

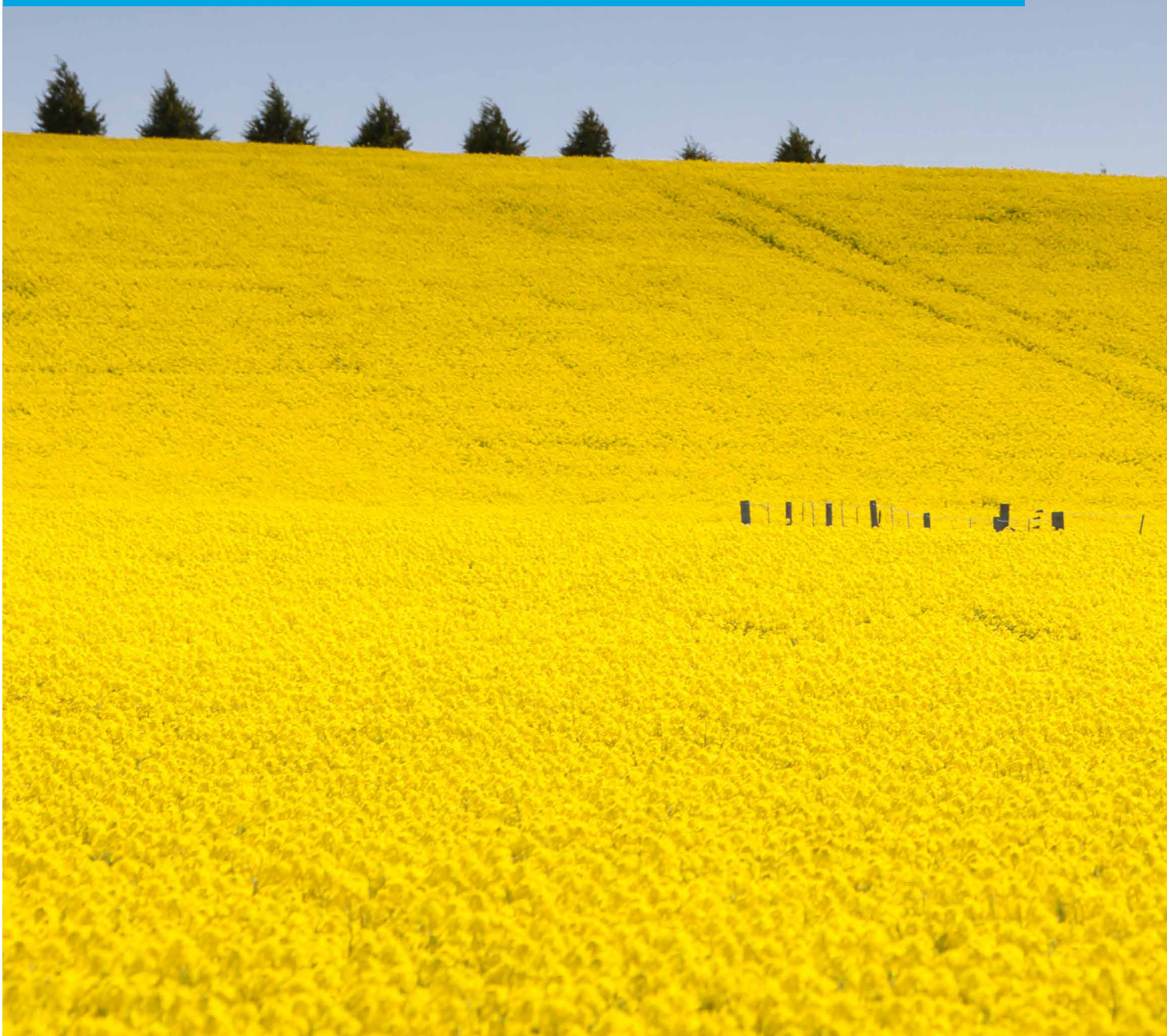
The 2030 Big Picture Series:

Perspectives on the economic opportunities for the Riverina region



Ongoing impacts of COVID-19 have hit the economy hard. Although restrictions due to the pandemic will be temporary, the knock-on effects are likely to last much longer, especially for businesses that had to shut their doors during the crisis.

This whitepaper includes perspectives and recommendations for the Riverina region based on a business-as-usual standpoint. At the time of writing this report, the precise long-term impacts of COVID-19 remained unclear. RSM Australia believes that, once the pandemic shock recedes, businesses should re-evaluate the landscape and seek expert advice regarding new opportunities.





EXECUTIVE SUMMARY

The Riverina region of New South Wales (NSW) spans from Hay and Carrathool in the west to the foothills of the Snowy Mountains in the east and Albury in the south. The region is characterised by strong performance in the manufacturing and agriculture industries. Ongoing improvements in these industries, as well as the growth of businesses and the population generally, make the Riverina an attractive prospect for potential investors.

The broadscale move to remote work during the past year has caused many Australians to re-think their living arrangements and, consequently, picturesque regional areas such as the Riverina have attracted an influx of 'tree-changers', accelerating the population growth that was already anticipated for the area.

Significant opportunities abound in agriculture (especially value-added agriculture), tourism, residential and commercial real estate, and manufacturing.

While 2020 was a challenging year, local councils in the Riverina region took the opportunity to turn negatives into positives wherever possible. Working together with local businesses, chambers of commerce, and other regional authorities, councils have aimed to get their cities and towns back to full functionality fast.

The Riverina region is currently ripe for investment, with significant direct and indirect infrastructure-related investment creating opportunities. Railway upgrades, the development of the Wagga Wagga Special Activation Precinct and Riverina Intermodal Freight and Logistics (RiFL) hub, as well as plans to connect country rail lines to the inland network will make it easier to transport goods to the rest of Australia and to ports for export. These projects are creating massive amounts of employment in the short term as construction is undertaken and will create long-term employment as businesses and councils gear up to utilise the infrastructure once it's in place.

Due to these projects, the growth of the region as a transport and logistics hub will drive economic and investment opportunities across the next decade.

Significant investment in the region recognises the location's strategic importance. It's close to Sydney, Canberra, and Melbourne so companies are beginning to see the area as an important base for transport, logistics, and manufacturing.

The influx of city dwellers to the region is bringing benefits for the community, including new employment opportunities, but it doesn't solve the skills shortage that is present. With more jobs than people, there is plenty of opportunity for those looking to move to regional Australia and develop new skills, with the region keen to transform itself as a key economic hub over the next 10 years.

Given the active involvement of local councils, investment by the state and federal governments, and growth in key industries, the Riverina region offers many opportunities for savvy investors who could potentially see strong returns by 2030.

THE REGION

The Riverina is a rich agricultural region in south-western NSW. Water comes from the famous Murrumbidgee River, with irrigation areas around Griffith and Leeton contributing to the Riverina's reputation as the food bowl of Australia. The Murrumbidgee Irrigation Area, formed in 1912, controls and diverts river and creek systems around the Murrumbidgee and Tumut rivers to provide water to agricultural land.



The region benefits from varied soil types and landforms, a warm climate, and a mostly stable supply of water. The main industries of agriculture and manufacturing are intertwined, with food processing and other value-add manufacturing stemming from agricultural production. Wood processing is also a key industry. The most important area for employment in the region is agriculture, followed by healthcare and social assistance, retail, and manufacturing.

The regional centre of Wagga Wagga sits roughly equidistant from Sydney and Melbourne, ideally positioning it for trade with both cities. High-speed internet is available through much of the region, with almost three-quarters of dwellings connected to the internet as of 2016, with the National Broadband Network being progressively rolled out.

The region's other main centre, Albury, sits on the Victorian border and has a population just shy of 54,000.¹ The Albury City Council has planned significant investments to increase the city's livability and provide business opportunities in the region.²

The Riverina's economy generates an estimated \$21.68 billion per annum, led by manufacturing at just under \$5 billion and agriculture, forestry and fishing at \$2.3 billion. The value-added contribution of \$9.88 billion is also driven by manufacturing and agriculture, followed by public administration and safety (for example, policing).

There are more than 18,000 registered businesses in the region, with one in four of these employing between one and four people. The number of registered businesses is growing by almost one percent year-on-year.³

THE POPULATION

The region covers an area of 97,800 square kilometres, making it larger than Tasmania. In 2019, the population was approximately 170,000⁴ and this is expected to grow to 187,500 by 2036. Concerningly, the Riverina's population is aging. By 2036, more than 25% of the region's population will be aged 65 or older.

The Riverina is home to Australians of all descents, with 81.5% of the population born in Australia. Other residents were born in Southern Asia, the United Kingdom, New Zealand,

Southern Europe, and maritime South-East Asia (including Malaysia, Singapore, Indonesia, the Philippines, Brunei, and East Timor).

More than 36,000 people living in the Riverina are attending educational institutions.

The median weekly income for individuals is slightly higher in the Riverina compared with the rest of NSW, while family and household incomes are slightly lower. However, a lower cost of living in the Riverina more than likely offsets this difference.

The local government authorities in the Riverina region include:

- Albury
- Berrigan
- Edward River
- Federation
- Greater Hume
- Gundagai/Cootamundra
- Griffith
- Leeton
- Murray River
- Snowy Valleys
- Wagga Wagga⁵

HEALTH AND EDUCATION

The Riverina has more than 150 schools and 14 higher education and vocational training facilities. Most towns have at least one public and one private school. The Riverina Anglican College in Wagga Wagga is the only regionally located secondary school offering the International Baccalaureate (IB) program. Further education is provided by Charles Sturt University with a large campus in Wagga Wagga, and one in Albury-Wodonga. TAFE NSW has campuses in Wagga Wagga, Temora, Tumut, Narrandera, Leeton, Hay, Griffith, Cootamundra, and West Wyalong. Western Riverina Community College has campuses in Leeton and Griffith, while Riverina Community College is located in Wagga Wagga, and Tocal College in Yanco.

Riverina residents have access to state-of-the-art medical facilities due to government investment. This includes a \$431 million investment in the Wagga Wagga Health Service redevelopment. Griffith, Tumut, Tumbarumba, and Temora also offer a range of public and private medical and allied health services. The Tumut hospital was approved for a \$50 million upgrade in late 2018.⁶ The Albury region alone offers 50 private and public hospitals.⁷

¹ www.alburycity.nsw.gov.au/news/2020/jan/economic-indicators-updated

² www.alburycity.nsw.gov.au/major-projects

^{3,5} Regional Development Australia: Riverina NSW: Riverina Regional Profile. January, 2018

⁴ Regional Development Australia: *Country Change: Inspiring Australian Lifestyles Riverina*. Spring, 2020

TRANSPORT

The Riverina region has limited public transport options available. However, significant investment in the Riverina Intermodal Freight and Logistics (RiFL) hub and plans to connect the Riverina to the Inland Rail line will create strong opportunities for freight transport for businesses in the area.

The Australian government has committed \$44 million to the Inland Rail Interface Improvement Program to develop ideas for more productive rail-based supply chains, as well as increased capacity on key country rail lines that intersect with Inland Rail. Primarily, the project aims to increase the amount of freight on the Inland Rail by reducing costs and improving services. This will help make local industries more competitive and shift freight from the more expensive road option to rail for at least part of the journey. Lowering road traffic will also reduce its environmental impacts.⁸

When it comes to air travel, Wagga Wagga is the home of regional airline, Rex, and services are expected to return to normal once the COVID-19 threat recedes. An increased population and more tourism attractions in the Riverina will provide an opportunity for airlines to consider additional services to Brisbane and/or the Gold Coast from Wagga Wagga.

Qantas will operate flights between Albury and Brisbane for the 2021 ski season, facilitating tourism in both locations. Albury is the region's gateway to the ski fields and this service will help drive the post-COVID-19 recovery. This comes alongside the planned airport precinct expansion and security improvements that will help the Albury airport prepare for future demand. This will also create more opportunity for people to live in Albury while working remotely, facilitating travel to major capital centres including Melbourne and Sydney.



OPPORTUNITIES

Wagga Wagga Special Activation Precinct

The Wagga Wagga Special Activation Precinct (SAP) will cover an area of approximately 4,500 hectares, with 300 hectares already developed as part of the Bomen Business Park. The precinct will incorporate the Riverina Intermodal Freight and Logistics (RiFL) hub to create faster and easier access to national and international markets for regional producers. This is expected to create 6,000 jobs and is funded in part by the \$4.2 billion Snowy Hydro Legacy Fund.⁹

The expansion of the Bomen industrial area will include more than 1,000 hectares of heavy industrial-zoned greenfield land, the direct Inland Rail interface managed by Visy Logistics, and ongoing operations by Teys Australia, Riverina Oils & Bio Energy, Enirgi, Southern Oils, Livestock Marketing Centre, Proway, and more. With land selling for around 10 per cent of the cost of an equivalent block in Western Sydney, this creates a significant opportunity for investment in the region.¹⁰

Part of the purpose of the SAP is to reduce the red tape and delay associated with getting business expansion off the ground. In the past, it could take anywhere from 18 months to two years to get certainty around business planning. Within the SAP, the planning timeframe takes 30 days from application to approval, including all relevant government agencies, and then businesses can begin construction. This reduces risk and costs, and provides businesses with a greater level of certainty.

As part of the Snowy Hydro Legacy Fund, businesses in the SAP will be supported by concierges who can help link the business with other businesses for new opportunities. This will help new, existing, and future businesses to identify and leverage circular economy pathways such as in supply chain and logistics.

Riverina Intermodal Freight and Logistics (RiFL) hub

One of the core and most important features of the SAP is the RiFL hub, which has received federal and state government funding, as well as substantial investment from the Wagga Wagga City Council and Visy Logistics. The RiFL hub sits on the southern railway line linking Melbourne and Sydney, giving businesses in the Riverina region easier access to goods transport for domestic and international markets. This will help drive growth, create jobs, and increase productivity. On completion, the RiFL hub is expected to double freight volumes by 2030 and triple them by 2050.¹¹

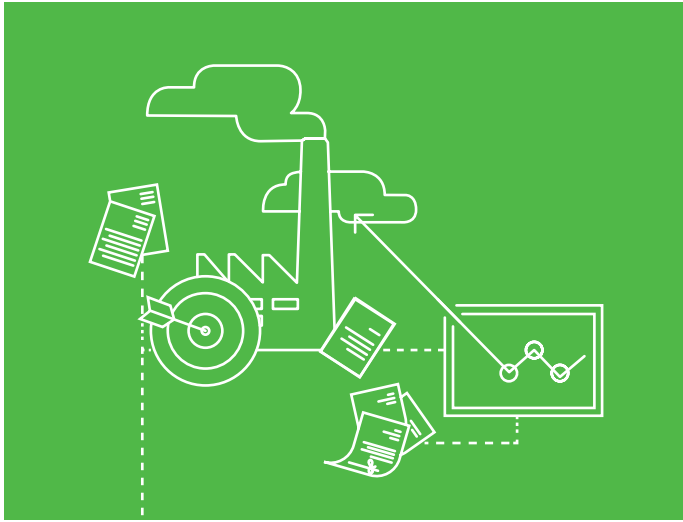
⁶ www.mlhd.health.nsw.gov.au/about-us/tumut-hospital-redevelopment

⁷ www.healthdirect.gov.au/australian-health-services/results/albury-2640/tihcs-aht-11440/hospitals?undefined=&pageIndex=3&tab=SITE_VISIT

⁸ www.inlandrail.gov.au/for-business/interface-improvement-program

⁹ www.nsw.gov.au/snowy-hydro-legacy-fund/special-activation-precincts/wagga-wagga-special-activation-precinct

¹⁰ wagga.nsw.gov.au/business-investment/regional-investment-and-projects/special-activation-precinct



There is currently significant upgrading of the railway lines that feed into the trunk line of the Inland Rail. This is creating temporary employment and increasing the speed with which trains can access those lines. As a result, it is popularising and streamlining the use of rail to transport goods to market. It is also making Riverina products more attractive and affordable for international markets.

As a flow-on effect, producers and manufacturers who may have seen distance as a barrier before are now encouraged to establish their operations in the Riverina, where lower costs of land and labour can benefit the business, while products can still reach markets in a timely fashion.

Griffith-area producers will benefit from the proposed refrigeration storage capacity at the RiFL because it transports citrus, wine, olives, chickens, and more. Currently, more than 60 containers a day are transported from Griffith to Melbourne; using the rail service can add the option to send this produce to Sydney or even up to Brisbane.

The RiFL will be operating by 2022, while the national inland rail program is scheduled for completion in 2025. It will service 80 per cent of the Australian eastern seaboard within 32 hours, creating huge business opportunities for Riverina producers and manufacturers.

NEXUS industrial precinct

The Wagga Wagga SAP is complemented by the NEXUS industrial precinct located at Ettamogah, 10 kilometres north of Albury. It also includes an intermodal hub, and spans the Hume Freeway, delivering quality transport infrastructure for businesses in the Albury area. The NEXUS industrial precinct will be home to a \$45 million plastics recycling facility, aligning with the Albury City Council's aim to establish the NEXUS precinct as a renewable energy hub.

This \$30 million project is bolstered by a \$9.9 million contribution from the state government, funded from the Restart NSW Fund, and a further \$7.9 million contribution from the Australian government. The 450-hectare site is expected to generate \$1.5 billion in gross regional product for the Albury economy annually, and create almost 10,000 jobs over the next 30 years.¹²

One of the major projects to call the NEXUS precinct home is the \$45 million recycling plant, developed as a joint venture between Pact Group Holdings Ltd, Cleanaway Waste Management Ltd, and Asahi Beverages. The facility will recycle the equivalent of one billion 600mL PET plastic bottles each year. These bottles will be used as raw material to produce new bottles and other packaging. This will create a circular economy and create more than 300 direct and indirect jobs, according to a statement released by the joint venture participants.¹³

Regional Deal

Albury will benefit from being one of only three regions to participate in a Regional Deal. The Albury Wodonga Regional Deal is a collaboration between the Australian, NSW, and Victorian governments, plus the Albury and Wodonga city councils. It's the first cross-border deal, aiming to harmonise some of the regulatory barriers the region faces.¹⁴ The deal will identify transformational, game-changing opportunities that the various levels of government can partner on in the next decade to drive population growth and investment, and ensure the community reaches its full potential.

This may include a business concierge service that facilitates direct conversations between business and government to overcome the red tape that can hinder growth. This will play a key role in attracting investment to the area as it will create a more conducive landscape for businesses looking to innovate and expand in the Albury region.

Government investment in infrastructure and manufacturing

Never before has the region attracted such a significant level of infrastructure investment from all levels of government. Preparation for population growth is well underway.

¹¹ wagga.nsw.gov.au/projects/rifl

¹² www.alburycity.nsw.gov.au/major-projects/nexus

¹³ www.asahi.com.au/images/media/3_Aug_release_Recycling_Plant_in_Albury.pdf

¹⁴ minister.infrastructure.gov.au/mccormack/media-release/exciting-regional-deal-albury-wodonga



Wagga Wagga Base Hospital

The NSW government is investing more than \$430 million in the Wagga Wagga Health Service Redevelopment, which has already completed a new Acute Services Building, 50-bed mental health unit, new pathology unit, and other upgrades. Stage three of the redevelopment will include a purpose-built Ambulatory Care Building that includes facilities for Aboriginal health, aged care, allied health, community and older person's mental health, drug and alcohol services, oral health, a rehabilitation inpatient unit, and more. In addition, BreastScreen NSW has relocated to Wagga Wagga's CBD.¹⁵

The effect of these upgrade works can be measured in terms of economic impacts, such as a prospective uplift in business activities and employment. More than two-thirds (68 per cent) of the construction workforce is made up of local workers, for example. A study conducted by the Regional Australia Institute found that investment in public health infrastructure leads to growth in health jobs, and that healthcare is a significant growth employment area in Wagga Wagga. This is likely to attract further private investment, according to the study.¹⁶

The Wagga Wagga City Council has also developed a master plan for the health and education precinct, which includes private and public hospital and university partners. For example, the University of New South Wales created a new teaching facility to offer the full degree in medicine for the first time in regional Australia. This is likely to attract both regional and metropolitan students to the region, many of whom will remain and build their careers in healthcare in the Riverina. The health precinct currently supports 6,000 employees and this is expected to double in the next decade as Wagga Wagga cements its reputation as a regional hub for healthcare.

Work is also commencing on the Griffith hospital upgrade, which will see \$250 million spent in the next 10 years.

National gas pipeline

Australia has more than 39,000 kilometres of natural gas transmission pipelines that transport natural gas for energy across the country.¹⁷ The Wagga Wagga pipeline is owned by Australian Gas Networks and operated by the APA Group. The network is approximately 690 kilometres and delivers gas to around 23,800 customers.¹⁸

Wagga Wagga has had natural gas since the 1980s and, with government funding, built a large pipeline that has extended to Albury and is part of the national system.

Defence industry

The government is investing \$10 billion over the next decade into defence facilities in NSW. This includes the redevelopment of Wagga Wagga bases, ensuring the city's ongoing strategic importance to Australia's defence industry.

The Royal Australian Air Force (RAAF) base and Army Recruit Training Centre at Blamey Barracks, Kapooka, will receive improvements in infrastructure, including electrical, information and communications technology, and water remediation. Local small businesses will be invited to tender for work through the government's Local Industry Capability Plan initiative.¹⁹

These defence bases contribute significantly to the local economy both in terms of servicepeople currently stationed there, and returned servicepeople who make their home in the region after retiring.

Agriculture

The Riverina is known as the food bowl of Australia, and for good reason. Agricultural land accounts for 78 per cent of the region's total area, with the most common land use by area dedicated to grazing modified pastures. The region is known for cattle and calves (\$334 million), wheat (\$301 million) and poultry (\$272 million).²⁰

¹⁵ www.hinfra.health.nsw.gov.au/our-projects/project-search/wagga-wagga-health-service-redevelopment-stages-1-

¹⁶ The Regional Australia Institute, *Regional Economic Impacts of Public Hospital Investment*, Canberra, The Regional Australia Institute (2018).

¹⁷ www.apga.org.au/pipeline-facts-and-figures

¹⁸ www.aemc.gov.au/energy-rules/national-gas-rules/gas-scheme-register/nsw-wagga-wagga-distribution-network-0

¹⁹ www.minister.defence.gov.au/minister/lreynolds/media-releases/upgrades-wagga-defence-establishments

²⁰ www.agriculture.gov.au/abares/research-topics/aboutmyregion/nsw-riverina#regional-overview

The Riverina also includes the Murrumbidgee Irrigation Area and Coleambally Irrigation Area, which, together, provide more than one-quarter of the fruit and vegetable production in NSW. Cotton, aquaculture, and nut industries are also growing.²¹

Water access is a key challenge, with some areas getting relatively stable access to water while others are not so fortunate. Part of the greater Murray–Darling Basin, the Riverina depends on water allocations for its thriving agriculture industry. Water remains a contentious issue, with legal disputes over emergency water channels and Commonwealth taxpayer-funded water-saving pipelines, among others.²²

Value-added agriculture is a huge growth area for the Riverina, as are agricultural technology and agricultural research. The development of automated machinery and precision agriculture techniques are shifting the nature of agriculture employment while also creating opportunities for investment.

Land prices have been increasing sharply year-on-year, even throughout the drought. Farms are becoming bigger and, despite more corporate ownership, larger family-owned farms aren't yet being squeezed out. However, larger farms and fewer owners has created challenges. For example, fewer people are available to volunteer for community services such as the Rural Fire Service, and fewer children require school facilities.

On the positive side, agricultural machinery is becoming larger and more sophisticated, which is changing the nature of jobs that require more technical and specialist skills. This has increased the diversity within rural communities and grown the average wage, which has had a flow-on effect to the rest of the region.

However, crops grown in the Riverina are being affected by climate change, making it harder to grow the region's traditional crops of wheat, oats, barley, and canola. Farmers in the region are therefore becoming more open to alternative ideas. For example, there is more research being undertaken into growing pulses and other crops in response to the growing demand for plant-based protein sources, which is also providing farmers with greater choice when it comes to making decisions about which crops to plant.

At the same time, there is a return to mixed farming. With the price of livestock increasing, there is a shift back towards livestock farming in conjunction with cropping.

In Griffith, for example, agriculture is driven by access to irrigation water. Griffith is home to Australia's largest poultry producer and farms produce almost one-third of Australia's citrus including oranges, lemons, mandarins, and grapefruit. Griffith also boasts an award-winning sustainable aquaculture enterprise and has fastest wine bottling line in the world. In 2019, producers from Griffith

alone exported products worth \$814 million to more than 60 countries. The region attracted investments worth \$34 million (commercial) and \$45 million (residential) in 2019.²³

In the future, Griffith City Council would like to attract an irrigation centre of excellence to help producers in the area understand how to make the most of limited water allocations. The Murray Darling Basin Authority has already planned to relocate 30 jobs to Griffith.

Forestry and orchid industries in the Snowy Valleys were decimated by the summer 2019/20 bushfires. Recovery could take a minimum of 10 years for the orchid industry and closer to 20 or 30 years for forestry. The state government is investing in these industries to help speed up recovery. Opportunities around tourism will also help contribute to funding for renewal.

With opportunities to brand products from the Riverina for overseas markets, farmers may potentially sell products for a higher price, effectively increasing their income while growing less. This will depend on their ability to expand into new markets such as India, Japan, and the European Union, where prices are more elastic.

Research and development

Agriculture is on the cusp of a massive transformation as a plethora of data becomes available to decision-makers. This is causing profound changes as farming enterprises become more digitised. The focus on data isn't just about collection and analysis, but also putting data into context. The average farm worker in 2030 will be data-focused and tech-savvy, helping farmers use data-led insights to make smarter decisions in a more timely manner.

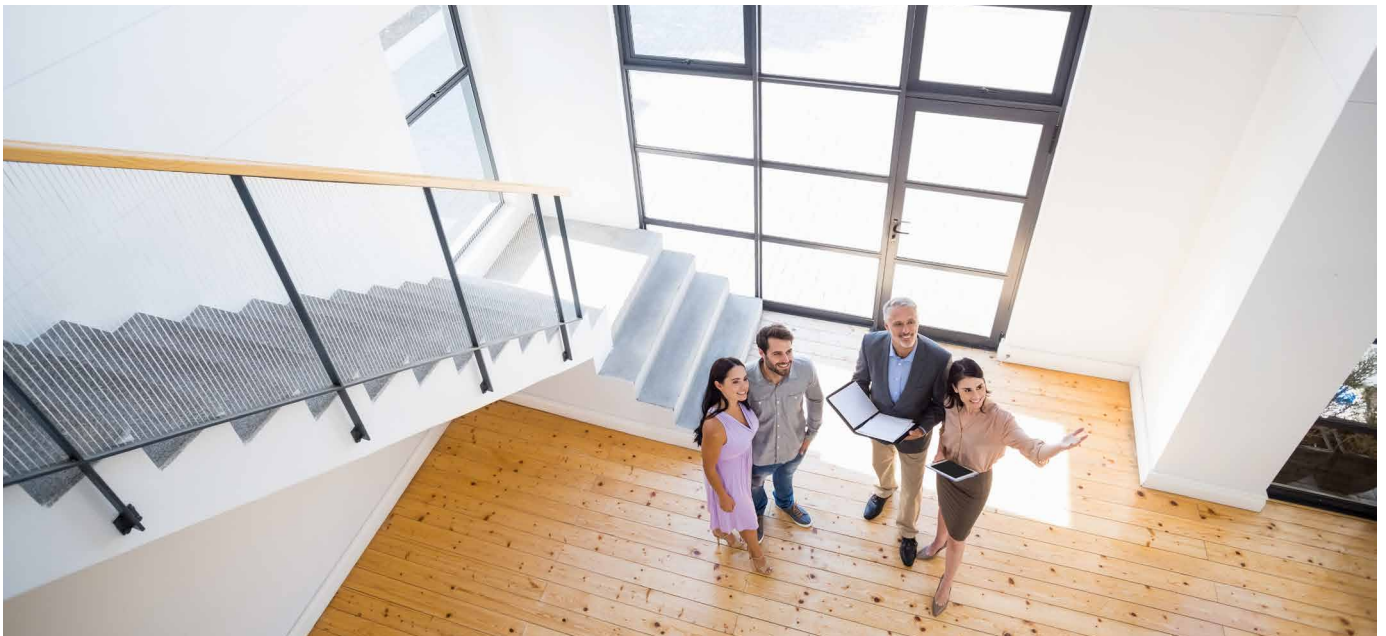
The focus for agricultural research in the next 10 years is likely to become more multidisciplinary. Local research and development corporations (RDCs) are likely to work together to develop larger projects and focus on a more holistic, regional-based funding model rather than the current model where individual RDCs receive government funds that match grower levies.

Drought-focused research is being deployed across Australia, which is essential for the Riverina region to understand how to do more with less water. This reflects a need to not just build better science into agriculture, but also to develop more resilient communities around agricultural towns and regional centres so regional prosperity is increased.

²¹ Regional Development Australia: *Country Change: Inspiring Australian Lifestyles Riverina*. Spring, 2020

²² www.abc.net.au/news/2019-03-08/deadlock-over-water-access-for-riverina-farmers/10832722

²³ Griffith City Council Economic Development Unit: *2020 Investment Prospectus: 2020 Invest Griffith*. 2020



There will be greater emphasis on privately funded research, especially if the government reduces its research investment in response to unplanned spending associated with COVID-19. As more private enterprises invest in research, results are likely to be commercialised more quickly and research projects spun off into startup companies, especially in the technology sector. It's important to ensure that research projects are geared towards benefitting farmers to avoid a bubble occurring in which projects are funded and commercialised without offering any real industry or societal benefit.

The Charles Sturt University campus at Wagga Wagga has created a world-class facility for agricultural research. This benefits both the Riverina region and the rest of Australia, contributing to the region's and the country's ability to act as a food bowl for the entire world.

Tourism

Tourism presents a key investment opportunity in the Riverina region, especially when it comes to agriculture-related tourism and experiences associated with value-added agriculture. Local producers are increasingly expanding their operations from simply producing a raw product to manufacturing consumer-ready products, then bringing consumers to the farm to try that product in a cellar door-like experience. This puts a higher value on the product and makes consumers more likely to purchase Riverina brands when they're back home.

People's appetite to travel long distances or overseas has been dampened due to COVID-19, creating even more opportunity for tourism in the Riverina region in the short term due to its relative proximity to Sydney, Canberra, and Melbourne.

As a food bowl with good vineyards, the Riverina is also attracting increased investment in boutique wineries and breweries, with opportunities for hiking, high-end accommodation, fishing, and more. The Whitton Malt

House is a key example. It takes visitors on a journey from the farm gate across the malting process. The business partners with farmers, malting experts, leading brewers, and distillers to offer a tourism experience that includes accommodation and events, as well as agritourism experiences. This is a prime example of the type of diversification that can turn agricultural businesses into agritourism powerhouses.²⁴

Residential real estate

While a growing number of 'tree-changers' are moving to the Riverina, which is pushing up property prices, the median real estate prices in the Riverina are still far below those in the rest of NSW, let alone metropolitan Sydney.

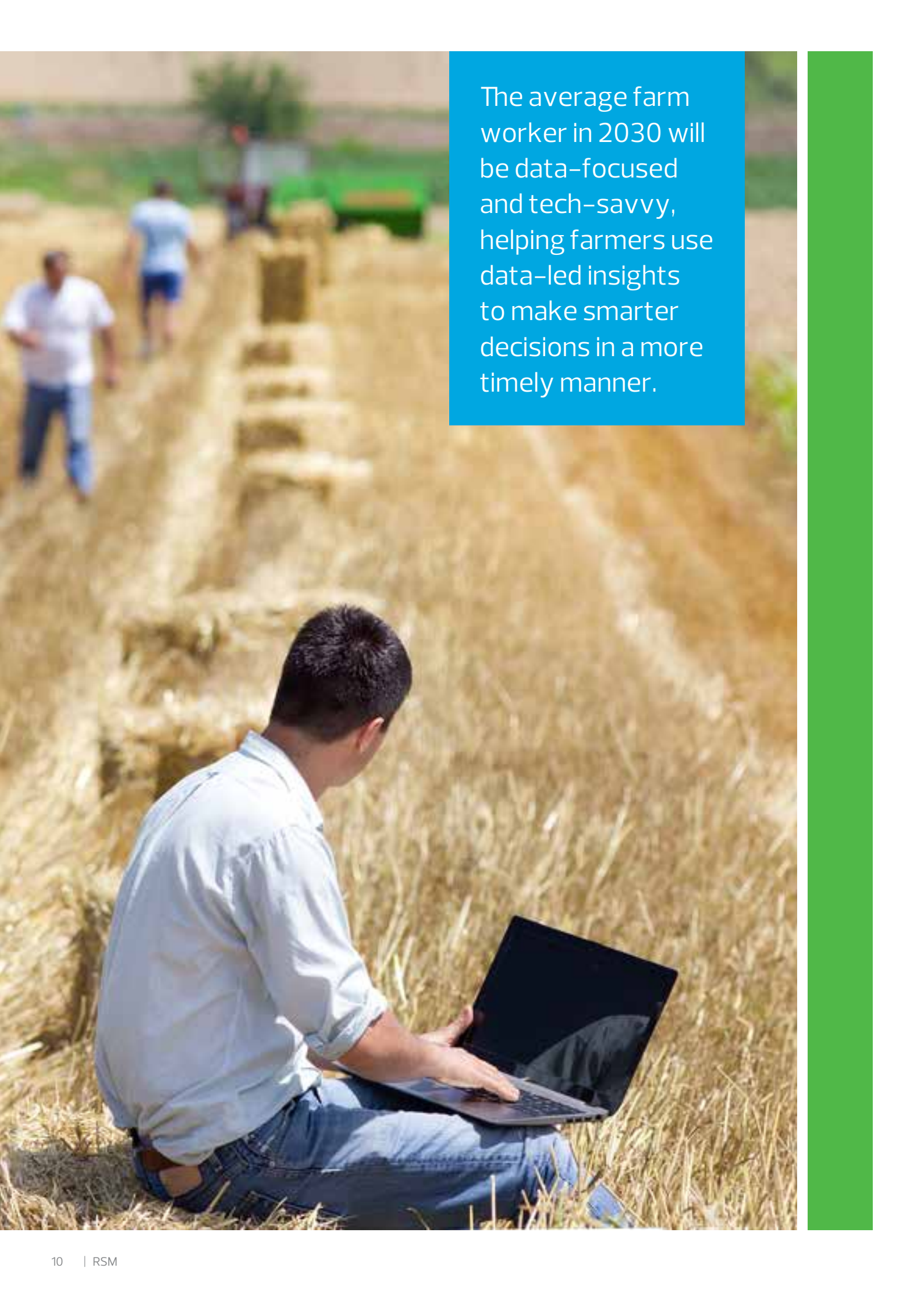
Residents purchasing a home in Sydney pay a median price of \$775,000 or \$510 per week in rent, while those in the rest of NSW pay closer to \$430,000 to purchase or \$350 per week to rent a home. The median house price in Albury is \$590,000 to buy or \$360 per week to rent.²⁵ By contrast, the most expensive median house price in the regional centre of Wagga Wagga is \$347,728 to buy, or \$340 per week to rent. Homes in the Riverina tend to range between \$120,000 and \$350,000 to buy or \$150 to \$340 per week to rent.²⁶

These homes often boast large yards and more overall space than their city counterparts. However, the supply of housing, especially affordable housing, is dwindling rapidly as the Riverina grows. This is likely to push prices up further. In Albury, for example, residential vacancy rates are at less than one per cent while new lots and new houses are being constructed at unprecedented rates, according to the Albury City Council.

²⁴ whittonmalthouse.com.au

²⁵ www.realestate.com.au/neighbourhoods/albury-2640-nsw

²⁶ Regional Development Australia: *Country Change: Inspiring Australian Lifestyles Riverina*. Spring, 2020



The average farm worker in 2030 will be data-focused and tech-savvy, helping farmers use data-led insights to make smarter decisions in a more timely manner.

There is, therefore, massive opportunity for investors to develop land and construct homes, especially as ongoing growth creates strong demand for housing, with nowhere near enough supply. Opportunities for expansion include infilling developed areas closer to the CBD by subdividing existing blocks, as well as pushing outwards into new areas. Surrounding villages are also likely to expand further.

Meanwhile, councils are looking at ways to attract even further migration to the region by making their cities as livable as possible. This is essential as centres such as Wagga Wagga look to grow significantly in the next decade. This growth will undoubtedly create infrastructure demands and other issues that need to be resolved but councils are preparing for these challenges.

The state government has invested in a new ambulance station, police station, and courthouse, with private investment of around \$180 million for commercial and residential space within a few blocks of the Wagga Wagga CBD, creating further interest in the city. The Wagga Wagga City Council is spending \$20 million on cycleways and pedestrian walkways through the city, along with end-of-trip facilities where commuters can store bicycles, have showers, and get changed.

As a multicultural city in which 112 nationalities are represented, Wagga Wagga is a refugee-welcome city, creating more opportunities for residential real estate investment. Money is being invested in public and private housing, including affordable housing, which will help the community at large.

There is a strong need for social housing in Wagga Wagga. The city council has a substantial landholding and, by partnering with the state government and a not-for-profit housing developer, the council plans to remodel the area in the Tolland suburb over the next 10 years. This will result in more than 450 homes for social housing and private investment. It will also provide opportunities for some people who are in social housing to acquire their own home over a period of time.

In Griffith, the council has commissioned an economic development strategy and tourism destination management plan, which will be released in the coming year. These will focus on accommodation as a huge growth area, including purpose-built accommodation for visitors such as sporting teams. Residential housing forms the bulk of this planning and it's recognised that the big challenge will be to continue to provide housing options as the city grows.



Electricity and renewable energy

With the national grid capacity under pressure, new opportunities for renewable energy will open up.

Currently, studies are being done to assess the feasibility of building a 500kVA transmission line from the Snowy Hydro 2.0 electricity generation plant to Wagga Wagga. This would require massive investment but, combined with a potential 330kVA line from Wagga Wagga to the South Australian border, would help make Wagga Wagga an electricity transmission hub for Australia.

Solar farms

The Riverina is home to several largescale solar farms either in place or proposed. These include one adjacent to the Griffith substation²⁷, and one each in West Wyalong²⁸, Culcairn²⁹, Bomen³⁰, and a proposed solar farm 50 kilometres northeast of Wagga Wagga³¹. A small 'solar garden' is being built to offer virtual solar plots for Riverina community members who don't have the roof space for solar panels.³²

There is some opposition to solar farms from various corners. For example, the Greater Hume Shire Council has formally rejected the proposed Culcairn solar farm because, according to the council, it would result in the loss of high-quality agricultural land, create a bushfire risk, and impact the environment. Furthermore, solar farms create short-term jobs only, reducing their economic benefit to the region.³³

Hydrogen

The SAP at Bomen is Australia's first green hydrogen hub, powered by sustainable energy.³⁴ The NSW Department of Primary Industries highlighted hydrogen power at an expo in Wagga Wagga in late 2019.³⁵ This will provide significant investment opportunities, and the SAP is likely to be the main hydrogen production centre in regional NSW. It will also be the first in Australia with a fully reticulated network to transport the hydrogen around the industrial park for energy.

²⁷ www.riverinasolar.com/#:~:text=PROJECT%20OVERVIEW,solar%20farms%20in%20the%20region

²⁸ www.pv-magazine-australia.com/2019/12/05/another-riverina-solar-project-gets-go-ahead

²⁹ culcairnsolarfarm.com.au

³⁰ rdariverina.org.au/news/2019/5/10/bomen-solar-farm


³¹ www.tiltrenewables.com/assets-and-projects/illabo-solar-farm

³² onestepoffthegrid.com.au/australias-biggest-solar-garden-opens-for-membership-in-nsw-riverina

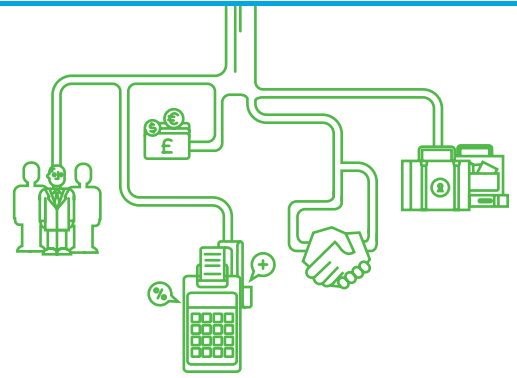
³³ www.abc.net.au/news/2020-06-18/council-still-not-sold-on-solar-farm-project-at-culcairn/12369398

³⁴ www.nsw.gov.au/media-releases/6000-new-jobs-for-wagga-wagga-special-activation-precinct

³⁵ www.dpi.nsw.gov.au/about-us/media-centre/releases/2019/national-focus-on-renewable-energy-in-wagga

A man with dark hair and a beard, wearing a white button-down shirt and a dark blue vest, is smiling. The background is a light grey-blue gradient. There are three overlapping rounded rectangular boxes in blue, green, and grey. A text box with a blue border is positioned on the left side of the image.

In the Riverina, there are hundreds of businesses across industries that are well-placed to grow and expand but can't find enough skilled people to fill the roles that are available.



Retail

While retail businesses faced significant pressure in the face of COVID-19, and many shops in regional areas were unable to stay open, there is still significant opportunity in the retail space. Personal care services such as hairdressers and beauticians are growing, as are hospitality businesses such as cafes in the high street. Even as retailers compete with online stores, local shops with a unique offer are still thriving.

The growing and increasingly diverse population is likely to result in higher average wages caused by increased job specialisation. This will also benefit retailers that offer specialised, focused, and unique products or services.

National chain stores and shops selling items that are easily purchased online will suffer as a result of increased access to online shopping. Australia Post and courier services are growing exponentially as these online purchases need to be delivered, so this is creating opportunities for investment in logistics.

In Griffith, the council is helping local retailers understand how they can get online and compete more effectively for online shoppers. This includes training on how to create a website, develop a digital marketing plan, and so on. The council is also using a card system to encourage people to support local retailers, with a focus on council events on the retail strip.

In Albury, investors are committing millions to create new retail spaces, with the investment likely to attract more developers and retailers to the area.

While the overall outlook for retail is relatively optimistic, there are challenges in the long term. Reduced immigration due to COVID-19 may have a medium-term effect on population growth, as will the lower numbers of international and local students at the Riverina's educational institutions. This will potentially reduce retail demand if the region fails to attract sufficient domestic migration. However, towards the end of the decade as COVID-19 vaccines become widely available, this may no longer be an issue.

Not-for-profit organisations

Demand for services in the not-for-profit (NFP) space is likely to continue to grow as the Riverina community evolves. As the population grows it is becoming more culturally diverse. At the same time, many larger businesses such as banks and department stores have withdrawn from small communities, leaving a gap that can be filled by NFP organisations such as mutuals, co-ops, and building societies. This presents an opportunity for communities to form their own solution to the problems created when large corporations leave the area.

There is also a large underprivileged area especially in Wagga Wagga, creating a need for support services and charity organisations. However, just like other industries, the NFP sector is suffering from a skills shortage. For example, the Wagga Women's Centre is receiving significant government support but is struggling to get skilled workers.

In the short term, NFP organisations in the Riverina may continue to suffer from donation fatigue as locals gave generously in the wake of the devastating bushfires in the summer of 2019/20. Businesses and individuals are currently less likely to have money to donate but this will likely settle back down in time. Meanwhile, there are always marketing opportunities, so sporting clubs and other organisations that need sponsorship will succeed if they can position their request as a win-win with target stakeholders.

Additional opportunities

In the Riverina, there are hundreds of businesses across industries that are well-placed to grow and expand but can't find enough skilled people to fill the roles that are available.

The Riverina will continue to grow in the next 10 years, offering many investment opportunities. While we have explored the main areas for opportunity, additional opportunities for investment may include:

- **Goldmining**
With the Riverina traditionally boasting productive goldmines, this is likely to remain an investment driver in the next 10 years subject to the base price of gold remaining strong.
- **Aviation**
Pilot training centres are planned for Temora and Narrandera, and a training centre already exists in Wagga Wagga. Interest in aerospace engineering is also starting to emerge and there is plenty of opportunity for investment in the research and development arena.
- **Aged care services**
The Riverina is ahead of the aging curve compared to the rest of the nation. The aging population is a large market in this region and will only continue to grow, making aged care services a key investment opportunity.
- **Hospitality**
As the region continues to grow as a tourist destination, and retail opportunities focus on service-based businesses such as restaurants and cafes, the need for hospitality workers will continue to grow.

FUTURE CONSIDERATIONS

Challenges around accessing finance for business

Most councils and regional development organisations across the Riverina offer financial incentives to encourage investment in the region. For example, Destination Riverina Murray has helped local entrepreneurs and investors access matched funds to build accommodation to attract visitors to the area. The state government is funding a new building at the Riverina Conservatorium of Music in Wagga Wagga to the tune of \$16 million. The PCYC in Wagga Wagga has also attracted a \$20 million investment.

While funding is often available for businesses looking to set up or expand in the Riverina region, it's important for investors to be aware of the banks' general reluctance to lend at the moment. This may settle down as the economy recovers over the longer term but could stymie investment in the short term.

Ongoing effects of COVID-19

The hard border closures between NSW and Victoria created significant issues for Albury in the south of the Riverina. As a border city, Albury suffered in terms of retail turnover, tourism, and general difficulties associated with doing business as a border city.

Open borders should bring the region back to something approaching normal but it's still too early to say when the borders will be fully open for the long term. For now, the effects of the pandemic on the Riverina region are mixed. For example, while remote work opportunities have encouraged 'tree-changers' to move to regional Australia, new people are moving to the region already equipped with jobs they can do remotely, so they're not always looking to fill roles for local businesses. However, those looking for a genuine 'tree change' may join local businesses or even start their own enterprises in the region, contributing to economic growth. Either way, the influx of people can have a positive effect on the retail sector and residential housing industry, and people coming to visit them contributes to the tourism industry.

Finding skilled workers is likely to remain a challenge for some time. While the Riverina's agricultural sector has seen bumper crops, there are issues around finding people to pick the crops. Traditionally, the sector relied on international backpackers. With COVID-19 restrictions in place, these farmers may have to find other labour sources. This may include setting up a gap year for Australian school-leavers to have a regional experience that includes fruit picking.

Most businesses spent 2020 making hard decisions that allowed their businesses to weather the COVID-19 storm. This will have increased the overall resilience of many businesses, and created new opportunities to generate revenue. The increased collaboration among councils and other regional authorities has proven to be a positive outcome of 2020, and makes the business landscape for the Riverina to 2030 relatively attractive.

Where to from here

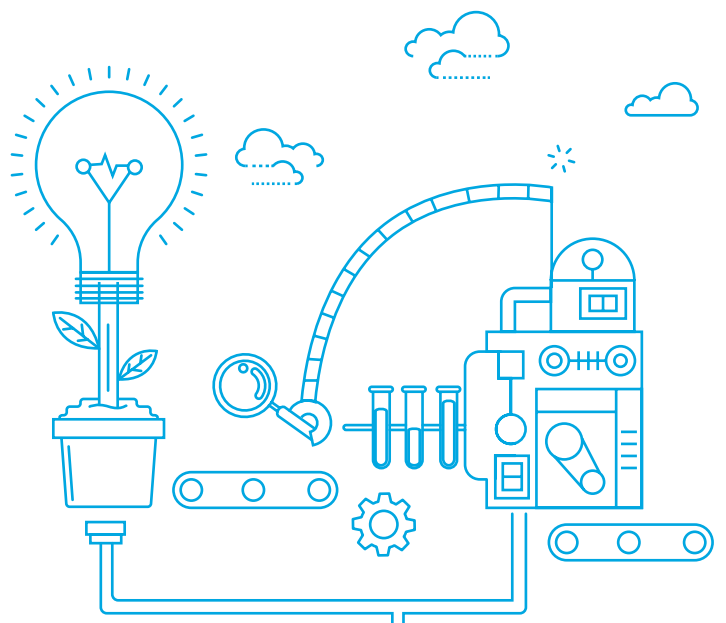
The challenges of 2020 that completely changed the way urban Australia operated have left the Riverina in a relatively strong position. While there have been impacts, there are still significant opportunities for investment between now and 2030.

Industry remains strong in the Riverina and investment into infrastructure, transport, health, and education have the region primed for growth. Drought could affect the all-important agricultural industry. However, ongoing research into how to improve resilience in the face of drought, plus diversified farming operations and the availability of water allocations, means that this risk should not, on its own, preclude investment.

Charting a course for 2030

With so much government-funded investment into business-focused infrastructure and opportunities in the Riverina, the decade to 2030 could be highly profitable for savvy investors. The clear areas for immediate investment are agriculture and agritourism, value-added agriculture and manufacturing, residential real estate, and retail and hospitality.

There is huge support for business and investment from local councils and authorities, creating a welcoming, business-friendly environment. The region's overall livability, along with strong credentials when it comes to health, education, and employment opportunities, makes it an attractive prospect for those looking for a tree change, as well as businesses looking to expand or invest into the region.



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