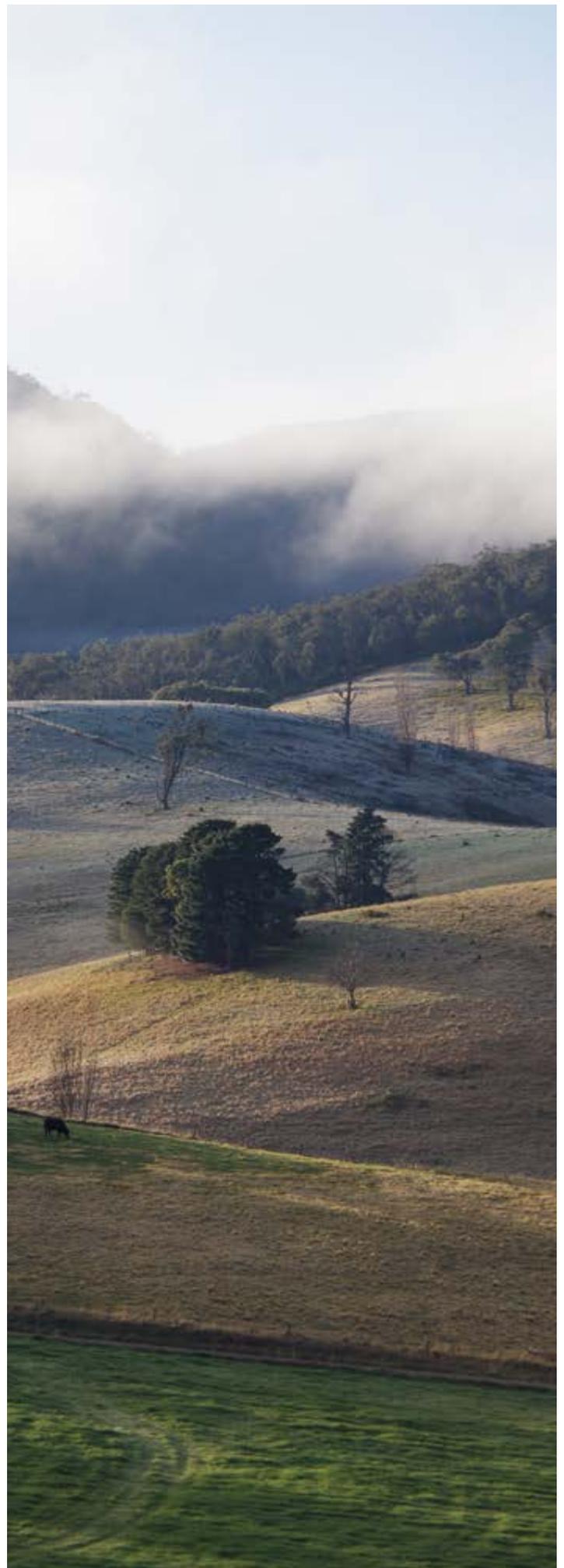
Swifts Creek was once home to a small abattoir and butchery, processing and selling locally grown or imported meat within and beyond the district. Though it shut down in the mid-1990s and is now used privately without public meat sales, many interviewees noted using the butchery for personal meat processing. This includes both farmed meat and locally sourced game, such as deer, goat, pig, and, in permitted areas, kangaroo. However, upgrading the facility to meet commercial standards would be cost-prohibitive. Some farmers and community members believe that reopening a local meat processing facility could reduce transport costs and allow livestock to reach optimal size locally before processing, benefiting both animal welfare and product quality. A number of studies conducted worldwide demonstrate the effect stress can have on the quality of meat, this stress can be caused by lengthy periods of transportation prior to processing and livestock handling.^{23 24 25} Small-scale mobile or local abattoirs could improve welfare and meat quality by reducing travel time and stress, smaller processing lots and familiar livestock handling. Yet challenges like inadequate wastewater treatment facilities and suitable land remain.

The Cassilis Community Market started in March 2022, represents another good venue for promoting and selling local produce. Founded in March 2022, it is a seasonal one-day market, which has become a valuable asset for the community. Held each season to support the Cassilis Recreation Reserve, it showcases local products with diverse stalls, including local wineries offering wine and cider, pottery and weaving groups, second-hand and car boot vendors, crafters, bakers, and an upholsterer. It also invites other local groups and businesses to participate and raise funds for various causes. The Committee also sells donated items to raise funds for ground improvements.

23 Grandin, T. (1980). The effect of stress on livestock and meat quality prior to and during slaughter. *International Journal for the Study of Animal Problems*, 1(5), 313-337.

24 Arnould, C., Auperin, B., Berri, C., Deiss, V., Le Bihan-Duval, E., Lefevre, F., . . . Terlouw, E. (2008). Pre-slaughter conditions, animal stress and welfare: current status and possible future research. *Animal* 2(10), 1501-1517.

25 Algers, B., Berg, C., Hultgren, J., Karlsson, A. H., Ohgren, C., & Segerkvist, K. A. (2022). Preslaughter stress in beef quality in relations to slaughter transport of cattle. *Livestock Science* 264, article 105073.



Reedy Flat. Photo courtesy of: Sally Kendall.

GOVERNMENT INSIGHTS

Numerous government representatives from the forest and fire management sectors were interviewed for this project, particularly in light of the decision to cease the native timber industry. Their primary focus is on bush management and fire prevention, influenced by the district's history of major bushfires over the last century. The district is known for its cyclical weather patterns, alternating between long, cool, wet periods that boost local production and extended dry, hot spells with low production. Recent forecasts from the Bureau of Meteorology (BOM) have heightened the likelihood of another prolonged dry period and the increased risk of bushfires.

Some government representatives believe that fire management and prevention can be more effective when integrational Aboriginal traditional practices and knowledge of natural systems. This approach, combined with educational activities about the district's cultural history, offers more meaningful land management methods. The interview data also indicates a re-assessment of traditional timber harvesting practices. Methods such as selective logging which respects hollow-bearing trees and evaluates coupes for significant habitats and species, are recognised for their role in both rejuvenating logged areas of native forests and reducing fuel, critical for fire prevention. Revisiting these sustainable harvesting practices has proven beneficial for the overall environmental health of the area.

Local government representatives acknowledge the challenges of providing services across the vast East Gippsland Shire, which covers 31,740 square kilometres, making it the second-largest shire in Victoria.²⁶ Most workers are based in Bairnsdale and Lakes Entrance, yet they are responsible for servicing the entire Shire. The merger of Omeo, City of Bairnsdale, and Tambo Shires into East Gippsland Shire has also led to service reductions. Different areas within the Shire have different priorities, such as tourism, infrastructure, and residential or business development, resulting in uneven funding distribution. This disparity often leads to more development in tourist towns, while smaller communities face diminished growth due to limited opportunities.

It was felt by interviewees that the Tambo Valley, in particular, is seen as a lower priority, affecting the maintenance of facilities and infrastructure such as halls, recreation reserves and toilets, as well as access to services and funding opportunities such as service centres, festivals and events. To address this some propose revisiting the former structure of Omeo Shire, formally or informally, to ensure more equitable access and service provision, possibly by assigning dedicated staff to the Tambo Valley.

Additionally, government representatives acknowledge the potential impact of climate action on local business operations. Victoria's Climate Change Strategy, aiming for net-zero emissions by 2050, includes a \$20 million initiative to foster a more resilient and sustainable agricultural sector. This transition may require businesses to adopt new, financially challenging practices but also opens up opportunities for innovation and improved product quality. Alternative farming practices might involve diversifying to lower-emission production types, exploring new fibre and protein sources, considering renewable energy production, adopting circular economy principles, carbon-storing and waste and landfill management solutions.²⁷ In an agriculture-dominant area like this, significant research is needed on technologies and alternatives that can either reduce emissions or enhance on-farm biodiversity. The region's agricultural isolation and prominence provide a unique opportunity to lead in climate change adaptation, with the potential to pilot innovations and adaptations in a more controlled environment, away from the complexities found in more urbanised areas.

26 State Government of Victoria (2023). Know Your Council – East Gippsland Shire Council. Retrieved from vic.gov.au/know-your-council-east-gippsland-shire-council

27 State of Victoria Department of Environment, Land, Water and Planning. (2021). Cutting Victoria's Emissions 2021-2025 - Agriculture sector emissions reduction pledge. Melbourne: State Government Victoria.

ACADEMIC INSIGHTS

Consultations with education and research sector representatives from the were limited, primarily due to their limited presence in the project area and the wider region. However, the discussions that took place with them proved to be highly valuable. Within the project area, the key educational facilities include the Swifts Creek Community Centre childcare service, a Uniting Early Years Learning Centre, and Swifts Creek P-12 school, which serves students from Prep to Year 12 from the entire project area. These services collectively cover early years (childcare and kindergarten) and the entire P-12 spectrum.

Despite this, the area faces significant challenges in maintaining accessible, high-quality, and consistent educational opportunities. These challenges are driven by a shortage of educators, declining student numbers, and difficulties in recruiting staff. The barriers to recruitment include a lack of housing for teachers and a broader state-wide shortage of teaching professionals. While international recruitment has shown some positive outcomes, with teachers from New Zealand and Ireland moving to the district, attracting workforce is hindered by the lack of housing options for newcomers.

TAFE Gippsland and Federation University are the main tertiary institutions in the Gippsland region, with their closest campuses located in Bairnsdale and Churchill, respectively. For local students, this often means substantial travel or relocation to attend on-campus classes. While remote learning options are available with these institutions, there is potential to expand these opportunities, enabling young people to enhance their skills and knowledge without leaving the area, thereby supporting community development and job creation. Representatives from these institutes stated that while government policy and priorities often dictate the learning opportunities offered remotely, they would like to collaborate more directly with remote communities to better understand their needs and develop tailored remote learning programs. Connectivity issues, particularly mobile coverage black spots along the Great Alpine Road between Bruthen and Omeo and inconsistent service in towns, pose significant challenges for education providers in offering more remote learning to the district. This unreliability is compounded during natural disasters, disrupting communications. The critical need for connectivity was especially highlighted during the COVID-19 pandemic when students and workers had to adapt to remote learning.

The Swifts Creek Community Centre also runs a number of programs, like 'Learn Local,' alongside other short accredited and unaccredited courses provided through Jobs & Skills Victoria and TAFE Gippsland. These learning opportunities include Responsible Service of Alcohol (RSA), First Aid, and IT and digital skills. Expanding educational opportunities in the district, from industry-based skills like fencing, machinery operation and technology and digital literacy, to tertiary education, through the expansion of current educational resources and facilities, could not only enhance skills and knowledge within the community but also encourage more people to settle or to remain in the district. Creating more traineeship and apprenticeship opportunities could also improve local career prospects. Pilot programs, such as using local farmers in Orbost to teach fencing, are being explored in other parts of the Shire to gauge their feasibility and effectiveness. Relevant skills that could be leveraged within the area include orchard production, fencing, shearing, animal handling, business and finance, home butchering, computer proficiency, and machinery and equipment maintenance and operation.

The limited availability of accommodation in the district affects the size of the permanent population, which has been decreasing over time. Lack of housing options leads to fewer families coming to the area, which in turn leads to lower enrolments in schools, less economic contribution and lower participation in clubs potentially rendering them inactive. Traditionally, there have been domestic exchange programs where students from Melbourne schools spend a short time at Swifts Creek, with Swifts Creek students reciprocally visiting Melbourne schools. Broadening these programs to include international students could enrich educational experiences and help bridge the cultural and diversity gap highlighted during the interviews.

The district predominantly identifies with an Australian ancestry, birthplace, and parental birthplace (over 75 per cent of the district's population), with only 6.2 per cent of households speaking a language other than English at home.²⁸ Implementing international exchange programs or establishing a residential school for urban and international students could foster cultural diversity and intercultural understanding, helping to break

28 Australian Bureau of Statistics. 2021 Census Community Profiles: 3896, VIC. abs.gov.au/census/find-census-data/search-by-area

down existing barriers. Interviews identified a general lack of cultural awareness, but also a lack of understanding about gender and sexual diversity. These issues were felt particularly strongly by a younger cohort of the population (the under-35 age group), however also identified by older generations new to the area and more familiar with social diversity. The exclusion of newly arrived residents was another concern across all ages of people interviewed. Isolation and a well-rooted prejudice were cited as reasons for this challenge, suggesting that increased exposure and education around these topics could lead to greater acceptance and celebration of diversity. These are some of the factors that could explain why some residents choose to leave the area.

In 2022, the Swifts Creek P-12 introduced an extra class for budding astronomers in years levels 8 and 9. With a relatively high uptake of 10 students, this initiative capitalised on the area's excellent conditions for sky observation, including low light and atmospheric pollution, low humidity, and high altitude. While there is no current record knowledge of astronomers visiting the area specifically for sky-gazing, interviewees expressed an interest in creating the conditions (which might include facilities) to attract researchers and astronomy enthusiasts.

Nunniong High Plains, an ideal location for astronomy, also boasts significant environmental diversity with 55 threatened plant species, 2 threatened mammal species, and 2 endangered reptile species, presenting further opportunities for ecological study and conservation efforts.²⁹

Significant fire events in the area and the management of the forest have been called into question through many academic interviews, seeking to explore options for sustainable bush management. Currently, there is minimal consultation and engagement with traditional landholders in forest and land management.

Based on interviews with academics the discussions demonstrate it would be beneficial to increase engagement with the academic sector and collaborate with researchers and cultural learning on areas including:

- Astronomy
- Forest and land management
- Soils & Species research
- Cultural and social exchange programs
- Local job needs and training.
- Business, leadership and entrepreneurial

²⁹ Department of Environment, Energy and Climate Action. (2020). *Biodiversity Response Planning: Landscape - Cobberas Nunniong*. Melbourne: Victorian State Government.



Photo courtesy: Buddah Richards

COMMUNITY INSIGHTS

Community interviews highlighted that the area's primary asset is the community itself, marked by resilience and a robust spirit, especially in the face of challenges and disasters. For several new residents, experiences like bushfires have been instrumental in fostering solid connections and aiding their integration into the community. This sense of resilience and collaboration is crucial to the S3 (Smart Specialisation Strategy) process, serving as foundational elements that bolster the strategy's effective implementation and long-term sustainability. These pillars enable regions to capitalise on their strengths and resources for innovation and development.

Many interviewees, including those new to the region with no prior connections, overwhelmingly acknowledged the natural environment and location as significant assets. The area's allure, with its scenic beauty, sense of isolation, and a plethora of outdoor activities, has attracted various individuals. Birdwatching, in particular, emerged as a popular hobby, supported by the region's rich bird life diversity. This has opened opportunities for birdwatching tourism, a burgeoning sector recognised for its ecological sustainability, especially valuable in rural and remote areas. Birdwatching stands out as a form of wildlife tourism that is both environmentally sound and sustainable.³⁰

The region is well-suited for nature-based tourism, boasting a vast network of 4-wheel and 2-wheel drive touring tracks, among which the Nunniong Forest Track is particularly renowned. These routes lead to sites of cultural, historical, and biodiversity significance and offer camping spots and huts. However, their potential is currently underutilised due to inadequate mapping, signage, and promotion. Implementing virtual mapping, interactive tours, and QR codes for additional information could significantly enhance tourism across the region.

Outdoor recreation opportunities could be expanded by enhancing and promoting existing walking tracks and developing new ones. The Omeo Pump and Skills Track project, encompassing a pump track and mountain bike trail, has already positively impacted business and cultural activities in the nearby main tourism centre of Omeo. Further collaboration and expansion of such initiatives could strengthen the

area's appeal for family-friendly biking trails. Hiking, popular among both residents and visitors, could benefit from infrastructure improvements or new trail developments by community groups or council projects.

The Jirnkee Water Race, which runs from the Wentworth River to the King Cassilis Mine and is known as the southern hemisphere's longest water race, offers hiking opportunities. Currently, only 2 km of its 77 km length is accessible. There is potential for the entire trail to be maintained for hiking and cycling by investors and the Shire, with various access points to tailor the trail length. This project, which has garnered interest from a collective of individuals, could fully open this historic route for outdoor activities. Additionally, a bike trail proposal in Ensay aims to link Ensay and Swifts Creek, providing less intense trails suitable for visitors and families seeking diverse biking and walking experiences.

Identifying, restoring and protecting significant local sites is crucial for the community, with the area's history identified as one of the area's four key assets by interviewees. This rich history encompasses agriculture, timber, mining, cultural heritage, and community. To safeguard this heritage, proposals have been made for the establishment of education centres, walking tracks, and cultural heritage and bush management centres. These initiatives aim to capture the region's history for tourists and future generations. Notable historical sites, such as King Cassilis mine, Jirnkee Water Race, Washington winch, old town sites, huts, closed mill sites, butter and flour factories, and the steam engine at the Swifts Creek timber mill site, could be recognised, protected, preserved or repurposed.

The Great Alpine Gallery holds significance for the Swifts Creek Future community, fostering various artistic endeavours, including weaving, pottery, and basketry. Established in 1998, the gallery supports artists through grant opportunities and events, like the Winter Festival, which promotes the local artist community, wineries, eateries, and historical sites. The Poets Walk, established in 2018, is a brief trail displaying artworks that highlight the area's cultural heritage and artistic talents.

Mad Metal Creations, founded in 2017 in Cassilis, is known for innovative metal sculptures, creating artworks from everyday material and scrap metal objects. This venture has received several awards and

30 Connell, J. (2009) Birdwatching, Twitching and Tourism: towards an Australian perspective, *Australian Geographer*, 40:2, 203-217, DOI: 10.1080/00049180902964942

enriches the locale with intriguing displays, including installations along Cassilis Road and at various sites like the Metung Hotel and Tambo Valley Racecourse.

Healthcare services emerged as a critical theme during community consultations, vital for the local population's wellbeing. The Swifts Creek and Ensay Bush Nursing Centres, valued by 31 per cent of interviewees, offer a range of services including health checks, pathology collection, immunisations, cervical screening, assessments, pre- and post-maternal care support, diabetes education and home visits, as well as emergency first response. Maintaining these accessible healthcare facilities is crucial for the community, especially given the area's geographic isolation, sparse population and limited public transportation, which pose challenges for residents, particularly the elderly, in accessing healthcare.

Omeo District Health has historically supported the district by extending its services, providing doctor, physiotherapy, foot care and social worker services to Ensay, Swifts Creek and Benambra. However, a recent shift towards virtual healthcare introduces new challenges like digital literacy and telecommunications reliability. The lack of transport options further complicates access to face-to-face services in Omeo, potentially impacting health outcomes for remote residents.

Community events have historically played an important role in social life. Past events, like three-day tennis tournaments in Ensay, theatrical productions in local halls, and brownie and scout gatherings, are fondly remembered. The "Up the Creek Festival" was held for many successful years where, over a long weekend, up to 500 visitors enjoyed 4WD competitions, lawn mower racing, wood chopping and markets but ceased due to volunteer burnout and time constraints. More recently, the "East Gippsland Winter Festival", a month-long celebration held throughout Gippsland, celebrated the region's art, food, culture, and nature.

This festival featured various local highlights, including:

- » Cassilis Estate wine and cider accompanied by music and food;
- » Winter light lanterns at the Great Alpine Gallery incorporating local artistry, food and lighting of locally made lanterns;

- » the Cassilis Community market was included in these celebrations
- » a walk through the King Cassilis Historical area, identifying the rich mining history and significance to the areas, followed by a musical celebration of the gold rush era at the Junction Hotel.

These events not only showcase the area's rich offerings but also emphasise the community's desire for continued social and cultural activities.

The project area faces a notable shortfall in facilities for community interaction and family activities, with limited options like a small skate park and a somewhat neglected playground in Swifts Creek. In Ensay, active groups like "Activating Ensay" and the Ensay Recreation Reserve committee are exploring ways to create more attractions and activities, particularly after the closure of the local grocery store, which has left few places for travellers to engage with the community. Plans to upgrade the Ensay Recreation Reserve, which currently includes a playground, barbecue area, powered camping sites, courts, and hall facilities, are being pursued by the Recreation Reserve Committee to improve economic and social opportunities for the area.

Social interaction and well-being are key concerns for the community, evident in how the community comes together in difficult times to support each other. Some participants believe that establishing an independent living facility for the elderly could significantly improve the quality of life for ageing residents, allowing them to access healthcare and social activities while staying in their community. Currently, as health deteriorates, many older residents feel compelled to relocate to areas with more services or move into aged care facilities at Omeo District Health. Independent living would enable them to continue their lives within the community with minimal disruption to their independence. Benefits also include freeing up housing for new residents, creating job opportunities, and fostering infrastructure development. Challenges for this project include funding constraints, the need for a professional workforce over volunteer input, and infrastructure development issues.

Swifts Creek and Ensay, located on the main road, are often seen as 'transit zones' with few attractions to entice visitors to stop and explore. Despite being ideally situated for activities like driving tours, hiking, skiing, and accessing beaches, the towns themselves offer few points of interest, leading many visitors to bypass them en route to larger destinations or natural attractions. These areas have great potential for ecotourism³¹, which encompasses nature-based activities that promote activities that enhance appreciation of the region's natural and cultural heritage.

Expanding and diversifying accommodation to support this potential, however, is challenged by zoning and development constraints. The area falls under the F1 farming zone, established to protect the agricultural industry and prevent development on productive land. Other issues, such as wastewater treatment and inadequate support for development permissions hinder the growth of accommodation infrastructure and permanent residences that could enhance the local community's population.

Several interviewees highlighted that the district's community committees, many of which have been operational for years face challenges regarding volunteer burnout, particularly among older members. This can lead to inaction and an inability to tackle pressing issues. The limited involvement of younger people is attributed to various factors, including resistance to change among older residents and a perceived lack of influence or willingness among the younger generation in a community traditionally led by older individuals. To address this, there's a suggestion to encourage and support younger members in assuming volunteer roles. This approach could help alleviate burnout, inject new energy, and provide mentorship and growth opportunities for younger participants.

Pest animal populations (including deer, kangaroos, and rabbits) were a common concern across all sectors of the quadruple helix. While these animals significantly impact agriculture, they are also viewed by some as beneficial, particularly by local hunters who rely on them for food. The Victorian Estimates of Deer Harvest Report³², indicates that approximately 123,376 deer were harvested statewide by registered game licence holders, a similar number to 2021 and around 40 per cent greater than in 2009. Sambar and Fallow deer, both found in the project area, constitute the majority of the harvest (62 per cent and 33 per cent respectively), with the Omeo area ranking as the third-highest harvest in the state.

Victorian aerial surveys in September and October 2022 showed an increase in the estimated kangaroo population from 1.4 million in 2017 to 2.4 million.³³ Though specific surveys weren't completed in the project area, locals report a noticeable increase in kangaroos even within town boundaries. Increasing interest in hunting presents opportunities for destination hunting and guiding and potentially establishing a local processing facility for human consumption or pet food manufacturing. Conversely, initiatives to reduce brumby populations, like aerial culling have faced criticism from the community, being labelled as inhumane and excessive, and blamed for exacerbating other pest issues such as wild dogs.

For an extended period, managing the brumby population in the area has been reliant on "buck running," a technique involving horseback riders capturing and relocating brumbies, followed by their training and domestication. The Benambra-based Buck Runners Association has been at the forefront of these efforts. Working alongside other local stakeholders and with the support of North East Catchment Management Authority and Alpine Shire, they have developed a sustainable management plan centred around the establishment of an equine facility. Here, captured brumbies can be brought for sale and training addressing the population issue while stimulating economic growth and creating job opportunities. This project also holds promise for enhancing regional tourism, offering visitors a unique opportunity to experience brumbies up close and

32 Moloney, P. D. (2023). *Victorian Deer Harvest Estimate 2022*. Heidelberg: Victorian Game Management Authority.

33 Moloney, P. D. (2023). *State-wide abundance of kangaroos in Victoria, 2022*. Heidelberg: Arthur Rylah Institute for Environmental Research.

31 Queensland Government (2023). What is ecotourism? Retrieved from parks.des.qld.gov.au/management/ecotourism/about

INNOVATION OPPORTUNITIES

Building on the data and insights gathered about the Swifts Creek district and from the consultation process, this concluding section of the report presents several potential innovation opportunities worth exploring further. These will be discussed in the Entrepreneurial Discovery workshops scheduled for early 2024. It's important to note that not all of these identified opportunities may lead to concrete projects; their development will depend on the outcomes of these workshops. The opportunities identified from the analysis include:

- » Nature-based recreation and tourism
- » Education & Skills Centre
- » Multifunctional Tourism Centre
- » Value-add primary industry
- » Oram Estate Independent Living
- » Soil and Cultivar Research

For each opportunity, we outline the basic proposition, followed by an analysis of key assets. This helps in identifying the potential competitive advantage each opportunity may offer if further developed. Additionally, we present a brief overview of potential challenges associated with each opportunity. The section on each innovation opportunity concludes with a description of the respective workshop set to explore these ideas in more detail.

Nature-based recreation & tourism

Basic Proposition

The Swifts Creek district is characterised by an abundance of natural assets that lends itself to significant nature-based tourism development based on outdoor recreation.

Key Assets

The region's stunning natural landscapes and profound historical roots are universally acknowledged as its most significant assets, as emphasised by most interviewees. For families, this provides a unique chance to explore the area, fostering a deeper connection to the outdoors and reap numerous health benefits, all while gaining a deeper understanding of the region's unique heritage. Notable sites such as the Jirnkee water race, King Cassilis historical area, and Nunniong High Plains, hold significant potential for further development by offering a wide array of recreational opportunities, such as camping, travel, birdwatching (twitching), photography, hiking, horseback riding and cycling. In addition, the region boasts well-established driving tours like the Nunniong Road and Dargo Road, which continue to draw numerous visitors as identified in the report. These scenic routes provide a strong foundation on which to build the district's tourism industry. The Tambo Rivers offers a diverse range of outdoor activities. It's a hotspot for fishing enthusiasts and ideal for rafting and kayaking; with an increasing number of mountain bike tracks and trails, like those in Omeo and Ensay, underscoring the appeal of nature-based tourism.

Competitive Advantage

Every nature-based tourism activity in the region is designed so that participants can return to their starting point without needing to retrace their steps. Additionally, these activities offer the flexibility to begin from various locations and incorporate other recreational and sightseeing options, allowing visitors to tailor their experiences to their personal preferences. The existing infrastructure in place means that enhancing and expanding nature-based tourism can be achieved with relatively lower financial and physical investment. This not only benefits those directly involved in developing these opportunities but also opens up avenues for local educational and skill development in related areas such as health, wellbeing, maintenance, and management.

Challenges

The key challenges in developing these initiatives is engaging land managers and securing financial support for projects on public land. It's crucial to not only promote and facilitate access to these areas but also to safeguard their fragile ecological balance. At present, there's a notable lack of signage and mapping. However, with careful planning and strategic development of the nature-based tourism sector, these issues — both environmental protection and improved signage — can be effectively addressed. Addressing land-use challenges requires further exploration.

Workshop Design Principles

The first step involves evaluating the progress, achievements, and future plans of existing projects in the district. The workshop will focus on exploring opportunities for eco-tourism packages and tours, emphasising the importance of collaboration among operators of various nature-based activities. Engaging public landowners, key community groups, tour operators, and development businesses from the outset is crucial for identifying required resources and identifying potential barriers. This collaborative approach will be a central element of the workshop.

Education & Skills Centre

Basic Proposition

At the core of all identified innovation opportunities lies the need for a local workforce with the right skills.

Key Assets

As identified in the preceding sections, Swifts Creek has an established foundation in education and training, providing essential support to families throughout the project area. A broad range of industry and business skills are evident within the district, these can be harnessed to expand both accredited and non-accredited educational and training opportunities. Leveraging existing models and learning opportunities, the district is well-positioned to grow in this area. The anticipated diversification in business sectors offers further prospects for learning, skill enhancement, and retraining, particularly in areas like horticulture, beekeeping, forest and land management, business development, marketing, and financial skills. Establishing a localised resource and business hub represents a strategic investment for the region's economy. This initiative has the potential to drive economic growth, create employment, foster entrepreneurship, and bolster both resilience and sustainability.

Competitive Advantage

In recent times, education and training providers have revisited their approaches, strengthening their connections with regional communities. A key focus for growth across regional Australia, including Swifts Creek, involves aligning educational programs with the needs of local industries. While not exclusive to this district, systematically expanding educational offerings to meet future business requirements also plays a significant role in enhancing both educational and employment opportunities within the region. This approach can ultimately attract families to settle in the district permanently. The introduction of international educators to Swifts Creek has brought a wealth of diverse skills and experiences, enriching the local educational landscape and fostering opportunities for knowledge exchange. These elements collectively lay a robust foundation for continued development in the region.

Challenges

Securing support from the Department of Education and Training (DET) to provide opportunities within the current educational infrastructure is essential. While achievable, past experiences have shown that ensuring a stable workforce of teaching professionals and support staff in the area is a significant challenge. Overcoming this requires further investigation. Additionally, the availability of suitable accommodation in the district is a key constraint in both retaining and expanding a skilled workforce. Lastly, the technology and connectivity infrastructure necessary for online learning, accommodating shifts in educational delivery methods, require significant upgrades.

Workshop Design Principles

The workshop will map the existing knowledge provision and delivery methods that can be shared within the district. It will also identify the gaps in supply in light of the anticipated industry growth and diversification. This is expected to result in a shared vision and strategy to create an education and training centre capable of meeting the future needs of the district. Crucial to this workshop's success is the participation of key stakeholders, including the Department of Education and Training (DET), Gippsland TAFE, Federation University, local business owners, and community groups.

Multifunctional Tourism Centre

Basic Proposition

Swifts Creek has a strong history that is underplayed and lacks a dedicated physical place for community interaction.

During the interviews, a recurring theme emerged: a dearth of historical and cultural knowledge, coupled with a noticeable gap in available activities within the area. Local families often seek destinations outside the local area for entertainment and enrichment.

Key Assets

The thriving art community in Swifts Creek plays a vital yet often understated role in supporting various local initiatives. Recognising this, there is an opportunity to establish a communal focal point: an interactive space designed to encompass and showcase the district's rich history, both in terms of industry and culture, as well as its flourishing art scene, akin to the installation pieces along the Poets Walk. In addition to providing a much-needed community place, it would create an inviting stop for visitors to the region, promoting both engagement and stay.

The community's resilience and its rich history, including the presence of nearby historical sites, present numerous opportunities for creative and innovative initiatives. Within this cultural ecosystem, the vibrant creative community plays a pivotal role in nurturing these prospects. The strength of this community lies not only in its artistic endeavours but also in its ability to serve as a unifying force. It brings people together, fostering a sense of togetherness and shared purpose. Through integrating artistic expressions, cultural events, and interactive installations, the community can collectively narrate its (his)story, bridging the past with the present and future.

Competitive Advantage

The community's deep appreciation, knowledge and connection to history, the preservation of key sites, and the rich cultural heritage create a unique platform to showcase the vibrancy and dynamism of the district. As such, the centre becomes the embodiment of Swifts Creek's innovation journey.

Challenges

The existing gallery, despite recent renovations, is limited in size and has little scope for further expansion. This makes it less ideal for becoming a centralised hub for historical information, a place where the community and visitors can converge to celebrate, exchange, and access information and activities. Further investigation is needed to determine whether existing spaces can be upgraded to fulfil this vision, or if a new facility needs to be created to accommodate these needs now and into the future.

Workshop Design Principles

The workshop would refine the vision for the centre and investigate its viability in terms of need and outcomes. It will discuss the district's current infrastructure and potential, and map alternative locations if current sites are deemed unsuitable. Ideally the workshop will involve stakeholders from EGSC, community groups, researchers and businesses.

Value-add Primary Industry

Basic Proposition

Swifts Creek can further build on its agribusiness sector and quality produce, increasing the value-add of this industry.

Key Assets

Agriculture, as shown in the data, is the district's most valuable industry. It has the strength to support and grow the economic future of the area. There are a number of active community groups committed to the sector that want to drive improvements in production. This provides the critical mass and expertise to realise this opportunity.

Competitive Advantage

A strong and well-established connection between local producers and hunters forms a solid foundation for driving innovation in the region. Current feasibility studies are exploring the potential for branding locally sourced beef, which, if proven successful, can serve as a model to encompass a wide range of other locally grown products. Given the substantial meat production in the area, there is ample potential to add value to our produce. With the diverse array of goods at our disposal, a unique opportunity emerges to establish a community cafe or culinary centre. This hub could not only showcase our local produce, offering a unique experience for both the community and eco-tourists but also open up new career perspectives for local residents, further bolstering our economy and strengthening community ties.

Challenges

Regulations, locations and investors are all potential barriers to agricultural value-add innovation. The need for collaboration and investment into the potential innovation opportunities can limit the feasibility of some projects. This requires further exploration.

Workshop Design Principles

Identify potential value-add opportunities for the area's produce, including meat processing. Assess their viability and underlying (resource) requirements. To achieve this, industry experts, local producers, hunters, Agriculture Victoria and EGSC as well as community representatives need to participate in the workshop.

Oram Estate Independent Living

Basic Proposition

Establishing an independent living facility will support the local economy and provide an exemplar case for healthy ageing and improved quality of life.

Key Assets

The ageing population of the area supports the need for an independent living facility. Such a facility would enable residents to maintain their independence and stay in their own homes longer, without having to leave their community. The existing health infrastructure in the Bush Nursing Centres and Omeo District Health can support a healthier community and aged population.

Competitive Advantage

The Oram Estate project has been a consideration within the community for some time. The purchase of the land for development has been realised. Much of the project has been scoped and planned, with the support of an energetic project committee. The project has widespread support from the community.

Challenges

Planning overlays, development restrictions, and wastewater treatment are potential barriers to the development as well as financial support and opportunities. These require further investigation.

Workshop Design Principles

Given that the project is well-defined and developed, a further workshop is not necessary. The project is “shovel-ready” and can be submitted for support through the Forestry Transition.

Soils & Cultivar Research

Basic Proposition

Swifts Creek has a unique environment for development and research into soil and species improvement.

Key Assets

The region boasts a diverse array of soils that can accommodate a wide spectrum of plant species, from crops and fodder to olives, horticultural crops, and vineyards. The soil types in the area range from fertile river flats to rocky, acidic soils, and clay-rich terrain. However, the region’s agricultural potential is subject to variability due to the impacts of erosion and climate. Notably, there is a climate shift north of the catchment boundary between Omeo and Swifts Creek allowing for area-specific investigations.

Competitive Advantage

The range of soil types, acid levels and erosion as well as climates within a small area of country including both the lower valleys and river flat as well the hills, lend themselves well to improvement and variety adaptation. The introduction of olive farming into the area, while not unique in its singularity but unique to this area, demonstrates the ability to adapt the produce to suit the landscape, similarly, varieties of apple and pear were investigated to establish the most appropriate varieties to suit the landscape and climate.

Challenges

Available land and willing participants in the endeavour, investment, and engagement from academia. Introducing change and alternatives into a historically traditional industry.

Workshop Design Principles

The workshop will focus on the exploration of soils in the area and potential improvement processes, diversity of species adaptability including orchard varieties, crops, fodder, and fibres. Significant consultation with researchers, industry, and government, with community and business is needed to establish potential options for energy sources and the ultimate service reach and outcomes for the initiative.



Thank you to the communities of the Swifts Creek Future project and all the participants for their contribution and support.

Cover image: Annie Richardson

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