

21.07**ECONOMIC DEVELOPMENT**

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Proposed C092latr

This clause provides local content to support Clause 17 (Economic Development) of the State Planning Policy Framework.

Specific references to individual towns are also included in Clause 21.09 (Local Area Growth Plans).

21.07-1**Economic Growth**

Latrobe City is uniquely placed in the Victorian economy. With 90% of the State's power generation occurring in the region, brown coal electricity generation accounts for around 20% of Latrobe City's Gross Regional Product (GRP). It is anticipated that approximately 20% of all jobs are directly or indirectly tied to the electricity sector. This means that mining and power generation underpins the broader manufacturing, maintenance and fabrication industries in the Latrobe Valley. Diversification of employment opportunities is therefore considered a key priority for Latrobe City.

Latrobe City is recognised as one of Victoria's four major regional centres, along with Ballarat, Bendigo and Geelong. With a GRP of approximately \$4 billion and annual business turnover estimated at \$10.3 billion.

Population growth, technology advances, the ageing workforce, globalisation and a future low carbon economy present both challenges and opportunities. Latrobe's history of industrial enterprise, successful adaptation and innovation means it is well positioned to embrace change and harness new opportunities to further diversify and strengthen the economy.

A key competitive strength, that is recognised nationally, is the quality of the manufacturing and engineering expertise that exists locally. Latrobe City is also home to State significant Industrial 2 Zone land, located to the south and north east of Morwell.

From these strengths come many opportunities, including a focus on support for education, training, brand development and industry development and attraction. Growing new markets for low emission energy resources and food production are also considered opportunities. Council will take a lead role in enabling the community to prosper from these changes, in particular the transition to a low carbon future.

The Latrobe City *Economic Sustainability Strategy 2016-2020* and the *Industrial and Employment Strategy 2017* has an emphasis on job creation, industry diversification and the ability to offer opportunities to prospective investors. Latrobe City has several areas of significant commercial importance which are as follows:

- Gippsland Logistics Precinct in Morwell.
- Latrobe Regional Airport in the Morwell – Traralgon corridor.
- Morwell - Traralgon Corridor, including Latrobe Regional Airport and Hospital.
- Morwell - Maryvale Industry Corridor.
- State energy infrastructure including distribution networks and mine areas.

21.07-2**Objective 1**

To facilitate a vibrant and dynamic economic environment that will grow and diversify employment opportunities.

Strategies

- 1.1 Provide a balanced approach to economic development taking into account economic, social and environmental values.
 - 1.2 Facilitate private and public sector investment and help create an attractive investment climate.
 - 1.3 Promote the growth of service sector jobs targeting regional health services, tertiary education, retail, entertainment and government administration.
 - 1.4 Encourage high quality road, rail and air freight capabilities with connecting regional and national supply chains.
 - 1.5 Support efforts to ensure the provision of essential infrastructure is not prohibitive to development.
 - 1.6 Provide adequate land for industrial and commercial growth.
 - 1.7 Ensure industrial and commercial development is of the highest quality particularly at the interface with residential land and at key township gateway locations.
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21.07-3

Objective 2

Support the establishment of new and alternative energy related jobs growth and investments within Latrobe City, leveraging the advantages of existing energy infrastructure and distribution networks.

Strategies

- 2.1 Promote new and alternative clean energy industry and investment within Latrobe City, leveraging the existing energy infrastructure and workforce expertise.
 - 2.2 Encourage investment and development of new and alternative energy industries, particularly in locations with good access to existing energy distribution infrastructure.
 - 2.3 Continue to advocate for the utilisation of alternative, low emission energy from coal resources.
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21.07-4

Industry

Latrobe Valley has one of the world's largest reserves of brown coal. Brown coal electricity generators in Latrobe currently supply approximately 90% of Victoria's electricity. Council supports the sustainable use of brown coal as an energy source. Council is working with generators, clean coal researchers and government agencies to develop clean coal pilot plants and research facilities in Latrobe City.

Latrobe City has a large manufacturing base, established from the electricity generation sector. The Australia Paper Mill, located in Maryvale north of Morwell, is another important heavy industry underpinning local employment strengths in engineering.

The industrial sector in Latrobe City is divided into three main areas:

- The heavy industry precincts which are currently sustained by the coal and timber resources. The main location of this industrial complex is in the north and south of Morwell within Industrial 1 and 2 Zones and the Special Use - Brown Coal zoned areas in association with the power stations and mines.

- The emerging industries, including those establishing in Churchill taking advantage of proximity to Federation University or east of Morwell with advantages such as the outfall sewer and other key infrastructure.
- The servicing industry providing for local and regional community needs.

The strategic direction is to support the development and use of new industry in identified locations as guided by the Industrial Framework Plan and the Industrial and Employment Strategy (as amended).

Large industrial parcels identified on the Industrial Framework Plan will accommodate new large, high amenity, low density manufacturing industry. The employment investigation area within the Traralgon West Growth Corridor will leverage off the Latrobe Regional Airport and Hospital and accommodate industry clusters linked to health, aeronautics or agriculture research and development.

The Morwell – Maryvale Industry Growth Corridor will be the focus of new large format industries including heavy industry, food and fibre processing.

The strategic direction for Churchill is to support the development of industry which benefits from locating near existing or future institutions.

Council has prepared a Master Plan and Project Plan for the development of a Gippsland Logistics Precinct (GLP) on land three kilometres east of Morwell with direct access to the national freight network. Preparations are currently underway for a large-scale logistics and distribution precinct that will adjoin the terminal site. The development of the GLP will establish a centre for the efficient and cost effective movement of freight to and from the Gippsland region.

The Latrobe Valley, with its fertile soils also supports a vibrant agricultural industry. One of Australia's largest food and beverage producers has established a state of the art dairy processing plant in Morwell. Opportunities for the production of biomass and algae for electricity and fuel production are expected to provide further markets for agricultural products.

21.07-5

Objective 1

To maximise the potential for new industry, especially those that may benefit from the coal and electricity industry, to establish within Latrobe City.

Strategies

- 1.1 Support the development of existing and new industries and infrastructure, guided by the *Industrial and Employment Strategy 2017*.
 - 1.2 Ensure the sufficient supply and adequate choice of industrial land to accommodate the varying needs of the different types of industry.
 - 1.3 Maximise the potential of the high amenity location to the north of Princes Drive and east of Alexanders Road in Morwell to attract large, low density, high amenity industries.
 - 1.4 Implement masterplans for the employment investigation area, Latrobe Regional Airport and Latrobe Regional Hospital within the Traralgon West Growth Corridor that accommodates industry clusters linked to health, aeronautics or agricultural research and development
 - 1.5 Retain the potential of the Morwell South Industrial Area and land within the Special Use - Brown Coal Area to function as important locations which are suited to major heavy industry.
 - 1.6 Encourage the establishment of large format and heavy industry uses on Industrial 2 Zone land.
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21.07-6 Objective 2

To promote increased rail use as a model for economic viability and sustainability.

Strategies

- 2.1 Develop the Gippsland Logistics Precinct in Morwell in a manner that maximises freight being handled by rail.
 - 2.2 Facilitate a range of logistics activities on the Gippsland Intermodal Freight Terminal precinct in Morwell.
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21.07-7 Objective 3

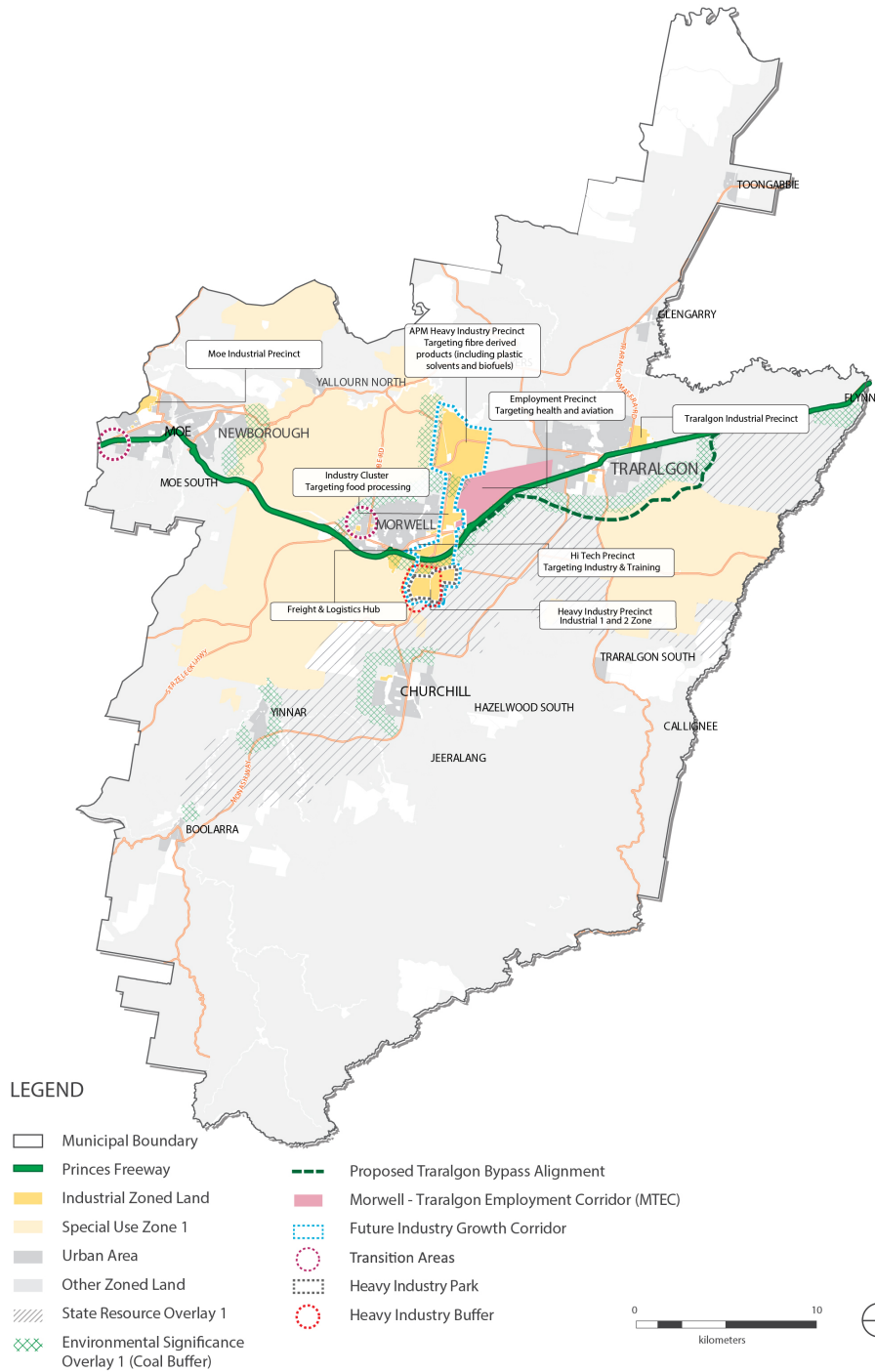
To ensure that industrial areas are planned and designed to minimise any potential detriment or loss of amenity to surrounding areas.

Strategies

- 3.1 Ensure industrial development makes a positive contribution to its local streetscape through the application of the Industrial Design Guidelines.
 - 3.2 Encourage industry to locate in preferred locations as guided by the Industrial Framework Plan and supported by the *Industrial and Employment Strategy 2019* (as amended).
 - 3.3 Encourage Water Sensitive Urban Design principles in the design and layout of industrial areas.
 - 3.4 Support investigation and improvements to heavy vehicle access to industrial zoned land located to the north of the Moe Township.
 - 3.5 Provide buffers between industrial and existing and potential sensitive use areas where residential amenity is impacted.
 - 3.6 Encourage light industrial and other compatible uses as a development buffer between residential land.
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Industrial Framework Plan

INDUSTRIAL FRAMEWORK PLAN



21.07-8 Latrobe Regional Airport

The Latrobe Regional Airport (LRA) is an existing Council-owned asset, managed on behalf of the Latrobe community. Strategically located between Morwell and Traralgon, the LRA is identified as integral to the economic development and diversity of Latrobe City. Well-equipped and of a high standard, it ranks as one of the best regional airports in Australia.

Whilst not a commercial passenger airport, the LRA is a hub for emergency service providers including Air Ambulance Victoria's regional base for helicopter aeromedical operations and the Department of Environment, Land, Water and Planning (DELWP) aerial fire fighting base. It also supports a range of private and recreational hangers and aviation businesses including airplane maintenance and Australia's only commercial passenger aircraft manufacturer.

LRA is integral to the regions transport network and provides a range of employment and recreation opportunities. The airports supply of serviced industrial land has been expanded to facilitate enhanced aeronautical development as outlined in the *Latrobe Regional Airport Master Plan (as amended)*.

The future expansion of the LRA as articulated within the *Latrobe Regional Airport Master plan (as amended)* will attract further investment in this important industry. The planned expansion of its runway facilitates further investment in a range of other aerospace facilities within the LRA. The LRA will leverage opportunities for aerospace and other aviation-related industries to expand or establish their operations at LRA, creating an important economic development and employment hub for the city.

The development and review of the LRA Master Plans, provides an opportunity to identify appropriate land use buffers and controls to better protect the Airport.

21.07-9 Objective 1

To promote and protect the operations of Latrobe Regional Airport.

Strategies

- 1.1 Support the implementation of any adopted *Latrobe Regional Airport Master Plan (as amended)*.
 - 1.2 Support the application of appropriate land use controls and buffers around the airport.
 - 1.3 Implement the Morwell - Traralgon Corridor Structure Plan to help identify appropriate uses surrounding the airport.
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21.07-10 Objective 2

To recognise the importance of the Latrobe Regional Airport which is an identified as an economic and employment asset to Latrobe City.

Strategies

- 1.1 Ensure land use and development within the Latrobe Regional Airport is in accordance with the vision and strategies articulated in the *Latrobe Regional Airport Master Plan (as amended)*.
 - 1.2 Apply appropriate controls within and around the Latrobe Regional Airport to safeguard existing and future airport operations and ensure noise-sensitive uses in proximity to the airport are protected from aircraft noise.
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| 1.3 | Ensure development heights in critical flight path areas have regard to the Obstacle Limitation Surface within the Airspace Protection Plan, <i>Latrobe Regional Airport Master Plan (as amended)</i> . |
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21.07-11 Health

Latrobe City is a centre for health services to the broader Gippsland region. Contributing significantly to the local and regional economy, Latrobe City offers comprehensive and high quality health facilities. The region has an extensive range of specialist services including pathology, aged care, palliative care, community health, cancer support, immunisation, disability services, home care, physiotherapy, parenting, paediatric, child and adolescent services. Maryvale Private Hospital, Latrobe Regional Hospital (LRH) and Latrobe Community Health Service offer health and medical services and programs. LRH also houses the Gippsland Cancer Care Centre, making it possible for residents to receive comprehensive radiotherapy, oncology and chemotherapy treatments locally.

LRH is rapidly growing and is a major asset for the region. It is connected with Monash University (for medical purposes) and with Federation University (for nursing). New wards and theatres are being built and planned for. The cancer care centre and allied health facilities have been extended together with the mental health wing and maternity facilities. The hospital is one of the largest employers in Gippsland.

Based on the last census (2016), the fastest growing cohort (except for Traralgon) in Latrobe is the retiring 'baby boomer' generation of 60 years and over. This growth has implications for housing (smaller dwellings), connectivity within and between estates (walking and cycling on flat paths), provision of suitable public facilities and for long term health requirements.

The City is well served by health facilities and this, in itself, is and will be a further attractor to the aging community. Such demands will have a flow-on effect and will increase employment opportunities in the health care sector, meaning that this will be one of the fastest growing employment sectors in Latrobe. The health care and services sector now employs a significant percentage of the workforce and this figure is growing. As the population ages, this will become more apparent, meaning Council needs to start planning for the aged care and retirement sector as these will become increasingly important.

21.07-11 Objective 1

To promote and protect the operations of Latrobe Regional Hospital.

Strategies

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| 1.1 | Support the implementation of the Latrobe Regional Hospital Master Plan. |
| 1.2 | Implement the Morwell - Traralgon Corridor Structure Plan to help identify appropriate uses surrounding the Latrobe Regional Hospital. |
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21.07-12 Education

Latrobe Valley boasts a number of highly regarded public and private primary and secondary schools along with a fully serviced campus of Federation University at Churchill. Together with Federation Training, Apprenticeships Group Australia, and the Gippsland Education Precinct, a vast range of educational options are available in the region.

21.07-13 Objective 1

To promote and protect the operations of Federation University.

Strategies

- 1.1 Support implementation of a Federation University Master Plan at the Churchill campus.
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21.07-14 Information Technology

Latrobe is a regional leader in information communication technology. Combining traditional with new technologies, the industry has developed a highly skilled workforce. The industry has the capacity to service expanding local industry and business providing innovative IT solutions to commercial and industrial businesses throughout Australia and internationally. The shared business services sector in Latrobe continues to grow with increasing numbers of private and government call centres operating across the region.

21.07-15 Objective 1

To encourage the growth of information technology in Latrobe.

Strategies

- 1.1 Support the development of information communications technology hubs and precincts in Latrobe.
- 1.2 Advocate for improved internet capability to support local and regional business to access new markets.
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21.07-16 Tourism

Tourism is estimated to inject about \$93 million per year into the local economy. The sector is made up of small businesses, with a few medium sized businesses operating in the accommodation and conference sector. Latrobe hosts many widely recognised events including national and international sporting events. Latrobe City has identified events, business tourism and conferencing as market opportunities that would enhance the trade of existing retail, food and entertainment businesses.

The significant natural assets and biodiversity of the Gippsland region present tourism opportunities from which the Latrobe economy, utilising a hub and spoke model, can benefit from these regional strengths. Council will continue to work with Destination Gippsland and Tourism Victoria to progress regional tourism initiatives, as described in the Strategic Business Development section of this strategy.

21.07-17 Objective 1

To encourage environmentally sustainable tourism opportunities and establish a point-of-difference in tourism product.

Strategies

- 1.1 Strengthen the attraction of Latrobe City as a conference and major events destination.
- 1.2 Ensure the use and development of land for tourism does not conflict with primary production activities such as agriculture, extractive industry and forestry.
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LATROBE PLANNING SCHEME

- 1.3 Consider the application of the Rural Activity Zone in appropriate locations to facilitate rural tourism.
 - 1.4 Encourage commercial tourist development to locate within the urban areas and support opportunities for small-scale and low impact rural tourism, accommodation and related activities in rural areas.
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21.07-18 Implementation

The objectives, strategies and policy guidelines arising from this clause are implemented through the application of appropriate zones and overlays as described in Clause 21.10.