Midlands Economic Development and Land Use Strategy (MEDaLS)

Stage 1 Final Report

Southern Midlands Council

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SGS Economics & Planning

Independent insight.

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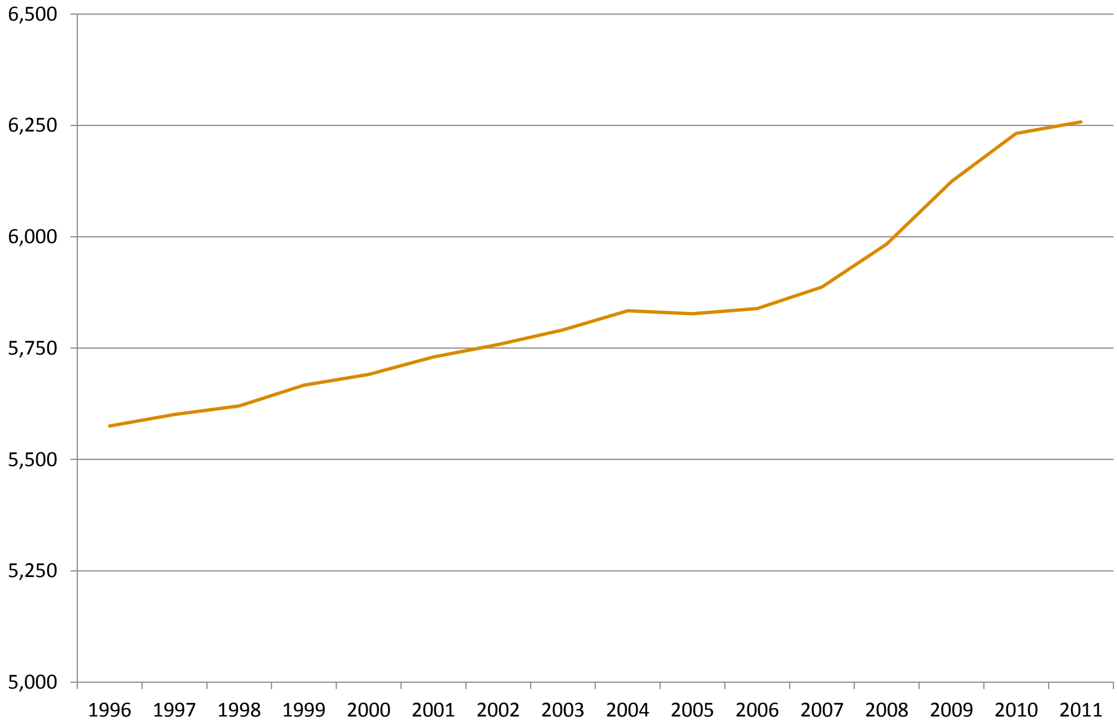
1 SOUTHERN MIDLANDS ECONOMY

1.1 Socio-economic profile

The Southern Midlands had a total population of 6,072 residents at the time of the 2011 Census. This represents an increase of 10% on the 2001 population level of 5,516 residents. The recent population growth rate experienced during the period from 2006 to 2011 outpaced the longer term growth pattern for the Southern Midlands as is shown in the figure below (Figure 1).

FIGURE 1. TOTAL POPULATION IN THE SOUTHERN MIDLANDS, 1996-2011



Source: ABS, Estimated Resident Population cat. no. 3218.0

The recent growth in population also outpaced the average growth in population in Tasmania as whole, while it was equal to the average growth in the South East of the State (Table 1).

TABLE 1. AVERAGE ANNUAL GROWTH RATES OF POPULATION

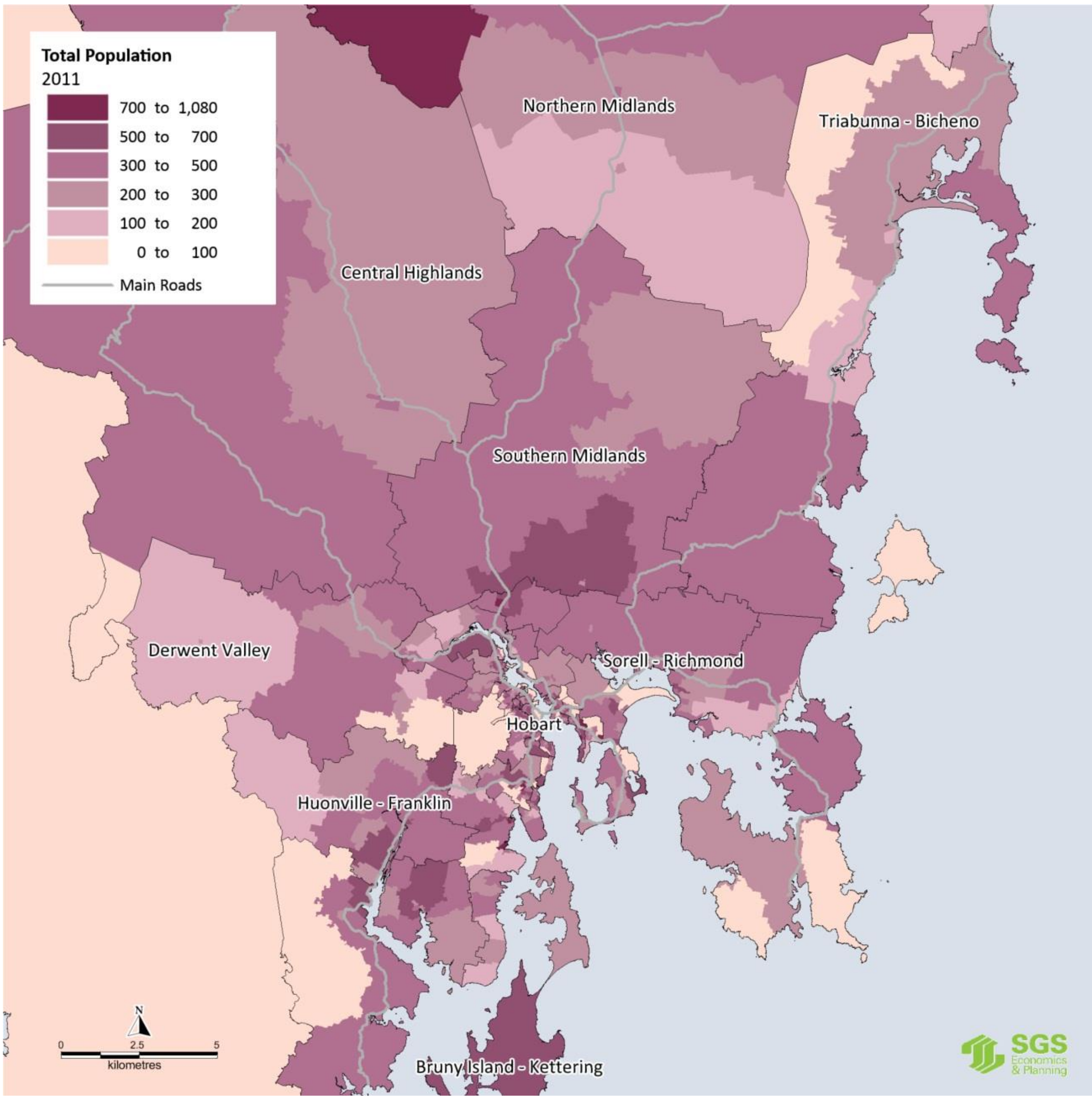
Time Period	Southern Midlands	Central Highlands	South East	Tasmania
1996-2001	0.5%	-0.5%	0.1%	-0.1%
2001-2006	0.4%	0.4%	0.9%	0.8%
2006-2011	1.4%	1.2%	1.4%	0.9%

Source: ABS Census 1996, 2001, 2006 & 2011

The map below shows a broad geographic distribution of the population of the Southern Midlands (Figure 2). The southern part of the municipality has grown quite rapidly because it is within a commutable distance from Greater Hobart and land and houses are relatively affordable.

The Brighton Bypass has shortened travel times to Hobart, and the development of the Brighton Transport Hub has increased nearby job opportunities. A potential future Bagdad Bypass would reduce travel times further, enabling commuters to live further up in the Southern Midlands region in locations as far as Kempton. The Joint Land Use Planning Initiative (JLUPI), which is a joint land use strategy committed to by the Brighton, Central Highlands, Derwent Valley and Southern Midlands municipalities, recognises that the likely increasing demand for rural living opportunities requires careful land use planning so as not to compromise existing agricultural uses and soil quality (JLUPI, 2010).

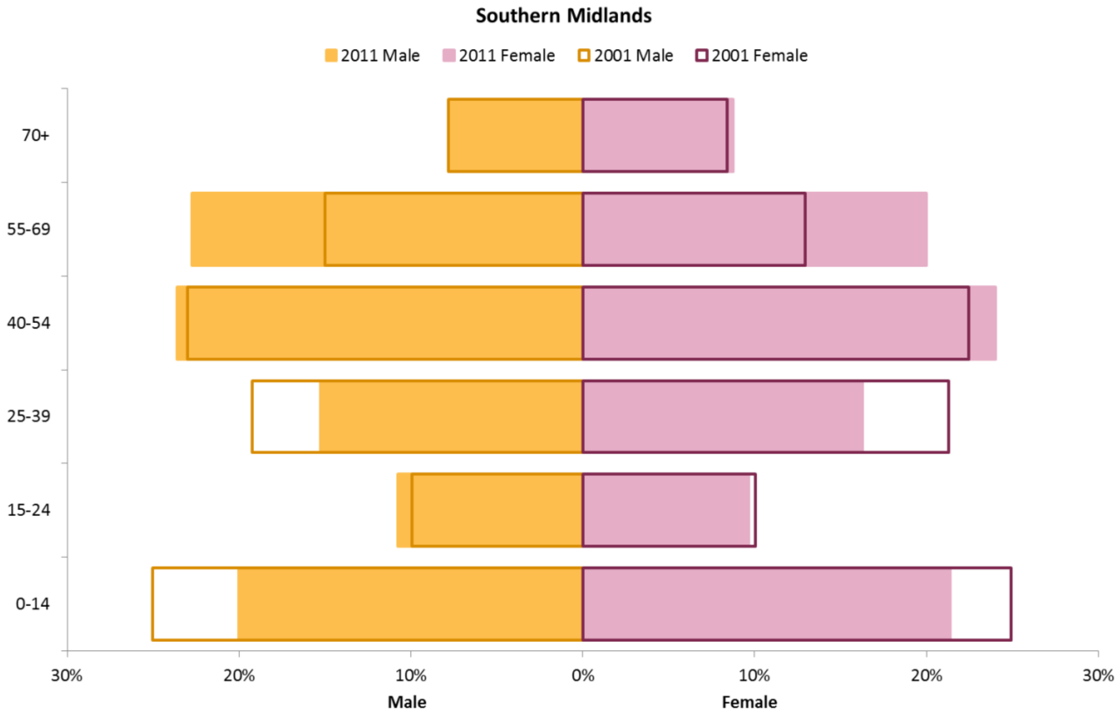
FIGURE 2. POPULATION DISTRIBUTION IN 2011



Source: ABS Census 2011 and SGS Economics & Planning

The demographic profile has changed over the 2001-11 period which was marked by a decrease in the population share of young people aged up to 15 years (-10%) as can be seen in the figure below (Figure 3). There was also a decrease in the number of 25 to 39 years old, which is an age cohort that generally contains parents with young children and income earners. At the same time there was a strong increase in the share of the population of people aged 55 and over. In 2011 there were 52% more residents aged 55+ than ten years earlier in 2001.

FIGURE 3. POPULATION BY AGE, SOUTHERN MIDLANDS, 2001-2011



Source: ABS Census 2001 & 2011

The demographic trend within the regional population is in line with Tasmania as a whole, but the pace of change is stronger in the Southern Midlands: the increase in the number and share of people aged 55+ was stronger (52% increase versus 39% state wide) and the decrease (both in number and share) in younger people aged up to 15 years was also stronger (-10% versus -4% state wide).

At the time of the 2011 Census, there were just over 2,000 households living in the Southern Midlands, most of which were couples with children, closely followed by couples without children (living in the same household). Couple families with and without children accounted for a greater share of Southern Midland households compared to those of the state with single person households, one parent families and group households comprising a lesser share (Table 2).

TABLE 2. HOUSEHOLD COMPOSITION, 2001-11

Column heading	South. Midlands 2011 (count)	South. Midlands 2011 (in %)	Tasmania 2011 (in %)	Southern Midlands 2001-11 AAGR	Tasmania 2001-11 AAGR
Couple Family with Children	727	29%	25%	-1.0%	-0.4%
Couple Family without Children	699	28%	27%	3.8%	3.3%
One Parent Family	222	9%	11%	2.2%	1.9%
Group Household	36	1%	3%	4.4%	3.6%
Single Person	554	22%	26%	4.2%	2.7%
Other	228	9%	8%	13.0%	4.6%
Total	**2,466**	**100%**	**100%**	**2.4%**	**2.0%**

Source: ABS Census, 2001 & 2011

Over the last ten years, household compositions have changed mostly in line with the Tasmanian trend. There has been a drop in family households with children and a marked increase in couples (no children), group, single and other households. The rate of change in the Southern Midlands was faster than in the State as a whole.

In line with these changes, the average household size has dropped from 2.7 persons in 2001 to 2.5 persons per household in 2011 (Table 3).

Future population

The most readily available and commonly used future population projections are produced by the Tasmanian Demographic Change Advisory Council (DCAC). The local area projections were published around 2006/2007. It appears that the DCAC projections are close to actual population counts over the 2006-11 period when looking at a regional level, but there are important mismatches at the local level. While the projections are based on reasonable assumptions relating to fertility, death rates and international and interstate migration patterns, it appears that the projections take no or insufficient account of migration within a region between municipalities. Generally speaking, it appears that population projections tend to overestimate population growth in urbanised areas such as Hobart, Glenorchy and Launceston, and to underestimate population growth in municipalities close to these urban centres, such as Clarence, Brighton, West Tamar and Meander Valley.

The DCAC projections for Southern Midlands (even the high scenario) for the period 2007-2011 are well below the actual observed population growth. The projections are therefore not applicable to the Southern Midlands, or most other municipalities. The projections may still be relevant at the regional and State level.

SGS estimates that population growth for the next ten years may be between 0.4% and 1.4% per annum based on historic growth patterns. By 2021 the total population is projected to lie between 6,300 to 7,000 residents. The number of people aged 55+ may be between 2,000 and 2,500 persons, meaning that around a third of the total population would be aged 55+ by 2021.

The need to plan for and adapt to an ageing population is recognised in JLUPI. Services need to be provided for and concentrated in residential settlements such as Oatlands, Kempton, Bagdad, Mangalore and Campania.

Households and dwellings

The affordability of housing makes the Southern Midlands an attractive place to live, with rents and mortgage repayments well below the Tasmanian median. However, personal and household income levels in the Southern Midlands are also well below the most common income levels in Tasmania.

TABLE 3. HOUSEHOLD STATISTICS

Indicator	Southern Midlands	Tasmania	Southern Midlands	Tasmania
	2001	2001	2011	2011
Average Household Size	2.7	2.5	2.5	2.4
Median Age	36	36	42	40
Median Personal Income (weekly)	$250	$350	$431	$499
Median Family Income (weekly)	$650	$750	$1,038	$1,203
Median Rent (weekly)	$75	$125	$120	$200
Median Mortgage (monthly)	$500	$700	$1,183	$1,300

Source: ABS Census 2001 & 2011

The vast majority of dwellings in the Southern Midlands consist of separate houses. There are approximately 2,700 dwellings in the Southern Midlands, and only 46 are apartments/units and 25 other dwelling structures. The need for more small dwelling types, such as apartments, is likely to increase with the ageing of population. The Oatlands District Homes Association currently provides living units for elderly in the town of Oatlands.

With population numbers gravitating towards the southern part of the municipality, there may be a current or future need for apartments and assisted living opportunities in the southern part of the municipality.

Economic Activity

There are approximately 2,500 employed residents in the Southern Midlands (Census 2011). The majority of employed persons have a full time job (61%) and around a third has a part time job (34%). The share of full time jobs in the Southern Midlands is somewhat above the Tasmanian average.

In June 2011 there are approximately 163 unemployed persons in the municipality, or 6% of the labour force (Table 4), which is slightly lower than the Tasmanian average of 6.4%. There is evidence which suggests that the unemployment rate has increased to 8% in the September quarter of 2012 (DEEWR, small area labour market estimates). However, it should be noted that these estimates are partially based on 2006 Census data which show a higher level of unemployment for the Southern Midlands; the provided 2012 estimate may therefore be too high.

TABLE 4. LABOUR FORCE STATISTICS

Indicator	Southern Midlands	Southern Midlands	Tasmania	Tasmania
	2006	2011	2006	2011
Employed Part Time	733	849	67,383	76,383
Employed Full Time	1,461	1,507	122,815	126,465
Employed Away From Work	182	130	14,539	10,350
Total Employed	2,376	2,486	204,737	213,198
Unemployed	164	163	14,424	14,825
Unemployment Rate	6.5%	6.0%	6.6%	6.4%
Labour Force	2,540	2,712	219,161	232,122
Not in Labour Force	1,638	1,845	143,107	151,380
Labour Force Participation Rate	59.1%	58.1%	58.2%	58.7%
Population Aged Over 15	4,296	4,667	376,748	395,194
Total Population	**5,533**	**5,919**	**470,797**	**489,029**

Source: ABS Census 2006 & 2011

Labour force participation, the share of total population aged 15+ years that is in the labour force, in the Southern Midlands was 58.1%, which was close to the Tasmanian average of 58.7% (in 2011). This is likely partially due to the age profile of population in the Southern Midlands. The median age in the Southern Midlands is 42 years, compared to 40 years in Tasmania on average, which suggests there is a higher share of retired people (not in the labour force).

Employment self-containment is the ratio of jobs that are located in a particular area and the number of employed residents in that area. In the Southern Midlands there were a high number of employed residents that worked in a job located outside the local area. The job containment ratio in 2011 was 40% down from 44% in 2006 (Table 5).

TABLE 5. EMPLOYMENT SELF-CONTAINMENT IN SOUTHERN MIDLANDS, 2006 & 2011

	2006	2011
Jobs	1,052	995
Resident Employed Workforce	2,376	2,486
Self-containment Ratio	44%	40%

Source: ABS Census 2006 & 2011

In fact, the job total in the municipality has dropped from 1,076 jobs in 2001, to 1,052 jobs in 2006 and to 995 jobs in 2011.

This shows that increasingly more residents from the Southern Midlands commute to jobs outside the municipality, mostly within Greater Hobart.

The table below (Table 6) shows the total number of jobs in the Southern Midlands and respective shares of these industries in the local economy. The shares of the South East and Tasmania are also provided as a reference.

TABLE 6. EMPLOYMENT BY INDUSTRY, 2011

Industry	Southern Midlands		South East		Tasmania	
	Number	Share	Number	Share	Number	Share
Agriculture, Forestry & Fishing	348	35%	2,025	25%	10,091	5%
Mining	4	0%	26	0%	2,310	1%
Manufacturing	57	6%	593	7%	18,612	9%
Electricity, Gas, Water & Waste	5	1%	95	1%	3,553	2%
Construction	45	5%	496	6%	16,106	8%
Wholesale Trade	21	2%	189	2%	7,004	3%
Retail Trade	67	7%	726	9%	24,246	12%
Accommodation & Food	64	6%	918	11%	15,522	7%
Transport, Postal & Warehousing	35	4%	286	3%	9,046	4%
Information Media & Telecom	5	1%	69	1%	3,244	2%
Financial & Insurance	8	1%	59	1%	5,202	2%
Rental, Hiring & Real Estate	7	1%	86	1%	2,779	1%
Professional, Scientific & Technical	23	2%	248	3%	10,106	5%
Administrative & Support	11	1%	130	2%	5,648	3%
Public Administration & Safety	75	8%	475	6%	19,370	9%
Education & Training	109	11%	732	9%	19,297	9%
Health Care & Social Assistance	70	7%	597	7%	25,667	12%
Arts & Recreation	12	1%	231	3%	3,515	2%
Other	30	3%	199	2%	8,012	4%
Total	**996**	**100%**	**8,180**	**100%**	**209,330**	**100%**

Source: ABS Census 2011

The agricultural sector (agriculture, forestry and fishing) is by far the most important industry in terms of employment. The sector provided for 347 jobs or 35% of total employment in 2011. Other key sectors are education and training (11%), public administration (8%), retail trade (7%), accommodation and food services (6%) and manufacturing (6%). Retail trade, accommodation and food services and rental, hiring and real estate services are principally driven by tourism.

Over the last ten years, the local economy has changed quite distinctively in some areas. The table below (Table 7) shows the absolute change and Average Annual Growth Rate (AAGR) of employment by industry over the last ten years. As a reference the changes in the South East and Tasmania have been provided as well.

TABLE 7. CHANGES IN EMPLOYMENT BY INDUSTRY, 2001-2011

Industry	Southern Midlands		South East		Tasmania	
	Growth	AAGR	Growth	AAGR	Growth	AAGR
Agriculture, Forestry & Fishing	-80	-2.3%	-386	-1.7%	-2,018	-1.8%
Mining	1	2.9%	3	1.2%	804	4.4%
Manufacturing	-33	-4.5%	-228	-3.2%	-2,060	-1.0%
Electricity, Gas, Water & Waste	2	5.2%	12	1.4%	1,389	5.1%
Construction	9	2.3%	226	6.3%	7,168	6.1%
Wholesale Trade	-5	-2.1%	-143	-5.5%	-895	-1.2%
Retail Trade	0	0.0%	48	0.7%	3,836	1.7%
Accommodation & Food	7	1.2%	131	1.6%	3,067	2.2%
Transport, Postal & Warehousing	-11	-2.7%	-5	-0.2%	860	1.0%
Information Media & Telecom	0	0.0%	18	3.1%	-390	-1.1%
Financial & Insurance	1	1.3%	29	7.0%	785	1.6%
Rental, Hiring & Real Estate	7	0.0%	30	4.4%	436	1.7%
Professional, Scientific & Technical	9	5.1%	99	5.2%	2,291	2.6%
Administrative & Support	-8	-5.3%	-43	-2.8%	539	1.0%
Public Administration & Safety	25	4.1%	134	3.4%	7,122	4.7%
Education & Training	0	0.0%	67	1.0%	3,888	2.3%
Health Care & Social Assistance	15	2.4%	125	2.4%	4,813	2.1%
Arts & Recreation	-5	-3.4%	30	1.4%	861	2.8%
Other	-4	-1.2%	49	2.9%	995	1.3%
Total	**-70**	-0.8%	**196**	0.2%	**33,491**	1.8%

Source: ABS Census 2001 & 2011

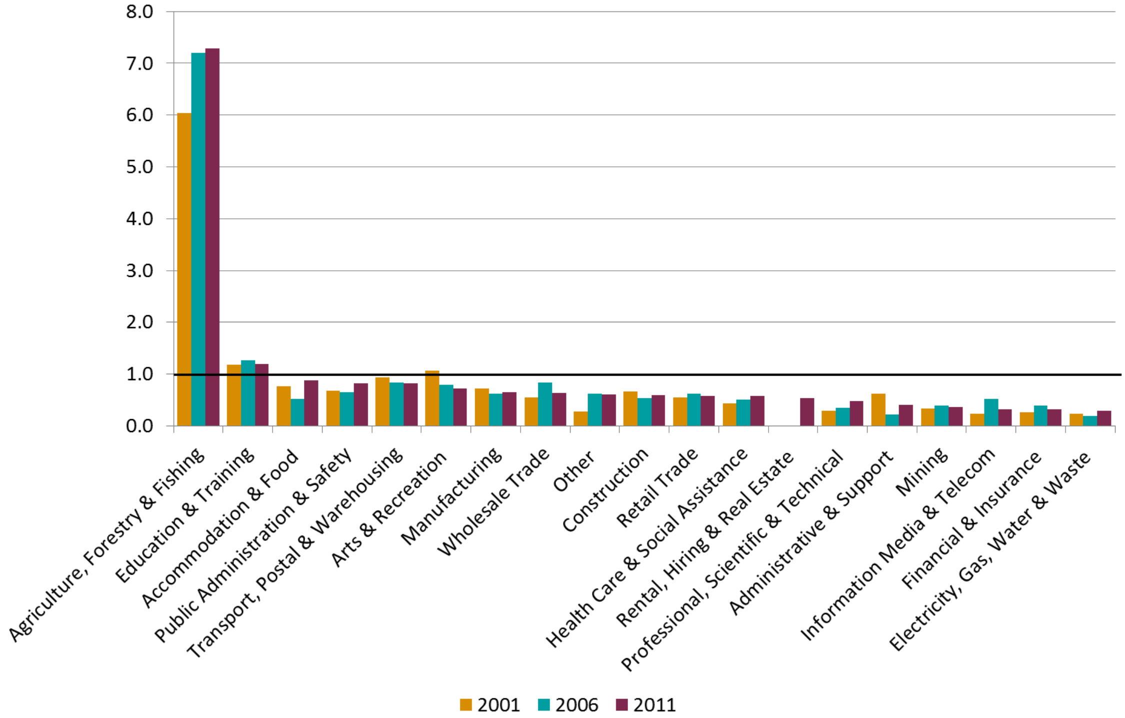
The most significant positive changes (growth in jobs) occurred in the following industries: public administration and safety (+25 jobs), health care and social assistance (+15), professional, scientific and technical services (+9), construction (+9) and accommodation and food services (+7).

The important negative changes (loss of employment) occurred in: agriculture, forestry and fishing (-80 jobs), manufacturing (-33), transport, postal & warehousing (-11) and administration and support (-8).

Compared to Tasmania's economy, the Southern Midlands economy is strongly specialised in agriculture. This is evident in the figure below (Figure 4) which shows the location quotients for industries in the Southern Midlands with Tasmania as a reference point. Location quotients measure the proportion of employment in certain industries relative to the proportion in the reference region, which is Tasmania in this case. A location quotient value above 1 indicates a relatively high concentration of employment in an industry in the Southern Midlands compared to Tasmania as a whole, while a LQ smaller than 1 indicates a weakly represented industry in the area.

The LQ for agriculture, forestry and fishing was 7.1, which is a very high level of specialisation. While employment has declined overall, this has not kept pace with the state trend, resulting in an increasing level of specialisation over time relative to Tasmania. Education and training has a LQ just over 1, indicating a limited level of specialisation in this industry.

FIGURE 4. LOCATION QUOTIENTS BY INDUSTRY FOR THE SOUTHERN MIDLANDS



Source: ABS Census 2001, 2006 & 2011 and SGS Economics & Planning

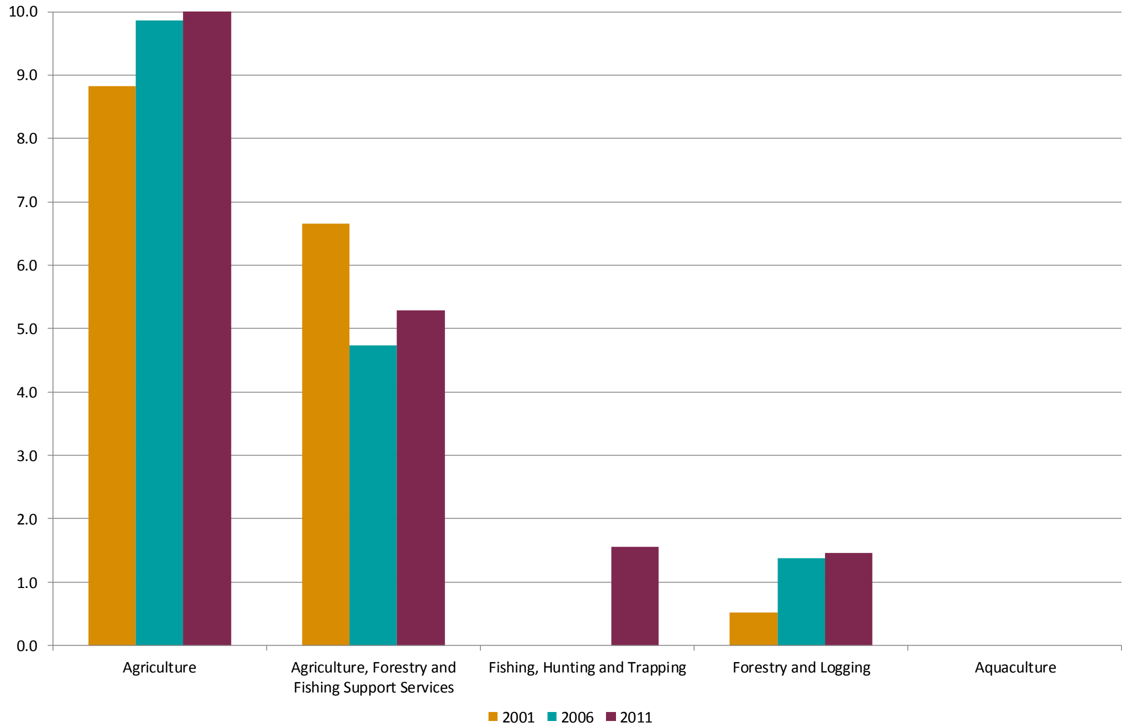
Agriculture, forestry and fishing

The economy of the Southern Midlands relies heavily on the agriculture. The sector of agriculture, forestry and fishing provided for about 35% of all jobs in the Southern Midlands. Agriculture is the main industry in this sector, providing jobs for 324 people (June 2011). This number does not include most temporary and seasonal work such as by shearers and pickers. The data were collected in August 2011, a time of years when little seasonal work is available in agriculture.

The number of jobs dropped over the last 10 years by 80 jobs. The decline was strongest in agriculture with a loss of 84 jobs, i.e. excluding forestry and fishing. Compared to 2001, employment in forestry had increased. In 2011, employment in forestry accounts for only 7 jobs. It is possible that employment has dropped since 2011. Support services to agriculture, fishing and forestry accounts for 13 jobs and fishing, hunting and trapping for 4 jobs.

The drop in employment in the agriculture sub-sector has been lower than the Tasmanian trend; as a result the level of specialisation (with Tasmania as reference) has increased further over time. The figure below (Figure 5) shows the very high and increasing LQ for agriculture in the Southern Midlands.

FIGURE 5. LOCATION QUOTIENTS FOR SUB-SECTORS AGRICULTURE, FORESTRY AND FISHING, SOUTHERN MIDLANDS



Source: ABS Census 2001, 2006 & 2011 and SGS Economics & Planning

Employment in this industry shows a long term trend of decline, as a result of increased mechanisation and computerisation of production. At the same time, agricultural production has been increasing (measured as turnover).

New ABS data on the number of businesses[1] categorised by the level of turnover suggest that agricultural production in the Southern Midlands has increased over the 2007-2009 period. SGS estimates that average farm turnover has increased by 3.3% over the 2007-2009 period.

There were a total of 306 farm operations in the Southern Midlands in 2009, which is slightly up by twelve since 2007 (Table 8). There has been an interesting shift in farm size.

TABLE 8. CHANGE IN NUMBER OF FARM BUSINESSES BY TURNOVER CATEGORY

Southern Midlands	Number of businesses, 2009	Change 2007-09
Farms, turnover <$50k	140	+44
Farms, $50k to $200k	90	-45
Farms $200k to $1 million	67	16
Farms $1 to 2 million	9	-3
Farms, >$2 million.	0	0
Total	**306**	**12**

Source: ABS, Counts of Australian Businesses 2007-2009, Cat.Nr. 8165.0

There appears to be a trend of an increase of very small farms, likely to be hobby farms and/or new farm businesses in start-up phase, of up to $50,000 turnover per annum. There has been a drop in the number of medium sized farms with a turnover of $50,000 to $200,000. Many small farms are reliant on off-farm income to supplement on-farm income. From 2007 to 2009, there was an increase of 13 farms

[1] Business counts are based on the Australian Bureau of Statistics Business Register (ABSBR) .

with an annual turnover of between $200,000 and $1,000,000 turnover. There has been a drop of 3 in the number of farm operations with a turnover of $1million to $2 million to 9 farm businesses in total. There none with a turnover beyond $2 million per annum.
These changes can also be periodically, reflecting seasonal changes in productivity. Further it should be noted that there can be more than one business located on one farm property, skewing the results towards smaller farm sizes. Nonetheless, the changes in farm sizes align with wider state and nationwide trends of increasing scales and medium sized farms being taken over by larger farms.

The majority of agricultural commodities produced consist of livestock (slaughtered, products such as wool and dairy) with a total value of $33 million in 2010-11 (Table 9). Livestock products is the most important commodity group with a total produced value of $21 million. Horticulture, which is currently predominantly located in the Coal River part of the Southern Midlands, represents a total produced value of $15 million in 2010-11. Key commodities are fruit and stone fruit. It should be noted that the production of agricultural commodities, especially in non-irrigated areas, is subject to significant annual fluctuations due to weather conditions such as droughts and (late) frosts. The livestock industry has had three consecutive years of favourable conditions up to 2012, enabling significant levels of production of commodities such as wool.

TABLE 9. GROSS VALUE OF AGRICULTURE COMMODITIES PRODUCED BY TYPE ($MILLION), 2010-11

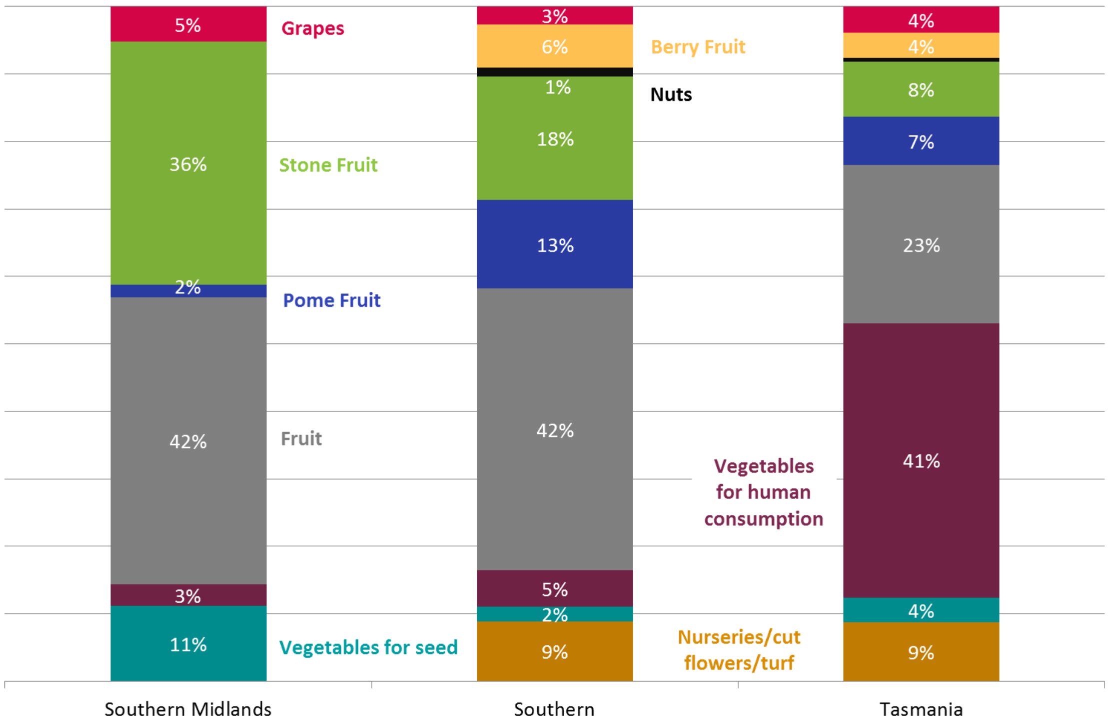
Agriculture Type	Commodity	Southern Midlands	Southern Region	Tasmania
Broadacre crops	Hay	-	-	38
	Cereals for grain	1	3	18
	Legumes for grain	-	0	1
	Oilseeds	-	-	1
	Other crops	-	-	77
	Sub-total	**1**	**3**	**134**
Horticulture	Nurseries/cut flowers/cultivated turf	-	13	39
	Vegetables for seed	2	3	17
	Vegetables for human consumption	1	8	184
	Fruit	7	60	106
	Pome fruit	0	19	32
	Stone fruit	6	26	37
	Other orchard fruit	-	-	0
	Nuts	-	2	2
	Berry fruit	-	9	17
	Plantation fruit	-	-	-
	Grapes	1	4	18
	Sub-total	***15***	***142***	***452***
Livestock	Livestock slaughtered	12	40	251
	Livestock products	21	50	421
	Sub-total	***33***	***90***	***672***
	Grand Total	**49**	**235**	**1,258**

Source: ABS Value of Agricultural Commodities Produced, Australia 2010-11 cat. no. 7503.0

While two thirds of the produced value of agricultural commodities in the Southern Midlands is attributable to livestock, approximately 93% of all agricultural land is used for grazing (i.e. livestock). Horticulture uses not even 1% of land and represents 31% of total agricultural production. While livestock production is mostly located in the middle and northern parts of the municipality, horticulture is mostly concentrated in the Cole River Valley area.

Compared to the Southern region and Tasmania as a whole, horticulture in the Southern Midlands is oriented towards stone fruit, fruit and vegetables for seed (Figure 6).

FIGURE 6. PROPROTIONS OF HORTICULTURE COMMODITIES PRODUCED, 2010-11



Source: ABS Value of Agricultural Commodities Produced, Australia 2010-11 cat. no. 7503.0

The roll-out of the Midlands Irrigation Scheme represents a $ 104 million investment in the region, covering parts of both the Southern and Northern Midlands. It is claimed the investment could create up to 300 on farm jobs, and additional flow-on effects in agricultural servicing, processing industries and logistics (Media release by The Hon. Tony Burke, 14-05-2012).

In order to meet market expectations in regards to productivity and price, the average size of farms in Australia continues to increase. There has also been a long term drop of employment relative to production as a result of mechanisation and computerisation of farm processes. The Southern Midlands agricultural past has been focussed towards extensive grazing which requires large land areas. The average farm size in the Southern Midlands is between 624 and 763 hectares, excluding land set aside for conservation and areas not used for agricultural production (ABS, agricultural commodities 2010-11). The average farm size is well above the average in some other municipalities, such as Circular Head (363 ha) and Latrobe (120 ha.) (DEDTA, 2012). The average farm size is however lower than in the Northern Midlands where the average size is between 965 and 1,180 ha.

The Midlands Water Scheme will enable more intense grazing, and cropping. The historically large farm size may be a key advantage of the Midlands in attracting and sustaining viable (large) farms. The Northern Midlands and the northern parts of the Southern Midlands may be best positioned, in terms of farm size, soil capabilities and distance from the main ports to leverage of the water scheme.

According to recent research conducted as part of the Wealth from Water Pilot Program (DEDTA, 2012), agricultural opportunities in the Midlands appear to lie in a conversion of production towards dairy, cropping, livestock finishing and in the longer term horticulture and specialty crops. Promising crops include lucerne, pasture seed, poppies, potatoes, beet, carrot and cabbage, and specialty crops such as hazelnuts and berries. There is about 10,000 ha of covenanted private land that is reserved for conservation purposes, and this will not be available for intensive agricultural use (Southern Midlands Council, 2013).

The Tunbridge area and York Plains are particularly well positioned to increase and shift production with the roll-out of the irrigation scheme. Possible constraints or threats associated with the roll-out of the irrigation scheme are the reliability and capacity constraints of the existing power network (Section 1.2).

The Tasmania and Southern region Economic Development Strategy, as well as the consultation workshops as part of MEDaLS, mention the availability and cost of suitably skilled labour as a key challenge for the agricultural sector.

To enable the transition to higher value and more intensified agricultural activities, farm operators aiming to benefit from the irrigation scheme are required to invest capital into alternative production methods. The Tasmanian Economic Development Strategy (TEDS, 2012) mentions that access to affordable capital is an issue for farmers.

The capacity to export produce to mainland and international markets is impacted on by the high cost, volume capacity constraints and sub-optimal supply chain logistics (1.2).

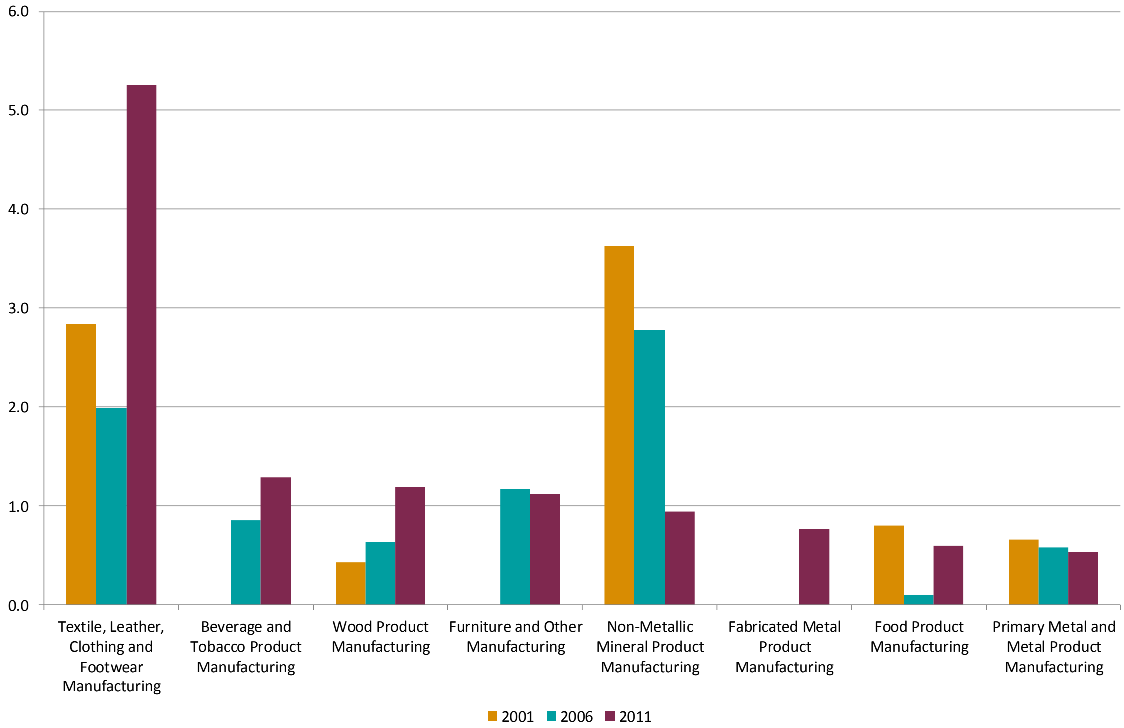
Many farm operators in Tasmania, including the Southern Midlands, are near or into their retirement age. Their ability and willingness to invest to benefit from the irrigation scheme may be limited. Planning for succession is not always undertaken (TEDS, 2012). Those farmers that will invest to benefit from the irrigation scheme may likely be a mix of the existing local champions and a number of next generation farmers; the younger generation of existing farm families and/or new farmers from elsewhere.

Manufacturing

Over the last ten years, employment in manufacturing has declined significantly by 4.5% per annum, a total decline 33 jobs. In particular sub-sectors, clothing and footwear manufacturing, wood product manufacturing and food processing employment increased. Wool processing is a key contributor to the increase in production of clothing manufacturing. The number of jobs increased by 4 to 16 jobs in 2011. Wood product manufacturing increased by 2 jobs to 10 in 2011. Food and beverage processing increased by 12 jobs to 15 jobs in 2011.

The figure below (Figure 7) shows the LQs for the various manufacturing sub-industries.

FIGURE 7. LOCATION QUOTIENTS FOR MANUFACTURING SUB-SECTORS, SOUTHERN MIDLANDS



Source: ABS Census 2001, 2006 & 2011 and SGS Economics & Planning

The roll-out of the irrigation scheme may create opportunities for growth in the manufacturing industry, most notably in the areas of clothing manufacturing and food and beverages processing. These sub-industries are already strongly represented in the municipality.

Construction

The construction industry has experienced a sustained employment growth of 2.3% per annum on average over the 2001 to 2011 period. Total employment reached 45 jobs in 2011, or 5% of total employment, which was less than the average of the Southern region and Tasmania (at 6% and 8% respectively).

Council has set up and runs a social enterprise which heritage construction services and trains people to undertake heritage construction services (Heritage Building Solutions and Heritage Education and Skills Centre). Council indicates there is significant demand for specialised skills for construction work on heritage buildings. There is also significant demand for education in the area. The municipality has a wealth of heritage buildings and possesses a comparative advantage to many other regions.

Tourism and heritage

The tourism industry in the Southern Midlands has evolved significantly over the last ten years. Council has been involved with the development of the Callington Mill Precinct and Military Precinct which both have strengthened the heritage and tourism ‘offer’ in Oatlands. Tourist visitation to the town increased significantly from 2009 to 2011. The number of visitor nights in Oatlands increased from 4,300 nights in 2009 to 8,100 nights in 2010 when the restoration of the historic Callington Mill was finalised and the mill started operating again. In 2011, visitation increased further to 15,100 nights per annum followed by a drop to 7,200 nights in 2012 (TVS, 2013). Tourist visitation often peaks after the opening of a new attraction and drops back somewhat after the novelty has worn off. The Heritage Highway passes through Oatlands and Kempton, and there may be opportunities to broaden the tourism offer. The Heritage Highway Visitor Centre is located in Oatlands.

Employment in tourism is a combination of employment within the retail trade, accommodation and food services and rental, hiring & real estate industries. While population growth is an important driver, tourism also plays an integral role in ensuring ongoing employment in these sectors. Employment in retail has remained stable over the last ten years. While tourism numbers have grown, population of Oatlands and surrounds has steadily been declining. Most population growth has occurred in the southern part of the municipality around Bagdad and Campania. Services for these areas are provided in Richmond, Brighton and Glenorchy. The net result has been a stable level of employment in the industry.

Accommodation and food services has experienced a modest growth in employment of 64 jobs, which represented an average annual growth rate of 1.2% over the 2001-11period. Employment in the rental, hiring and real estate sector has remained stable at 7 jobs, or 1% of the local job market.

The rich history, wealth of built heritage and heritage landscapes are a key asset for the tourism industry to grow on. Family history research is a widespread activity/hobby among Australians, with many holiday makers orientating their plans around historic buildings and sites that can tell them about a families' distant history.

The Tasmanian Historic Heritage Tourism Strategy 2012-15 aims to position Tasmania more strongly as a historic heritage tourism destination. The strategy recognises the wealth of heritage streetscapes and buildings in the Southern Midlands. There may be opportunities to further grow heritage tourism by developing creative experiences, displays and interpretation, and experiences in food, wine and accommodation.

Health care and social assistance

With the ageing of population, there will be an increasing demand for a range of aged care services, both home and community care as well as housing. Over the 2001-11period there was an average annual increase in employment in this industry of 2.4% in the Southern Midlands. The industry employed 70 persons which represents 7% of total regional employment.

The number of people aged 65 and over has increased by 56% over the last ten years, and the ageing of population is projected to continue. In addition, the emerging trend of people growing older and remaining healthier and independent for longer will hold implications of the type of age care made available to suitably meet needs. Aged care policy is aimed at supporting people to live in their own homes and/or communities for as long as possible. This means that demand for home and community care, aged care packages (CAPS, EACH and EACH-D packages) and independent living units will continue to increase.

There is a multipurpose health centre in Oatlands and residential living opportunities, both nursing home beds and independent living units, are provided managed and run by Oatlands District Homes Association. In the southern part of the municipality, care and support in people's own homes is predominantly provided by service providers from Clarence and Sorell. There are currently no independent living units or other residential solutions available within the local towns of Bagdad, Campania, Mangalore and Kempton.

With population growth being especially strong in the southern part, more services and facilities will be required in the southern part of the municipality.

Professional, scientific and technical services

There has been a marked increase in jobs for professional, technical and scientific services. The growth was 9 jobs over ten years, an annual average increase of 5.1%. Total employment in this industry stood at 23 jobs which represented 2% of total employment compared to 3% in the South East and 5% in Tasmania as a whole.

The availability of internet infrastructure plays an enabling role, allowing for jobs in this industry to be located in regional areas. Such connections provide the means for skilled employees to work from remote locations, while headquarters and clients may be predominantly located in prime urban centres such as Hobart and Melbourne.

There are currently no plans in place to connect the Southern Midlands to the NBN network before 2016 (www.nbnco.com.au). However, there are alternative options available (Section 1.2).

Other

LIFESTYLE OPPORTUNITIES

Population growth in the Southern Midlands gravitates to the southern part of the municipality, in and around the settlements of Bagdad, Campania and Mangalore. These towns are within commuting distance of Greater Hobart. The Bagdad and Mangalore Structure Plan identifies growth opportunities for residential uses. Residential uses are aimed to be concentrated on the hill sides while enabling the fertile valley floor to be used for agricultural activities. Residential growth is intended to occur concentrated in the existing towns while retaining rural uses between the towns to ensure the small town character is maintained.

The Brighton Transport Hub has opened up significant areas of employment land in close proximity to these towns. Many businesses have opened up in the area, and once Toll Tasmania relocates to the intermodal hub, which is expected to occur around 2014 or 2015, more businesses are expected to follow in order to derive benefits from co-location.

The recent opening of the Brighton Bypass has reduced travel times between the Southern Midlands and Greater Hobart. A potential future Bagdad Bypass would further reduce travel times, bringing Kempton within a commutable distance from Greater Hobart.

Residential land in the southern part of the municipality is affordable compared to nearby lots in Greater Hobart. The area is well positioned to offer attractive lifestyle opportunities and further grow local populations. Local services and infrastructure would be required to keep up with increasing demand. Currently, the Bagdad community owns and operates its own infrastructure, including a community hall, playground, sports field and child care centre. The community receives financial assistance from Council to operate and maintain these facilities. With a growing population a need may arise for new or expanded facilities, including assisted living solutions and health services facilities. Council may be required to increase its involvement in funding and provision of these in the future.

During the consultative workshops for this project, it was confirmed that Council should play a pro-active role to enable the development of lifestyle opportunities in terms of land use planning and infrastructure provision.

The northern part of the municipality is dealing with a decreasing and quickly ageing population. Securing and retaining infrastructure and services are required to prevent further population decreases. With the roll-out of the irrigation scheme, and associated investments and business growth in agriculture, it will be possible to create more jobs in the area, and attracting and retaining workers and families. This in turn will help keeping services at a reliable level.

1.2 Infrastructure, logistics and planning

Roads, rail and ports

The Southern Midlands are well accessible by road. The main south-north road corridor, the Midlands Highway, runs through the municipality. Road capacity is well above the current level of usage, with significant traffic capacity available along this route. Road safety is an ongoing debate, and additional overtaking sections are provided at a regular basis. Enhancing road safety should consist of a mix of measures that address hard infrastructure, information and signage, road design and behavioural change. In practice, road safety measures often focus on hard infrastructure.

Local roads are of varying quality, however these roads are generally deemed to be of acceptable quality. The roll-out of the irrigation scheme may result in a dramatic increase of heavy vehicle usage, especially in the Tunbridge area and York Plains and subsequently road infrastructure upgrades may be required.

A recent upgrade of the Mudwalls Road between Campania and the Midlands Highway near Lovely Banks has significantly enhanced the quality and safety of the road.

The Tasmanian Infrastructure Strategy (DIER, 2010) mentions the State's reliability on freight capacities in the northern ports. Bell Bay Port has lost its direct container connection with Melbourne and overseas destinations. Most containerised is transported through Burnie port where short to medium term capacity through put constraints are likely according to some sources. Transport costs for many producers and processors exporting from Tasmania have increased significantly since all containerised exports are through Burnie port (NTD, 2012).

The south-north rail line runs through the Southern Midlands. There is currently no siding within the municipality.

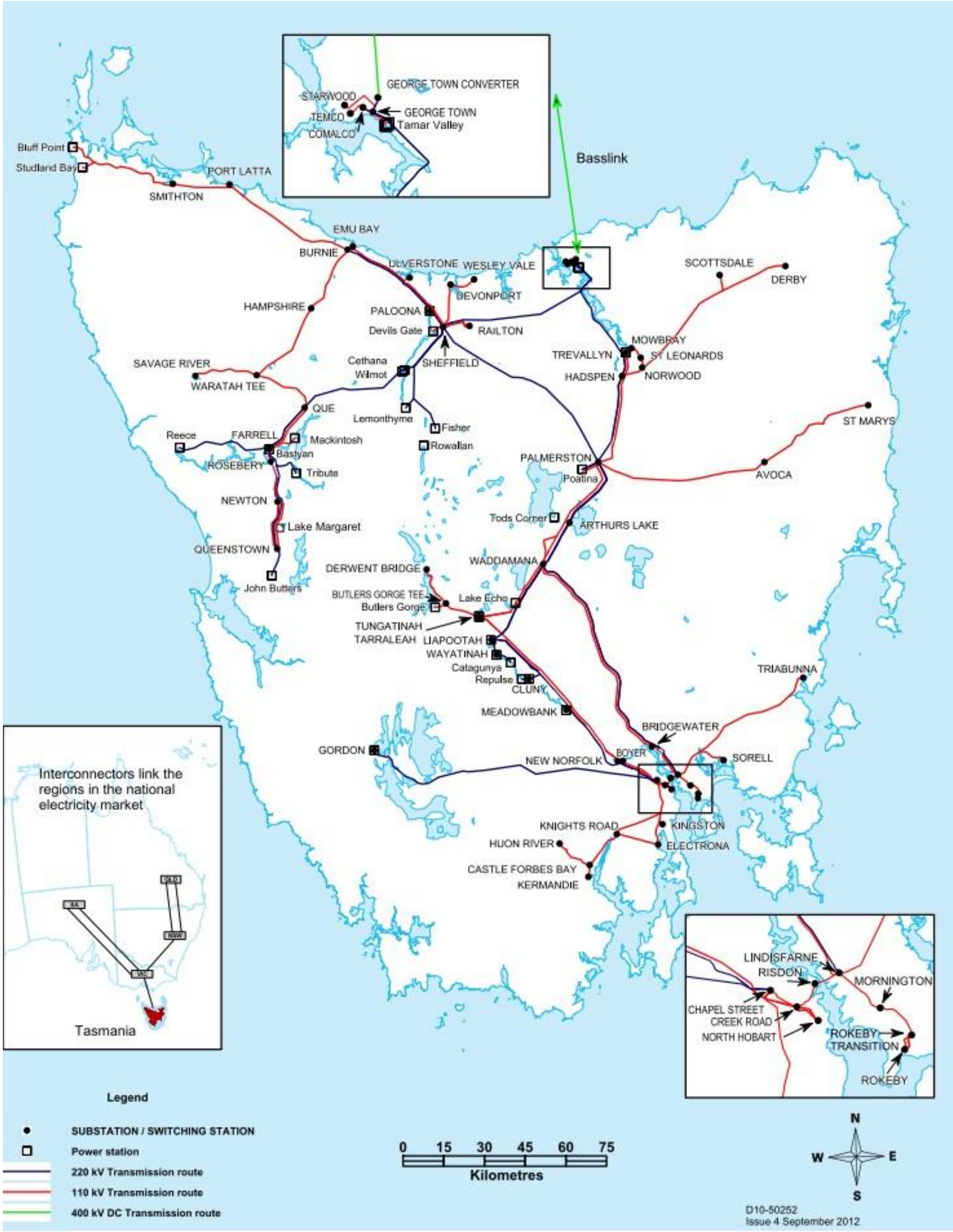
The Southern Integrated Transport Plan identifies a need to better integrate land use planning and infrastructure planning. Council representatives have also expressed a need for optimal coordination to plan for changing land use (intensities) and infrastructure provision. Communication between Council and infrastructure providers is important to enable integrated planning.

Power infrastructure

The existing electricity infrastructure lacks reliability and capacity to accommodate future demand associated with farms using and benefiting from the irrigation scheme.

Upgrades to the network are made regularly, however the improvements have had limited effect due to the lack of power substations or transmission routes through the Southern Midlands. The figure below is a map of Transend's electricity transmission system in Tasmania (Figure 8); the map shows the absence of transmission lines and substation in the municipality.

FIGURE 8. TASMANIA'S ELECTRICITY TRANSMISSION SYSTEM



Source: Transend, 2012

The areas around Oatlands and Tunbridge are especially affected by low reliability and future capacity constraints. These towns are at the end of Aurora's distribution network.

The prospects of Transend building a substation within the municipality are currently unknown. A major demand generator (such as a large processing plant) may be sufficient to warrant a major investment in the transmission system.

Alternative options to supplement the existing capacities may include solar power and small scale wind energy.

Internet and gas

Currently there are no plans in place to connect the Southern Midlands to the NBN network before 2016 (www.nbnco.com.au). While the main pipe infrastructure runs through the Southern Midlands, there is no direct connection on TasGas' infrastructure. Anecdotally, a direct connection would cost in the area of $2 to $3 million, and current potential demand is not sufficient to warrant such an investment. A very significant increase in demand may enable a direct connection.

There are however alternative options available. For internet there may be the future opportunity for a broadband satellite ground station with wired connections to houses and businesses, which would be suitable for residential centres. There are also technologies for regional areas using the analogue radio network, but limitations apply. To enable affordable gas usage by businesses and/or trucks and other heavy vehicles, there may be opportunities for liquefied gas deliveries.

1.3 SWOT analysis

This section provides a synthesis of the previous sections. It translates the information into a spectrum of strengths, weaknesses, opportunities and threats. Strengths highlight current characteristics, capacities and comparative advantages of the Southern Midlands relative to Tasmania or nearby areas. Weaknesses list the relatively weaker aspects of the local economy and elements that impact on the economic performance of the Southern Midlands. Opportunities consider potential or likely development to occur that would support economic growth. This includes the roll-out of the irrigation scheme, which is the single most important and committed investment that is currently developed in the Southern Midlands. Threats refer to likely changes that may constrain future economic growth.

The strengths lie in those industries where Council has experienced economic growth in terms of employment, production and/or population growth. In addition to that, strengths reflect the key characteristics that set the municipality apart from nearby areas and Tasmania. Economic development opportunities should make best use of these strengths.

Below is the list of the key economic strengths of the Southern Midlands.

Strengths

- Growth of population and potential workforce
- Increase in number of employed *residents* to 2,486
- Growth of employment in (overall decrease of jobs -70):
    - Clothing manufacturing: +4 jobs
    - Food product manufacturing: +12 jobs
    - Construction industry: +9 jobs
    - Accommodation and food services: + 7 jobs
    - Professional, scientific and technical services: + 9 jobs
    - Public administration and safety: +25 jobs
- Increase in number of farms and agricultural turnover:
    - Average increase 3.3% estimated turnover 2007-09
    - More small farms (up to $50k)
    - Less medium sized farms ($50k to $200k)
    - More larger farms (more than $200k)
- Rich history, built heritage and heritage landscapes to support tourism industry
- Pro-active Council / viable Council business operations
- Central location and road and possible rail connectivity
- Large attenuation distances
- Oatlands as prime regional centre for retail, health, (aged) care, education, community and agricultural services

The following list provides the key weaknesses in terms of loss of employment, production and population, and typical conditions and characteristics that weaken the economic performance of the region. Where possible, economic development opportunities could help alleviate or overcome these weaknesses.

Weaknesses

- Decline in jobs in from 1,054 to 988 jobs (2001-11):
  - Agriculture, forestry and fishing: - 80 jobs
    - -Agriculture: - 84 jobs
    - -Forestry and logging: 2 jobs
    - -support services: -2 jobs
  - General manufacturing: -33 jobs
  - Transport and warehousing: -11 jobs
  - Administration and support services: -8 jobs
  - Arts and recreation: -5 jobs
- Reliance on agriculture (35%) and recent decline in jobs
- Increasing reliance on job market outside municipality
- No direct connection to NBN and gas infrastructure

  (alternatives satellite ground station and liquefied gas)
- Capacity and cost of transport, interstate and international containerised transport – State-wide issue
- Forestry plantations; land and capital bound up
- Cost and availability of labour – especially temporary/seasonal labour
- Few large companies
- Schools only to Year 10 – bus to Hobart at capacity
- Little public transport
- Road quality and safety

The list below shows the key opportunities that may sustain and support future economic growth in terms of employment, production and population growth. Economic development initiatives should be designed to take full advantage of these opportunities.

Opportunities

- Roll-out of Water Scheme a $104 million investment
- Irrigation and soil capabilities especially favourable for Tunbridge area and York Plains
- Average farm size well above Tasmanian average
- Possible attraction of agricultural business and investment
- Agricultural opportunities appear to lie in: dairy, cropping (lucerne, pasture sd, poppies, potatoes, beet, carrots & cabbages) , livestock finishing, horticulture, specialty crops
- Sustained population growth – reduced travel times, nearby jobs
- Increasing demand for aged care, social assistance, sport and recreation and supported living
- Alternative energy sources to supplement existing electricity network
- Buddhist complex
- Heritage tourism and family history research
- New planning scheme: simpler, clearer, more definitive and consistent
- Current low interest rates

The list below shows the key threats that may adversely impact on the future economic performance of the region. Some economic development initiatives may help address these threats.

Threats

- Infrastructure capacities & reliabilities may not meet future demand
- Plausible decline work force (recent decline 0 -15 year olds)
- Capital investment capacities and related innovation
- Ageing of population
- Increasing land use conflict if significant agricultural land is not managed effectively
- Transport costs, interstate & international transport connectivity
- Possible closure of schools in Campania, Levendale* and Kempton
- Potential for drought, particularly in areas not served by current or planned irrigation schemes
- Narrow crop base. Lack of agricultural diversity

*Note: The State Government has closed the Levendale School since the SWOT analysis was undertaken.

1.4 Conclusions

The Southern Midlands Economic Development and Land Use Strategy should aim to capitalise on the strengths and opportunities present in the region. At the same time it should address existing weaknesses and potential threats wherever possible.

Economic development initiatives are actions and projects by which Council aims to support and prosper economic development in partnership and with support of key stakeholders. There are a number of roles Council can play in relation to these initiatives. Council may take on the role of:

- Do-er
- Facilitator or enabler
- Advocate

For Council it is important that it pursues 'good' economic development initiatives. In consultation with Council, a number of principles for good economic development were developed. Good economic development opportunities:

1. Make use of existing strengths and resources
2. Create benefits that outweigh the costs without imposing unfair adverse impacts on others
3. Have community and stakeholder support
4. Are do-able and achievable , so that:
    a. Council has the capacity to deliver
    b. The relative cost to Council is acceptable
5. Promote the economy by creating/protecting jobs, population growth and private investment
6. Generate the least possible regulation

The first principle implies that Council should make use of its **comparative advantages and resources**. The municipality has significant supplies of agricultural land and natural resources. The roll-out of the irrigation scheme significantly increases the income earning capacity for agricultural uses. The region is centrally located in Tasmania, is spacious and is able to accommodate uses requiring large attenuation distances. Last but not least the region has a rich history and a wealth of heritage buildings and landscapes to support the tourism industry.

The second principle simply means that the **expected returns**, in terms of jobs, production, wider social, economic and environmental benefits should **outweigh the costs** of an economic development initiative. Also, an economic development initiative supported or undertaken by Council should not unfairly compete with existing economic operations in the municipality.

Any economic development initiative should preferably have the **support** of at least the majority of key stakeholders, and of the community.

Also of importance (principle four) is that any prospective economic development initiative be **do-able and achievable**, which means that Council has the resources to fulfil its intended support to it, be it as an initiator, enables/facilitator or as advocate and that the intended results are likely achieved. The costs may vary greatly depending on the role Council takes in respect to an initiative. In terms of costs, it is also important to consider how they relate to Council's overall budget and/or other initiatives and commitments: could the costs be justified looking at the wider budgetary context.

It may be obvious, but an economic development initiative should be expected to **promote economic growth** (or prevent decline) in the Southern Midlands by creating or protecting jobs, population growth and/or private investment.

Last, economic development initiatives should result in the **least possible regulation**, or if possible, in a reduction of red and green tape. Enhanced clarity about regulation could also be considered as part of this principle.

2 VISION STATEMENT

This section formulates a Vision for economic development and land use in the Southern Midlands. The draft vision statement consists of the:

- Aim of MEDaLS
- Vision statement describing what Council aspires to be
- Economic development principles, listing what 'good economic development initiatives' should look like

The vision was developed on the basis of the socio-economic profile and the workshops with internal (Southern Midlands Council) and external stakeholders of Government agencies, businesses and community representatives of the Southern Midlands.

2.1 Background

The Southern Midlands community may be on the verge of significant change. The construction and subsequent use of the Midlands Water Scheme will potentially alter the character and intensity of agricultural production. For a community that has always relied strongly on agriculture as the driver of the local economy, the irrigation scheme has the potential to significantly grow and diversify production. According to Government sources, the Scheme is expected to create up to 300 on-farm jobs over time (The Hon. Tony Burke, 14-05-2012). The Scheme covers a significant area of the Southern Midlands, and the Northern Midlands.

There are also many important flow-on effects, not only in terms of demand for supplying industries to farms and downstream processing industries, but also in terms of possible population growth and the retention of younger residents.

Apart from agriculture, there are other areas of potential growth and development. The municipality has a rich history and offers a wealth of heritage buildings and landscapes. This is an important part of the region's identity and a key driver of the local tourism industry. Council has shown leadership by taking business initiative. The Heritage Building Solutions and Heritage Education & Skills Centre and the Callington Mill precinct are clear examples of Council's attitude.

The southern part of the Local Government Area (LGA) which includes the towns of Bagdad, Campania and Mangalore are within commuting distance of Greater Hobart. These towns have experienced significant growth driven by households seeking affordable lifestyle solutions. The recent opening of the Brighton Bypass may expand the geographic area that is generally perceived as within a commutable distance, and may drive residential demand.

2.2 Aim of the Economic Development and Land Use Strategy

The aim of this consultancy is to develop the Midlands Economic Development and Land Use Strategy (MEDaLS). The aim of MEDaLS is to:

- *set out a coordinated approach to the future economic development of the municipality*
- *provide a range of practical and achievable initiatives for Council to pursue*
- *consider current and future opportunities, internal & external forces and partnerships*
- *consider land use aspects of initiatives to inform the content of the new planning scheme and future iterations.*

2.3 Vision Statement

The Southern Midlands aspires to be a region that celebrates and benefits from agriculture, heritage and tourism, its spaciousness and central location, and that supports business growth and welcomes investment that strengthens and/or diversifies the local economy. The Southern Midlands aspires to sustain and grow its population by offering attractive lifestyle opportunities and supporting community services & facilities.

The Southern Midlands will continue to support its agricultural base, and maximise the benefits of the roll-out of the Midlands Irrigation Scheme by supporting investment, job creation and facilitating/accommodating where possible downstream processing, services suppliers and distribution industries.

The Southern Midlands will continue to support and diversify its economic base by building on the specific strengths and opportunities.

The Southern Midlands will continue to collect, restore and interpret its heritage as a source for cultural & local identity, tourism development, archaeological collections, construction and restoration skills and education for future generations.

The Southern Midlands will invest in and advocate for optimal services and infrastructure provisions for roads, power, gas, broadband internet, water, community, health, education, arts and recreation.

The Southern Midlands will be an attractive region to live by enabling and facilitating a range of lifestyle opportunities for its existing and future population.

2.4 Economic development planning principles

Good economic development opportunities:

- Make use of existing strengths and resources
- Create benefits that outweigh the costs, without imposing unfair adverse impacts on others
- Have community and stakeholder support
- Are do-able and achievable, so that:
  - Council has the capacity to deliver
  - The relative cost to Council is acceptable
- Promote economic growth by creating/protecting jobs, population growth and private investment
- Generate the least possible regulation

3 ECONOMIC DEVELOPMENT INITIATIVES ASSESSMENT

3.1 Initiatives

During the first stage of the project, a total of **22 potential economic development initiatives** have been identified by Council and consulted stakeholders. Since then an additional (**23rd**) initiative was identified (Levendale Community Social Enterprise Project) and included in the list of initiatives.

There are common themes that can be identified:

A. Agriculture and related industries
B. Tourism & heritage
C. Location and spaciousness
D. Lifestyle opportunities
E. Infrastructure and enabling services
F. Other

Initiatives relating to agriculture and related industries primarily aim to leverage from the roll-out of the irrigation scheme. The possible initiatives grouped under this theme are:

1. Effective planning provisions for agricultural land
2. Facilitation of farmers coordination group
3. Land for rural support services, logistics and processing
4. Attracting large processing manufacturer

The initiatives under tourism and heritage mostly aim to grow the tourism industry by enhancing and developing the display and interpretation of cultural heritage in the region. Possible initiatives are:

5. Extension of the golf course
6. Development of heritage collection facilities (links to UTAS)
7. Kempton horse drawn heritage initiative
8. Support heritage construction and education
9. Enhance support of the Oatlands heritage precinct including Callington Mill and Military Precinct
10. Promote the region as a biodiversity hotspot
11. Larger scale tourism accommodation in Oatlands

Within Tasmania, the Southern Midlands Council is quite unique in terms of its spaciousness, large properties and central location. A number of initiatives aim to benefit from these comparative benefits. Possible initiatives with this theme are:

12. Accommodating and attracting activities with large attenuation areas
13. Feasibility study for Greenwaste power generating plant

Some of the initiatives aim to support residential growth in the area, mostly the southern part of the municipality, and/or to prevent population from declining, which is an issue in the northern part of the municipality. The initiatives relate to providing improved health and community services, lifestyle opportunities and support for residential development. Possible lifestyle related initiatives are:

14. Enable Kempton residential aero park

15. Support and advocate for Oatlands aquatic and recreation centre (to gain funding)
16. Manage Oatlands racecourse equestrian precinct
17. Support aged care and living opportunities
18. Support residential development especially in southern areas (infrastructure, coordination, pro-active planning)

Key weaknesses and threats to the economic performance in the region are related to infrastructure and services being inadequate and/or unreliable. Power, gas, broadband and phone infrastructure accessibility in the Southern Midlands is directly affected by this unreliability. This category aims to address infrastructure capacity and reliability issues. Two possible initiatives are:

19. Advocate for infrastructure enhancements & advocate alternatives
20. Attract large institutional employer such as a university or Government component

The initiative of attracting a large processing manufacturer could also be considered in this category, which may enable infrastructure upgrades due to its significant demand for power.

There are a few initiatives that do not fall under the above listed categories. They are quite idiosyncratic in nature. Two possible initiatives are:

21. Support development of the Buddhist Cultural Park within the municipality
22. Establish a sister city relationship
23. Explore the Levendale Community Social Enterprise Project

3.2 Initiatives descriptions

The following section provides descriptions of the proposed initiatives and of the role that Council would play if these initiatives were to be adopted as part of the MEDaLS.

1. Effective planning provisions for agricultural land

The Southern Midlands has areas of significant agricultural land, and especially those areas within the scheme catchment area have significant future production potential. Council protects significant agricultural land by effective planning scheme provisions and zoning, to prevent more sensitive uses (residential) to increase and minimise the risk of land us conflict.

2. Facilitation of farmers coordination group

The Southern Midlands is about to benefit from the roll-out of the irrigation scheme. A farmers group could bring farmers together to collaborate and address common issues and opportunities such as advocacy, infrastructure capacity issues, supply chain / transport issues, developing a brand, penetrating markets among others. Council facilitates the commencement of the group and provides support where possible and appropriate. This initiative is recommended to be commenced around an identified project opportunity for a potential grant. Council could also potentially collaborate with the Northern Midlands Council, Tasmanian Farmers and Graziers Association (TFGA).

3. Land for rural support services, logistics and processing

The roll-out of the irrigation scheme and the subsequent increase in production may generate flow-on effects in terms of processing, logistics and support industries. Council identifies possible suitable locations for these types of industries, protects the land from conflicting uses, and where possible addresses site constraints to improve site suitability.

4. Attracting large processing manufacturer

The Southern Midlands would benefit from a large processing or related industry plant, which would generate sufficient demand for power, energy (possibly evengas), and transport to warrant upgrades in the capacity of a range of infrastructure systems to the benefit of the wider local economy.

5. Extension of golf course

The Oatlands golf course, if extended to 18 holes, may attract more visitors to the town. It is uncertain what effect an extension could have. Council would invest in extending the golf course; however the costs associated with this investment are unknown.

6. Development of heritage collection facilities (links to UTAS)
The Southern Midlands houses significant archaeological collections. Council expands the facilities to accommodate collections from other municipalities, if there is a demonstrated demand. Capital costs are likely significant and would require external funding. A first step would be to explore likelihood of gaining funding or finding a partner with capital. Potential partners and/or client organisations include Tasmanian Museum and Art Gallery (TMAG), Queen Victoria Museum (QV), Port Arthur Historic Site Authority, Australian Archaeological Association (AAA), Heritage Tasmania, State Archives Office and Tasmania Policy (history).

7. Kempton horse drawn heritage initiative
The Southern Midlands has a historic link with horse drawn carriages and there is a significant supply of horse drawn heritage present in private ownership throughout the municipality. There is currently no hall of fame or visitor interpretation centre in Australia that displays and documents horsedrawn heritage. Council develops a business plan and with the support of external funding develops a horse drawn heritage hall of fame in Kempton, at a reserved Council owned site which currently houses a shed with a handful of heritage carriages.

8. Support heritage construction and education
Council has set up this social enterprise some years ago. There is demand for its services and education, beyond the local area. It trains local residents and provides opportunity for participants to gain experience. Council will continue to run and support the enterprise, and expand its services where possible.

9. Support Oatlands heritage precinct, including Callington Mill and Military precinct
Partly based on the success of Callington Mill, Council aims to progress conserving and restoring more heritage buildings in Oatlands. Council recently purchased a historic building on 70 High St for restoration and conservation. There are several buildings such as the Oatlands Courthouse and Gaol that require (further) restoration and these could be made available for tourism related experiences in the future.

10. Promote the region as a biodiversity hotspot
The Southern Midlands contains areas with significant natural / biodiversity values that may attract a specific group of visitors. Council identifies the biodiversity hotspots and promotes these spots as destinations for specific visitor groups.

11. Support for larger scale tourism accommodation in Oatlands
Oatlands currently does not offer any 4 star accommodation with 30 or more rooms. Recent tourism research in the southern region identified the lack of accommodation of at least 4 stars and with at least 30 rooms as a weakness for Oatlands. Larger scale accommodation opens up the market to new segments including group travel, business retreats and conferences. Council could support and accommodate investment in larger scale accommodation. Possible actions include market research and broad feasibility assessment and appropriate land use zoning in potential areas.

12. Attracting and accommodating activities with large attenuation distances
The Southern Midlands has the ability to accommodate activities that require large attenuation distances. The size of many titles is in the order of hundreds of hectares with separation distances to existing dwellings on other titles in the order of 1000 metres or more being common. These characteristics combined with the State's main road and rail transport routes running through the municipality, along with the main gas pipeline, provide circumstances that would potentially suite activities that need to be separated from sensitive uses, such as dwellings. Activities that generate possible nuisance as a result of smell, noise, light and/or dust require large attenuation distances. Also, some research and science related activities may require the absence of light, activity and/or noise, requiring large attenuation distances. Taking a pro-active approach, Council to identify regions within the municipality providing different combinations of locational characteristics suitable for different activities requiring large attenuation areas. Identify any constraints and issues that may need addressing. Consider

land use planning measures that may help protect the land for potential future use by activities requiring large attenuation areas. A key issue may be to address (potential) support from nearby land owners. Also, there may be landowners with an interest in exploring opportunities.
The aim of this initiative is primarily to be prepared and able to respond in a constructive way as concrete opportunities arise.

13. Feasibility study for Greenwaste power generating plant
The Southern Midlands is well located to accommodate innovative, green waste power generating plants. It is uncertain what the minimal costs are of such a facility and whether it is within the capacity of Council. As a first step, Council undertakes a feasibility study for such a plant.

14. Enable Kempton residential aero park
The Southern Midlands is well positioned to accommodate an airstrip with adjacent residential lots for ultra-light airplane owners. A site has been identified adjacent to an airstrip in Kempton. Council accommodates demand by allowing for appropriate planning scheme provisions.

15. Support and advocate for Oatlands aquatic and recreation centre (to gain funding)
Oatlands is the prime regional centre in the region. Retaining and growing its local population is a challenge. The roll-out of the irrigation scheme and related increase in agricultural production will enable growth of the population base. Community and recreation services are important to retain and attract population. Council aims to develop an aquatic centre and related sports and recreation centre to provide state of the art services to the community and to support an active and healthy lifestyle for its residents. The proposed development is to be located in the centre of town, at walking distance from the school and the multipurpose health centre and aged care residential facilities. It would enable the current 60-year old public swimming pool located in the historic Oatlands Gaol to be removed and the site reused for heritage tourism purposes. The development is expected to cost approximately $5million and in order to meet this cost Council would be largely reliant on external funding sources. Ongoing running costs would need to be subsidised by Council but this could be done at the current annual subsidisation amount for the current pool - providing a significant gain for the community as the current pool is open only during the summer months whilst the new facility would operate year-round.

16. Manage Oatlands racecourse equestrian precinct
The former Oatlands race course and surrounding unformed roads are currently used for horse training. Several horse trainers live on adjoining properties. More horse trainers may be attracted to the site and at some stage a management structure for maintenance and use of the racecourse and the reserved Crown roads may be required. Council puts a management structure in place for the use and maintenance of the course and surrounding areas by horse trainers and any other use groups. The course also has the potential to be upgraded to a racecourse should the need arise (however no definitive evidence for need has yet been established).

17. Support community care, aged care and living opportunities
The population of the Southern Midlands is ageing at a rapid pace. Housing and care services are located in Oatlands and provided by Oatlands District Homes Association (ODHA). Future demand is likely to expand significantly. It is unknown whether the current provider plans for or is able to accommodate future needs. Council liaises with ODHA and explore the likely future levels of demand and explore how future demands can be met in consultation with ODHA and other providers. An action plan may need to be developed based on this approach. Note: demand for services in the southern part of the municipality may increase.
While ageing is a major trend, there is a wider need to better understand community health needs and how they may change over time. DHHS aims to work with local governments to better understand the health care needs of the community, and to ultimately address these needs in an effective way. This may involve a service model of local, dispersed health services in local communities.

18. Support residential development especially in southern part (infrastructure, coordination, pro-active planning)

The southern part of the municipality is experiencing moderate population growth due to its relative proximity to Greater Hobart and employment opportunities, good road access and the affordability of land. Council supports ongoing growth in appropriate locations. It will progress with the implementation of the Bagdad Mangalore Structure Plan (BMSP). It will provide support by providing clear and pro-active planning scheme advice and identifying preferred growth areas for residential use. Infrastructure provision to new subdivisions may be beyond the Council's capacities and needs to be explored further (stage 2 as a first start). Social and community infrastructure and services need to be at an appropriate level. This may be achieved by expanding support for community owned model and/or by expanding Council provisions.
The likely future development of the Bagdad Bypass is likely to generate more demand for residential uses in the area.

19. Advocate for infrastructure enhancements & support alternatives

Access to infrastructure and services by residents and businesses in the Southern Midlands is often constrained in terms of capacity or reliability. Issues exist in relation to power, phone, broadband internet, gas and rail. Council advocates for better accessibility where appropriate. Council supports alternatives by exploring alternatives (liaise with providers), providing information and where appropriate advocating.

20. Attract large institutional employer such as a university or Government component

The Southern Midlands would benefit from a large institutional employer which would increase local employment and flow on benefits as well enabling demand for infrastructure & services. Council identifies specific areas of science/education that have a specific link with the Southern Midlands. Possible links could include archaeology, arts, architecture, astronomy and related sciences, agricultural sciences. Council approaches key stakeholders in universities and State (Fed) Government to explore possibilities and funding.

21. Support development of the Buddhist Cultural Park within the municipality

The Chinese Buddhist community under leadership of Master Wang aims to develop a Buddhist Cultural Park with temples, university, resident and student accommodation, cemetery, kiosk/café and meeting places within Southern Midlands. The total estimate construction cost is in the area of $100 to $200million, to be developed over a number of stages. The entire development period is likely to be well beyond 10 years. Council to provide clarity and advice to the Buddhist community about the planning system and how this relates to the proposed development - particularly options for seeking planning approval.

22. Establish a sister city relationship

Sister city relationships aim to establish and strengthen cultural and commercial partnerships between two local areas in different parts of the world. The basis often consists of a commonality. The Southern Midlands does not have a sister city/region. Depending on the approach, the benefits may not outweigh the costs.

23. Explore the Levendale Community Social Enterprise Project (added recently)

The recent closure of the Levendale School presents both a challenge and an opportunity for the local community. A new social enterprise may be suited to the school buildings and property, and this idea ought to be explored with the local community.

3.3 Prioritisation

This section scores the initiatives against the criteria that identify ‘good economic development initiatives’. The scoring has also helped identifying areas that require further exploration in order to being able to adequately to complete the scoring.

The overview below shows the scoring based on currently available information. It also highlights those scores that require more information to verify and enhance the validity of the score. These areas for further investigation form key agenda items for Stage 2 of the process.

These criteria for good economic development initiatives are not of equal importance. Some are critical for an initiative to be considered good practice, while others are important but not always essential. The **essential criteria** are that an economic development initiative:

- Promotes economic growth by creating or protecting jobs, population growth and private investment
- Is do-able and achievable
- Generates more benefits than costs

If potential initiatives do not meet the essential criteria, then they should in principle not be pursued as part of MEDaLS. Initiatives that score mostly positive across the board are expected to have the highest development potential.

If there is uncertainty about initiatives meeting the essential criteria then a level of urgency exists to further explore these initiatives where possible within the scope of this study. If initiatives have high overall scores but there is still some uncertainty regarding the scores against the remaining criteria, there is a need to explore these aspects further.

The table on the next page (Table 1) shows the initiatives with the highest scores at the top and the lowest scores at the bottom. The essential criteria have been assigned a weight factor of 2 or 3 and the remaining criteria have a standard weight of 1. The 'least regulation' criterion was weighed 0.5 and a positive score indicates it contributes to making regulation and the understanding of it better. The marked scores require further verification and validation.

The fourteen initiatives with the highest scores are:

- Support residential development especially in southern part (nr 18)
- Support development of a Buddhist Cultural Park(nr 21)
- Effective planning provisions for agricultural land (nr 1)
- Land for rural support services, logistics and processing (nr 3)
- Support heritage construction and education (nr 8)
- Support for larger scale tourism accommodation in Oatlands (11)
- Facilitation of a farmers coordination group (nr 2)
- Support Oatlands heritage precinct (nr 9)
- Attract and accommodate activities with large attenuation distances (nr 12)
- Support Oatlands aquatic and recreation centre (nr 15)
- Explore the Levendale Community Social Enterprise Project (nr 23)
- Feasibility study for Greenwaste power generating plant (nr 13
- Oatlands racecourse equestrian centre (nr 16)
- Development of heritage collection facilities (nr 6)

TABLE 10. PRIORITISATION OF POSSIBLE INITIATIVES

Score	nr	Possible initiative	Essential Do-able & achievable	Benefits > costs	Promotes economy	Other Comparative advantages	Support	Least regulation
9.5	18	Support residential development especially in southern part	1	1	1	1	1	1
9.5	21	Support development of the Buddhist Cultural Park	1	1	1	1	1	1
9	1	Effective planning provisions for agricultural land	1	1	1	1	1	0
9	3	Land for rural support services, logistics and processing	1	1	1	1	1	0
9	8	Support heritage construction and education	1	1	1	1	1	0
9	11	Support for larger scale tourism accommodation in Oatlands	1	1	1	1	0.5	1
8.5	2	Facilitation of Farmers coordination group	1	1	1	1	0.5	0
8	9	Support Oatlands heritage precinct	1	1	0.5	1	1	0
8	12	Accommodate activities with large attenuation distances	1	0.5	1	1	1	0
8	15	Support Oatlands aquatic and recreation centre	0.5	1	1	1	1	1
8	23	Explore the Levendale Community Social Enterprise Project	1	1	0.5	0.5	1	1
8	13	Feasibility study for Greenwaste power generating plant	0.5	1	1	1	1	1
8	16	Oatlands racecourse equestrian centre	1	0.5	1	1	1	0
8	6	Heritage collection facility at Oatlands (links to UTAS)	0.5	1	1	1	1	1
7.5	4	Attract large processing manufacturer	0.5	1	1	1	1	0
7.5	20	Attract large employer such as uni or Gov institution	0.5	1	1	1	1	0
7	17	Support community care, aged care and living opportunities	1	1	0.5	0	1	0
6.5	7	Support Kempton horse drawn heritage initiative	0.5	0.5	1	1	1	0
6.5	19	Advocate for infrastructure enhancements & support alternatives	0	1	1	1	1	1
6	22	Establish a sister city relationship	1	1	0	1	0	0
4.5	14	Enable Kempton residential aero park	0.5	0	1	1	0	0
3	5	Extension of golf course	1	0	0	0	0	0
		Weights to scores	*3*	*2*	*2*	*1*	*1*	*0.5*

Source: SGS, 2013

It is proposed that the following initiatives and related issues, listed fellow by theme, be investigated further in Stage 2 of this project:

A. Agriculture and related industries:

- **Effective planning provisions for agricultural land (nr 1)**
  It is understood that as part of the new interim planning scheme process, work has been undertaken to identify planning provisions to protect agricultural land. It is important to verify the effectiveness of proposed provisions and also the proposed spatial application of these provisions.
- **Facilitation of Farmers coordination group (nr 2)**
  While evidence from the Coal River Valley has shown that a farmers group could be instrumental to farmers' success, it is yet unknown what the interest and support is from farmers in the Southern Midlands. It is also important to consider the common basis of such a group, which is the municipality where they are located, the catchment area of the Midlands Irrigation Scheme or a combination of both. Furthermore, it is important to explore what form such a group should take and whether it should build on any existing networks or organisations.
- **Land for rural support services, logistics and processing (nr 3)**
  Once the region starts to expand agricultural production as a result of the roll-out of the irrigation scheme, there will likely be demand for support services, logistics and processing of produce. While some of these activities may take place before the farm gate, some demand for industrial land needs to be accommodated. An easily accessible location near the source of production is often required. The existing industrial land in Oatlands may not be optimally suitable to accommodate these activities.

B. Tourism & heritage

- **Support heritage construction and education (nr 8)**
  Council set up this social enterprise a number of years ago and has been successful since in terms of operation, training new staff and education. During the internal workshop it was mentioned there is demand for more services and education in the area, and possibly in developing some type of education standards and recognition of the education. There is a need to determine the exact opportunities and how these can be exploited.
- **Investigate development of a heritage collection facility at Oatlands (nr 6)**
  There is also an opportunity to investigate the establishment of a dedicated heritage artefacts storage facility (and a possible records archives storage facility) that provides a state-wide service. There is anecdotal evidence that existing heritage artefact storage facilities in Tasmania (such as the two main museums) have little-to-no remaining capacity to store heritage artefacts. Storage of such items is usually a requirement of heritage approvals involving development at heritage sites. There appears to be other sources of demand for such a facility and a centrally located store at Oatlands may be able to meet this demand.
- **Support Oatlands heritage precinct (nr 9)**
  Heritage tourism is a specific niche that is relevant to the Southern Midlands. The recent redevelopment of the Callington Mill precinct appears to have driven a significant increase in visitation (which has levelled off somewhat). Increasing visitation will improve the viability and commercial aptitude of the tourism industry. It is understood this initiative is an adopted project by Council. It is important to determine what support would be required from the economic development point of view.
- **Support for larger scale tourism accommodation in Oatlands (nr 11)**
  Larger scale accommodation of 4 stars or over would enable Oatlands to penetrate a new market segment targeting groups (tourism, business and education) and high end tourism. It would enable the tourism sector to grow significantly and would generate benefits beyond accommodation to restaurants, cafes, tourism attractions and other

retail. Council should ensure it is ready and prepared in case of business interest. Council can support by demonstrating market demand and business feasibility.

C. Location and spaciousness

- **Attract and accommodate activities with large attenuation distances (nr 12)**
  The municipality's abundance of large titles in the order of hundreds of hectares with separation distances to existing sensitive uses (such as dwellings) in the order of 1000 metres or more should be promoted to relevant industry groups and State economic development agencies.
  It would also be beneficial if a number of potential regions of the municipality suitable for particular activities requiring large attenuation distance could be identified. The specific location needs for each type of activity may be quite different and therefore it would be useful to identify up to about five sites and list their specific attributes. If there are any known possible operators it may be worthwhile to investigate their requirements.

D. Lifestyle opportunities

- **Support residential development especially in southern part (nr 18)**
  It is important to establish what Council can and is willing to do to better accommodate residential development (nr 17). Possible actions can range from providing clear upfront information about the planning scheme and planning process as was raised as being an issue during the external workshop. The implementation of the BMSP is be a key element. It is recommended to amend the planning scheme to allow for the BMSP implementation. Another action step would be for Council to liaise with potential developers and agree on arrangements for infrastructure provision. The latter would likely be beyond the capacity of Council.
- **Support Oatlands aquatic and recreation centre (nr 15)**
  The Oatlands aquatic and recreation centre would enhance the regional service level of Oatlands to the wider region. It would support and enable population growth. Progress of this development depends entirely on external funding. It remains uncertain how realistic this objective is, and may need to be regarded as a long term objective requiring significant advocacy and patience to respond swiftly when the opportunity does occur.
- **Explore the Levendale Community Social Enterprise Project (nr 23)**
  The recent closure of the Levendale School presents both a challenge and an opportunity for the local community. A new social enterprise may be suited to the school buildings and property, and this idea ought to be explored with the local community.

E. Infrastructure and enabling services

- **Feasibility study for greenwaste power generating plant.**
  Opportunities may arise for Southern Midlands to work regionally or a statewide basis to progress a feasibility study into the establishment of an innovative, green waste power generating plants producing bio-char for the agricultural sector.

- Support further development of the Oatlands racecourse / equestrian centre

F. Other

- Support development of Buddhist park (nr 21)
  The Buddhist complex is a large proposed development that is likely to gradually be realised over a long timeframe (20 years plus). Council can support by providing clear information about the planning scheme and process, and possibly by advocating the development.

Then there are initiatives that may score high, if can be established they are realistically achievable:

- Attract large processing manufacturer (nr. 4)
- Attract large employer such as university or government institution (nr. 20)
- Support Kempton horse drawn heritage initiative (nr. 7)

All of these initiatives depend on either significant external funding or external stakeholders investing in the region. It will be important to explore the likelihood of success and what can be done to be prepared and ready in case opportunities do arise.

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