



Mount Alexander Shire Council  
ECONOMIC  
DEVELOPMENT  
STRATEGY  
2013-2017

Creating a climate for innovation across all industries





# Economic Development Strategy 2013-2017

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## EXECUTIVE SUMMARY

The Economic Development Strategy presents a vision for the economic future of the Shire. It sets out Council's role in working with business and other partners towards that vision. Importantly the Strategy recognises the impacts that social and environmental conditions have on economic development. The Strategy also harnesses the wide range of Council's functions that contribute to economic development.

The Strategy is based on an extensive process of research and consultation. Consultation has included: individual interviews with around 40 business operators, meetings with 10 industry sector groups, questionnaires for stakeholders, and a community feedback forum attended by 35 participants.

Consultations and research reveals that Mount Alexander Shire is a residential location of choice for talented and passionate people from diverse backgrounds and experiences. The Shire's residents contribute to communities where high levels of expertise and volunteerism are conspicuous.

The Shire's passionate communities have stimulated formation of specialised and skilled businesses and other organisations in a range of economic development areas, particularly in the arts, sustainability, technology, food, heritage, and events sectors. There are high expectations that important and pervasive economic development challenges are addressed, namely:

- » Balancing lifestyle and development opportunities;
- » Converting community interest and expertise into tangible and lasting economic benefits;
- » Nurturing innovation; and
- » Keeping pace with the infrastructure (soft and hard) needed to support a diverse, strong and vibrant, but comparatively small, local economy.

Council's economic development function is shifting towards a strong focus on the economy's growing service industries such as health, culture and recreation, accommodation and food services, while continuing to exploit the Shire's location, resource and investment advantages in traditional 'product' oriented industries such as manufacturing, agriculture, mining.

The economic development vision to guide this strategy is:

*"Mount Alexander will be one of regional Victoria's most attractive places to live, work, and visit, with sustainable growth and investment in a local economy increasingly structured around innovative, highly skilled, and service oriented businesses".*

This vision is supported by six objectives, each underpinned by specific strategies for 2013-2017:

- 1 Ensure that Council's planning and policies support economic development.
- 2 Promote collaboration and innovation.
- 3 Provide targeted learning, skill development and business support.
- 4 Ensure that resources and infrastructure support business growth and innovation.
- 5 Improve factors that impact on liveability.
- 6 Promote Mount Alexander Shire as a desirable place to live or visit.



## INTRODUCTION

The Economic Development Strategy reinforces Council's commitment to supporting a thriving local economy. It identifies a vision consistent with the direction of the current Council Plan and sets clear objectives for attainment of that vision over the next five years. Its strategies acknowledge the complex interactions between economic, community, social and cultural development and the need for partnerships between Council, our community, regional organisations and other agencies, within and outside the Shire. It proposes differing roles for Council and relevant stakeholders depending on the nature of each strategy. The roles include administering legislation, setting policy, direct intervention, facilitation and advocacy.

Implementation of the Strategy will include regular reviews to monitor progress, reassess priorities and adjust strategies in light of changing circumstances and events. It is this process of monitoring and review that will ensure the Strategy remains relevant throughout its five year life span.

## 1.1 STRATEGY DEVELOPMENT CONTEXT

This Strategy has been developed within the context of Council policies and plans and broader regional strategic directions, as well as national and global economic trends. It has involved:

- » A review of circumstances and events that have forged the nature and pace of development, changing approaches by government and other agencies in fostering economic development, and their impacts on the Mount Alexander community.
- » Identifying suggestions, attitudes and opinions of business operators, other members of the community, and representatives of regional and government agencies. This was achieved through:
  - Consultation with business and broader communities (through forums, individual interviews, and online questionnaires).
  - Workshops with Council and Council staff.
  - Meetings with regional and state agencies involved in economic development policy and program delivery.
- » Researching past and current trends, including the economic history of Mount Alexander, national and global economic trends, and changing approaches to economic development.
- » Reviewing the economic development plans of the Southern Loddon Mallee region and its constituent municipalities.
- » An assessment of the current structure of the Mount Alexander economy and its comparative performance,
- » An assessment of differing global futures and their likely implications for Mount Alexander.

Together, these processes describe a vivid picture of where Mount Alexander has come from, what the outcome has been and the priorities for the future.

## Policies and Plans

### COUNCIL PLAN

The Council Plan provides strong strategic and policy support for the Economic Development Strategy. Mount Alexander Shire Council's Plan 2013-2017 has a vision of

*"Mount Alexander Shire – a thriving community working together to create a sustainable and vibrant future".*

Its goals are:

- A vibrant healthy community,**
- Better community facilities,**
- A thriving local economy,**
- Building sustainable communities.**

The goal of 'A thriving local economy' includes the following priorities:

- » Encourage the establishment of innovative, creative and sustainable businesses,
- » Invest in our young people,
- » Celebrate the things that make Mount Alexander Shire special,
- » Promote the Shire as a great place to visit, live and do business,
- » Facilitate the development of the local economy and jobs.

These are consistent with the directions established in the Loddon Mallee South Region Strategic Plan which also embraces concepts of managing growth, protecting and enhancing the natural environment, building stronger communities, strengthening and further diversifying economies, improving infrastructure, and improving education and training outcomes. These directions provided a guiding context in developing this Strategy.



## OTHER COUNCIL STRATEGIES

The Economic Development Strategy takes into account a number of complementary Council strategies that also contribute to positive economic development. These include:

- » The Castlemaine Commercial Centre Study (2012)
- » Heritage Strategy 2012-2016
- » Arts Strategy 2011-2015
- » Investing In Sport – A Strategic Plan for Council’s Investments in Sport (2011)
- » Walking and Cycling Strategy (2010)

## STRATEGIC LAND USE PLANNING

Council’s strategic land use planning and the review of the Municipal Strategic Statement will be consistent with the objectives and strategies in the Economic Development Strategy.

## COMMUNITY PLANS

Council is also undertaking a community planning process with nine towns in the Shire. These plans will not be Council adopted plans but they will articulate local aspirations that may be able to be considered as the Economic Development Strategy is implemented.

## National and Global Economic Trends

The 21st century is witnessing the rise of the age of lifestyle and sustainability. Improving standards of living are penetrating even the world’s most populous nations and the mobile technologies delivered through the information age means that the globe is informed and connected. Domestic services, healthier lifestyles, and sustaining the future of the planet through use of renewable resources and reduced pollution are the hallmarks of the new age. Health, personal services, cultural and recreation industry sectors will be among the major growth areas in this age.

The economic shift has seen a movement in jobs away from primary and secondary sectors to service based sectors. It has also seen the emergence of flexible working arrangements and different drivers for business location decisions. Given the right environment, these trends present strong opportunities for smaller and often non-metropolitan communities. They also inform the type of community environment and supporting infrastructure that is required to sustain a strong and vibrant economy into the future.

## 1.2 STRATEGY STRUCTURE

This strategy briefly outlines Mount Alexander Shire’s historic economic development journey and what that journey has delivered in terms of the structure of the economy, its comparative performance and the attitudes and aspirations of its diverse community. This research, together with the policy environment and broader economic trends, provide the platform from which future directions and priorities have been identified. These are encompassed within the Shire’s economic development vision and objectives, and a series of strategies that guide implementation of that vision and objectives.

This Strategy is informed by a larger Economic Development Strategy and Profile Report, which provides comprehensive details of the strategy research, consultation and analysis.



Photo courtesy of Janet Barker, Newstead Community Plan Engagement Worker



## SHAPING STRATEGY DEVELOPMENT

### 2.1 MOUNT ALEXANDER'S ECONOMIC DEVELOPMENT HISTORY

Mount Alexander's economy today has been shaped by three inextricably linked factors: its natural assets; its history of settlement; and its participation in the evolution of regional economic development.

Prior to colonial settlement, Mount Alexander Shire was home to the Dja Dja Wurrung tribe, with an economy based on sustainable hunting and wild harvesting. From 1788 up until the 1960's, economic development was resource based. In Mount Alexander this included farming and gold mining through to woollen and foundry productions and food manufacturing. The 'top down' era of economic development from the late 1960's to the early 1980's saw government policy and programs to attract industries and jobs to municipal areas, including Mount Alexander. This era was followed by a change in government policy to favour 'bottom up' economic development, driven by local strategies and the establishment of local economic development organisations. The latest shift from 2000 onwards can be characterised as sustainable economic development. In this era it is evident that for Mount Alexander, economic development is expected to be integrated with social and community development as well as environmental protection to achieve sustainability and balance and to protect lifestyle and liveability.

Council's role in economic development has evolved, particularly in the last ten years. The Mount Alexander Shire Economic Development Framework Strategy (2006) identified that 'There has not been a directly resourced economic development unit or staff member in recent years and Council had not been committed to a formal economic development work program.' Recommendations from this framework strategy led to the creation of the Social and Economic Development Directorate within Council and the creation of Stage Two of the Wesley Hill Business Park. Since this time, Council has continued to increase the resources allocated to economic development, enabling it to support a number of projects and initiatives to support business in the Shire.

Mount Alexander has a number of distinct features that the economic development strategy can take advantage of. These include:

- The natural environment
- Heritage buildings and streetscapes
- Proximity to Bendigo and Melbourne
- Proximity to Melbourne Airport
- Being located on a major road and rail corridor.

## 2.2 THE SHIRE TODAY

### The Community

The size of the Mount Alexander community and its settlement patterns reflect its natural resources, particularly its agricultural and mineral resources, and the emergence of towns to support historical developments based on those resources. The structure and appearance of many of the Shire's settlements is also heavily influenced by its gold rush heritage. This, in turn, has impacted on its attractiveness as a place to live and its appeal to people from diverse backgrounds and experiences.

Mount Alexander now has a population of 17,803 around 40% of whom live in Castlemaine. Its smaller townships include: Chewton, Campbells Creek, Elphinstone, Maldon, Newstead and Harcourt.

It has strong arts and cultural communities and a number of key drawcards which sustain its liveability and support its tourism industry. These drawcards include its goldfields heritage, arts and cultural activities and events, as well as its culinary and "village" offerings.

Mount Alexander's rate of population growth over the last decade has been reasonably slow by regional Victorian standards, primarily because of its older age structure. However, it has also attracted a significant number of new residents, mostly migrating from Melbourne for lifestyle reasons. Many of these have chosen to live in the smaller villages and rural hinterland, particularly those areas closer to Castlemaine, contributing to a faster rate of population growth in areas outside Castlemaine.

Just over one fifth of all people aged over five in Mount Alexander have moved to the Shire in the last five years. It has become a residential location of choice for talented and passionate people from diverse backgrounds and experiences. These communities have added to the generous contributions of expertise and volunteerism, and high levels of community-mindedness most strongly evident in the arts, sustainability, food, heritage and events sectors.

The Shire's popularity as a residential location is expected to result in stronger growth over the next 20 years, with the smaller villages and rural hinterland likely to continue to outpace growth within Castlemaine.

The age structure of the Shire and the number of residents who choose to live here for lifestyle, rather than economic reasons, has a clear impact on the socio-economic characteristics of the community. For example, the Shire has:

- » A lower workforce participation rate compared to regional Victoria,
- » Low unemployment and few unemployed seeking full time work,
- » A relatively low income structure, despite high rates of post secondary education qualifications.

There are also quite distinct differences in the characteristics of those who have recently moved to Mount Alexander and its longer term residents, with newer residents typically:

- being younger,
- having higher incomes and higher levels of post secondary qualifications,
- more frequently having full time work,
- more often working outside the Shire.

The strong rate of in-migration and the differing characteristics of newer and longer term residents are contributing to a transition within the community, placing greater emphasis on lifestyles, and maintaining environmental, cultural and heritage assets. This is resulting in an integration of economic, environmental and community development policy and practice, consistent with the emergence of the era of sustainability.



## Economic Structure and Performance

Like the community, the structure of Mount Alexander's economy has also been impacted by its natural resources, its transport links (particularly rail) and proximity to Melbourne, and previous government policies. The end result is an atypical economic structure dominated by secondary industry, although there is evidence that this is changing.

The economic contribution by sector in 2011 is summarised in Table 3.1.

**Table 3.1: Economic Contribution by Sector, 2011**

Sector	Economic Contribution 2011 (\$ million)	% of Total	% of Total Jobs	% Change in Jobs 2006 to 2011
Primary Sector	84.5	5.7	5.8	-17.5
Secondary Sector	712.0	47.9	30.6	10.3
Tertiary Sector	311.6	21.0	17.3	5.6
Business Services	148.0	10.0	22.4	10.9
Consumer Services	229.4	15.4	23.9	12.4
<b>Total</b>	<b>1,485.5</b>	<b>100.0</b>	<b>100.0</b>	<b>8.0</b>

The total economic contribution from businesses within the Shire in 2011 is estimated at \$1.5 billion, almost half of which is derived from secondary industries, but with relatively more significant job numbers and stronger jobs growth in the service sectors.

Most businesses in the Shire are in the Agriculture and Construction industries, but most jobs (35%) are in Manufacturing, primarily Meat and Meat Processing. Food Investments Pty Ltd (formerly KR Castlemaine) is the Shire's largest employer in terms of both turnover and jobs. It has just less than 20% share of the Australian bacon, ham and smallgoods industry and all its smallgoods are manufactured at Castlemaine. Mount Alexander also has a number of other nationally significant manufacturers as well as a range of motor vehicle modification businesses that are part of a cluster of hot rod industry specialists. Together, these businesses contribute to a Manufacturing industry in Mount Alexander that has 'bucked the trend' in terms of representation and contribution.

Despite economic diversification, the Shire continues to accommodate a few large, important secondary sector employers and some have further potential in terms of future contributions to economic growth.

There is evidence that national and global trends, as well as the impacts of the Shire's in-migrating population, are impacting on this structure. For example, while the Manufacturing industry employs more than three times as many workers as any other industry in Mount Alexander, strongest growth in jobs over the last five years has been in Administrative and Support Services and Professional, Scientific and Technical Services, and in Health Care and Social Assistance and Accommodation and Food Services, both in the consumer services sector. The Health Care and Social Assistance industry is now Mount Alexander's second largest employer.

Jobs in Arts and Recreation Services, Education and Training and Other Services industries, on the other hand, have all declined over the last five years, despite strong growth throughout the State. While the decline in Education and Training may reflect the impact of State and Federal Government policies and the Shire's age structure, the decline in Arts and Recreation Services and Other Services jobs is contrary to national trends and to the interests of many within the community. This suggests that community attraction to, and involvement with, these sectors has yet to transform into solid economic prospects.

The changing nature of the Mount Alexander community and its interests and aspirations has had some other significant impacts on its economic structure. Over the last five years there has been a slight drop in the ratio of jobs to workers and quite a marked drop in the proportion of jobs within the Shire that are full time. Again, this most likely is the result of people choosing lifestyle over work moving to the Shire, some of whom choose not to work and some of whom start their own business, partly as a hobby rather than as a serious source of income and employment. It also both reflects and influences the extent of commuting that exists. Almost one third (29%) of all jobs within Mount Alexander are held by workers who commute from outside the Shire (predominantly from Bendigo), and 40% of workers who live in the Shire commute elsewhere (again mostly to Bendigo) to work. The manufacturing industry in particular shows this mismatch in the skills sets available within Mount Alexander and those required by the industry. Almost half of all Manufacturing jobs, and 90% of all skilled jobs in the Manufacturing industry in Mount Alexander, are held by inbound commuters.

There are also few industries whose trends in jobs suggest they perform better in Mount Alexander than elsewhere in Victoria. Those that do out-perform are

- » Manufacturing (Secondary sector), although this is almost exclusively the result of the modernisation and expansion of the Food Investments Pty Ltd plant at Castlemaine as a result of restructure within that business; a situation that is not likely to be repeated
- » Wholesale (Tertiary sector)
- » Administrative and Support Services (Business Services sector)
- » Professional, Scientific and Technical Services (Business Services sector).

The Shire does not yet have any industries in the rapidly growing consumer services sector that out-perform.

Although not a discrete 'operations specific' industry, tourism makes a significant contribution to the Mount Alexander economy. The Shire's tourism assets have been shaped by its gold rush heritage and, more recently, by the artistic and cultural endeavours of its residents.

In addition to its goldfields heritage, key drawcards to the Shire include the culinary, arts and cultural attractions and events of Castlemaine, as well as the 'village' offerings of Maldon, Guildford and Newstead. Wineries and cideries are located in the Harcourt Valley, supported by several annual events that celebrate the area's local produce. There are also heritage features, bushwalks and other visitor experiences in the smaller towns of Chewton, Taradale, Vaughan, Fryerstown and others. Events are an important source of visitors for all of the Shire's communities.



A less overtly recognised tourism asset for Mount Alexander Shire is its people. The diversity, ingenuity, and community-mindedness of the locals is evident in the lively café scene, extensive calendar of small and large community events, the innovative use of space and design in the built environment, and a passion for sustainability that has seen the Shire become a leader in community-based initiatives to address climate change. As one business owner interviewed for the study expressed, “Our caring community is a real strength, and makes for an authentic experience for visitors.”

- » Industry consultation has indicated that the tourism sector is performing reasonably well overall, but it is experiencing some challenges:
- » Seasonality is a major issue, with turnover very quiet in the winter months.
- » There is generally a strong weekend trade but mid-week visitation is significantly reduced.
- » A surge in the number of eateries in Castlemaine over the last few years has made a significant improvement to culinary offerings but failed to generate additional visitation to reflect the wider dispersal of the tourism dollar.

These challenges reflect both gaps in product offer and the need for more effective branding and targeted promotions.

Overall, analysis suggests that Mount Alexander Shire is in the process of, but has not yet completed, a transition to a serviced based economy. At the same time, it has strong performance attributes in secondary industries and significant primary sector assets that provide links with consumer services industry opportunities.

## Regional Context

Mount Alexander Shire is one of five municipalities in the Loddon Mallee South region of Victoria. All four additional local government areas (Bendigo, Central Goldfields, Loddon and Macedon Ranges) share a geographic boundary with Mount Alexander and all have begun to acknowledge the importance of sustainable economic development, and are implementing complementary strategies.

Mount Alexander is ‘in the middle’ of Loddon Mallee South region; geographically, economically and socio-demographically. For example:

- » Its population growth is faster than Central Goldfields and Loddon, but slower than Bendigo and Macedon Ranges.
- » Its industry is more diversified and service oriented than Central Goldfields and Loddon, but less diversified than Bendigo and Macedon Ranges.
- » Loddon and Central Goldfields Shires are known to have communities facing severe socio-economic disadvantage, while Bendigo and Macedon Ranges are among country Victoria’s more rapidly growing and buoyant municipalities. Again, Mount Alexander’s socio-economic indicators tend to be ‘in the middle’.

## 2.3 STRATEGIC CHALLENGES

A number of strategic challenges for Mount Alexander Shire were identified during the process to prepare the economic development strategy. These challenges have informed the strategies. Each challenge is briefly described and discussed below.

### 1 Finding effective ways of harnessing the skills and passions that exist within the community to promote desirable, sustainable development.

Mount Alexander has become a residential location of choice for talented and passionate people from diverse backgrounds and experiences. This has stimulated several specialised and skilled organisations with a keen interest in one or more economic development areas, such as:

- Sustainability.
- Renewable energies.
- Food and beverage production.
- Automotive trades and modified vehicles.
- Organic and bio-dynamic practices.
- Design (graphic, architectural and landscape).
- Various branches of the arts (visual, music, film).
- Heritage and history.
- Health and wellbeing.

These are all consistent with the emergence of the era of lifestyle and sustainability, yet analysis suggests that such skills and interests are yet to translate to an economic competitive advantage in these areas.

### 2 Creating a better understanding of the era of lifestyle and sustainability and achieving a balance between maintenance of lifestyles and acceptable economic development opportunities.

There are distinct groups of businesses and residents in the Shire. To generalise, there are:

- » Those who have retired or semi-retired and who have moved to Mount Alexander for lifestyle reasons. Generally these people like the way the Shire is and do not want it to change, particularly with respect to attracting big, mainstream businesses and investment (including supermarkets and franchise stores).
- » Those who have lived locally for a long time and feel the Shire is missing out on opportunities and investment (including big supermarkets and franchise stores).
- » Those who perceive Council policies and regulations could be more flexible to expand the ability to grow businesses and economic opportunities.
- » Business operators who are predominantly 'life-stylers', operating an enterprise but not at a sufficient capacity to effectively collaborate or assist in developing new skills and jobs, building critical mass or new competitive strengths.

The attitudinal and cultural divisions between some businesses and some residents relate to differing values, different recreational interests and other lifestyle priorities. These divisions have the potential to be manifested by impacting on economic development opportunities and investment decisions due to community resistance, legislative delays, and the potential to create insecurity for investment and future expansion.



### 3 Building a more diverse and robust economy.

The Shire has a large percentage of total jobs based in a few large businesses. Further, local job creation is lagging population and worker growth. This is resulting in increasing levels of commuting; a situation at odds with the desire to address issues like 'local food and low food miles' and 'minimising the carbon footprint'.

There is a need to both support those businesses and industries that are already making a significant contribution to the local economy, while also assisting to develop new businesses in new industries, and encouraging a smooth transition to a service based economy.

Gold mining is one of the traditional industries, with a likely resurgence over the next decade and beyond, based around deep-lead deposits and new investment. This may have potential to provide a modern connection to the Shire's (alluvial) goldfields heritage.



### 4 Having a legislative and planning process that provides clear direction for, and supports, desirable development.

Long-established industry sectors have expressed a perceived lack of investment opportunity and perceived intransigence within planning and other legislative processes, leading to missed opportunities in automation, cost-efficiencies, value-adding, investment and physical business expansion.

The flow-on issues from frustration at lack of investment opportunities highlight the need to consider:

- » Suitable industrial and commercial sites and premises.
- » Addressing limitations of the existing power network. A balance between renewables and achieving capacity needs does not appear to be a short-term prospect.
- » Water treatment and water supply. This relates to both the capacity to handle waste water and the future return on investment from irrigation modernisation works.
- » Potential conflicts in land use between farming, mining, public conservation and rural residential.
- » Suitability of roads.
- » Ageing and uncompetitive community infrastructure including sport and recreation.

Inadequate supply, range and choice of industrial land is also perceived by many in the business community as an impediment to both expansion of existing operations and new business establishment. However, industrial marketing in a relatively small regional area involves much more than provision of suitable land and services. Creation of new industrial estates and precincts is an enormous task.

Rapid technological improvements and globalisation of trade mean that businesses can locate anywhere. Traditional industries around Australia are being lost to overseas locations because the cost of doing business is much cheaper, unless there is a critical supply or market reason for remaining in Australia. Business location decisions in the 21st century are about a complex mix of:

- Lifestyle factors
- Existing networks and relationships
- Supply chain connections
- Market and logistics considerations.

The nature of demand for industrial land and premises in Mount Alexander is also changing, consistent with trends around Victoria. There is demand for industrial land by businesses which have not been considered as industrial land users, in the past. The sectors which have become accepted consumers of industrial land now include

- Agribusiness value adding
- Manufacturing
- Construction (including trades)
- Wholesale trade
- Electricity, gas, water and waste (utilities)
- Wholesale trade (especially bulky items)
- Transport, postal and warehousing
- Information and communications technology
- Arts and recreation services (particularly sports centres, gyms and galleries).

## 5 Providing for an ageing community

By 2031, the Shire is expected to have a 91.7% increase in people aged 65 years and over (over 3,200 more people in these age groups). Conversely, it is expected to have a 2.0% decrease in people aged less than 15 years (around 65 fewer children in these age groups). It is also likely that Mount Alexander will have a slightly smaller share of the Loddon Mallee South region's total population, due to more rapid growth in Bendigo and Macedon Ranges.

Mount Alexander already has a significant Health Care and Social Assistance industry that is delivering strong economic outcomes. The expanding aged population presents further opportunities within this industry for new business development particularly associated with active aging, creating jobs and enhancing liveability.



## 6 Strengthening the Shire's tourism potential and more effectively leveraging economic benefits from the industry.

Events are a significant and important drawcard for visitors for all the Shire's towns and villages. However, there are limited tourism products that appeal to the family visitor market in Castlemaine and Maldon, and a lack of 'higher rated' accommodation and meeting/workshop facilities for the business market, recreational groups, and special interest groups despite opportunities created by the relative proximity to Melbourne and Bendigo.

As well, recent growth in tourism-focused businesses such as restaurants, cafes, and 'bed and breakfasts', has not necessarily 'grown the pie'. Rather, it appears that a similar number of visitors are being spread more thinly among the larger number of businesses.



## 7 Encouraging regional collaboration and new approaches.

There are some common strategic themes in economic development among the other Loddon Mallee South Councils (Bendigo, Loddon, Central Goldfields, and Macedon Ranges) many of which are compelling. These are:

» *“Environment and social considerations taking centre stage”.*

For some time there has been an acknowledgement that economic development should be cognisant of environmental and social issues. This acknowledgement has moved to a new level in the Loddon Mallee South region to the point where the economic development strategies in the region are as equally focused on environmental protection, or opportunities, and social development and lifestyle protection, as they are focused on traditional economic development outcomes such as population growth, jobs, and investment.

» *“Towards a Bendigo economic region”*

Bendigo is the fifth largest inland Australian city. The RDA Regional Plan and some of the municipal economic development strategies recognise the economic sphere of influence of Bendigo, and there is a clear indication that considering Loddon Mallee South as the 'best fit' for a Bendigo economic region will enable future planning and economic development initiatives to be implemented in a more holistic and collaborative manner. Bendigo's significance to the Mount Alexander economy is also evident in the extent and pattern of commuting for work.

» *“A bright and prosperous future”*

Some Victorian regions have recently had their confidence shaken by a combination of the Global Financial Crisis, high Australian currency exchange rates impacting on exports, natural disasters in the region, predicted impacts of climate change/climate variability and the pricing of carbon emissions. This is not the case at all in Loddon Mallee South, where there remains a confident expectation of growth.

» *“Non-traditional industry sectors are now embedded in the economic development function”.*

An aerial photograph of Mount Alexander, Victoria, Australia. The town is built on a hillside, surrounded by dense green trees. A prominent feature is a large, multi-story brick building with a central clock tower. Other buildings, including a large white structure, are visible in the background. The sky is clear and blue.

## VISION, OBJECTIVES AND STRATEGIES

“Mount Alexander will be one of regional Victoria’s most attractive places to live, work, and visit with sustainable growth and investment in a local economy increasingly structured around innovative, highly skilled, and service oriented businesses”.



### 3.1 ECONOMIC DEVELOPMENT VISION

The strategies have been based on creating a climate for investment in production oriented industries such as agriculture, mining and manufacturing. Mount Alexander's new economic development strategy has departed from this principle and is structured around creating a climate for innovation across all industries. Investment in capital and technology often generates routine jobs and a need for high volume outputs, whereas innovation demands responsiveness and competitiveness. A passionate, driven and innovative community is already a distinguishing feature of the Mount Alexander economy.

Council recognises the ongoing need to interact with the business community in order to provide both a proactive and responsive range of economic development services. Council also understands that the majority of new investment and job creation is likely to be generated from within the existing community. While the attraction of appropriate new business activity from outside the municipality will be evaluated as opportunities arise, the allocation of resources to attract external investment is not a priority. In evaluating the suitability of economic development initiatives, the protection and enhancement of the character of the Shire (including its liveability attributes, cultural and heritage assets and physical environment) are fundamental to all of Council's plans.

### 3.2 ECONOMIC DEVELOPMENT OBJECTIVES

**Objective 1:**

Ensure that Council's planning and policies support economic development.

**Objective 2:**

Promote collaboration and innovation.

**Objective 3:**

Provide targeted learning, skill development and business support.

**Objective 4:**

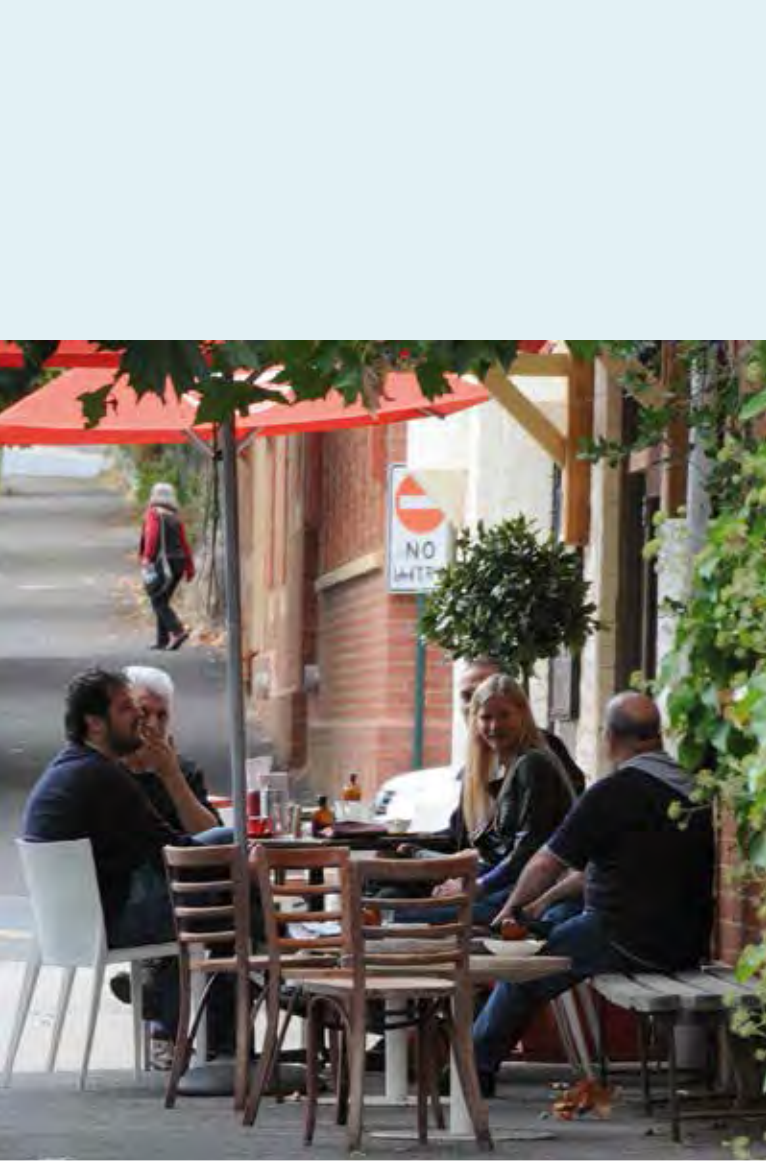
Ensure that resources and infrastructure support business growth and innovation.

**Objective 5:**

Improve factors that impact on liveability.

**Objective 6:**

Promote Mount Alexander Shire as a desirable place to live or visit.



### 3.3 COUNCIL IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT STRATEGY

Economic, social and environmental factors all contribute to the community's overall wellbeing and prosperity. Council's support for the economy is intertwined with its operations right across the organisation and delivering on the Strategy is a cross organisation responsibility. Numerous Council strategies and plans, such as the Environment Strategy, Walking and Cycling Strategy, Arts Strategy and Disability Action Plan for example, contain objectives and actions that contribute to Council's support for the economy and enable Council to deliver on many of the actions in this Strategy. The suite of strategies contained in the following section reflects this, with Council playing a varying role – from providing in principle support through to direct intervention.

Council will guide the implementation of this strategy by taking a whole of Council approach. An annual priority list will be developed so that Council's activities can be flexible and responsive to the changing economic environment over the five year period. Business units across Council will be responsible for relevant strategies and will provide regular reporting on progress with implementation. Council will also establish a mechanism to work with external partners to progress the Economic Development Strategy.



### 3.4 ECONOMIC DEVELOPMENT STRATEGIES

Objective 1: Ensure that Council's planning and policies support economic development			
STRATEGY		IMPLEMENTATION RESPONSIBILITY	COUNCIL ROLE
LAND-USE STRATEGIES			
1.1	Ensure Council policy and the Municipal Strategic Statement recognise the value associated with the Shire's rural land and the areas which should be retained indefinitely to support agricultural production and flora and fauna ecosystems, protect heritage sites and to safeguard lifestyle and tourism attributes.	Council (through MSS review and Rural Land study) State Government	Policy Legislation
1.2	Ensure adequate provision of appropriate zoned land for the development of a range of aged care facilities providing independent, supported and full care residential facilities and support services to meet longer term demand.	Council, Community Organisations Health Sector Organisations, Private Sector	Policy Legislation Facilitation
1.3	Provide adequate industrially zoned areas and serviced industrial land to support efficient secondary sector businesses.	Council (by an annual stock take of industrial land) Property Developers and Industrialists	Policy Legislation Direct Intervention
1.4	Provide adequate commercially zoned areas and serviced sites in Castlemaine to support efficient tertiary sector businesses, without losing the 'strip centre' ambiance of the central business district.	Council (through Castlemaine Commercial Centre Strategies 1,2,4 and 6), Land developers and Commercial Operators	Policy, Legislation, Direct Intervention
1.5	Encourage new housing sub-divisions to be developed using environmentally sustainable design guidelines, including demonstration benefits of new and innovative renewable energy options.	Council	Policy
BUSINESS AND INDUSTRY SUPPORT STRATEGIES			
1.6	Support the Harcourt irrigation area with policy and planning provisions for the long term security for commercial pome fruit, stone fruit, viticulture and vegetable production.	Council (through Rural Land Study), Horticultural and food businesses	Policy
1.7	Promote and advocate for increased take-up of renewable energies in the Shire, with Council providing leadership through its policies and practices.	Council (through Greenhouse Action Plan and Procurement Policy).	Policy

## Objective 2: Promote collaboration and innovation

STRATEGY	IMPLEMENTATION RESPONSIBILITY	COUNCIL ROLE	
BUSINESS AND INDUSTRY SUPPORT STRATEGIES			
2.1	Develop a small scale grower collaborative food production system as a demonstration model for locally grown food.	Community Groups, Council, Primary Producers, Retailers	Facilitation
2.2	Encourage agricultural production systems which involve low or no chemical applications, efficient water utilisation, soil conservation, biological soil management and bio-security to preserve longer term sustainability.	Community Groups, Agricultural Enterprises	In Principle Support
2.3	Encourage product development action among lamb and wool producers in the Shire to develop value added products through supply chain alliances.	Agricultural Enterprises	In Principle Support
2.4	Promote the modified vehicle industry as a cross-industry model for sustainable industry, education, tourism and events.	Businesses in the Automotive and Specialised Vehicles Sector	Facilitation
2.5	Promote the Shire as a centre of sustainability excellence, involving:  Community, Council or private owned and operated renewable energy business ventures (wind, solar and/or bio-energy)  Support for the creation of social enterprises in the utilities industry rather than external contractors	Council (through its MOU with MASG, Sustainable Regions Australia, and Greenhouse Action Plan), Mount Alexander Sustainability Group, Trades and other Construction Sector Businesses	Facilitation Direct Intervention
2.6	Develop a digital strategy encompassing strategic directions for take up of national broadband, e-commerce, mobile and online marketing opportunities, consistent with the broader Loddon Mallee plan.	NBN for Loddon Mallee Council, Regional Digital Organisations	Facilitation
2.7	Establish a Shire wide business development organisation with a focus on research and the development of technologies and systems for efficiency and sustainability, embracing areas as diverse as energy generation, conservation farming, waste conversion, modified vehicle components, computer aided design and new software.	Council, Businesses	Facilitation
2.8	Collaborate with Loddon Mallee South municipalities in building integrated supply chains across the region to strengthen the business services sector to supply to the agriculture, manufacturing, mining, construction and retail sectors.	Council Other Loddon Mallee South Councils	Facilitation Advocacy
2.9	Extend local opportunities for networking and developmental activities among health professionals.	Central Victorian Health Alliance, Mount Alexander Health and Wellbeing Forum, Council	Facilitation



### Objective 3: Provide targeted learning, skill development and business support

STRATEGY	IMPLEMENTATION RESPONSIBILITY	COUNCIL ROLE	
<b>BUSINESS AND INDUSTRY SUPPORT STRATEGIES</b>			
3.1	Establish a program to encourage young people starting a business and provide them with practical insights into business trends (particularly in information technology and newly emerging practices for successful enterprises)	Education Providers Council, Local Businesses	Facilitation Direct Intervention
3.2	Continue to develop the relationship between all levels of education providers across the Southern Loddon Mallee region.	Education Providers, Connect Central Castlemaine and Youth Partnership Initiatives	Advocacy
3.3	Encourage local course and program development between education providers, local businesses and business groups (especially in trade and services training) including training and job opportunities for disadvantaged, Indigenous and disabled residents.	Education Providers, Businesses	Advocacy
3.4	Establish a retired professions business network to give peer support, generate critical mass and provide the opportunity for employment and skills sharing.	Council, Community Representatives	Facilitation
3.5	Enhance business and enterprise development opportunities for local arts and culture organisations and individuals in order to attract new markets.	Council, Artists and the Arts Community	Facilitation
3.6	Support volunteer committees involved in arts and cultural events to develop the necessary skills and resources to ensure events are viable and sustainable.	Event Organisers Council	Direct Intervention
3.7	Encourage innovation and outstanding performance through a public recognition program and regular media promotion.	Business and Community Groups Council	Facilitation Direct Intervention

#### Objective 4: Ensure that resources and infrastructure support business growth and innovation

STRATEGY	IMPLEMENTATION RESPONSIBILITY	COUNCIL ROLE	
BUSINESS AND INDUSTRY SUPPORT STRATEGIES			
4.1	Promote and manage the water allocation process through the recently completed Harcourt Irrigation Network modernisation, in order to support commercial horticulture.	Coliban Water	In principle support
4.2	Adopt a regional approach to water usage, waste management and recycling in collaboration with other Shires in the Southern Loddon Mallee.	Council, Coliban Water, Regional Waste Management Group	Direct intervention (in partnership with regional Councils)
4.3	Improve the access and condition of the Shire's road network in order to support business operations, particularly for manufacturers and mining companies.	Council, VicRoads	Direct Intervention
4.4	Advocate for improved passenger and freight rail infrastructures and services.	V/Line	Advocacy
4.5	Investigate the business case for an innovative business centre themed around collaboration and cost-efficiencies for small and micro businesses, to improve the supply of flexible commercial premises.	Council, Property Developers	Policy, Legislation

#### Objective 5: Improve factors that impact on liveability

STRATEGY	IMPLEMENTATION RESPONSIBILITY	COUNCIL ROLE	
BUSINESS AND INDUSTRY SUPPORT STRATEGIES			
5.1	Continue the implementation of the Investing in Sport Strategic Plan to develop the supply and quality of the Shire's recreational facilities and activities.	Council, sporting organisations	Direct Intervention
5.2	Extend and improve the walking and cycling trail network within the Shire, in order to cater for the growing local and visitor demand for nature based experiences.	Council, Parks Victoria, Goldfields Track Committee, Community User Groups	Direct Intervention Facilitation
5.3	Develop a housing strategy to support adequate future housing supply.	Council, State Government, Housing Associations and providers	Facilitation Advocacy
5.4	Advocate for convenient, efficient and accessible public transport from both a local and regional perspective.	Council, State Government	Advocacy
5.5	Actively respond to local initiatives identified in the range of community plans established through Council's Community Planning Project 2012-2014.	Council, Local Community	Advocacy Facilitation Direct intervention

## Objective 6: Promote Mount Alexander Shire as a desirable place to live or visit

STRATEGY	IMPLEMENTATION RESPONSIBILITY	COUNCIL ROLE	
BUSINESS AND INDUSTRY SUPPORT STRATEGIES			
6.1	Develop partnerships with neighbouring and regional tourism bodies in order to collectively market the greater region and provide initiatives to increase the standard of tourism experiences.	Council, Victorian Goldfields Tourism Executive, Bendigo Regional Tourism, Tourism Victoria	Direct Intervention Advocacy
6.2	Review the brand, and the marketing elements used to express the brand, for each of the Shire's main tourism destinations to ensure it appeals to the markets most likely to enjoy each destination's offerings.	Council, Tourism Industry	Direct Intervention
6.3	Enhance the historic retail precinct in Maldon as a platform for ongoing events and collaborative initiatives among retail, food service and accommodation providers.	Maldon Inc., Council (through Maldon Retail strategy)	Facilitation
6.4	Support collaborative marketing among retail and food service businesses, including support for events, in the Shire.	Traders Groups, Council	Facilitation
6.5	Identify gaps in the current tourism product offer that are hindering overnight and longer stay visitation and establish business cases for addressing these gaps. In particular, the lack of larger, quality accommodation and conference facilities.	Council, Investors	Advocacy
6.6	Establish and support mechanisms to reinforce the Shire as a destination for the arts and reflect this by supporting Public Art initiatives and incorporating creative elements into works such as town branding, entry signs, street furniture and artist designed public spaces.	Council Local artists Local community	Direct Intervention
6.7	Review and improve visitor information services in Castlemaine.	Council	Direct Intervention
6.8	Support existing initiatives that target key markets and raise the profile of the Shire, particularly: <ul style="list-style-type: none"> <li>• Progress the World Heritage listing bid for the Castlemaine Diggings National Heritage Park</li> <li>• Support the development of the Goldfields Track and associated mountain bike and walking experiences</li> <li>• Support events that drive significant visitation, such as the Castlemaine State Festival.</li> </ul>	Council, Victorian Goldfields Tourism Executive, Heritage Victoria, Goldfields Track Committee, Event Organisers	Advocacy Facilitation Direct Intervention
6.9	Work with the Victorian Goldfields Railway, Buda Historic Homestead, Castlemaine Art Gallery and other attractions to strengthen their business models and encourage cross promotional activities and joint initiatives.	Heritage Attraction Operators, Council	Advocacy

## APPENDIX A: Summary of Community and Economic Characteristics

Summary Community Characteristics			
	MOUNT ALEXANDER	NON METROPOLITAN VICTORIA	VICTORIA
Population 2011	17,803	1,426,587	5,534,526
Aver. annual % change since 2001	0.4%	0.7%	1.4%
Aver. annual % change to 2031	0.9%	1.3%	1.3%
Median age	47	41	37
% aged 65+, 2011	20.8%	17.5%	14.2%
% aged 65+, 2031	31.3%	24.5%	19.3%
Workforce participation rate	53.4%	58.2%	61.4%
% Unemployed	4.9%	5.2%	5.45
% Employed full time	53.9%	59.2%	62.6%
Median weekly household income	\$838	\$945	\$1,216
% of persons aged 15+ with post secondary education qualifications	49.8%	41.7%	45.6%

Summary Economic Characteristics		
	2011	% CHANGE 2006 TO 2011
% of jobs full time	53.9%	-6.1%
Jobs/workers	77.9%	-1.0%
% of jobs in manufacturing	35.0%	12.6%
% of jobs in health care & social assistance	13.0%	18.8%
% of jobs in retail	8.3%	4.5%
% of jobs in primary sector	5.8%	-17.5%
% of jobs in secondary sector	30.6%	10.3%
% of jobs in tertiary sector	17.3%	5.6%
% of jobs in business services sector	22.4%	10.9%
% of jobs in consumer services sector	23.9%	12.4%
% of jobs in Mount Alexander held by workers living in Mount Alexander	70.9%	n.a.
% of workers living in Mount Alexander with jobs in Mount Alexander	60.0%	n.a.
% of jobs in Mount Alexander held by workers from Bendigo	18%	n.a.
% of workers living in Mount Alexander with jobs in Bendigo	12%	n.a.







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