Rural Councils Victoria

Demographic Destiny

Opportunities for rural Victoria
in the post-pandemic era

ruralcouncilsvictoria

THE DEMOGRAPHICS GROUP

BERNARD SALT AM
With comments from Simon Kuestenmacher

Bernard Salt AM

Bernard Salt is widely regarded as one of Australia's leading social commentators by business, the media and the broader community.

Bernard heads The Demographics Group which provides advice on demographic, consumer and social trends for business.

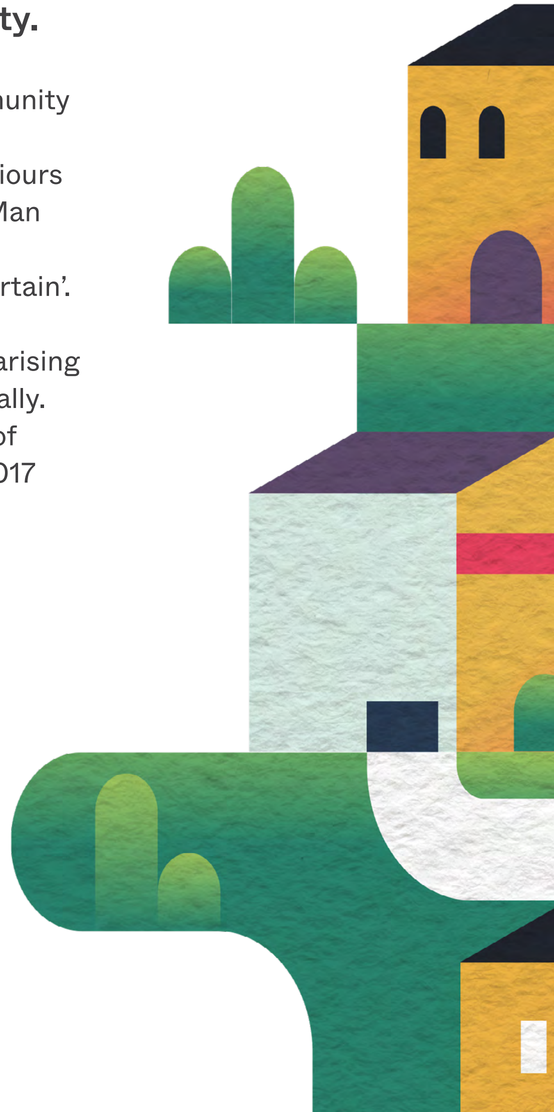
Prior to that Bernard founded KPMG Demographics.

He writes two weekly columns for The Australian newspaper and was an adjunct professor at Curtin University Business School between 2010 and 2020.

In conjunction with KPMG Australia he hosts a top-rated podcast called "What Happens Next" which discusses rising trends and important business issues. Bernard is one of the most in-demand speakers on the Australian corporate speaking circuit.

He is well known to the wider community for his penchant for identifying and tagging new tribes and social behaviours such as the 'Seachange Shift', the 'Man Drought', 'PUMCINS' (pronounced pumkins) and the 'Goats Cheese Curtain'.

He is perhaps best known for popularising the phrase "smashed avocado" globally. Bernard was awarded the Member of the Order of Australia (AM) in the 2017 Australia Day honours.



Demographic Destiny

Introduction

This report looks at demographic and business count information for rural Victoria, and what this means for their communities. It was commissioned by Rural Councils Victoria (RCV), the peak body representing Victoria's 38 rural councils. The report was prepared for and released at RCV's #ThrivingRuralVic 2021 Rural Summit held at Mitchelton Nagambie over 26-28 May 2021.

The report draws on census, ABS, and other sources to develop an evidence-based narrative around the prospects for rural councils in the post-covid era (say, from 2021 to 2031).

The report was prepared by Bernard Salt AM together with team members at The Demographics Group.

Demographic trends driven by lifestyle aspiration

This section looks at the broad demographic trends across the rural council community over the last 20 years and as projected by the department of planning to 2036. The projections are based on pre-pandemic assumptions and were released in July 2019, nine months prior to Australia's international border lockdown. The most important insight to derive from this dataset, as indeed from any similar dataset from across Australia, is the significance of lifestyle in driving population growth (or shifts) and loss.

Victoria's rural councils collectively accommodate a population of 798,000 within a community that spills around the edges of Melbourne and between major provincial cities like Geelong, Ballarat, Bendigo and others. (see graphic 1).

This rural community is not unlike a small nation in scale (it has a similar population as Albania) but its geography, its workforce and its social and demographic structure is more representative of a series of communities. Indeed, it could be said of rural Victoria that it is in fact a loose confederation of disparate 'tribes'.

There is the fast-growing edges of Melbourne at Moorabool (Bacchus Marsh), Mitchell (Kilmore) and Baw Baw (Warragul) and the fast-growing lifestyle community at Surf Coast (Torquay). But there's also communities beyond commutable distance from Melbourne that struggle to retain the resident population base; places like Gannawarra (includes Kerang) where the municipal population dropped by one per cent from 10,508 at June 2019 to 10,400 at June 2020.

GRAPHIC 1

Rural Victoria demographic outlook: population by LGA, 2000-2036

	LGA Name	2000	2019	2020	2036	2000-20	2019-20	2020-36	2000-20	2019-20	2020-36
1	Surf Coast (S)	20,155	32,979	34,771	45,438	14,616	1,792	10,667	73%	5%	31%
2	Baw Baw (S)	35,740	53,116	54,884	75,819	19,144	1,768	20,935	54%	3%	38%
3	Bass Coast (S)	24,711	35,890	37,445	48,145	12,734	1,555	10,700	52%	4%	29%
4	Mitchell (S)	26,916	46,510	47,647	97,688	20,731	1,137	50,041	77%	2%	105%
5	Macedon Ranges (S)	37,103	49,998	50,971	64,643	13,868	973	13,672	37%	2%	27%
6	Moorabool (S)	24,766	35,192	36,013	49,939	11,247	821	13,926	45%	2%	39%
7	Golden Plains (S)	14,644	23,564	24,249	33,073	9,605	685	8,824	66%	3%	36%
8	East Gippsland (S)	38,605	47,168	47,725	55,956	9,120	557	8,231	24%	1%	17%
9	Wellington (S)	41,042	44,271	44,770	49,057	3,728	499	4,287	9%	1%	10%
10	South Gippsland (S)	25,781	29,767	30,248	33,926	4,467	481	3,678	17%	2%	12%
11	Mansfield (S)	6,696	9,068	9,474	10,966	2,778	406	1,492	41%	4%	16%
12	Mount Alexander (S)	16,828	19,620	20,001	21,814	3,173	381	1,813	19%	2%	9%
13	Hepburn (S)	14,362	15,824	16,157	17,700	1,795	333	1,543	12%	2%	10%
14	Indigo (S)	14,404	16,574	16,885	18,515	2,481	311	1,630	17%	2%	10%
15	Strathbogie (S)	9,590	10,707	10,992	12,009	1,402	285	1,017	15%	3%	9%
16	Pyrenees (S)	6,544	7,338	7,555	7,712	1,011	217	157	15%	3%	2%
17	Alpine (S)	12,779	12,770	12,973	13,507	194	203	534	2%	2%	4%
18	Colac-Otway (S)	20,701	21,497	21,662	22,330	961	165	668	5%	1%	3%
19	Moira (S)	26,387	29,866	30,018	32,384	3,631	152	2,366	14%	1%	8%
20	Ararat (RC)	11,536	11,835	11,965	11,865	429	130	-100	4%	1%	-1%
21	Murrindindi (S)	13,187	14,572	14,661	17,020	1,474	89	2,359	11%	1%	16%
22	Northern Grampians (S)	12,936	11,332	11,403	10,209	-1,533	71	-1,194	-12%	1%	-10%
23	Benalla (RC)	13,892	14,071	14,137	14,659	245	66	522	2%	0%	4%
24	Towong (S)	6,247	6,064	6,102	6,246	-145	38	144	-2%	1%	2%
25	Southern Grampians (S)	16,892	16,099	16,134	15,029	-758	35	-1,105	-4%	0%	-7%
26	Moyne (S)	15,487	16,999	17,027	19,026	1,540	28	1,999	10%	0%	12%
27	Queenscliffe (B)	3,269	2,987	3,008	3,168	-261	21	160	-8%	1%	5%
28	Campaspe (S)	35,800	37,660	37,675	39,084	1,875	15	1,409	5%	0%	4%
29	West Wimmera (S)	4,876	3,796	3,810	3,038	-1066	14	-772	-22%	0%	-20%
30	Glenelg (S)	20,128	19,612	19,621	18,757	-507	9	-864	-3%	0%	-4%
31	Yarriambiack (S)	8,293	6,583	6,588	5,568	-1,705	5	-1,020	-21%	0%	-15%
32	Hindmarsh (S)	6,549	5,592	5,592	4,559	-957	0	-1,033	-15%	0%	-18%
33	Corangamite (S)	17,366	15,954	15,929	14,892	-1,437	-25	-1,037	-8%	0%	-7%
34	Loddon (S)	8,567	7,515	7,473	7,347	-1,094	-42	-126	-13%	-1%	-2%
35	Buloke (S)	7,282	6,146	6,101	5,015	-1,181	-45	-1,086	-16%	-1%	-18%
36	Gannawarra (S)	11,977	10,508	10,400	9,928	-1,577	-108	-472	-13%	-1%	-5%
37	Central Goldfields (S)	12,959	13,241	13,092	14,134	133	-149	1,042	1%	-1%	8%
38	Swan Hill (RC)	20,995	20,753	20,534	20,517	-461	-219	-17	-2%	-1%	0%
	Total Rural LGAs	667,993	785,059	797,712	952,719	129,719	12,653	155,007	19%	2%	19%
	Balance of Victoria	4,046,855	5,782,413	5,902,104	7,770,083	1,855,249	119,691	1,867,979	46%	2%	32%
	Total Victoria	4,714,848	6,567,473	6,699,816	8,722,802	1,984,968	132,343	2,022,986	42%	2%	30%

Source: ABS Population Estimates and Department of Planning, Victoria – Population projection

Six rural municipalities in Victoria lost population over this period; most losses were marginal and related to places in the Wimmera where there is pressure for farm aggregation.

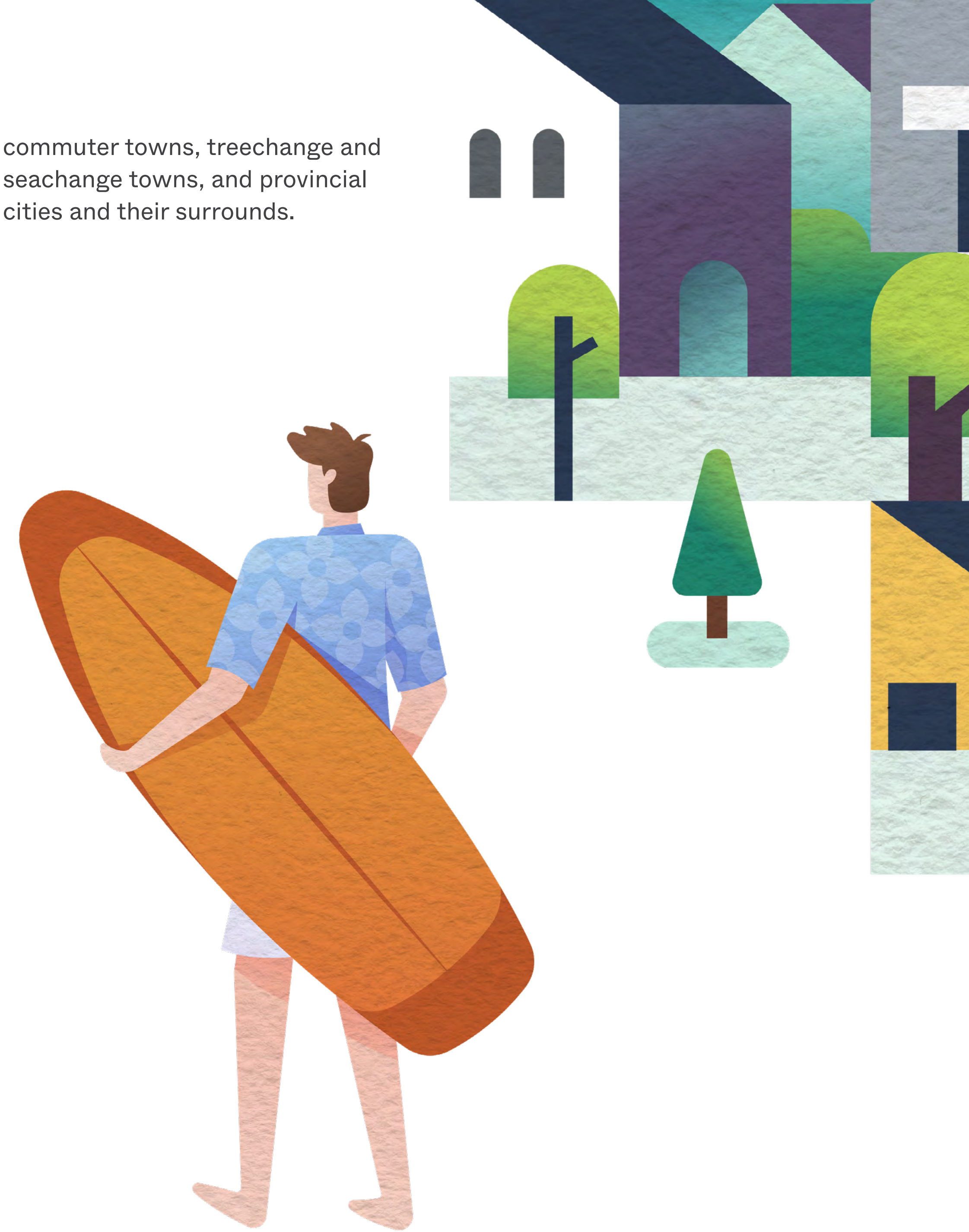
Lifestyle communities located just beyond the edge of Melbourne together with seachange and treechange communities are growing fastest. Annual growth rates of 3 per cent and more are often associated with rural councils abutting Melbourne and/or Geelong. These locations enable Melbourne-based workers to live in a rural setting and commute back into the city. This factor is driving urban growth in places like Warragul, Kilmore and Bacchus Marsh.

In Golden Plains (eg Bannockburn), for example, the local population jumped by 685 or 3 per cent over the 12 months to June 2020. The completion of the Geelong ring road more than a decade ago delivered improved accessibility to communities located west of Geelong.

This ideal of commuting from a rural community into a major city for work opportunities is the main driver of population growth across rural Victoria. It is a theme that is evident beyond the edges of Melbourne and Geelong; it would be present to a lesser extent beyond the edges of all major provincial cities in Victoria.

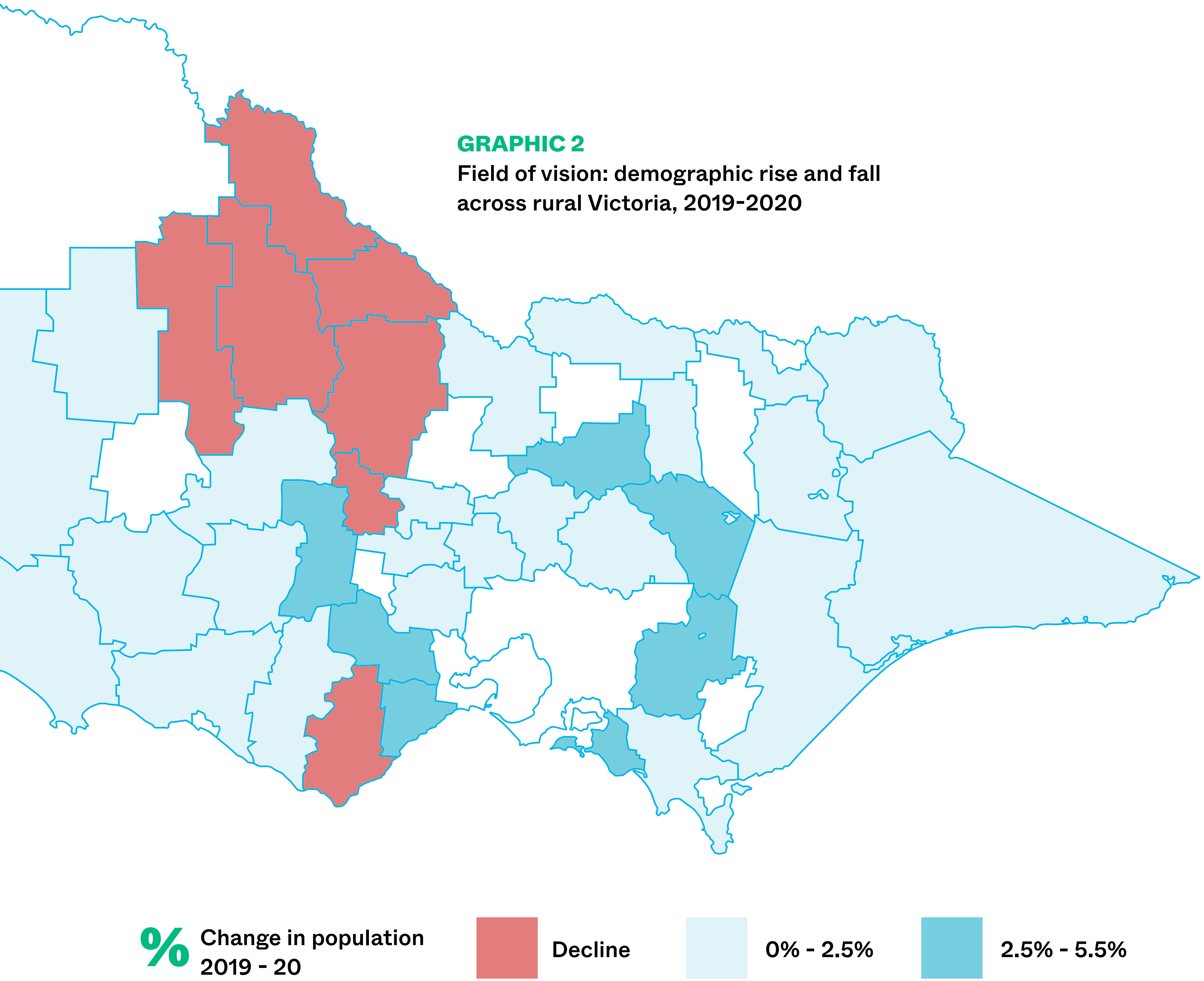
Most rural councils are growing in population; collectively they are currently adding almost 13,000 per year (or about 2 per cent). Over the 16 years to 2036 the rural part of Victoria is expected to add 155,000 net extra residents. In other words, the rate of growth recently experienced across all rural councils is expected to decelerate in the future.

The current set of population projections were released in 2019 and so pre-dated the pandemic. It is possible that the overall demographic outlook for rural councils will be higher given the trend of Melbournians (and others) moving to the safety, the security, and the housing options on offer in regional Victoria. Any accelerated population movements are likely to reinforce existing trends towards commuter towns, treechange and seachange towns, and provincial cities and their surrounds.



GRAPHIC 2

Field of vision: demographic rise and fall across rural Victoria, 2019-2020



Source: ABS National, state and territory population

The greatest challenges in terms of projected population growth will be in places like Mitchell (up 50,000 between 2020 and 2036), Baw Baw (up 21,000 over this timeframe), Moorabool (up 14,000) and Macedon Ranges (incl Kyneton) (up 14,000). These figures could be even higher given what might be termed the covid effect in encouraging city-folk to relocate to country towns.

Other places are expected to struggle to retain population over these years namely Buloke (eg Wycheproof), Corangamite (eg Camperdown), Hindmarsh (eg Nhill), Yarriambiack (eg Warracknabeal), Southern Grampians (eg Hamilton) and Northern Grampians (eg Stawell) all of which are expected to lose more than 1,000 residents over 16 years. These losses are marginal and could be offset by a modest in-migration effected by the pandemic. (see graphic 2).

The issues of population growth are more prevalent and are more challenging in the immediate future than are the issues associated with services retention caused by long-term population erosion.

Business activity follows demographic trends

This section of the report shows that new business activity is closely associated with population growth which in turn is driven by Victorian's lifestyle aspiration.

The Australian Bureau of Statistics tracks business activity via an annual publication showing the location, number of employees and registered address of ABNs (Australian Business Number) for new entities. Ultimately this information is required by the ATO however its use by the ABS showing the rise and fall of business activity by community, including by local council area, offers a rare insight into the economic wellbeing of a community. It is therefore a resource that can be utilised for a range of demographic analyses.

GRAPHIC 3a

The business of growth: top 12 rural municipalities by absolute change in new businesses (ABNs) 2018/19 – 2019/20

Rank	LGA Name	Business counts 2020	Change 2019-20
1	Surf Coast (S)	3,850	200
2	Mitchell (S)	3,437	137
3	Macedon Ranges (S)	5,058	127
4	Baw Baw(S)	5,654	112
5	Bass Coast (S)	3,135	81
6	Moorabool(S)	2,896	63
7	Murrindindi (S)	1,800	59
8	Mansfield (S)	1,292	56
9	Indigo (S)	1852	52
10	South Gippsland (S)	3,803	50
11	Golden Plains (S)	2,020	34
12	Central Goldfields (S)	841	30
	Total Rural LGAs	81,921	949
	Total Regional LGAs	65,445	1,164
	Total Victoria	660,245	19,493

Source: ABS Business Counts

GRAPHIC 3b

More business of growth: top rural 12 municipalities by percentage change in new businesses (ABNs) 2018/19 – 2019/20

Rank	LGA Name	Business counts 2020	Change (%) 2019-20
1	Surf Coast (S)	3,850	5%
2	Mansfield (S)	1,292	5%
3	Mitchell (S)	3,437	4%
4	Central Goldfields (S)	841	4%
5	Murrindindi (S)	1,800	3%
6	Indigo (S)	1,852	3%
7	Bass Coast (S)	3,135	3%
8	Macedon Ranges (S)	5,058	3%
9	Moorabool (S)	2,896	2%
10	Baw Baw (S)	5,654	2%
11	Golden Plains (S)	2,020	2%
12	South Gippsland (S)	3,083	1%
	Total Rural LGAs	81,921	1%
	Total Regional LGAs	65,445	2%
	Total Victoria	660,245	3%

Source: ABS Business Counts

The most recent dataset published in February 2021 shows the number of businesses operating by municipality in June 2020, and also in June 2019. New data showing the number of businesses operating in June 2021 will be published February 2022. This dataset enables the calculation of net change in ABNs over a 12-month period by locality and industry. It offers an insight into the business environment in a locality which can then be benchmarked with the business environment in other localities.

Across Australia there is roughly one business (or ABN) per 10 residents. But across the rural councils of Victoria there in one business per eight residents. Rural Victoria is a community that is predisposed towards “being their own boss”; this is a theme that is consistent with rural communities across Australia. It is also a reflection of the demographic composition of rural Victoria: all farmers have ABNs. And sole trader businesses are popular with downsizers and downshifters moving into lifestyle regions.

Over the 12 months to June 2020 (including the first three months of Covid lockdown) the number of businesses (ABNs) operating in Surf Coast jumped by 200 or 5 per cent (see graphics 3a and 3b). Other seemingly entrepreneurial rural councils include Mitchell (up 137 ABNs or 4 per cent), Macedon Ranges (up 127 or 3 per cent) and Baw Baw (up 112 or 2 per cent).

In a collective sense most growth in net new businesses across Victoria's rural councils over the 12 months to June 2020 occurred in arts & recreation (up 20 per cent), admin & support services (up 18 per cent), healthcare & social assistance (up 16 per cent) and professional services (up 13 per cent) (see graphic 4).

Most population growth has concentrated in Victoria's lifestyle zones just beyond the edge of the metropolitan area and most net new business activity has applied to the same areas.

The businesses surging most in rural councils very much appear to be associated with professional and support services, arts and recreation as well as healthcare which is growing quickly in most parts of the state. The conclusion is that some Melbourne residents are streaming out of the city and are taking their professional job with them. To some extent this flow has been in place for many years. However, the evidence from the pandemic is that this "out flow" accelerated during 2020 and is most likely being directed to established lifestyle destinations.

The question that logically flows from this movement is whether it will continue into the future.

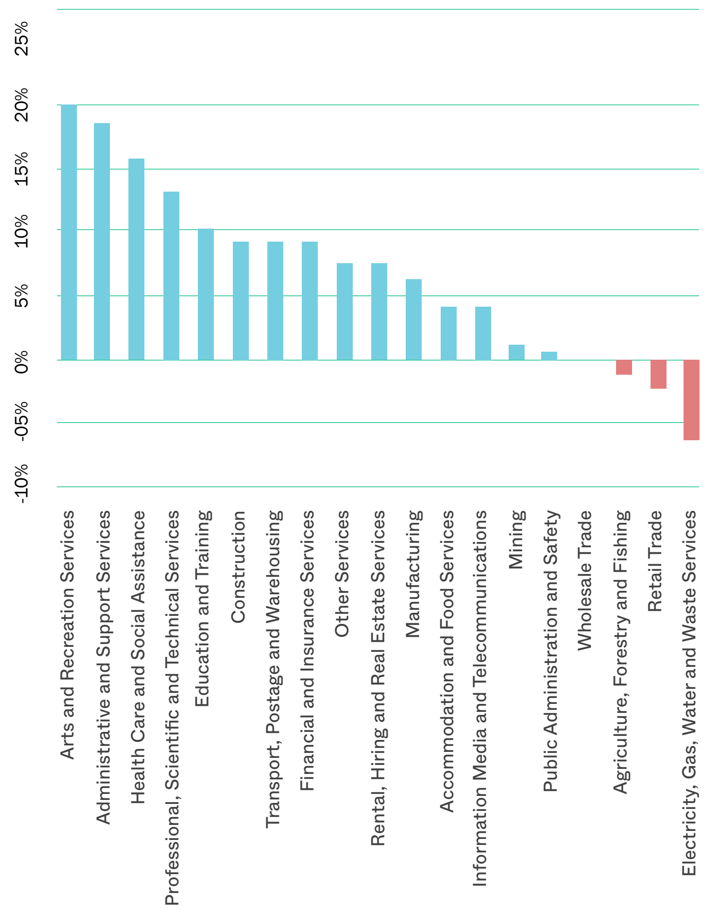
Australians are driven by the pursuit of lifestyle; this is evident in long-established demographic trends. The concept of taking a job to a lifestyle region is in many ways one of the most important demographic shifts effected by the pandemic.

And, so, because this shift (to the regions) delivers a better lifestyle, and a better quality of housing, I think it will continue into the 2020s and beyond. The next generation of workers will want flexibility in where and how they deliver their workplace value, be it from the Docklands or from the Surf Coast or from the Goldfields or from Mansfield. Or indeed be it from the wheatfields of the Wimmera.

That is why the outlook for Victorian rural councils is positive. The pandemic has triggered a shift in the way Australians work and in the range of housing options including living and working in regional and rural Australia.

GRAPHIC 4

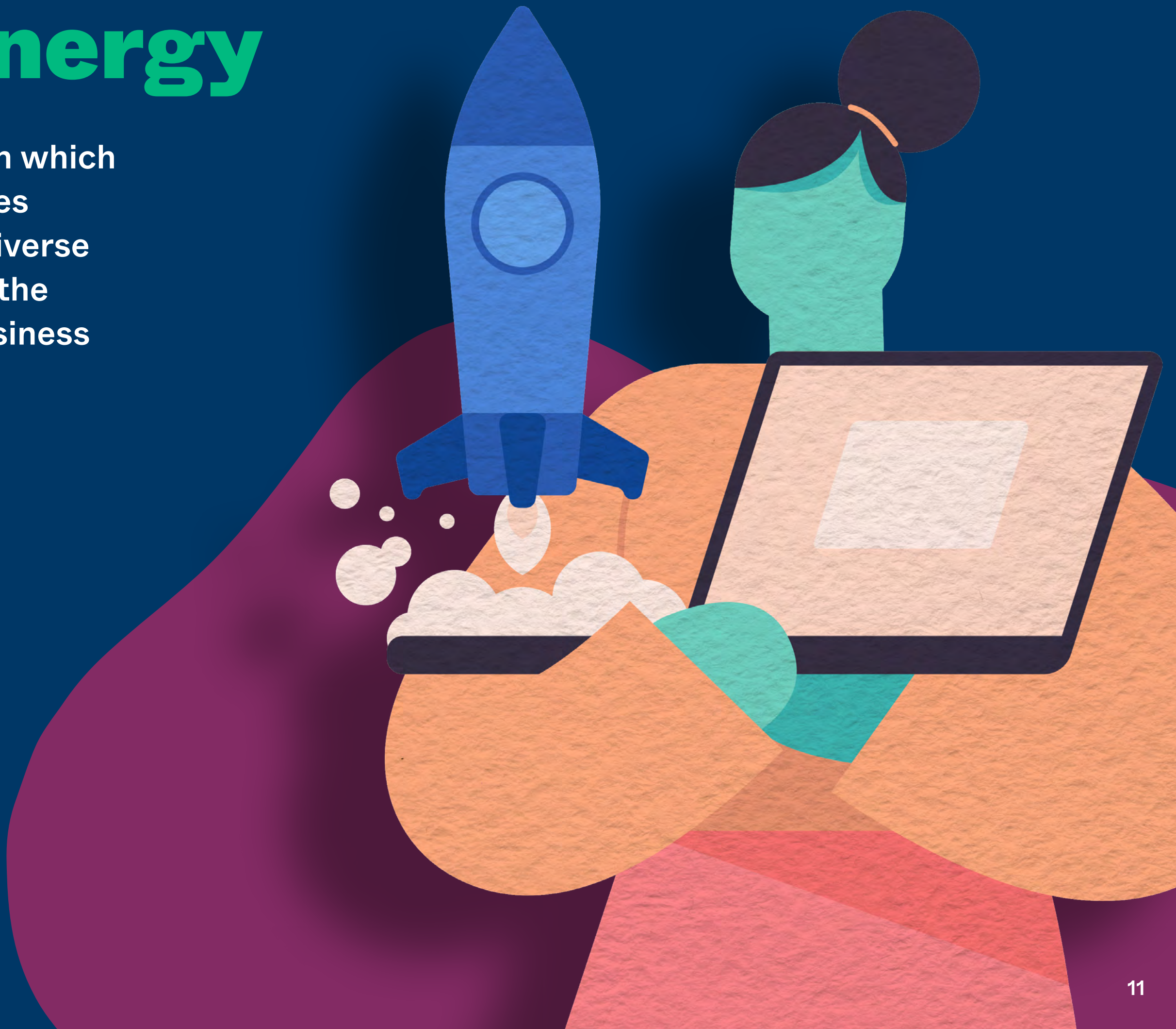
Arts, admin & social assistance on the rise: percentage change in ABNs by industry across rural Victoria, 2016/17-2019/20



Source: ABS Business Counts

Build skills around entrepreneurial energy

This section of the report looks at which industries in which municipalities are attracting most net new businesses over recent years. Rural Victoria is comprised of a diverse demographic community; this diversity is evident in the fact that some municipalities are being driven by business opportunity in selected industries.



The opportunity for local councils is to build skills, infrastructure, policies, and programs to further develop natural advantages in particular industries.

Indeed, the business count database (discussed in Section 3) can be used to determine what industries are flourishing in each of the 38 rural council areas.

Over the three years to June 2020 the number of accommodation & food businesses in Victoria increased by 4 per cent but in Mitchell this rate was 29 per cent (see graphic 5a-5r).

Mitchell is evolving as a hub for visitors including, perhaps, day-trippers from Melbourne and transients passing through on their way to/from Melbourne.

In an analysis comprising 18 tables, we show the top five rural councils ranked by the rate of growth in business numbers (ABNs) over three years to June 2020. This exercise shows which industries are ascendent in which municipalities.

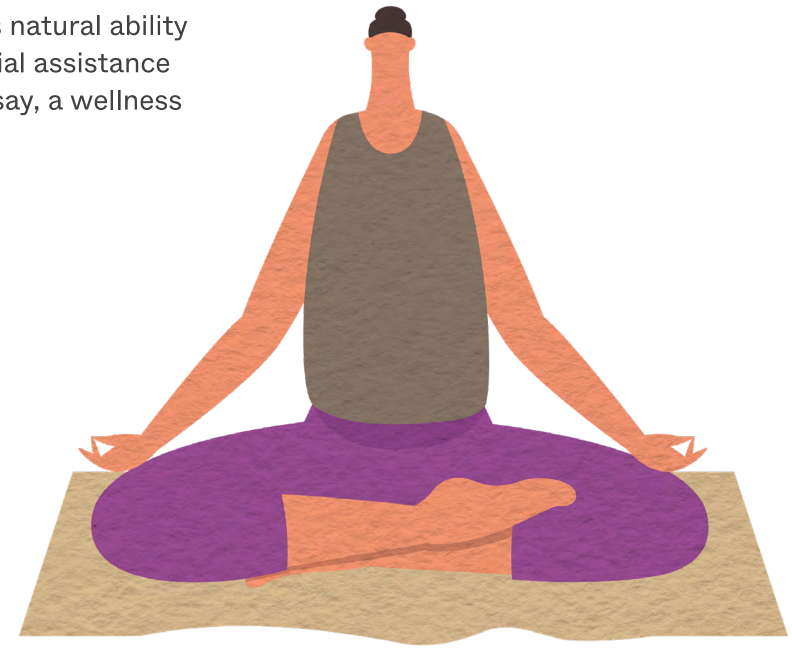
Mitchell might be surging in food & accommodation but Alpine (eg Bright) is surging in arts & recreation, Golden Plains tops the list in construction, Buloke is rising in education and training, Pyrenees (eg Beaufort) is rising in health and social assistance, Hindmarsh is the place to start a business in professional services, and Strathbogie (eg Euroa) is the place to start a retail business.

The point being that rural Victoria is a complex ecosystem of businesses and communities. Each council must develop a tailored and/or nuanced approach to delivering support services.

For example, Mitchell might support local business by developing food & accommodation policies.

Strathbogie might build upon the strength in the local retail sector by developing a retail or shopping festival.

Pyrenees might build on its natural ability to attract healthcare & social assistance businesses by developing, say, a wellness (eg yoga) festival.



GRAPHIC 5a - 5r

Rural specialisation: Top rural municipalities by percentage growth in businesses by each industry sector, June 2017-20

Source: ABS Business Counts

Accommodation and Food Services (5a)

LGA Name	Net Growth	Growth (%)
Mitchell (S)	28	29%
Pyrenees (S)	7	29%
Moorabool (S)	16	25%
Buloke (S)	6	24%
Benalla (S)	11	22%
Rural Victoria	139	4%

Administrative and Support Services (5b)

LGA Name	Net Growth	Growth (%)
Queenscliffe (S)	4	100%
Swan Hill (S)	34	54%
Towong (S)	4	50%
Alpine (S)	13	48%
Ararat (S)	5	42%
Rural Victoria	305	18%

Agriculture, Forestry and Fishing (5c)

LGA Name	Net Growth	Growth (%)
Queenscliffe (B)	2	17%
Mansfield (S)	19	7%
Mitchell (S)	23	7%
Bass Coast (S)	14	3%
Northern Grampians (S)	14	3%
Rural Victoria	-490	-2%

Arts and Recreation Services (5d)

LGA Name	Net Growth	Growth (%)
Alpine (S)	12	200%
Pyrenees (S)	4	133%
Murrindindi (S)	13	108%
Golden Plains (S)	12	71%
Northern Grampians (S)	9	69%
Rural Victoria	169	20%

Electricity, Gas, Water and Waste Services (5e)

LGA Name	Net Growth	Growth (%)
Swan Hill (S)	5	125%
Ararat (S)	2	67%
Glenelg (S)	2	40%
Hepburn (S)	1	33%
South Gippsland (S)	2	29%
Rural Victoria	-16	-7%

Information Media and Telecommunications (5f)

LGA Name	Net Growth	Growth (%)
Alpine (S)	5	71%
Wellington (S)	7	70%
Bass Coast (S)	6	38%
Hepburn (S)	6	38%
Mitchell (S)	4	36%
Rural Victoria	13	4%

Professional, Scientific and Technical Services (5g)

LGA Name	Net Growth	Growth (%)
Hindmarsh (S)	6	55%
Loddon (S)	7	54%
Murrindindi (S)	31	32%
Golden Plains (S)	31	30%
Southern Grampians (S)	18	25%
Rural Victoria	612	13%

Construction (5h)

LGA Name	Net Growth	Growth (%)
Golden Plains (S)	107	24%
Mount Alexander (S)	55	23%
Mitchell (S)	167	21%
Loddon (S)	10	19%
Surf Coast (S)	127	16%
Rural Victoria	1,125	9%

Financial and Insurance Services (5i)

LGA Name	Net Growth	Growth (%)
West Wimmera (S)	9	24%
Alpine (S)	19	23%
Mitchell (S)	35	21%
Murrindindi (S)	16	19%
Mansfield (S)	14	16%
Rural Victoria	361	9%

Manufacturing (5j)

LGA Name	Net Growth	Growth (%)
Buloke (S)	8	73%
Corangamite (S)	14	30%
Benalla (S)	12	29%
Golden Plains (S)	17	27%
Towong (S)	5	26%
Rural Victoria	358	6%

Public Administration and Safety (5k)

LGA Name	Net Growth	Growth (%)
Benalla (S)	4	80%
Baw Baw (S)	4	40%
Moorabool (S)	3	38%
Mitchell (S)	3	30%
Glenelg (S)	1	25%
Rural Victoria	2	1%

Education and Training (5l)

LGA Name	Net Growth	Growth (%)
Buloke (S)	6	150%
Alpine (S)	7	117%
Strathbogie (S)	6	100%
Mansfield (S)	5	83%
Hepburn (S)	6	38%
Rural Victoria	72	10%

Health Care and Social Assistance (5m)

LGA Name	Net Growth	Growth (%)
Pyrenees (S)	3	100%
Golden Plains (S)	17	53%
Mitchell (S)	32	37%
Baw Baw (S)	59	34%
Moyne (S)	10	33%
Rural Victoria	358	16%

Mining (5n)

LGA Name	Net Growth	Growth (%)
Mitchell (S)	4	80%
Campaspe (S)	4	80%
Colac-Otway (S)	2	67%
Bass Coast (S)	2	40%
Moyne (S)	1	11%
Rural Victoria	3	2%

Rental, Hiring and Real Estate Services (5o)

LGA Name	Net Growth	Growth (%)
Ararat (S)	25	41%
Hindmarsh (S)	14	30%
Pyrenees (S)	13	28%
Gannawarra (S)	14	21%
Swan Hill (S)	38	21%
Rural Victoria	396	7%

Retail Trade (5p)

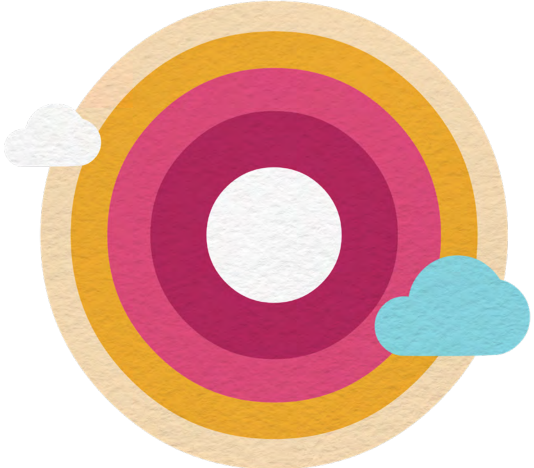
LGA Name	Net Growth	Growth (%)
Strathbogie (S)	13	43%
Queenscliffe (S)	8	27%
Towong (S)	7	24%
Surf Coast (S)	29	17%
Hepburn (S)	14	14%
Rural Victoria	-125	-3%

Transport, Postal and Warehousing (5q)

LGA Name	Net Growth	Growth (%)
Queenscliffe (S)	4	50%
Mitchell (S)	114	39%
Surf Coast (S)	25	38%
Bass Coast (S)	29	26%
Hindmarsh (S)	9	24%
Rural Victoria	349	9%

Wholesale Trade (5r)

LGA Name	Net Growth	Growth (%)
Colac-Otway (S)	9	19%
Bass Coast (S)	10	19%
Surf Coast (S)	16	17%
Indigo (S)	6	17%
West Wimmera (S)	1	14%
Rural Victoria	4	0%



Social structure shows both diversity and need

The demographic diversity of rural Victoria is best illustrated via census results. A new census is being conducted in August 2021 with results being made available in November 2022. However, from my experience the social structure of communities is slow to change.

The 2021 census will be important in tracking change in the way Australians work including the new concept of working from home. However, the social structure of the components of rural Victoria are well established and set a cultural framework for business activity and council administration.

I have chosen five social indicators for each of the 38 rural councils from the 2016 census. The data is simplified to enable comparison and benchmarking (see graphic 6).

Some 15 per cent of the Victorian population is aged 65+ however the average across the rural councils is 22 per cent. This ranges from 13 per cent in fast-growing Golden Plains to 40 per cent in the seachange retirement community of Queenscliffe (incl Point Lonsdale).

But then Queenscliffe is a unique community in that it operates within a healthcare and aged-care region that is more broadly served by the City of Greater Geelong. Other, more remote, communities are more likely to struggle with services provision for the retired and the aged. In remote Yarriambiack (centred on Warracknabeal), for example, 28 per cent of the population is aged 65+.

GRAPHIC 6

Social structure of rural Victoria

Rank	LGA (UR)	Largest Urban Centre (Census, 2016)	Proportion of population 65+ in 2019	Belief in God	Owner/ Manager	Volunteer	Single person in household
1	Queenscliff (B)	Queenscliff	40%	54%	10%	33%	15%
2	Alpine (S)	Myrtleford	24%	52%	10%	26%	12%
3	Ararat (RC)	Ararat	23%	52%	7%	23%	12%
4	Bass Coast (S)	Wonthaggi	28%	50%	9%	20%	13%
5	Baw Baw (S)	Warragul	20%	55%	8%	19%	9%
6	Campaspe (S)	Echuca	23%	61%	8%	20%	11%
7	Colac-Otway (S)	Colac	22%	55%	8%	21%	12%
8	Corangamite (S)	Camperdown	23%	60%	12%	25%	11%
9	East Gippsland (S)	Bairnsdale	28%	51%	7%	21%	12%
10	Glenelg (S)	Portland	24%	55%	7%	21%	12%
11	Golden Plains (S)	Bannockburn	13%	54%	8%	18%	6%
12	Indigo (S)	Corowa - Wahgunyah	21%	57%	9%	26%	9%
13	Macedon Ranges (S)	Gisborne	18%	53%	9%	21%	7%
14	Mitchell (S)	Wallan	14%	57%	6%	15%	7%
15	Moira (S)	Yarrawonga - Mulwala	25%	64%	8%	20%	11%
16	Moorabool (S)	Bacchus Marsh	16%	55%	7%	17%	8%
17	Moyne (S)	Koroit	19%	59%	12%	26%	9%
18	Murrindindi (S)	Alexandra	25%	48%	10%	24%	12%
19	Pyrenees (S)	Beaufort	25%	52%	8%	22%	12%
20	South Gippsland (S)	Leongatha	24%	51%	10%	24%	11%
21	Southern Grampians (S)	Hamilton	24%	63%	9%	28%	13%
22	Strathbogie (S)	Euroa	29%	58%	9%	25%	13%
23	Surf Coast (S)	Torquay	18%	48%	11%	22%	7%
24	Towong (S)	Corryong	27%	60%	12%	30%	12%
25	Wellington (S)	Sale	21%	55%	7%	20%	11%
26	Buloke (S)	Donald	29%	65%	9%	34%	14%
27	Central Goldfields (S)	Maryborough	29%	56%	5%	19%	15%
28	Gannawarra (S)	Kerang	27%	63%	10%	26%	13%
29	Hepburn (S)	Daylesford	26%	46%	10%	24%	13%
30	Hindmarsh (S)	Nhill	26%	68%	9%	32%	14%
31	Loddon (S)	Marong	26%	57%	10%	27%	13%
32	Mount Alexander (S)	Castlemaine	25%	39%	9%	25%	13%
33	Northern Grampians (S)	Stawell	26%	57%	8%	25%	14%
34	Swan Hill (RC)	Swan Hill	19%	60%	7%	20%	10%
35	West Wimmera (S)	Edenhope	25%	64%	14%	37%	14%
36	Yarriambiack (S)	Warracknabeal	28%	64%	10%	32%	14%
37	Benalla (RC)	Benalla	27%	58%	8%	22%	13%
38	Mansfield (S)	Mansfield	24%	53%	11%	24%	12%
	Total Rural Victoria		22%	55%	8%	22%	11%
	Balance of Victoria		15%	59%	7%	15%	9%
	Total Victoria		15%	59%	7%	16%	9%

Source: ABS Census, 2016

Perhaps the most insightful question offered by the census asks about religious affiliation. Across Victoria 59 per cent of the population (including kids) respond to the question about religious affiliation in the affirmative and which is effectively a belief in a god. The rise and fall of this proportion can be used as a proxy to determine not just the requirement for church infrastructure but also for the presence of what some might call traditional family-based values.

Of all rural communities it is the residents of Hindmarsh that are most likely to have a religious affiliation (68 per cent). This proportion can rise above 90 per cent in some of the migrant communities on the edges of Sydney and Melbourne.

Other rural communities with so-called traditional values where more than 60 per cent retain a religious affiliation include Campaspe (eg Echuca), Corangamite, Moira (eg Cobram), Southern Grampians, Towong (Tallangatta), Buloke, Gannawarra, Swan Hill, West Wimmera and Yarriambiack.

At the other end of this ranking is the community least likely to have a religious affiliation: that community is Hepburn (eg Daylesford) but even here the proportion is 46 per cent. Deep down Australians are predominantly 'believers'.

The census also records whether those aged 15+ are a business owner and/or manager. Some seven per cent of the workforce are business owners/managers by this measure. This proportion peaks in rural Victoria at 14 per cent in West Wimmera (centred on Edenhope) which is dominated by wheat cropping.

Other communities where owner/managers form a high proportion of the local workforce include Corangamite and Wellington (eg Sale) (both 12 per cent), as well as Towong and Mansfield (both 11 per cent).

It may be that the owner/manager component of the workforce in these municipalities would benefit from training and/or information programs designed to build skills in local business.

Perhaps the most important question in the census in terms of building social cohesion is that which asks about volunteering. At a state level some 16 per cent of adult Victorians say they volunteer. This proportion is higher in rural areas and lower in the city, as indeed is the case in other states. I regard the proportion of volunteers in a community as a measure of civic mindedness.

There are six rural councils where the proportion of volunteers exceeds 30 per cent including West Wimmera, Buloke, Queenscliffe, Yarriambiack, Hindmarsh and Wellington.

A KPI for councils could be to demonstrate that the volunteering rate has increased between the censuses thus proving a strengthening of local communities.
And, finally, the proportion of households comprised of a single person very much goes to the need for community and council support. At a state level nine per cent of Victorians live as a single person in a household. This proportion is 15 per cent in Queenscliffe which is to be expected of a retirement community.

However, this proportion is 14 per cent in Hindmarsh, Northern Grampians, West Wimmera and Yarriambiack. In these places there would be a need for home care as well as for policies and programs designed to build inclusion and engagement.

The great Millennial migration

– Simon Kuestenmacher

Today the Millennial generation in Australia outnumbers all other generations by at least one million. Their numbers will continue to grow through migration to 7.1 million by 2030 and 2.1 million of them will call Victoria home. We define Millennials as being born between 1982 and 1999 which makes them aged between 22 and 39 in 2021.

Millennials are the biggest procrastinators to have ever walked the Australian continent. They established the gap year, acquired multiple university degrees, started their careers later, partnered up later, delayed first childbirth, and purchased their first home later in life. In the coming decade life catches up with the Millennials and they will start families, buy family-sized homes, purchase washing machines, and drive the kids to footy training.

This provides a unique opportunity for rural Victoria to grow its population base. The key to sizeable and sustainable rural population growth is attraction and retention of the Millennial generation.

The majority of Victorian Millennials still live in 1-2 bedrooms dwellings in inner-Melbourne. The oldest Millennials have already reached the family formation stage of the lifecycle and started a trend that will last throughout the 2020s: the Great Millennial Migration.

Millennials are leaving the inner-city behind. The biggest challenge is the search for a family-sized home to raise the kids in. In inner Melbourne there are no 3–4-bedroom dwellings available. Even Millennials that would prefer to stay in Fitzroy or in Richmond with their young families have to leave because there are no family-sized dwellings available.

Victoria's Millennials will therefore migrate en masse away from the inner suburbs to suburbia, to the urban fringe, and to the regional centres that are located within commutable distance of the CBD.

What does this mean for rural Victoria? What segments of the Millennial market can be enticed to move to rural Victoria?

The first Millennial growth cohort doesn't need to move to a rural town because they already live there and can be leveraged to help grow the rural Victorian population. Meet the Remainers.

As graphic 7 shows, in rural Victoria and Melbourne about the same share of the population is under 18 years of age. After leaving high school, many young rural Victorians chose to head to the big smoke for education or for work purposes and so rural Victoria sees a gaping hole in its population throughout the 20s and 30s. Once in their 40s, ex-locals want to recreate their own treasured rural childhood experiences for their school-aged kids and move back to their hometown.

In the aftermath of Covid we can expect to see more rural Victorians remain in their hometown. There is a push to strengthen Australian agriculture and manufacturing to drive the economic recovery of the nation. Employment opportunities in these industries coupled with the deterring effect of high living costs in Melbourne will encourage a larger share of young people to remain rural. Some students might even choose to do all their further education remotely while remaining in their rural hometown.

That said, many young rural people will still seek education opportunities in Melbourne or regional centres. They might however move back home much sooner. Which brings us to maybe the next rural Millennial growth cohort, the Returners.

Traditionally, ex-locals spent their 20s and 30s living in larger towns before returning home in their 40s with school-aged kids. After being locked down in the inner-city, the yearning for open spaces, for a low-density lifestyle, got strengthened and so people return home as soon as they partnered up (maybe as soon as in their 20s), rather than later in life when they have school-aged kids.

Countless jobs shifted successfully to remote working arrangements during the pandemic. Why should Millennials, whose biggest worry is to find a family-sized home in suburbia, spend a million dollars on a house when rural towns offer this lifestyle for a fraction of the price? The shift to remote work will encourage more Millennials to return to their rural hometowns – especially when they are within a two-hour drive of Melbourne.

The working-from-home trend also makes rural destinations more attractive for another group of Millennials, the Resettlers. These are young people who move to a rural destination that they had no previous connection with. Again, the rural destinations within a two-hour driving distance to Melbourne stand to benefit the most but similar trends will be true for rural areas surrounding regional growth hotspots.

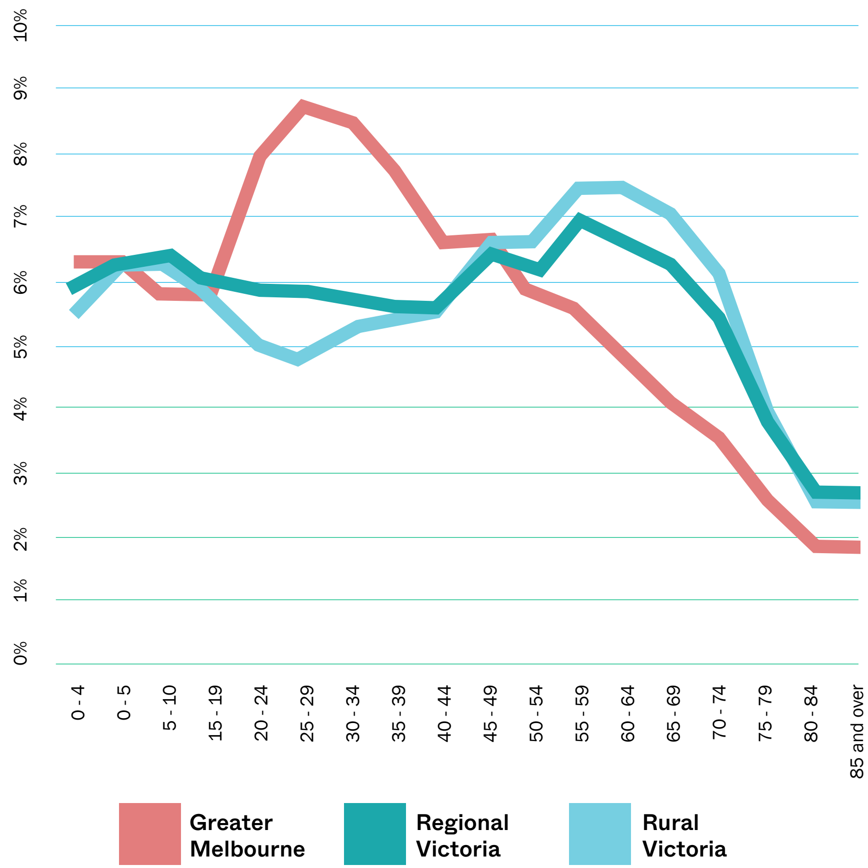
Traditionally, rural populations grew when new local employment opportunities emerged. Due to farm aggregations, the increased mechanisation of agriculture and manufacturing, young people saw fewer employment opportunities in rural Victoria.

Now that remote jobs can move with the individual worker to wherever they like, rural towns will be assessed based on their liveability, their natural beauty, and their amenities rather than just on job availability. This allows for a whole new cohort of young people to move to rural Victoria.

The future for rural Victoria looks brighter than it has in a long time. Local communities that proactively woo young families, that advertise their benefits loudly and proudly, and that ensure housing availability will most likely fare the best in the coming decade.

GRAPHIC 7

Rite of passage: population levels by age in 2020, rural, regional, and metro Victoria



Source: ABS National, state and territory population

The unique qualities of Victoria's rural councils

This section draws upon the databases that form the basis to this report and highlights the unique 'selling points' of each municipality. Each citation is designed as stand-alone statement of fact and includes a benchmark to show scale and/or significance.

Surf Coast
Fastest growing rural municipality in Victoria: population up 5% over year to June 2020 vs Vic average 2%

Queenscliffe
Biggest retiree presence in rural Victoria: 40% population aged 65+ vs Vic average 15%

Alpine
Most arts ascendent community in rural Victoria: 200% increase in ABNs in arts & recreation 2017-2020 vs Vic average 20%

Benalla
Perhaps a rising public sector hub with 80% increase in public administration and safety ABNs over 2017-2020 vs Vic average 1%

Baw Baw
Biggest percentage increase in projected population in rural Victoria over 2020-2036, up 105% vs Vic average 30%

Hindmarsh
Most devout community in rural Victoria: 68% belief in a God vs Vic average 59%

Golden Plains
The tradie's paradise: 24% increase in ABNs in construction 2017-2020 vs Vic average 9%

Strathbogie
Retailer paradise with 43% increase in ABNs in retail over 2017-2020 vs Vic average of -3%

West Wimmera
Most entrepreneurial rural municipality in rural Victoria: 214 ABNs per 1,000 resident population vs Vic average 99 per 1,000 (mostly farmers)
 average 99 per 1,000 (mostly farmers)

Central Goldfields
Equal first (with Queenscliffe) in proportion single person households: 15% households occupied by single person vs Vic average 9%

Pyrenees
Fastest growing health/wellness community in rural Victoria: 100% increase in healthcare and social assistance ABNs over 2017-2020 vs Vic average 16%

Macedon Ranges
Rural Victoria's biggest business community: 5,564 ABNs in June 2020 (with pop 55,000) well clear of second-ranked East Gippsland with 4,446 ABNs (pop 48,000); Macedon Ranges ABN cohort is growing by 3%

Mitchell
Projected to add net extra 50,000 residents 2020-2036 well ahead of second biggest projected growth municipality of Baw Baw (21,000)

Buloke
Second most civic minded municipality in rural Victoria: 34% adult population volunteer vs Vic average 16% (No 1 is West Wimmera with 37% volunteers)

Hindmarsh
Favoured home to (recently arrived) professional workers with a 55% increase in ABNs in professional services over 2017-2020 vs Vic average 13%

Hepburn
Most ‘progressive’ rural municipality: 46% residents belief in a God (lowest of rural councils) vs Vic average 59%

Mount Alexander
Tradies on the rise: number of ABNs in construction up 23% over 2017-2020 vs 9% growth across Victoria (second to Golden Plains)

Wellington
Fast growing in tech businesses: 70% increase in ABNs operating in information, media and telecommunications between 2017-2020 vs Vic average 4%

Campaspe
Mining its own business: 80% increase in ABNs in mining over 2017-2020 vs Vic average 2% growth

Towong
Biggest turnaround municipality in rural Victoria: Towong population 2000-2020 down 145 but expected to grow 144 over 2020-2036

Corangamite
Second-fastest growing manufacturing business community in rural Victoria: 30% growth in ABNs in manufacturing (after Buloke up 73%) over 2017-2020 vs Vic average 6% growth

Swan Hill
Fastest growing utilities and waste management businesses: 125% growth in electricity, gas, water and waste-water ABN businesses over 2017-2020 versus Vic average -7%

Loddon
Also the place for professionals: 54% increase in ABNs in professional services over 2017-2020 vs Vic average 13%

Ararat
Real estate on the move: 41% increase in ABNs in rental, hiring and real estate services 2017-2020 vs Vic average 7% growth

Colac-Otway
the B2B place to be: 19% increase in wholesale trade ABNs over 2017-2020 vs Vic average 0.2% (Bass Coast also up 19% in this sector)

Gannawarra
Biggest slow-down of population loss in rural Victoria: Gannawarra population loss 2000-2020 (-1,577) slows to -472 over 2020-2036

Moorabool on the move

The rural municipality of Moorabool located beyond the western edge of Melbourne is expected to deliver the third-fastest projected population growth over the 16 years to 2036 when compared with other Victorian rural council areas. Moorabool's projected growth rate for this period is 36 per cent which is third after Mitchell and Baw Baw.

Make it Mansfield

Mansfield recorded population growth of 41 per cent over the 20 years to 2020 which is the highest rate of growth for a Victorian rural council that is not "overspill" from Melbourne or Geelong and not on the coast. Mansfield is leading an alpine shift!

Northern Grampians singles central

The rural municipality of Northern Grampians has the (equal) second highest proportion of single person households when compared with other rural council areas. Some 14 per cent of households in Northern Grampians are single person compared with a Victorian average of 9 per cent.

Yarriambiack stops the loss

The population of Yarriambiack dropped by 1,705 over the 19 years to 2019 however in the year to June 2020 the population level held steady (-5) to record zero percentage population change. Good effort given its recent history.

East Gippsland biggest 'remote' community

By 2036 according to official population projections produced by the Victorian government in July 2019 the municipality of East Gippsland will contain a resident population of 56,000 up from 48,000 in 2020. This is the largest projected rural council population that is well removed from the Melbourne-Coast collective of councils. East Gippsland has critical mass and is well removed from Melbourne.

Retirees inbound to Moyne

Over the 20 years to 2020 the population of Moyne increased by 1,540 in net terms. However over the following 16 years the number of people living in Moyne is expected to jump by 1,999. This ramped up growth during the 2020s and 2030s is most likely due to an influx of retiring baby boomers.

Bass is best

Bass Coast municipality is one of a handful of rural councils in Victoria that is expected to more or less double (or more) in population over the period between 2000 (25,000) and 2036 (48,000). Others in this 'doubling-or-better' category include Surf Coast, Baw Baw, Mitchell, Moorabool and Golden Plains.

Glenelg also stops the rot

The population of Glenelg decreased by 516 from 20,128 in 2000 to 19,612 in 2019. However this community managed to hold the local population steady in net terms over the 12 months to June 2020 (recording a net increase of +9 or 0 per cent).

Moira displays traditional values

Moira municipality is one of five (out of 38) rural council areas in Victoria where the proportion of the local population with a religious affiliation (as measured by the 2016 Census) equals or exceeds 64 per cent. This compares with a Victorian average of 59 per cent which means that Moira (and it's four confrere councils of Buloke, Hindmarsh, West Wimmera, Yarriambiack) contain communities with traditional values.

Progressives congregate in Murrindindi

Murrindindi is one of four rural municipalities in Victoria where the proportion of the population with a religious affiliation is 48 per cent or less. Typically suburbs and towns and municipalities with a low ranking by this measure are young, educated and/or simply comprise freethinking communities. The other three municipalities that rank lowest on this measure are Hepburn, Surf Coast and Mt Alexander.

South Gippsland eases up on the accelerator

The idyllic seachange and treechange communities of South Gippsland have driven strong levels of population growth with total population up 17 per cent over the 20 years to 2020. However over the following 16 years South Gippsland growth is projected to ease up to just 12 per cent. Perhaps this is an opportunity to build services and infrastructure with a more moderated rate of growth in for the 2020s and 2030s.

Southern Grampians in the middle

Southern Grampians could be described as delivering a slice of middle Australia in rural Victoria. The proportion of the population aged 65+ is close to the rural Victorian average (ie 24 per cent vs 22 per cent). The same observation can be made about the proportion of owner/managers in the local workforce: 9 per cent vs a Victorian average of 7 per cent. Some 28 per cent of locals volunteer which is above the Victorian average of 16 per cent but not quite as high as in, say, Queenscliffe.

Indigo goes well

The thing about Indigo is that it has increased its population at a steady and predictable rate over the 20 years to 2020 and is expected to continue to grow at a similar rate over the 16 years to 2036. And on the range of social measures Indigo presents as middle-(rural)-Australia kind of community. In many ways Indigo's strength is its steadiness and consistency of growth.

Conclusion:
it’s rural Victoria’s time in the sun

This report draws upon a series of demographic datasets to build a picture of the 38 councils that comprise rural Victoria. In one sense this community of 798,000 residents is united by a common geography: they are all located in Victoria and are dominated by non-metropolitan economic activities.

However, in another sense this collection of municipalities is extraordinarily diverse. Wellington is the size of a country like Albania or Israel. Queenscliffe is about the same size as Narau. Baw Baw contains an urban centre (Warragul-Drouin) that is bigger than Warrnambool and Mildura which are regarded as provincial cities in Victoria.

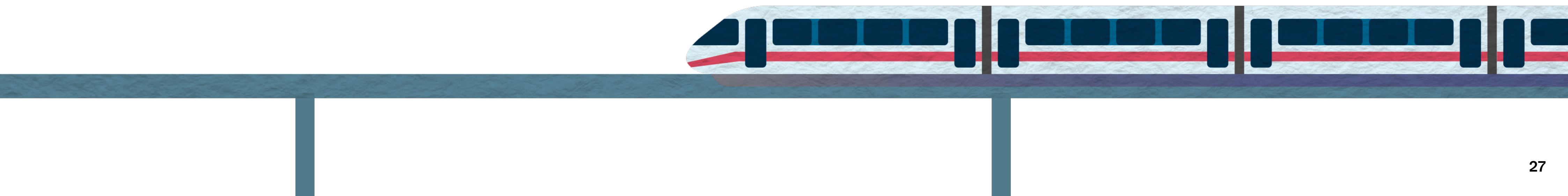
The dataset is dominated by municipalities that are located just beyond the edge of Melbourne namely Mitchell, Baw Baw and Moorabool. These three municipalities alone are expected to accommodate half the population growth in rural Victoria over the 16 years to 2036.

And by that time, it is possible if not likely that the official definition of Melbourne will have been expanded to include some or all of these “commuter town” communities.

The datasets show a rural community that upholds traditional values such as belief in a god, that is civic minded (they volunteer) and especially smaller communities threatened by the loss of service such as Buloke.

The narrative of life in Victoria’s rural councils hadn’t really altered for a generation or two. Young people would leave country towns and farming communities in search of further education and training opportunities, or simply for the excitement of living in bigger cities.

This outflow robbed rural communities of demographic and workforce depth in the 20s and 30s cohorts and the energy and sportiness that youth retains. Against this background some parts of rural Victoria, beyond the commuter towns, flourished progressively. This particularly applies to seachange and treechange communities like Surf Coast and Bass Coast but also to ski communities like Alpine; the common denominator driving population and business growth in these communities is lifestyle. Indeed there is a kind of “goldilocks zone” that surrounds Melbourne at a distance of up to 150 km from the CBD.



The coming of the coronavirus has changed work habits whereby many workers now have the option of working from home in a rural location. This was not possible prior to the roll out of the nbn. As a consequence skilled professional workers are now able to work remotely for lifestyle reasons. It could be that by the middle of the 2020s these VESPA (Virus Escapees Seeking Provincial Australia) workers might tire of weekly trips back into the city workplace and either start their own business or look for opportunities locally.

The allure of the CBD and inner suburbs has been dulled by the pandemic. The global, cosmopolitan, congested lifestyle of the inner city is now regarded (by some) as less safe.

The frisson of density has converted to fear of infection. The breaking of the drought early in 2020, the rise of work from home, the emergence of an in-bound flee-the-city movement has changed the culture of regional and rural Victoria.

The regions and especially the rural communities well removed from the goldilocks and lifestyle zones have struggled to retain services amid a broader culture of population erosion. Long term population losses in places like Corangamite and Buloke have given way to larger dairy farms and wheat properties delivering economies of scale and triggering demand for more local manufacturing (eg cattle handling fences).

Concern about supply chain security is leading to a renewed focus on the kind of self sufficiency that is best practised by rural communities. More value-added agribusiness businesses and a wider consumer market now vitally concerned about local production are driving the prospect of better margins in rural Victoria. Remote towns will continue to struggle with old-time services provision including for example medical, newspaper, bank, pharmacist, train station, football teams, church services let alone dental and mixed shopping services.

But then again there has been a profound shift in the delivery of many services across

Melbourne and country Victoria and especially since the onset of the pandemic.

Perhaps it’s time to focus not so much on a ‘return to normal’ for rural councils but to think boldly, ambitiously, outrageously, about the kind of communities we want to build for the future. The way we work, the composition of our towns, the markets for our agribusiness product, the technology we use might all be ‘on the move’ but what never changes is the quality of life on offer in rural Victoria.

And if it is true that Australians are indeed motivated by lifestyle then this coming decade truly is rural Victorian communities time to shine.

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