Case study 3: Shepparton, Victoria

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Shepparton is a region in Victoria, Australia with a total population of 129,971 in 2016 (ABS, 2019). The Shepparton region includes three local government areas, including Greater Shepparton, Campaspe and Moira.

In 2016, the regional city of Shepparton-Mooroopna had a population of 46,194. The Greater City of Shepparton had a population of 65,078 in 2018, with an average growth rate of 1.14% since 2011.

The median age in Shepparton is 42.2 and the unemployment rate is 5.7%. In 2016, there were more births than deaths (natural increase = 557) and in-migration exceeded out-migration (net migration = 467). Therefore, natural increase is driving Shepparton’s population growth (54%).

Economic profile

The Shepparton region is located around 180kms north of Melbourne (Goulburn Broken Catchment Management Authority, 2016). The region is known as the Shepparton Irrigation Region as it is located on the banks of the Goulburn river, making it an ideal environment for food production (Goulburn Broken Catchment Management Authority, 2016). Shepparton’s top three agricultural commodities are sheep, dairy and chickens (ABS, 2019). The region is at the heart of the ‘food bowl of Australia’, also producing fruit and vegetables. The region also processes fruit, vegetables and dairy through large processing facilities for both consumption and export (Regional Development Victoria, 2015). Shepparton is located on one of Australia’s major highway networks, within two hours of seaports and Melbourne International Airport, thus it is an ideal region for exporting produce to domestic and international markets. Shepparton’s agricultural production contributes $1.38 billion to the economy (Goulburn Broken Catchment Management Authority, 2016).

Top industries of employment:

1. Health care and social assistance: 13.9%
2. Agriculture, forestry and fishing 11.4%
3. Manufacturing/ food processing 11.3%
Shepparton in context

Smailes, Griffin, and Argent (2019) compared six regional areas in Australia, including Shepparton, Port Lincoln, Murray Bridge, Mildura, Griffith and Dubbo. Shepparton was the only region found to demonstrate sustainable demographic and economic growth over the long term.

After World War II, many regional cities in Australia experienced a rapid population growth due to the baby boom, migration and strong economic conditions (Smailes et al., 2019). Shepparton in particular experienced growth as the irrigation and rural industries expanded, the export market grew, and internal and overseas migrants settled in the region (Beer, Bolam, & Maude, 1994).

At a time when most regional towns were stagnating and rural populations were moving into cities, Shepparton experienced growth due to new irrigation and canning technologies that allowed producers to expand their markets (Beer et al., 1994).

However, the 1980s saw deregulation of the agricultural sector across Australia as neoliberal economic principles aimed at improving efficiency and international competitiveness were introduced (Smailes et al., 2019).

As the region was heavily dependent on primary industry, economic restructuring had major implications. Economic restructuring led to a rapid decline in farm numbers and employment in the primary sector decreased from 25.3% in 1981 to 12.4% in 2011 (Smailes, Griffin, & Argent, 2014). Between 1966 and 1971, the population of Shepparton-Mooroopna grew by 14.4%, however between 1986 and 1991 it only grew by 0.8% (Beer et al., 1994). Between 2011-2016, Shepparton grew by 8% (Smailes et al., 2019).

Following 1981, although the primary industry was experiencing losses, Shepparton’s workforce continued to expand (Smailes et al., 2019). By 2011, the total population and workforce was almost shared equally between Shepparton city, other minor towns and the rural remainder.

Moreover, the rural workforce exceeded its population share, indicating that although rural areas had experienced population losses, those who remained were employed. However, other minor towns in the region attracted a greater population share than workforce, as medical and public service facilities often attracted non-working populations (unemployed, elderly, youth).

In the same time period, other similar regions such as Dubbo experienced an unbalanced concentration of population and unemployed into its regional city (Smailes et al., 2019).
Further, data shows that between 1981 and 2011, the city of Shepparton accounted for only 48.1% of the change in growth of non-farm employment, with the remainder of growth occurring in other minor towns and rural areas.

**The multi-functionality of Shepparton**

According to the authors of the Regional Cities and City Regions in Rural Australian Study, Shepperton’s relative economic and demographic success is attributed to its multifunctionality, compared with the other five regions, underpinned by the combination of the attractiveness of its amenity and its transition to high value farm production.

Multi-functionality is defined as a shift from formerly dominant production goals, towards a more complex mix of production, consumption and protection goals (Holmes, 2006). The multifunctionality of Shepparton relates to how rural land has transformed from a productive farmland to a more nuanced and functional landscape (Smailes et al., 2019). The ability of agricultural regions to be revitalised as functional regions is the outcome of the balance between these three goals.

These goals can be both competing in terms of who owns and controls the land, but complementary in demographic renewal (Smailes et al., 2019). In terms of production, Shepparton has experienced an increasing agricultural over-capacity with very low profit margins. The authors concluded that contemporary revitalisation of regions will be the outcome of the balance between the interplay of production (land use), consumption (amenity) and protection.

As the competitive advantage of the primary sector has declined and the marketability of amenity values has increased, rural landscapes are increasingly used for consumption-based reasons. This can include market-driven uses such as cultural, recreational, tourism, or lifestyle activities, all of which drive diverse employment opportunities, and economic and population growth (Holmes, 2006).

A growing pressure for environmental sustainability, preservation and protection also drives the amenity value of the land and creates opportunities for different types of employment based upon new technologies or environmentally sustainable industries.

**Shepparton’s multifunctional features:**

- Attractive and varied countryside.
- High density of rural settlement.
• Desire for rural landscapes, via cultural, recreational, tourism, or lifestyle activities (e.g. food, wine etc)

• High amenity status: land value ranges from 2-3 to 6-8 times its annual production value (Barr, 2005).

• Accessibility: close to Melbourne, and direct routes to Sydney, Adelaide, and Brisbane.

• Intersection of several regional cities, e.g. Ballarat, Bendigo- an overlap of markets.

Key findings

• While Shepparton has no specific population policy in place, it has sustained economic and population growth over time.

• Population and workforce shares are distributed equally across the region- between city, minor towns and rural.

• Economic diversification across region- non-farm employment in rural areas to balance out the share of the workforce.

• The region taps into its high amenity landscape value/market- driven consumption to sustain its economic and population growth.

• A number of fragmented strategies exist, i.e. Irrigation Management Plan (2015), Shepparton and Mooroopna 2050 Regional City Growth Plan (2019), however over the longer-term Shepparton may need an integrated strategy to sustain and manage current levels of growth.

Key findings of the broader study:

• Long-term demographic sustainability in functional regions is undermined by an absence of policy activity aimed at maintaining periphery areas and their communities.

• Regional cities will have a more secure future if they continue to have a hinterland to serve, populated by viable communities.

• Economic and demographic sequential processes are mutually constitutive, and the former is causative of the latter.

• Demographic processes are less volatile than economic and have life cycle temporal scale which is both more predictable and harder to change.

• For dominantly serviced based cities, the demographic haemorrhage of the periphery hinterland may deprive the service centres of adequate market volume
(scale), and deprive the wider region of critical mass in resources such as human capital.

- Population size and associated industrial diversity to capture and retain a proportion of regional periphery outmigration enables a process of centralisation and overall population concentration within each region.
- Need to focus on functional economic areas rather than administrative boundaries.
- Economic and demographic collapse of periphery areas threatens the future demographic viability of regions as a whole.
- Remoteness and accessibility impact the ability to achieve multifunctionality:
  - Limit opportunities for diversity and scale.

References


