



La Trobe University: Regional Campuses Economic Impact Analysis



Version:	4
Filename:	La Trobe University Regional Campuses Economic Impact Analysis - Final No Pies.doc
Last Revision Date:	Tuesday, 15 December 2009
Contact:	Matthew Nichol – Principal Economist Mob. 0438 447 525

La Trobe University: Regional Campuses Economic Impact Analysis

This project has been conducted by Compelling Economics Pty Ltd

Project Team

Matthew Nichol
Principal Economist

Tony Moore
Principal Economist

November 2009

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RESOURCES

All modelling has been undertaken using REMPLAN[™] software that has been authored by Principal Research Fellow (ret.), Ian Pinge, at La Trobe University Bendigo.



Contact us:

Compelling Economics Pty Ltd
PO BOX 5006
SANDHURST EAST,
BENDIGO, VIC 3550
TEL: 1300 737 443
Email: info@compellingeconomics.com.au

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SUMMARY

La Trobe University is a major provider of higher education services in Victoria. Commencing in 1967 with 552 students, the University has grown to now accommodate more than 26,000 students including approximately 3,500 international students from over 90 countries. In addition to approximately 15,000 students at the Melbourne (Bundoora) campus, the University is also characterised by a strong regional network of campuses.

These regional campuses are located in Albury-Wodonga, Bendigo, Mildura and Shepparton, employ 1,337 people and cater for around 6,120 students. Once flow-on impacts are accounted for, the University and expenditure by students support up to 2,939 jobs and contribute \$282.7 Million to Gross Regional Product across the communities where the regional campuses operate.

La Trobe University's regional campuses make valuable economic contributions to their respective communities:

Albury-Wodonga

- La Trobe University's Albury-Wodonga campus employs 235 people
- 979 students attend the Albury-Wodonga campus
- Each year students spend \$18.0 Million in the local economy, excluding tuition fees
- Once flow-on impacts are accounted for, the University and expenditure by its students support 515 jobs in the local economy
- The University and its students contribute \$50.3 Million per annum to Albury-Wodonga's Gross Regional Product.

Bendigo

- La Trobe University's Bendigo campus employs 957 people
- 4,324 students attend the Bendigo campus
- Each year students spend \$76.3 Million in the local economy, excluding tuition fees
- Once flow-on impacts are accounted for, the University and expenditure by its students support 2,099 jobs in the local economy
- The University and its students contribute \$201.4 Million per annum to Bendigo's Gross Regional Product.

Mildura

- La Trobe University's Mildura campus employs 96 people
- 426 students attend the Mildura campus
- Each year students spend \$6.8 Million in the local economy, excluding tuition fees
- Once flow-on impacts are accounted for, the University and expenditure by its students support 195 jobs in the local economy
- The University and its students contribute \$18.5 Million per annum to Mildura's Gross Regional Product.

Shepparton

- La Trobe University's Shepparton campus employs 49 people
- 389 students attend the Shepparton campus
- Each year students spend \$6.6 Million in the local economy, excluding tuition fees
- Once flow-on impacts are accounted for, the University and expenditure by its students support 130 jobs in the local economy
- The University and its students contribute \$12.5 Million per annum to Shepparton's Gross Regional Product.

1. Introduction

La Trobe University is a major provider of higher education services in Victoria. Commencing in 1967 with 552 students, the University has grown to now accommodate more than 26,000 students including approximately 3,500 international students from over 90 countries. In addition to approximately 15,000 students at the Melbourne (Bundoora) campus, the University is also characterised by a strong regional network of campuses. These regional campuses are located in Albury-Wodonga, Beechworth, Bendigo, Mildura and Shepparton, and cater for around 6,120 students.

This report presents an assessment of the economic contributions made by the University's regional campuses to the local communities in which they operate. The communities are:

1.1 *Albury - Wodonga*



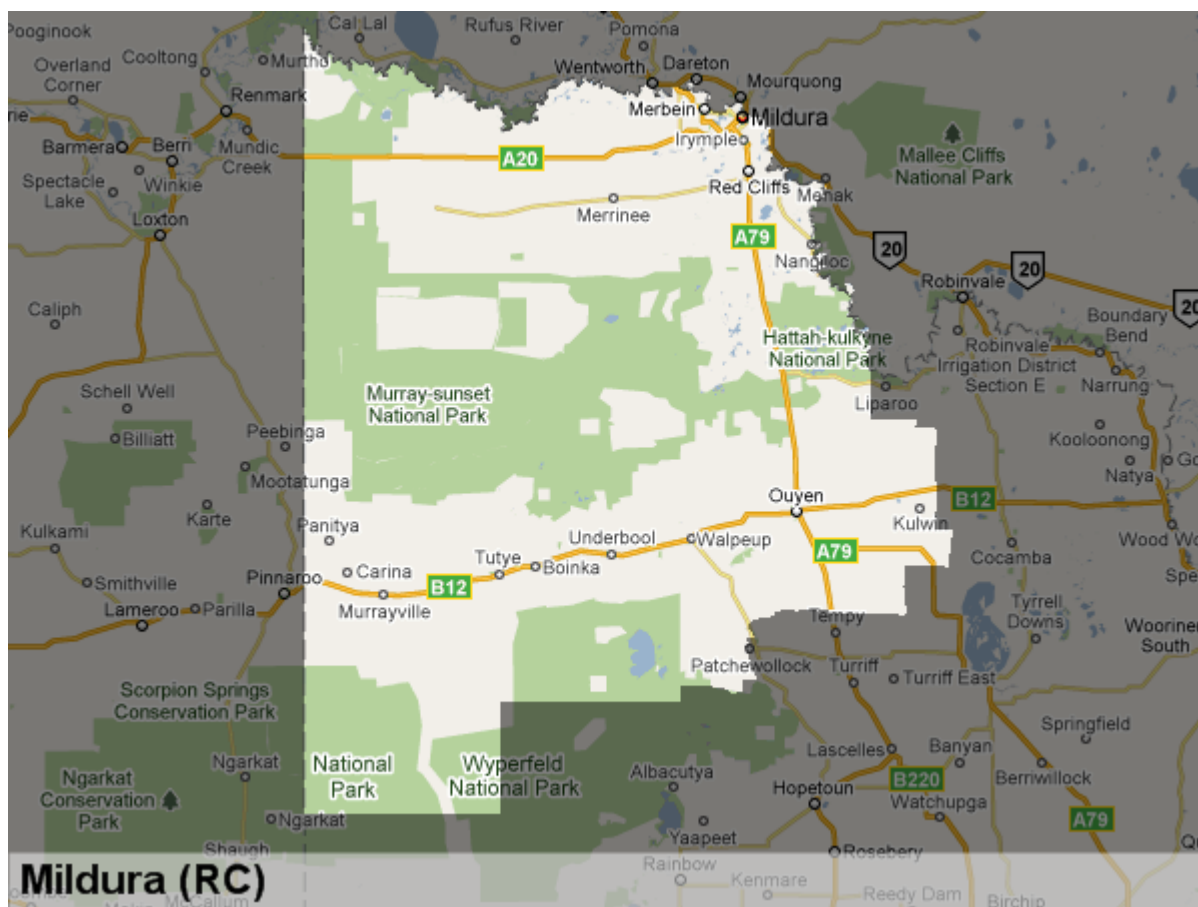
For this study the Albury - Wodonga area is defined by the combined local government area boundaries of the City of Wodonga in Victoria and Albury City in New South Wales.

1.2 Bendigo



The Bendigo area is defined by the local government area boundaries of the City of Greater Bendigo in Victoria.

1.3 Mildura



The Mildura area is defined by the local government area boundaries of Mildura Rural City in Victoria.



2. The Campuses

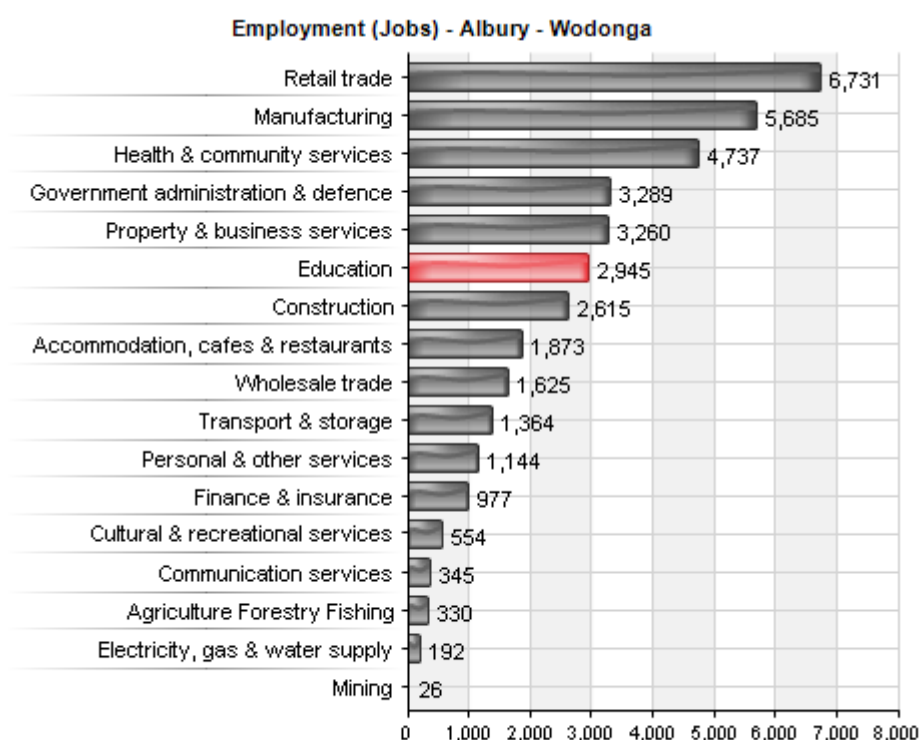
2.1 Albury - Wodonga

La Trobe University's Albury-Wodonga campus offers undergraduate and postgraduate courses with several courses unique to the campus. The courses are designed to meet the needs of professions that are in demand both regionally and nationally. A wide range of support services and dedicated staff assist students to meet their goals. With around 1,100 students, the campus is home to significant research expertise in areas such as freshwater ecology, resource management, and issues around ageing in regional communities.

Source: www.latrobe.edu.au/aw/study

The Albury - Wodonga campus of La Trobe University employs 235 people¹ (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 2,945 people. Education provides 7.8 percent of all jobs in Albury - Wodonga.

2-1 Employment - Albury-Wodonga



Source: ABS 2006 Census, place of work employment data

It is important to note that the employment data presented above represents the number of people working in Albury - Wodonga, irrespective of where they reside.

¹ Source: La Trobe University

2.2 Bendigo

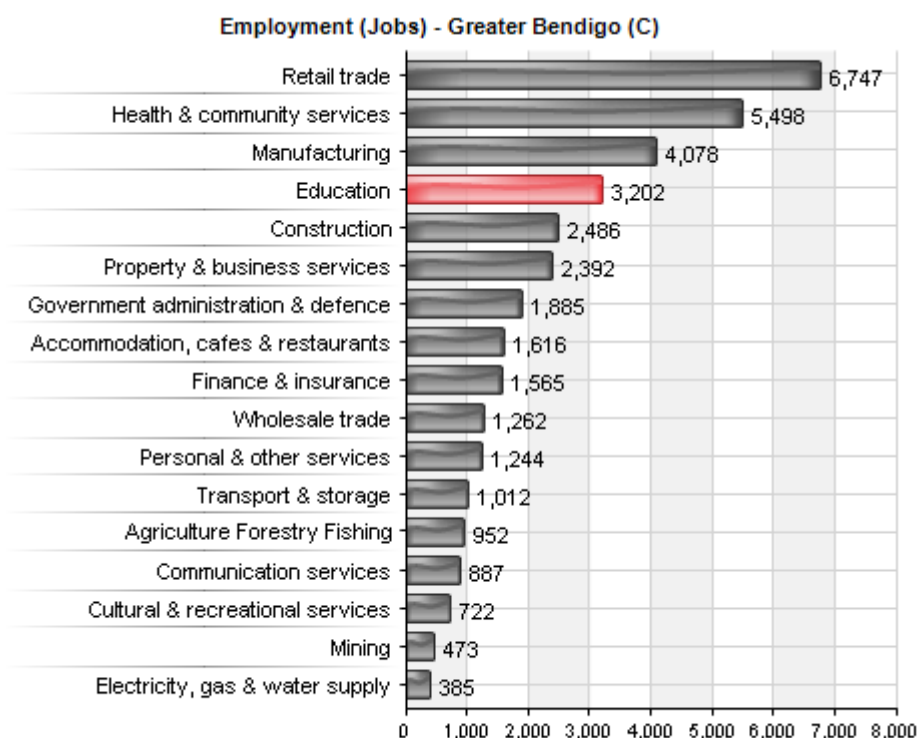
La Trobe University's Bendigo campus is the University's second largest campus with more than 4,000 local and international students studying courses in this regional Victorian city. Because of the relatively small size of the campus and city, the student community is strong and inclusive.

At La Trobe University Bendigo campus, students can study for degrees at both undergraduate and postgraduate levels. Bendigo also offers a number of niche courses only available for study in Bendigo with key strengths in health sciences, education and visual arts.

Source: www.latrobe.edu.au/bendigo/

The Bendigo campus of La Trobe University employs 957¹ people (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 3,202 people. Education provides 8.8 percent of all jobs in Bendigo.

2-2 Employment - Bendigo



Source: ABS 2006 Census, place of work employment data

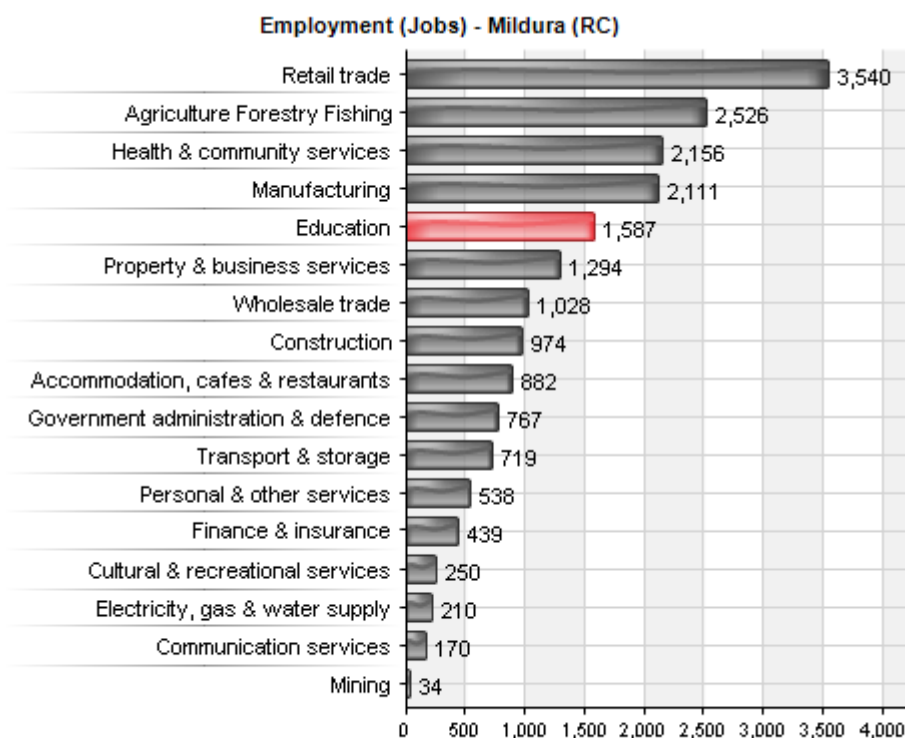
2.3 Mildura

La Trobe University's Mildura campus is proud of its close campus community with over 330 students. Our students come from diverse educational and work experience backgrounds, and from all age groups. Being a smaller campus, all students benefit from more one-on-one contact time with La Trobe staff. Our courses have been designed to meet industry needs at regional, national and global levels. The Mildura campus enjoys very strong relationships with local business and community.

Source: www.latrobe.edu.au/mildura/

The Mildura campus of La Trobe University employs 96 people (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 1,587 people. Education provides 8.3 percent of all jobs in Mildura.

2-3 Employment - Mildura



Source: ABS 2006 Census, place of work employment data

2.4 Shepparton

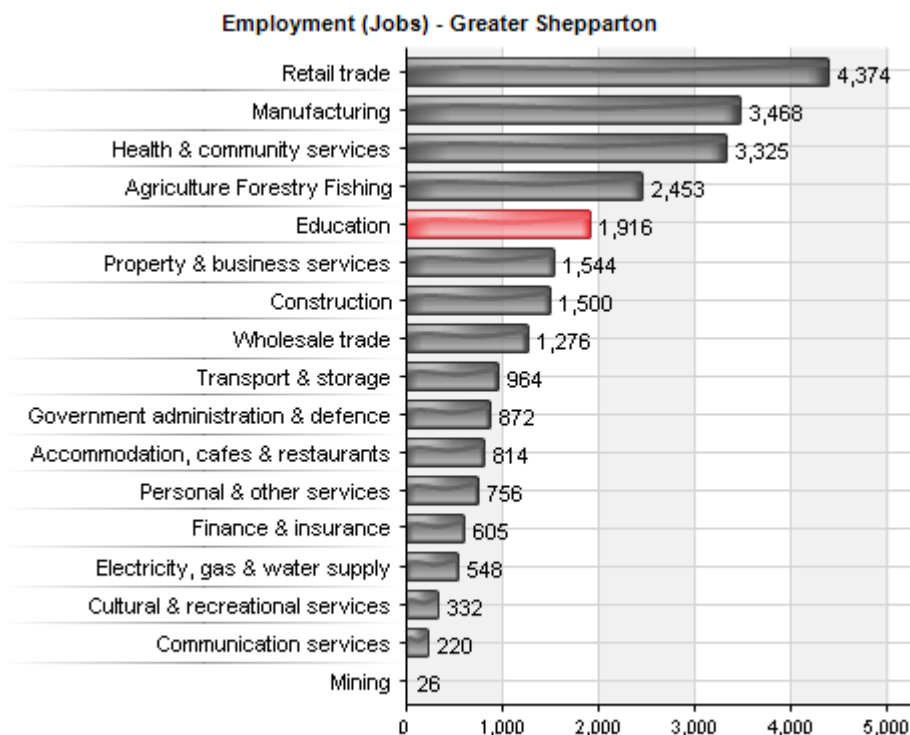
La Trobe University's Shepparton campus is situated 180 kilometres north of Melbourne, in the central Victorian town of Shepparton.

Studying at La Trobe University in Shepparton gives you access to a respected teaching and research institution, world class academics; and helps you develop the professional and life skills required in the workforce. Students may study full-time or part-time courses. Some courses in Shepparton are offered at night to cater for students with daytime commitments.

Source: www.latrobe.edu.au/shepparton/

The Shepparton campus of La Trobe University employs 49 people (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 1,916 people. Education provide 7.7 percent of all jobs in Shepparton.

2-4 Employment - Shepparton



Source: ABS 2006 Census, place of work employment data

3. Economic Impact Analysis

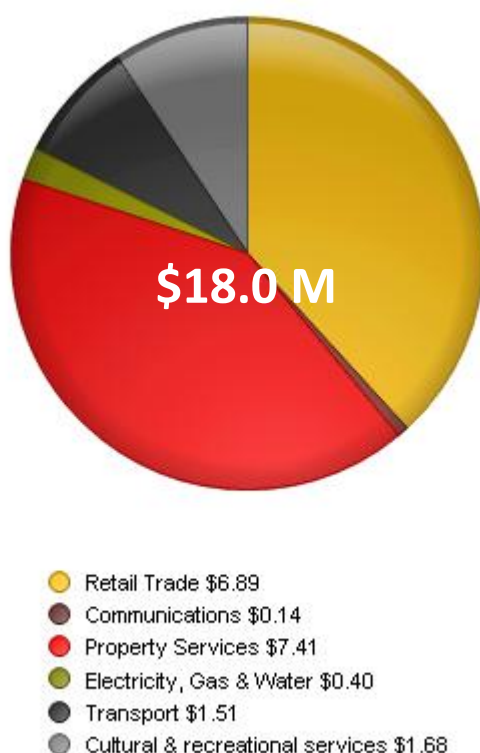
3.1 *Albury Wodonga Campus*

The Albury - Wodonga campus of La Trobe University employs 235 people² (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 2,945 people and generating \$350.6³ Million in annual output. Of this, it is estimated that La Trobe University's local operations contribute \$28.0 Million or 8.0 percent of this amount.

For 2009 the total number of students at La Trobe University's Albury - Wodonga campus is estimated at 979. Of this number, 851 students are currently enrolled. Excluding tuition fees, the total annual expenditure by enrolled students at the Albury - Wodonga campus is estimated at \$18.0 Million⁴.

3-1 Enrolled Student Costs - Albury - Wodonga

Student Costs - Albury - Wodonga (\$M)



² Source: La Trobe University

³ REMPLAN estimates of industry sector outputs for the Albury-Wodonga economy. Output is defined as the gross revenue generated by businesses/organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income.

⁴ Source: Australia Scholarships Group 'ASG University Costs Calculator,' ASG, http://apps.asg.com.au/calc/uni_calc.asp [accessed 17 November 2009](adapted). AGS Victorian student costs estimates applied to La Trobe University database of enrolled students by course for each campus.

The estimated expenditure by students is based on:

- The numbers of enrolled students and the courses they are enrolled in sourced from La Trobe University's student database
- Typical non-tuition costs for students enrolled in courses at Victorian universities as estimated by the Australia Scholarships Group
- Degree durations as per La Trobe University's course guide, to estimate costs on an annualised basis.

The Australia Scholarships Group provides student cost estimates for the following living arrangements:

- Living at home with parents
- Living in halls of residence
- Shared independent living.

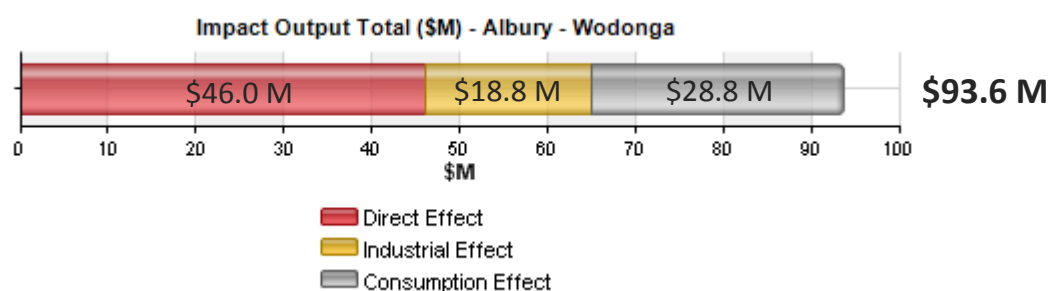
A breakdown of students' living arrangements was not available from the La Trobe University student database and so an average of living costs across the above arrangements was applied for this study.

It is important to note that enrolled students include local people as well as all those who have moved to the area to access tertiary educational services. This study attributes the living expenditure by enrolled students to the presence of the University's campus. This may overestimate the economic value of the University as it is likely that there are many other factors that influence the decision of an individual to move to or remain in an area. On the other hand, this study does not factor in the economic contributions of students via the paid work they undertake whilst studying.

These caveats provide guidance regarding opportunities to capture additional information for future analysis.

The direct output generated by the University in Albury - Wodonga and the direct expenditure by students have a combined value of \$46 Million. This generates flow-on (indirect) benefits to the local economy. These flow-on benefits include industrial effects that relate to the business that supply goods and services to the University and to students; and consumption benefits that encompass the consumption expenditure of University staff in the local economy as well as consumption spending by people employed in the local organisations supplying goods and services to the University and students.

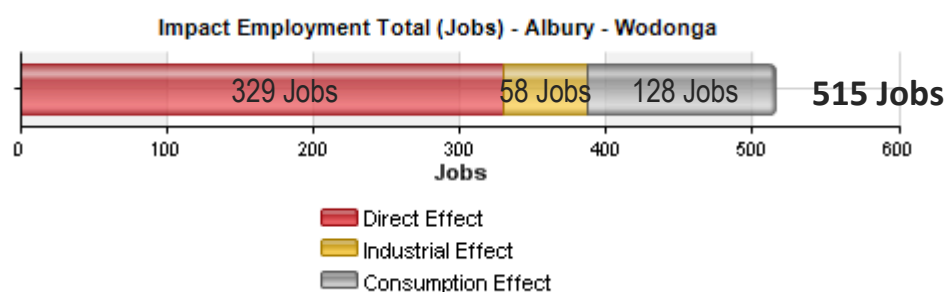
3-2 Economic Impacts (Output \$M) - Albury - Wodonga



From direct output of \$46.0 Million the corresponding demand for intermediate goods and services in Albury - Wodonga is estimated at \$18.8 Million. This represents a Type 1 Output multiplier of 1.410⁵. These industrial effects include multiple rounds of flow-on effects, as servicing sectors generate their own output and demand for local goods and services in response to the direct demand in the local economy from La Trobe University's operations. This direct and indirect output is estimated to support employment in the local economy. Corresponding to this employment is the payment of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$28.8 Million.

Total output, including all direct, industrial and consumption effects is estimated at \$93.640 Million. This represents a Type 2 Output multiplier⁶ of 2.035.

3-3 Economic Impacts (Employment) - Albury - Wodonga



From direct output of \$46.0 Million the corresponding direct employment is estimated at 329 jobs (including the 235 people employed at La Trobe University's Albury - Wodonga campus). From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits support a further 58 local jobs. This represents a Type 1 Employment multiplier of 1.176.

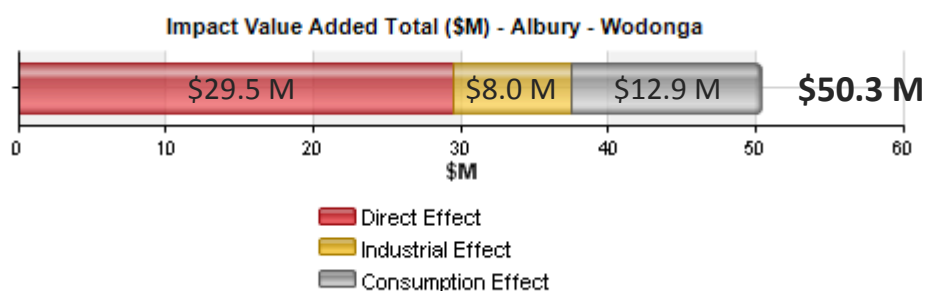
⁵ Includes the Direct Effect + Industrial Effects. If you have a Type 1 output multiplier of 1.57 then for every direct one dollar increase in output you would expect to see an extra \$0.57 of activity generated within the region due to industrial effects.

⁶ Includes the Direct Effect + Industrial Effects + Consumption Effects. If you have a Type 2 output multiplier of 2.31 then for every direct one dollar increase in output you would expect to see an extra \$1.31 of activity generated within the region due to industrial effects plus consumption effects.

The direct and indirect output and the corresponding employment in the economy support the payment of wages and salaries to local employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 128 jobs.

Total employment, including all direct, industrial and consumption effects is estimated at up to 515 jobs. This represents a Type 2 Employment multiplier of 1.565.

3-4 Economic Impacts (Value-added) - Albury - Wodonga



From output valued at \$46.004 Million, the corresponding contribution of the University's Albury - Wodonga campus to direct value-added, also referred to as Gross Regional Product⁷, is estimated at \$29.5 million. From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits are valued at a further \$8.0 Million. This represents a Type 1 Value-added multiplier of 1.270.

The direct and indirect economic benefits generated by the University support employment and the payment of wages and salaries in the local economy. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured locally. The consumption effects under this scenario are expected to further support the economy in value-added terms by \$12.9 Million.

Total value-added, including all direct, industrial and consumption effects is estimated at up to \$50.3 Million. This represents a Type 2 Value-added multiplier of 1.706.

Source: Indirect economic impacts were modelled by applying the REMPLAN analysis system developed by Compelling Economics and economic data for Albury - Wodonga that incorporates the following base datasets from the Australian Bureau of Statistics: 2006 place of work Census employment data, 2004/05 National Input Output Tables and 2008 June Gross State Product.

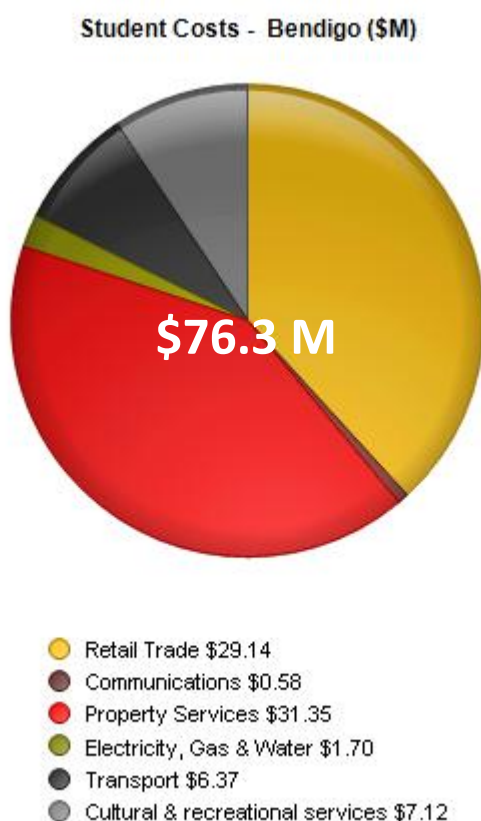
⁷ GRP is the net measure of wealth generated by the region. GRP can be measured by using the incomes approach, where all incomes earned by individuals (wages and salaries), firms (gross operating surplus) and governments (taxes on products or services) are added. Alternatively an expenditure approach can be taken where all forms of final expenditure, including consumption by households, consumption by governments, additions or increases to assets (minus disposals) and exports (minus imports), are added.

3.2 Bendigo Campus

The Bendigo campus of La Trobe University employs 957 people (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 3,202 people and generating \$376.0 Million in annual output. Of this, it is estimated that La Trobe University's local operations contribute \$112.4 Million or 29.9 percent of this amount.

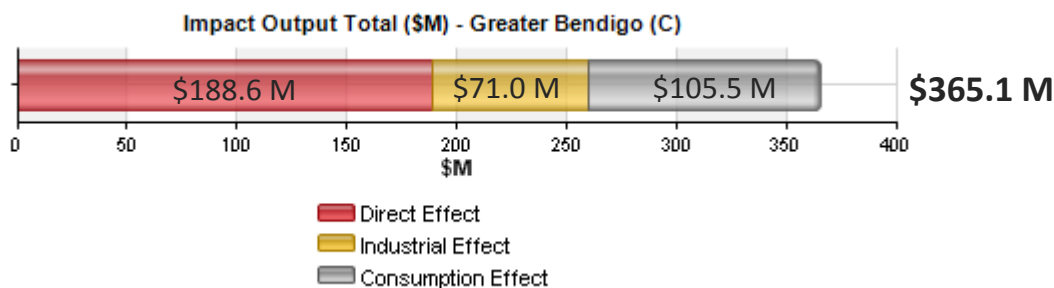
For 2009 the total number of students at La Trobe University's Bendigo campus is estimated at 4,324. Of this number, 3,729 students are currently enrolled. Excluding tuition fees, the total annual expenditure by enrolled students at the Bendigo campus is estimated at \$76.3 Million.

3-5 Enrolled Student Costs - Bendigo



The direct output generated by the University in Bendigo and the direct expenditure by students, that have a combined value of \$188.6 Million, also generate flow-on (indirect) benefits to the local economy.

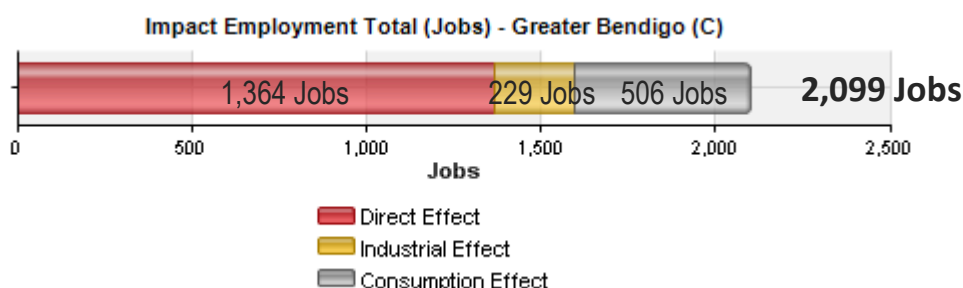
3-6 Economic Impacts (Output \$M) - Bendigo



From direct output of \$188.6 Million the corresponding demand for intermediate goods and services in Bendigo is estimated at \$71.0 Million. This represents a Type 1 Output multiplier of 1.376. These industrial effects include multiple rounds of flow-on effects, as servicing sectors generate their own output and demand for local goods and services in response to the direct demand in the local economy from La Trobe University's operations. This direct and indirect output is estimated to support employment in the local economy. Corresponding to this employment is the payment of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$105.5 Million.

Total output, including all direct, industrial and consumption effects is estimated at \$365.1 Million. This represents a Type 2 Output multiplier of 1.936.

3-7 Economic Impacts (Employment) - Bendigo

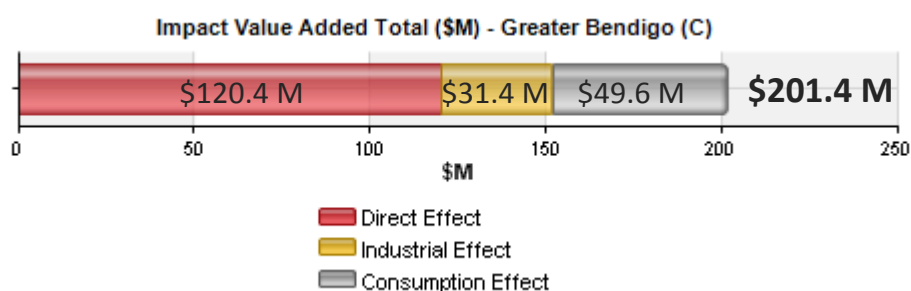


From direct output of \$188.6 Million the corresponding direct employment is estimated at 1,364 jobs (including the 957 people employed at La Trobe University's Bendigo campus). From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits support a further 229 local jobs. This represents a Type 1 Employment multiplier of 1.168.

The direct and indirect output and the corresponding employment in the economy support the payment of wages and salaries to local employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 506 jobs.

Total employment, including all direct, industrial and consumption effects is estimated at up to 2,099 jobs. This represents a Type 2 Employment multiplier of 1.539.

3-8 Economic Impacts (Value-added) - Bendigo



From output valued at \$188.6 Million, the corresponding contribution of the University's Bendigo campus to direct value-added, also referred to as Gross Regional Product, is estimated at \$120.4 Million. From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits are valued at a further \$31.4 Million. This represents a Type 1 Value-added multiplier of 1.261.

The direct and indirect economic benefits generated by the University support employment and the payment of wages and salaries in the local economy. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured locally. The consumption effects under this scenario are expected to further support the economy in value-added terms by \$49.6 Million.

Total value-added, including all direct, industrial and consumption effects is estimated at up to \$201.4 Million. This represents a Type 2 Value-added multiplier of 1.673.

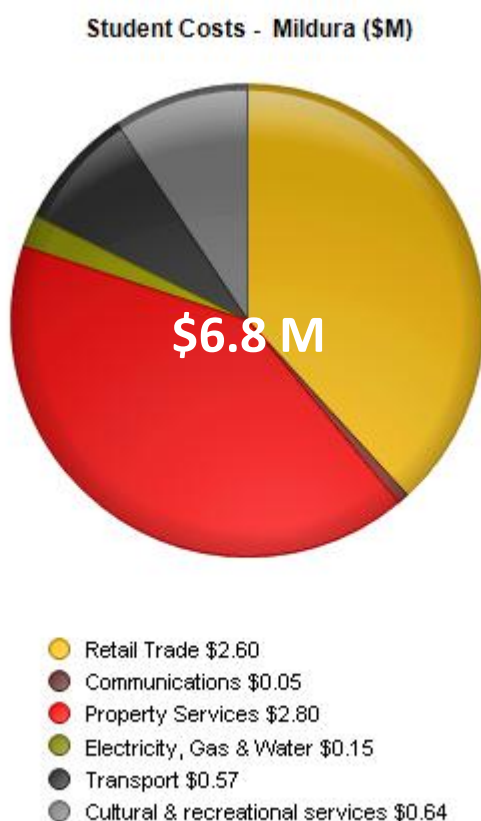
Source: Indirect economic impacts were modelled by applying the REMPLAN analysis system developed by Compelling Economics and economic data for Bendigo that incorporates the following base datasets from the Australian Bureau of Statistics: 2006 place of work Census employment data, 2004/05 National Input Output Tables and 2008 June Gross State Product.

3.3 Mildura

The Mildura campus of La Trobe University employs 96 people (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing 1,587 people and generating \$186.4 Million in annual output. Of this, it is estimated that La Trobe University's local operations contribute \$11.3 Million or 6.1 percent of this amount.

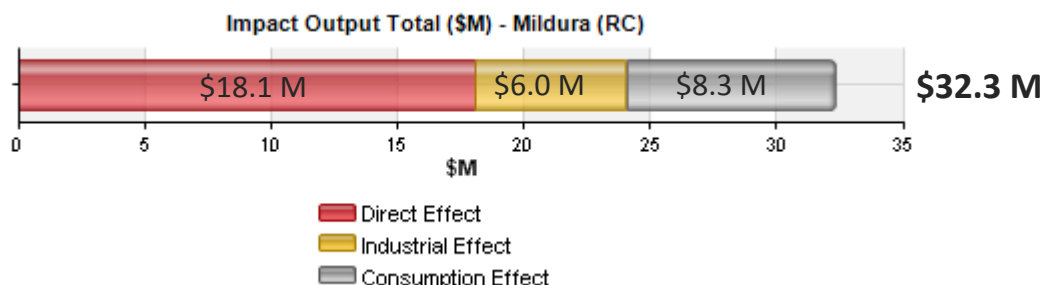
For 2009 the total number of students at La Trobe University's Mildura campus is estimated at 426. Of this number, 336 students are currently enrolled. Excluding tuition fees, the total annual expenditure by enrolled students at the Mildura campus is estimated at \$6.8 Million.

3-9 Enrolled Student Costs - Mildura



The direct output generated by the University in Mildura and the direct expenditure by students, that have a combined value of \$18.1 Million, also generate flow-on (indirect) benefits to the local economy.

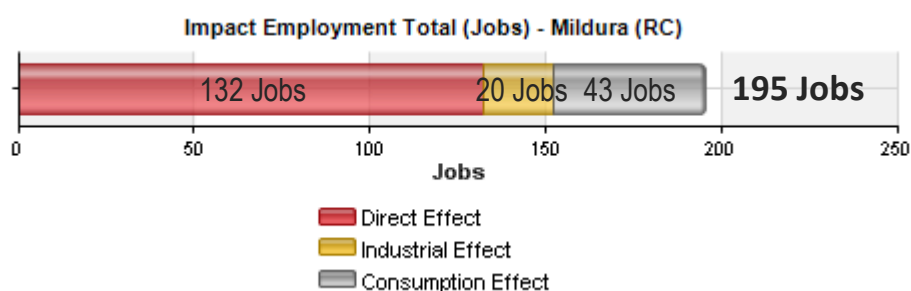
3-10 Economic Impacts (Output \$M) - Mildura



From direct output of \$18.1 Million the corresponding demand for intermediate goods and services in Mildura is estimated at \$6.0 Million. This represents a Type 1 Output multiplier of 1.329. These industrial effects include multiple rounds of flow-on effects, as servicing sectors generate their own output and demand for local goods and services in response to the direct demand in the local economy from La Trobe University's operations. This direct and indirect output is estimated to support employment in the local economy. Corresponding to this employment is the payment of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$8.3 Million.

Total output, including all direct, industrial and consumption effects is estimated at \$32.3 Million. This represents a Type 2 Output multiplier of 1.785.

3-11 Economic Impacts (Employment) - Mildura

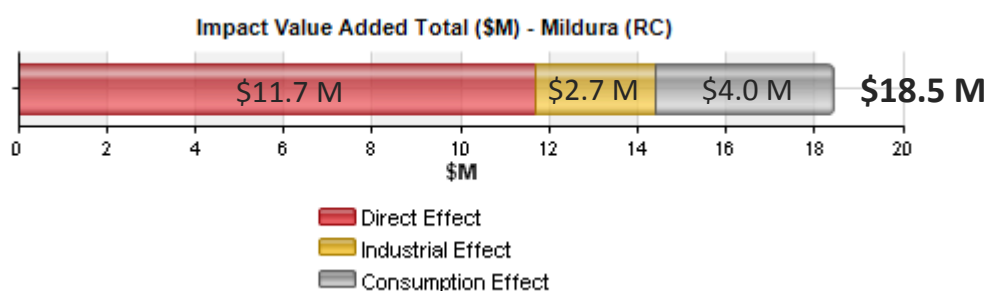


From direct output of \$18.1 Million the corresponding direct employment is estimated at 132 jobs (including the 96 people employed at La Trobe University's Mildura campus). From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits support a further 20 local jobs. This represents a Type 1 Employment multiplier of 1.152.

The direct and indirect output and the corresponding employment in the economy support the payment of wages and salaries to local employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 43 jobs.

Total employment, including all direct, industrial and consumption effects is estimated at up to 195 jobs. This represents a Type 2 Employment multiplier of 1.477.

3-12 Economic Impacts (Value-added) - Mildura



From output valued at \$18.1 Million, the corresponding contribution of the University's Mildura campus to direct value-added, also referred to as Gross Regional Product, is estimated at \$11.7 Million. From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits are valued at a further \$2.7 Million. This represents a Type 1 Value-added multiplier of 1.233.

The direct and indirect economic benefits generated by the University support employment and the payment of wages and salaries in the local economy. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured locally. The consumption effects under this scenario are expected to further support the economy in value-added terms by \$4.0 Million.

Total value-added, including all direct, industrial and consumption effects is estimated at up to \$18.5 Million. This represents a Type 2 Value-added multiplier of 1.579.

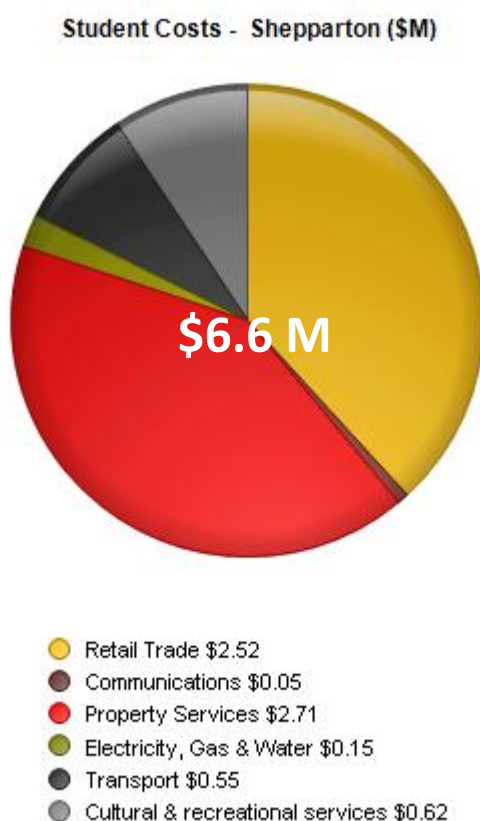
Source: Indirect economic impacts were modelled by applying the REMPLAN analysis system developed by Compelling Economics and economic data for Mildura that incorporates the following base datasets from the Australian Bureau of Statistics: 2006 place of work Census employment data, 2004/05 National Input Output Tables and 2008 June Gross State Product.

3.4 Shepparton

The Shepparton campus of La Trobe University employs 49 people (including all continuing, fixed term and casual employees), and the University is part of a broader local education sector employing people and generating \$225.0 Million in annual output. Of this, it is estimated that La Trobe University's local operations contribute \$5.8 Million or 2.6 percent of this amount.

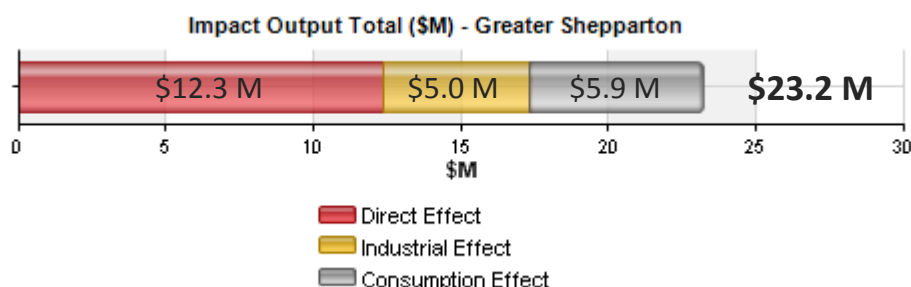
For 2009 the total number of students at La Trobe University's Shepparton campus is estimated at 389. Of this number, 345 students are currently enrolled. Excluding tuition fees, the total annual expenditure by enrolled students at the Shepparton campus is estimated at \$6.6 Million.

3-13 Enrolled Student Costs - Shepparton



The direct output generated by the University in Shepparton and the direct expenditure by students, that have a combined value of \$12.3 Million, also generate flow-on (indirect) benefits to the local economy.

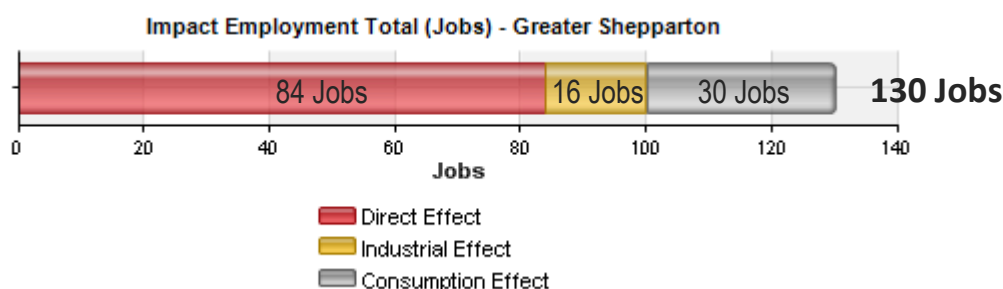
3-14 Economic Impacts (Output \$M) - Shepparton



From direct output of \$12.3 Million the corresponding demand for intermediate goods and services in Shepparton is estimated at \$5.0 Million. This represents a Type 1 Output multiplier of 1.405. These industrial effects include multiple rounds of flow-on effects, as servicing sectors generate their own output and demand for local goods and services in response to the direct demand in the local economy from La Trobe University's operations. This direct and indirect output is estimated to support employment in the local economy. Corresponding to this employment is the payment of wages and salaries paid to employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated at \$5.9 Million.

Total output, including all direct, industrial and consumption effects is estimated at \$23.2 Million. This represents a Type 2 Output multiplier of 1.881.

3-15 Economic Impacts (Employment) - Shepparton

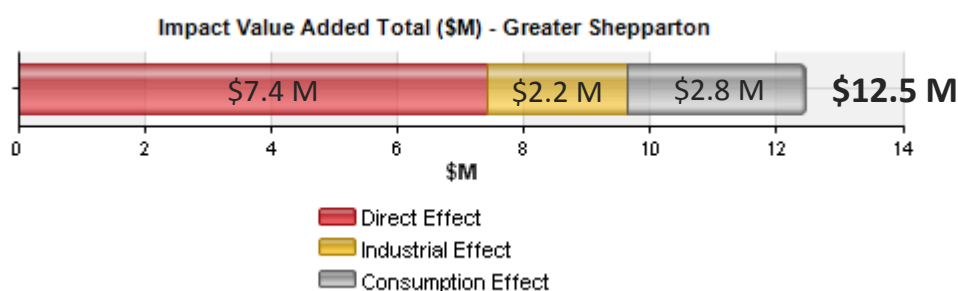


From direct output of \$12.3 Million the corresponding direct employment is estimated at 84 jobs (including the 49 people employed at La Trobe University's Shepparton campus). From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits support a further 16 local jobs. This represents a Type 1 Employment multiplier of 1.190.

The direct and indirect output and the corresponding employment in the economy support the payment of wages and salaries to local employees. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured in the local economy. The consumption effects under this scenario are estimated to further boost employment by 30 jobs.

Total employment, including all direct, industrial and consumption effects is estimated at up to 130 jobs. This represents a Type 2 Employment multiplier of 1.548.

3-16 Economic Impacts (Value-added) - Shepparton



From output valued at \$12.3 Million, the corresponding contribution of the University's Shepparton campus to direct value-added, also referred to as Gross Regional Product, is estimated at \$7.4 Million. From this direct contribution to the economy, flow-on industrial effects in terms of local purchases of goods and services are anticipated, and it is estimated that these indirect benefits are valued at a further \$2.2 Million. This represents a Type 1 Value-added multiplier of 1.299.

The direct and indirect economic benefits generated by the University support employment and the payment of wages and salaries in the local economy. A proportion of these wages and salaries are typically spent on consumption and a proportion of this expenditure is captured locally. The consumption effects under this scenario are expected to further support the economy in value-added terms by \$2.8 Million.

Total value-added, including all direct, industrial and consumption effects is estimated at up to \$12.5 Million. This represents a Type 2 Value-added multiplier of 1.678.

Source: Indirect economic impacts were modelled by applying the REMPLAN analysis system developed by Compelling Economics and economic data for Shepparton that incorporates the following base datasets from the Australian Bureau of Statistics: 2006 place of work Census employment data, 2004/05 National Input Output Tables and 2008 June Gross State Product.