

# ECONOMIC POLICY STRENGTH IN THE ECONOMIC GROWTH ZONE

FINAL REPORT

OCTOBER 2018

DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING

## **AUTHORS**

Paul Shipp

Madeleine Hornsby

## **Urban Enterprise**

**Urban Planning, Land Economics, Tourism Planning & Industry Software**

Level 1 302-304 Barkly Street, Brunswick VIC 3056

(03) 9482 3888

[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)

© Copyright, Urban Enterprise Pty Ltd, 2018

This work is copyright. Apart from any uses permitted under Copyright Act 1963, no part may be reproduced without written permission of Urban Enterprise Pty Ltd.

**FILENAME:** Final Economic Policy Strength in the EGZ Report

**VERSION:** 1

## **DISCLAIMER**

Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections have been prepared on the basis of assumptions and methodology which have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.

## CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1. INTRODUCTION .....</b>	<b>5</b>
1.1. ENGAGEMENT	5
1.2. PLANNING IN THE ECONOMIC GROWTH ZONE	5
1.3. PURPOSE	6
1.4. SCOPE	6
<b>2. STATE AND REGIONAL STRATEGIES AND POLICIES.....</b>	<b>7</b>
2.1. INTRODUCTION	7
2.2. STATE	7
2.3. GIPPSLAND	13
2.4. ECONOMIC GROWTH ZONE	17
2.5. KEY FINDINGS	19
<b>3. DIRECTION ON POLICY CONTENT .....</b>	<b>21</b>
3.1. INTRODUCTION	21
3.2. PLANNING PRACTICE NOTE	21
3.3. REVIEW OF OTHER REGIONAL CENTRE ECONOMIC POLICY	21
3.4. KEY FINDINGS AND RECOMMENDATIONS	25
<b>4. BAW BAW.....</b>	<b>26</b>
4.1. INTRODUCTION	26
4.2. CURRENT POLICY	26
4.3. PLANNING ZONES	27
4.4. ECONOMIC REFERENCE DOCUMENTS	27
4.5. CONSULTATION	28
4.6. ECONOMIC STRENGTHS AND OPPORTUNITIES	29
4.7. PROJECTS APPROPRIATE FOR INCLUSION IN POLICY	30
4.8. POLICY STRENGTH	30
4.9. RECOMMENDATIONS	31
<b>5. LATROBE.....</b>	<b>32</b>
5.1. INTRODUCTION	32
5.2. CURRENT POLICY	32
5.3. PLANNING ZONES	34
5.4. ECONOMIC REFERENCE DOCUMENTS	34
5.5. CONSULTATION	37
5.6. ECONOMIC STRENGTHS AND OPPORTUNITIES	38
5.7. PROJECTS APPROPRIATE FOR INCLUSION IN POLICY	38
5.8. POLICY STRENGTH	39
5.9. RECOMMENDATIONS	40
<b>6. WELLINGTON.....</b>	<b>41</b>

6.1. INTRODUCTION	41
6.2. CURRENT POLICY	41
6.3. PLANNING ZONES	43
6.4. ECONOMIC REFERENCE DOCUMENTS	43
6.5. CONSULTATION	45
6.6. ECONOMIC STRENGTHS AND OPPORTUNITIES	46
6.7. PROJECTS APPROPRIATE FOR INCLUSION IN POLICY	46
6.8. POLICY STRENGTH	47
6.9. RECOMMENDATIONS	48
APPENDICES .....	49
APPENDIX A BAW BAW CLAUSE 21.07 ECONOMIC ACTIVITY	49
APPENDIX B LATROBE CLAUSE 21.07 ECONOMIC DEVELOPMENT	55
APPENDIX C WELLINGTON CLAUSE 21.17 ECONOMIC DEVELOPMENT	64

## FIGURES

FIGURE 1 ECONOMIC GROWTH ZONE COUNCILS MAP .....	5
FIGURE 2 FUTURE DIRECTIONS FOR THE GIPPSLAND ECONOMY .....	15
FIGURE 3 INDUSTRIES IN THE ECONOMIC GROWTH ZONE .....	18
FIGURE 4 KEY SECTORS AND GROWTH POTENTIAL WITHIN WELLINGTON .....	44

## TABLES

TABLE 1 PLANNING POLICY CONTEXT FOR INDUSTRY SECTORS .....	14
TABLE 2 CURRENT AND FUTURE DRIVERS OF THE ECONOMY IN THE EGZ .....	20
TABLE 3 REGIONAL CENTRE ECONOMIC POLICY MATRIX .....	24
TABLE 4 BEST PRACTICE RECOMMENDATIONS .....	25
TABLE 5 BAW BAW CLAUSE 21.07 ECONOMIC ACTIVITY SUMMARY .....	26
TABLE 6 ECONOMIC PLANNING ZONES IN BAW BAW .....	27
TABLE 7 BAW BAW ECONOMIC STRENGTHS, OPPORTUNITIES AND KEY PROJECTS .....	28
TABLE 8 BAW BAW SHIRE COUNCIL STRATEGIES RELEVANT TO ECONOMIC POLICY .....	28
TABLE 9 BAW BAW POLICY STRENGTH AND GAPS – COUNCIL INPUT .....	29
TABLE 10 BAW BAW ECONOMIC STRENGTHS AND OPPORTUNITIES .....	29
TABLE 11 ASSESSMENT OF BAW BAW ECONOMIC POLICY STRENGTH .....	30
TABLE 12 BAW BAW RECOMMENDATIONS .....	31
TABLE 13 LATROBE CLAUSE 21.07 ECONOMIC DEVELOPMENT SUMMARY .....	32
TABLE 14 ECONOMIC PLANNING ZONES IN LATROBE .....	34
TABLE 15 SUMMARY OF THEMES AND OBJECTIVES: LATROBE ECONOMIC DEVELOPMENT STRATEGY .....	35
TABLE 16 SUMMARY OF LATROBE ECONOMIC DEVELOPMENT STRATEGY ACTIVITIES .....	36
TABLE 17 LATROBE CITY COUNCIL STRATEGIES RELEVANT TO ECONOMIC POLICY .....	36
TABLE 18 LATROBE POLICY STRENGTH AND GAPS – COUNCIL INPUT .....	37
TABLE 19 LATROBE ECONOMIC STRENGTHS AND OPPORTUNITIES .....	38
TABLE 20 ASSESSMENT OF LATROBE ECONOMIC POLICY STRENGTH .....	39
TABLE 21 LATROBE RECOMMENDATIONS .....	40
TABLE 22 WELLINGTON CLAUSE 21.17 ECONOMIC DEVELOPMENT SUMMARY .....	42

<b>TABLE 23</b> ECONOMIC PLANNING ZONES IN WELLINGTON .....	43
<b>TABLE 24</b> WELLINGTON ECONOMIC DEVELOPMENT STRATEGY ACTION PLAN 2016 TO 2018 SUMMARY .....	44
<b>TABLE 25</b> WELLINGTON SHIRE COUNCIL STRATEGIES RELEVANT TO ECONOMIC POLICY .....	45
<b>TABLE 26</b> WELLINGTON POLICY STRENGTH AND GAPS – COUNCIL INPUT .....	45
<b>TABLE 27</b> WELLINGTON ECONOMIC STRENGTHS AND OPPORTUNITIES.....	46
<b>TABLE 28</b> ASSESSMENT OF WELLINGTON ECONOMIC POLICY STRENGTH.....	47
<b>TABLE 29</b> WELLINGTON RECOMMENDATIONS .....	48

# EXECUTIVE SUMMARY

Urban Enterprise was engaged by the Gippsland office of the Department of Environment, Land, Water and Planning (DELWP) in partnership with Baw Baw Shire, Latrobe City and Wellington Shire Council's, to assess the strength of economic planning policy within the Latrobe Valley Economic Growth Zone.

## FINDINGS

Local Planning Policy plays an important role in providing direction to the private sector and the community regarding the preferred locations and types of employment and economic activity and should set out clear guidance on how land use conflicts are to be managed.

In Victoria's largest regional centres, economic policies within the planning scheme follow a relatively consistent format and provide detailed direction on the locations in which certain industries are encouraged, resulting in relatively strong economic policy. In the Economic Growth Zone, the three economic policies are less developed and less consistent, and often provide limited spatial planning direction. This results in relatively weak economic policy that should be strengthened to align with the overarching objectives of the Planning in the Economic Growth Zone project, namely increasing certainty and streamlining development and investment processes.

In a number of cases, economic development strategies prepared by the EGZ councils have not been reflected in economic planning policy. As a result, the planning schemes often lack sufficient encouragement of new and emerging industries which could support economic growth and diversification.

A common theme throughout the review was a relative lack of clear spatial direction regarding the preferred spatial location of new investment, particularly for industrial land uses requiring large tracts of unconstrained land in suitable locations. Two projects – the Morwell - Traralgon Employment Corridor Masterplan and the West Sale Industrial Land Supply Strategy – have recently been completed and present clear opportunities to update planning policy in order to provide clear direction to investors on the preferred locations and types of commercial and industrial sector development.

A range of recommendations are set out in this paper which highlight opportunities to improve economic policy strength. Any changes will need to align with the new planning scheme structure established by Amendment VC148.

## RECOMMENDATIONS

A number of opportunities to strengthen the economic policy strength of the EGZ were identified through review of the Ballarat, Bendigo and Geelong Planning schemes (Victoria's largest regional centres). Table S1 outlines the best practise approaches recommended for adoption.

Tables S2, S3 and S4 outline recommendations for adoption to improve economic policy strength within Baw Baw, Latrobe and Wellington Shires respectively.

**Table S1 Best Practise Recommendations**

NO.	RECOMMENDATION	POLICY NEUTRAL
R1	In each EGZ economic policy, seek to include less contextual information and data and instead focus on clear policy direction	Yes
R2	For each municipality, include a section identifying economic growth sectors and particular precincts and regions within which certain industry sectors are supported	No
R3a	In each economic policy, include a clause relating to tourism in rural areas which supports appropriate tourism development and directs major accommodation to suitable area.	No – requires supporting analysis (see 3b)
R3b	Prepare supporting analysis to identify rural areas with advantages and suitable to accommodate tourism uses.	No
R4	For each municipality, identify specialised economic / employment precincts that exist and are to be supported in the future, particularly precincts which align with sectors identified as growth opportunities for the municipality and/or region	No

Source: Urban Enterprise, 2018.

**Table S2 Baw Baw Recommendations**

NO.	RECOMMENDATION	PRIMARY BASIS	POLICY NEUTRAL?
B1	Reword policy to reduce contextual statements and prioritise policy direction for land use planning.	Best practice	Yes
B2	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ and the relative advantages of Baw Baw within the sub-region	LV Planning Schemes Review	No
B3	Update structure to reflect new Planning Policy Framework.	VC148	
B4	Add stronger identification of Baw Baw's economic strengths in agriculture (particularly dairy), intensive agriculture, timber, tourism, manufacturing and education.	EDS	No
B5	Add stronger identification of Baw Baw's economic and employment opportunities, focused on tourism, diversification of agri-business uses, hydroponics, adding value to agricultural produce and expansion of the manufacturing sector and large-scale retail development.	EDS	No
B6	Identify the need to provide a diversity of local employment opportunities to support the fast-growing population and policy for peri-urban towns to accommodate significant growth. Opportunities include supporting greater professional services, retail, education and health employment.	Best practice; Align with state and regional policy and strategy	No
B7	Prepare a map showing the location of key economic assets and employment precincts in the municipality, including locations and sectors / land uses that will be supported by Council.	Best practice	No
B8	Existing policy does not include a section on activity centres, hierarchy or out of centre development. This should be added and can utilise Precinct Structure Plans as a guide.	VC148; Best practice	No
B9	Identify preparation of an employment land strategy as Further Work, particularly relating to the availability of industrial land.	Align with regional policy; Best practice	No
B10	Identify and undertake further work relating to suitable tourism uses and locations complementary to agricultural uses.	Align with regional and state policy; Best practice	No

Source: Urban Enterprise, 2018.

**Table S3 Latrobe Recommendations**

NO.	RECOMMENDATION	PRIMARY BASIS	POLICY NEUTRAL?
L1	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ	LV Planning Schemes Review	No
L2	Update the policy to reflect the new PPF structure.	VC148	Yes
L3	Under the Diversified Economy section, add policy support for industry sectors which have been identified as state and regional growth opportunities with local advantages in Latrobe, such as research and development, information technology, education, new energy production, food and fibre production and advanced manufacturing.	Align with State and regional policy; Economic Development Strategy	No
L4	Identify Latrobe's role as the Regional City for Gippsland and policy support to facilitate establishment of higher order businesses, agencies and institutions in the major towns to serve the region, including accommodation, events, education institutions, government and retail.	Align with State and regional policy	Yes
L5	Add emerging industries identified in the EDS to the policy, including advanced manufacturing, intensive agribusiness, food manufacturing, advanced manufacturing, new energy types and training and education (especially for engineering skills, expanding on the current limited reference to education and training in the policy).	Economic Development Strategy	No
L6	Highlight the critical role that the Morwell Traralgon Employment Corridor will play in accommodating employment and business growth and diversification over the next 20 years, including addressing a lack of unconstrained industrial land elsewhere in the area. Policy should include support for necessary infrastructure investment.	MTEC Masterplan	No
L7	Add specific reference to the use of planning tools (such as overlays) to protect operations within existing employment area and key infrastructure assets.	Best practice	No
L8	Undertake a streamlined planning scheme amendment to introduce the themes and priority industries identified in the Morwell Traralgon Employment Corridor to the Latrobe Planning Scheme.	MTEC Masterplan	No
L9	Prepare a Retail Strategy and update economic policy to reflect findings and directions.	Best practice	No
L10	Progress work on tourism opportunities and optimal locations, including nature-based tourism, events and business visitation (conferences and accommodation).	Best practice	No

Source: Urban Enterprise, 2018.

**Table S4 Wellington Recommendations**

NO.	RECOMMENDATIONS	PRIMARY BASIS	POLICY NEUTRAL?
W1	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ.	EGZ	No
W2	Update the policy to reflect the new PPF structure.	VC148	Yes
W3	Add an overarching vision and objective for economic and employment growth in Wellington Shire based on the EDS and the existing planning Policy Framework.	Best practice	No
W4	Provide stronger identification of the resource-based nature of the Gippsland economy and Wellington Shire's pivotal role in this, including across timber, oil and gas and agriculture.	Align to State and Regional policy and strategy	No
W5	Increase focus on spatial locations within which certain economic uses will be encouraged, particularly relating to rural areas and specialised employment areas.	Best practice	No
W6	Introduce greater support for existing industry strengths and supporting infrastructure, including defence, oil and gas and MID, including business types which provide support to these as part of the supply chain.	Economic Development Strategy; Best practice	No
W7	Opportunity to strengthen emerging economic directions in policy to reflect latest EDS, such as renewable energy, intensive agriculture and nature-based tourism (including identification of further work required where justification for specific strategies and spatial locations for these industries is not available);	Economic Development Strategy	No
W8	Integrate findings of the West Sale Industrial Land Supply Strategy into the policy and include as a Reference Document.	WSILSS	No
W9	Consider separating greyhound racing opportunities from tourism section and adding greater reference to nature-based tourism opportunities such as Tarra Bulga, Gippsland Lakes.	Best practice; Align to regional policy and strategy.	No
W10	Separate retail and activity centres from Industry to align with new PPF and best practise / common formats.	VC148; Best practice	Yes
W11	Provide greater spatial direction identifying the location in which certain economic activity types should be encouraged.	Best practice	No
W12	Identify specialised employment / economic areas (existing or future). Potential areas which could be included are Port of Sale, RAAF Base, West Sale Aerodrome precinct, Port Albert.	Best practice; EDS; align to regional policy.	No

Source: Urban Enterprise, 2018.

# 1. INTRODUCTION

## 1.1. ENGAGEMENT

Urban Enterprise was engaged by the Gippsland office of the Department of Environment, Land, Water and Planning (DELWP) in partnership with Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council, to assess the strength of economic planning policy within the Latrobe Valley Economic Growth Zone.

This project is referred to in this report as the 'Economic Policy Review' or the 'review'.

## 1.2. PLANNING IN THE ECONOMIC GROWTH ZONE

In November 2016, the Latrobe Valley Economic Growth Zone (EGZ) was established by the Victorian government, with financial incentives aiming to create jobs and grow local businesses in the region. Financial incentives include the reimbursement of a range of government fees and charges as well as property transactions. The incentives aim to retain and attract businesses in the region for an extended period to support economic activity in the Latrobe Valley.

Three municipalities are located within the Economic Growth Zone: Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council, all of which are in the central Gippsland region of Victoria. Figure 1 shows the boundaries of these municipalities.

**FIGURE 1** ECONOMIC GROWTH ZONE COUNCILS MAP



Source: Urban Enterprise, 2018.

The Planning in the Economic Growth Zone (PEGZ) project responds to the broader EGZ objectives and seeks to facilitate economic growth, investment and jobs within the region through a series of projects relating to planning controls in the region.

The PEGZ project seeks to identify improvements to the planning scheme including increasing the accessibility, consistency and efficiency of each Council's planning scheme to support the economic development of each

Council and the EGZ. Other actions to facilitate economic development include providing Councils with assistance in processing planning applications as well as in the undertaking of strategic projects, such as the Morwell Traralgon Employment Corridor Masterplan.

This Economic Policy Review is one of three main studies being prepared concurrently under the broader PEGZ project, the other two being a *Council Planning Process and Delegation Review* and the *Latrobe Valley Planning Schemes Reviews*,

### **1.3. PURPOSE**

The purpose of this review is to ensure that each local planning policy:

- Reflects the economic opportunities identified in strategic documents such as the Gippsland Regional Growth Plan;
- Are as clear and as consistent as possible in terms of economic opportunities;
- Zones and overlays are applied in a way to support existing and future economic opportunities; and
- That existing policies and strategies which are not yet incorporated into the relevant Planning Scheme(s) are identified and assessed to streamline planning implementation.

### **1.4. SCOPE**

To support economic development within the EGZ, this review assesses the strength of economic policy within each of the three planning schemes. The following steps were undertaken as part of the scope of this project:

1. Review of current economic development State and Regional strategy and policy;
2. Review of current economic development strategy and policy at the local level;
3. Consultation with Stakeholders including each Council and RDV including face to face meetings and a survey;
4. Review of planning tools currently in use relating to economic and employment land uses (zones and overlays); and
5. Review of other regional centre economic development policies to identify common and best practice.

Based on this scope, an analysis has been undertaken to identify opportunities for the EGZ and each individual Council to improve the strength of economic policy. Based on this analysis, a series of recommendations are made to improve the strength of economic policy in the EGZ, some of which are 'policy neutral' and others which would require updates to existing policy to best reflect economic circumstances and/or opportunities.

## 2. STATE AND REGIONAL STRATEGIES AND POLICIES

### 2.1. INTRODUCTION

This section provides a review of the most relevant strategies and policies relating to economic development at the State, Regional and Economic Growth Zone level.

This review focuses on strategies and content of the Victoria Planning Provisions that should be reflected in local policy where relevant.

### 2.2. STATE

#### 2.2.1. PLAN MELBOURNE 2017-2050

Plan Melbourne 2017 to 2050 is the strategic plan for Melbourne. Outcome 7 of the Plan relates to the continual investment in Regional Victoria. The Plan identifies Latrobe City as a regional city which services the surrounding smaller communities and Warragul-Drouin as a peri-urban area.

The Plan also identifies key industries which will contribute to Victoria's economy into the future and contribute a further \$70 billion and 400,000 jobs to the State economy by 2025. Key industries include:

- New low carbon energy sectors;
- 'Knowledge based' industries;
- Advanced manufacturing and processing;
- Food and fibre production, including beef, lamb, wheat and dairy;
- Education;
- Population services; and
- Tourism.

The urban growth and development of regional Victorian centres and cities is supported by the Plan, however the need to protect productive land is also identified. Methods to achieve this include the establishment of urban growth boundaries for individual towns.

The Plan also identifies the Latrobe Valley as currently experiencing difficulties associated with a transitioning economy due to changes occurring in the energy sector and the opportunity to transition towards knowledge-based industries.

#### 2.2.2. PLANNING POLICY FRAMEWORK

The following section provides a summary of the key economic related clauses within the Planning Policy Framework (PPF), noting that this content was recently introduced in mid-2018 through Amendment VC148. The Clauses reviewed include:

- Clause 11 – Settlement
- Clause 14 – Natural Resource Management;
- Clause 17 – Economic Development; and
- Clause 19 – Infrastructure (Clause 19.01 Energy).

Each of the above Clauses contain economic related planning policy, providing spatial land use guidance and direction for a range of economic activities and issues. The primary economic related Clause however is Clause 17 Economic Development which outlines the overarching economic objectives for Victoria.

## CLAUSE 11 SETTLEMENT

Clause 11 Settlement outlines the role of planning in preparing for the needs of existing and future communities, including employment needs. In relation to economic development the Clause states that planning needs to recognise and contribute (when practicable) to the economic viability of Victoria, facilitate sustainable development, and prevent land use conflicts.

The Clause also includes a further 3 subclauses:

1. Clause 11.01 Victoria;
2. Clause 11.02 Managing Growth; and
3. Clause 11.03 Planning for Places.

### CLAUSE 11.01 VICTORIA

#### Clause 11.01-1S Settlement

Clause 11.01-1S Settlement provides the overarching objective and spatial strategies for the growth and development of Victorian settlements. Economic related strategies outlined in the Clause include:

- Developing sustainable communities through a settlement framework which offers convenient access to jobs, services, infrastructure and community facilities;
- Focus investment and growth in places of state significance including Latrobe City;
- Support the sustainable development of regional centres including Sale and Warragul/Drouin;
- Plan for development and investment opportunities along transport infrastructure (including planned infrastructure);
- Provide sufficient commercial and industrial land in appropriate locations across all regions to ensure community needs are met (in accordance with relevant regional growth plans); and
- Ensure the concentration of retail, office-based employment, community facilities and services in central locations.

The Clause outlines policy documents including Regional Growth Plans and Plan Melbourne 2017-2050 which are to be considered where relevant.

#### Clause 11.01-1R Settlement – Gippsland

Clause 11.01R Settlement Gippsland outlines several strategies to support settlement in the Gippsland Region. Economic related strategies identified in the Clause include supporting growth in Latrobe City which is recognised as Gippsland's regional city and in Bairnsdale, Leongatha, Sale, Warragul/Drouin and Wonthaggi which are identified as regional centres.

The need for other towns and small settlements within the region to service their local communities as well as being prosperous and responsive to future needs is also identified.

### CLAUSE 11.02 MANAGING GROWTH

#### Clause 11.02-1S Supply of Urban Land

Clause 11.02-1S outlines an objective and strategies to ensure the supply of urban land across Victoria including land for a range of uses such as residential, commercial, retail, industrial, recreational and institutional. Economic related strategies state that development trends and land supply and demand trends for both industry and housing are to be monitored and access to productive natural resources is to be maintained.

### CLAUSE 11.03 PLANNING FOR PLACES

#### Clause 11.03-1S Activity Centres

Clause 11.03-1S Activity Centres outlines an objective and supporting strategies to guide planning for activity centres in Victoria. The objective provides spatial guidance for decision making, stating that the concentration of

major retail, residential, commercial, administrative, entertainment and cultural developments in accessible activity centres is to be encouraged.

Key strategies supporting this objective include the need for clear direction on the preferred locations for investment, encouraging economic activity including business synergies, and supporting the growth and diversification of centres to support local economics including through providing local jobs. Other strategies relate to improving the performance and/or amenity of activity centres.

#### **Clause 11.03-2S Growth Areas**

Clause 11.03-2S Growth Areas outlines an objective and supporting strategies to guide planning for growth areas in Victoria. Strategies to support this objective which are related to economic development include providing for local employment opportunities including through large scale industrial or other regional employment generators, creating a network of mixed-use activity centres and protecting and/or managing natural resources.

#### **Clause 11.03-3S Peri-urban Areas**

Clause 11.03-3S Peri-Urban Areas outlines an objective and strategies to guide planning in peri-urban areas including Warragul-Drouin. The supporting strategies provide spatial direction and include the need to identify and protect areas that are strategically important for a range of uses including agriculture, energy, tourism, extractive and infrastructure.

Other strategies include the need to provide for development in established settlements such as Warragul-Drouin and the need to establish growth boundaries to protect agricultural land, environmental assets and the amenity of peri-urban towns.

### **CLAUSE 14 – NATURAL RESOURCE MANAGEMENT**

Clause 14 Natural Resource Management outlines the role of planning in natural resource management, including acknowledging the economic importance of agricultural production.

#### ***CLAUSE 14.01 AGRICULTURE***

##### **Clause 14.01-1S Protection of Agricultural Land**

Clause 14.01S Protection of Agricultural Land identifies an objective and supporting strategies to protect Victorian agriculture through preserving productive farmland. In relation to economic development, the supporting strategies outlined in the Clause provide spatial direction to protect agricultural land including the need to identify areas of productive agriculture and the need to avoid the removal of productive agricultural land without considering its economic importance.

##### **Clause 14.01-1R Protection of Agricultural Land – Gippsland**

Clause 14.01-1R Protection of Agricultural Land – Gippsland outlines productive land and irrigation assets such as the significant Macalister Irrigation District are to be protected.

##### **Clause 14.01-2S Sustainable Agricultural Land Use**

The objective and supporting strategies of Clause 14.01-2S Sustainable Agricultural Land Use outline the planning activities which are required to support the sustainability of agriculture in Victoria. The clause identifies that investment in agriculture should be facilitated and that diversification and value-adding activities within the agricultural industry should be encouraged.

##### **Clause 14.01-3S Forestry and Timber Production**

Clause 14.01-3S Forestry and Timber Production outlines an objective and supporting strategies to support the production of the forestry and timber industry which is relevant to the EGZ region and Gippsland more broadly.

## **CLAUSE 14.03 EARTH AND ENERGY RESOURCES**

### **Clause 14.03-1S Resource Exploration and Extraction**

Clause 14.03-1S Resource Exploration and Extraction outlines an objective and strategies relating to the exploration and extraction of resources in Victoria. The Clause contains several land use related strategies, the most relevant of which is that brown coal in Central Gippsland is to be protected from a range of threats such as incompatible land uses.

## **CLAUSE 17 ECONOMIC DEVELOPMENT**

Clause 17 – Economic Development identifies the role of planning in facilitating economic development including through solving land use conflicts, providing suitable land and facilitating decisions. The Clause is split into four subclauses relating to Employment, Commercial, Industry and Tourism.

*It is noted that all local policies relating to economic development will need to conform to this structure through subsequent rounds of implementation of the SMART Planning project being undertaken by DELWP.*

### **CLAUSE 17.01 EMPLOYMENT**

#### **Clause 17.01-1S Diversified Economy**

Clause 17.01-1S Diversified Economy outlines an objective as well as supporting strategies to achieve a strong and diversified economy in Victoria. The Clause provides spatial direction to achieve a diversified economy, including through protecting and/or strengthening existing and/or planned employment areas, facilitating regional relationships to capitalise on emerging opportunities, facilitating growth across key sectors and improving access to jobs.

#### **Clause 17.01-1R Diversified Economy - Gippsland**

Clause 17.01-1R Diversified Economy – Gippsland outlines strategies to achieve a diversified economy in Gippsland. Strategies outlined the Clause are:

- “Supporting production and processing facilities that add value to local agricultural, forestry and fisheries products;
- Support the development of industry sectors focused on growing Asian and other international markets;
- Support development of coal-to-products industries such as diesel, fertiliser and gas, for both domestic and export markets;
- Improve Gippsland’s capacity in advanced manufacturing and engineering with particular reference to Latrobe Valley industries;
- Support Gippsland’s fishing industry by maintaining ports and enabling development of fishing operations at Lakes Entrance, Mallacoota, Port Welshpool, San Remo, Port Franklin and Port Albert; and
- Facilitate opportunities within aviation-related industries.”

#### **Clause 17.01-02S Innovation and Research**

Clause 17.01-02S Innovation and Research outlines an objective and corresponding strategies to promote innovation and research. Key strategies provide spatial direction to support and promote innovative and research industries, including identifying the need to support business clusters, enterprise precincts and not-for-profit or start-up enterprises.

Other strategies include encouraging the expansion/development of logistics and communications infrastructure as well as other infrastructure which supports innovation, economic growth and employment opportunities, and providing accessible and connected environments for community-based learning.

## 17.01-2R Innovation and Research - Gippsland

Clause 17.01-2R Innovation and Research outlines two strategies to support innovation and research in the Gippsland Region. These strategies are:

- “Facilitate opportunities for innovation and industry development arising from climate change and initiatives to reduce greenhouse gas emissions; and
- Support development of the region’s research and development capacity in places with an established presence including Churchill and Ellinbank.”

## **CLAUSE 17.02 COMMERCIAL**

### Clause 17.02-1S Business

Clause 17.02-1S outlines an objective and corresponding strategies to support business in Victoria to ensure community needs for retail, entertainment, office and other commercial services are met. The strategies outline several spatial planning methods to support commercial facilities including ensuring adequate land in suitable locations and locating facilities in planned or existing activity centres.

### Clause 17.02-1R – Commercial Centres – Gippsland

Clause 17.02-1R Commercial Centres – Gippsland identifies that commercial centres which will experience a large amount of growth should receive support in relation to redevelopment opportunities. Centres which are identified to experience large growth in the EGZ include Traralgon, Morwell Mid Valley, Warragul and Sale.

### Clause 17.02-2S Out-of-centre Development

Clause 17.02-2S outlines an objective and corresponding spatial planning strategies to manage out of centre development. Key strategies include that proposals for commercial facilities outside of activity centres should be discouraged with preference given to locations which are in or close to the border of existing activity centres.

## **CLAUSE 17.03 INDUSTRY**

### Clause 17.03-1S Industrial Land Supply

Clause 17.03-1S outlines an objective as well as spatial planning strategies to ensure land is available for industry. Key strategies include ensuring an adequate supply of industrial land in appropriate locations is provided including through the minimisation of non-industrial uses being approved in existing or planning industrial land areas.

### Clause 17.03-1R Industrial Land Supply – Gippsland

Clause 17.03-1R Industrial Land Supply Gippsland identifies that additional industrial land in towns (including Sale and Warragul in the EGZ) should be facilitated.

### Clause 17.03-2S Industrial Development Siting

Clause 17.03-2S Industrial Development Siting outlines an objective and strategies to facilitate the sustainable development and operation of industry. Key spatial strategies outline methods to minimise industrial land use conflicts, including with other industrial activities as well as sensitive uses.

## **CLAUSE 17.04 TOURISM**

### Clause 17.04-1S Facilitating Tourism

Clause 17.04-1S Facilitating Tourism outlines an objective and strategies to encourage tourism development in Victoria. The objective outlines that development of tourism is to be supported to maximise the economic, social and cultural benefits of the industry in Victoria. Key strategies provide support for and spatial direction for future tourist facilities as well as encouraging new innovative tourism experiences and investment in the sector.

### Clause 17.04-1R Tourism – Gippsland

Clause 17.04-1R Tourism – Gippsland outlines three strategies to support and facilitate tourism in Gippsland. These strategies are:

- “Facilitate tourism in strategic tourism investment areas shown on the Gippsland Regional Growth Plan;
- Facilitate tourism development in existing urban settlements to maximise access to infrastructure, services and labour and to minimise impacts on the environment and exposure to natural hazards; and
- Support nature-based tourism proposals that complement and are compatible with the region’s environment and landscape attractions or are close to identified strategic tourism investment areas.

#### **Clause 17.04-2S Coastal and Maritime Tourism and Recreation**

Clause 17.04-2S Coastal and Maritime Tourism and Recreation outlines an objective and corresponding strategies to support coastal and maritime tourism and recreation. Key strategies provide spatial direction for the development of tourism, ecotourism and major maritime events, identifying the locations in which such activity should be supported, none of which are in the EGZ.

### **CLAUSE 19 INFRASTRUCTURE**

Clause 19 Infrastructure outlines the role of planning in the development of infrastructure. The clause has a number of subclauses, with the most relevant to this project being Clause 19.01 Energy.

#### ***CLAUSE 19.01 ENERGY***

##### **Clause 19.01-1S Energy Supply**

Clause 19.01-1S Energy Supply outlines an objective and three supporting strategies to ensure energy supply in Victoria. The objective is to facilitate the appropriate development of energy supply infrastructure. Economic related strategies to support this objective include the need to support and assist in the diversification of the local economy and the transition to a low-carbon economy.

##### **Clause 19.01-1R Energy Supply – Gippsland**

Clause 19.01-1R Energy Supply Gippsland outlines that the continuing production from the region’s oil and gas fields is to be supported.

##### **Clause 19.01-2S Renewable Energy**

Clause 19.01-2S Renewable Energy outlines an objective and several corresponding strategies to support and promote renewable energy in Victoria including through facilitating renewable energy development, protecting energy infrastructure from other incompatible land uses and considering the economic and environmental benefits as well as the economic viability of renewable energy proposals.

## 2.3. GIPPSLAND

The most relevant documents, policies and strategies for the Gippsland region include the Gippsland Regional Growth Plan (and supporting documents), the Gippsland Regional Plan, the Gippsland Tourism Strategic Direction Plan and the Planning Policy Framework.

### 2.3.1. GIPPSLAND REGIONAL PLAN

The Gippsland Regional Plan 2015 to 2020 was prepared in 2015 and is a product of a strategic partnership between all levels of government, businesses, agencies and community organisations in the region. It includes four strategic themes that form part of the strategic vision for the region over the period 2015-2020.

The first theme is 'Economic Prosperity' which includes a range of strategies, one of which is to "gain policy support for Gippsland's key manufacturing sectors including coal derivatives, paper, and the aeronautical sectors".

Other economic strategies relate to infrastructure, the Macalister Irrigation District, food production and value adding, new brown coal technology, increasing visitation, improving processes for investment attraction, workforce capability and vocational opportunities and supporting a place-based approach to transition and diversification of the economy.

### 2.3.2. GIPPSLAND REGIONAL GROWTH PLAN

The Gippsland Regional Growth Plan (2014) provides direction for the development and land use in the Gippsland Region and identifies the current and potential future drivers of the region's economy.

Industries which are key drivers of the region's economy currently include agriculture including dairy, horticulture and timber production, manufacturing and aviation, tourism and natural resource-based industries such as electricity generation (Brown Coal), oil and gas extraction and sand, stone and mineral extraction.

Overall, the Plan identifies the need to move to a low carbon and diverse economy in Gippsland. Figure 2 provides an overview of the future directions for the Gippsland region in spatial form.

Industries identified as potential future drivers of the region's economy include:

- Agriculture including greater food manufacturing and dairy, timber and fishery opportunities;
- Natural resource-based industries including the production of 'sustainable energy' and carbon capture and storage. Potential examples of sustainable energy include the production of biofuels and bioenergy from agriculture by-products and renewable energy (including geothermal, wind, hydro-electric and tidal). Natural resource extraction is also likely to contribute to the future economy in the region;
- 'Knowledge' industries such as professional, scientific and technical services including aviation related fields;
- Population driven industries such as aged care; education, health, housing construction and retail; and
- Tourism.

Other potential growth industries identified in the Regional Growth Plan Background Report include:

- Intensive and organic agricultural production and food processing;
- Horticulture;
- Forestry and timber;
- Coal derivative research;
- Renewable energy research and development and technology including biofuel and bioenergy;
- Commercial fishing and other marine industries; and
- Commercial and recreational boat manufacturing.

The need to diversify from high carbon-producing industries such as coal powered energy generation is identified in the Background Report. Regional aspirations to produce low carbon energy and technology and increase food production capacity were also identified.

An overview of the planning context for identified industries is provided in Table 1. The table utilises information contained within the Gippsland Regional Growth Plan Background Report. The overview includes current and proposed planning policy, including the use of planning tools, to support the growth of each industry. It is noted that that:

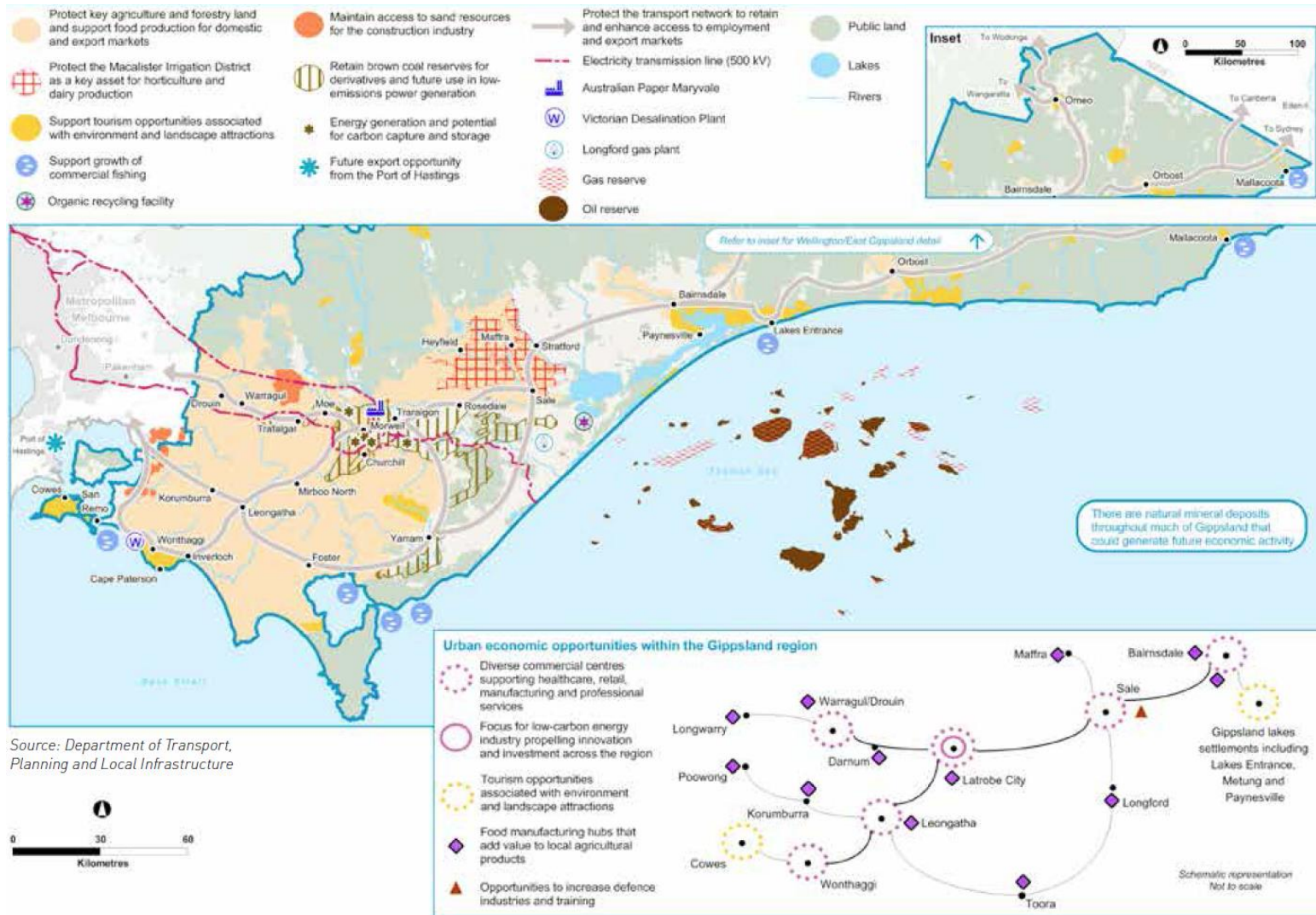
- Neither Latrobe nor Wellington currently use overlays to support tourism; and
- DELWP has commissioned a study to review the application of DDOs for Commercial Centres.

**TABLE 1** PLANNING POLICY CONTEXT FOR INDUSTRY SECTORS

INDUSTRY	SUMMARY	PLANNING POLICY CONTEXT AND NEEDS	PLANNING POLICY TOOLS AND ACTIONS
<b>Agriculture and Forestry (including Dairy, Meat, Horticulture, Forestry and Fisheries)</b>	Identifies the strengths and weaknesses of each subsector and identifies the location of agricultural land of state significance.	Supply of land that is unencumbered and separated from sensitive uses; Certainty for industry; Provision of required infrastructure; and Policy providing guidance where land use conflict is or may occur	Use of Farming Zone schedules to specify minimum lot sizes for subdivision and for construction of dwellings.
<b>Tourism</b>	Identifies significant tourism assets within the region including: Wilson's Promontory, Croajingolong and Morwell, Gippsland Lakes, Walhalla and East Gippsland and Great Southern Rail Trails.	Need to ensure tourism does not negatively influence other land uses.	Use of MSS, Zones and Overlays to support tourism. Councils currently using zones such as Rural Activity Zone and Special Use include Bass Coast, Baw Baw, East Gippsland and South Gippsland.  Council's currently using overlays to support tourism include: Bass Coast, Baw Baw, East Gippsland and South Gippsland.
<b>Commercial Centres</b>	Identifies the location and role of commercial centres within Gippsland	Highway commercial precinct planning required to develop consistent approach of the planning and development of future precincts.	Use of zones and/or overlays to specify requirements for landscaping, signage, lighting and design
<b>Earth Resources and Energy</b>	Provides an overview of Earth Resources within Gippsland including coal, oil and gas, coal seam gas and minerals.  Identifies the need to move towards a low carbon economy and potential renewable energy sources within the region (wind and geothermal).	Need for the Latrobe Region Framework for the Future (1986) and Land over Coal and Buffer Area Study (1988) to be updated.	Zones and Overlays (currently used but based on outdated strategies).

Source: Gippsland Regional Growth Plan Background Report, State Government of Victoria, 2014.

**FIGURE 2** FUTURE DIRECTIONS FOR THE GIPPSLAND ECONOMY



Source: Department of Transport, Planning and Local Infrastructure

Source: Gippsland Region Growth Plan, State Government of Victoria, 2014

### 2.3.3. GIPPSLAND TOURISM STRATEGIC DIRECTION

The Tourism Strategic Direction 2013-2018 identifies the role of tourism in the economic development of the region. From an economic perspective, the Strategic Direction seeks to ensure that tourism is valued throughout Gippsland for its contribution to the economic sustainability of the region.

The report identifies that Gippsland's visitor economy:

- Contributes \$2.8 billion in both direct and indirect expenditure per year;
- Creates approximately 15,000 jobs; and
- Supports 3,000 business (accommodation, tours, transport, food, retail and attractions).

A key economic objective of the Strategic Direction is to increase visitor expenditure from \$2.8 billion to \$3 billion through increased visitation and length of stay. Planning related opportunities for improvement include increased tourism infrastructure and products.

### CONSULTATION

Consultation with Destination Gippsland highlighted that the tourism strategy for Gippsland is currently being updated. This process will culminate in the preparation of a new Destination Management Plan which will guide planning, investment and policy for tourism within the region.

Known trends and opportunities that will inform this process are as follows:

- DELWP is currently undertaking a Central Gippsland Public Land Strategy which will investigate opportunities for the visitor economy through the utilisation of Crown Land;
- Growth of agri-tourism is a key opportunity, including wine and food production and value-adding to local agricultural produce. This is building on existing successes in businesses offering accommodation, cellar door sales, cafés and restaurants, farm gate and pick your own visitor experiences based within and adding value to existing rural production areas. It is important that planning schemes support these uses in suitable areas.
- Mountain biking and other recreational cycling is an emerging sector of the tourism industry and presents significant opportunities through creation of trail infrastructure (both private and crown land), continuing to invest in rail trails, attracting tour operators and facilitating private sector investment in supporting infrastructure such as visitor accommodation.
- Tourism accommodation in rural areas create both a significant opportunity and potentially land use planning conflicts. Significant investment opportunity exists to support eco-resorts leveraging proximity to Gippsland Lakes and the coast, including both state and private land. Demand for glamping and modular accommodation in nature-based, semi-wilderness and farm locations is increasing and can generate additional income for land/farm owners, however greater planning policy support is needed.
- The role of the Gippsland Lakes is paramount to the ongoing tourism role of the region, particularly water sports and activities and supporting ongoing investment in the accommodation sector.
- Major events are an important part of the industry going forward, particularly in and near urban areas. Music festivals, food and wine events and adventure trail events are becoming more prevalent and operators are commonly seeking new and interesting locations in rural areas. Planning policy support is required to enable key events spaces to be created in suitable rural locations, including opportunities for streamlined planning approvals processes for some event types. This Policy support should be introduced as part of a new EGZ regional policy, in conjunction with guidelines and site suitability criteria alongside streamlined approvals processes.

### **2.3.4. REGIONAL PLANNING POLICY**

A summary of regional planning policy for Gippsland is provided in Section 2 of this report.

It is noted that both Baw Baw and Wellington Shire are currently seeking to address industrial land issues with Wellington well progressed with planning for new industrial land supply in West Sale. This is discussed further in subsequent sectors of this report.

## **2.4. ECONOMIC GROWTH ZONE**

Since the establishment of the Economic Growth Zone in Gippsland, a number of studies have been prepared that are relevant to this project. These are summarised as follows.

### **2.4.1. PLANNING IN THE ECONOMIC GROWTH ZONE SCOPING STUDY**

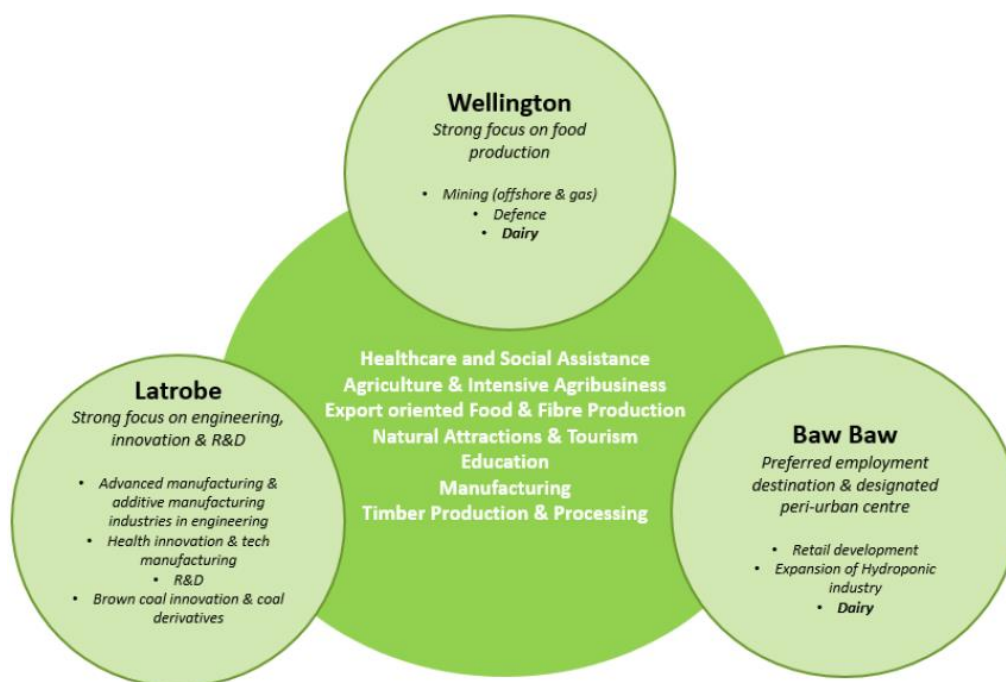
The Planning in the Economic Growth Zone Scoping Study prepared for DELWP identifies a number of techniques to improve the efficiency of the planning system within the EGZ to support economic development in the region.

Key recommendations of the study in respect to economic development include:

- Better alignment with the region and Councils' Economic Development Plan/Strategies; This includes the creation of more efficient planning policy and increased consistency across each of the three local government areas within the EGZ. Shared growth opportunities identified include (as identified in Figure 3):
  - Healthcare and social assistance;
  - Agriculture and intensive agribusiness, including export-oriented food and fibre production;
  - Tourism;
  - Education;
  - Manufacturing; and
  - Timber processing.
- Streamlining of the LPPF including reducing the duplication of the SPPF in the local policy; and
- Greater targeted controls and levers through the use of zones and overlays.

Figure 3 summarises the key industries in the three municipalities and areas of overlap.

**FIGURE 3** INDUSTRIES IN THE ECONOMIC GROWTH ZONE



Source: SGS Economics and Planning Pty Ltd, Planning in the Economic Growth Zone Scoping Study, 2017

#### **2.4.2. LATROBE VALLEY ECONOMIC ZONE – RED TAPE STREAM, RED TAPE COMMISSIONER**

The Latrobe Valley Economic Zone – Red Tape Stream presentation by the Red Tape Commissioner identifies the planning process as a constraint to the economic development of the Latrobe Valley and as a contributor to the increased time and cost of development in the region. Industries/organisations impacted include:

- Existing business wishing to expand or adapt and potential new business or industries;
- Quarrying;
- Intensive agriculture; and
- Construction industry (related to urban development and establishment of new residential areas).

The SMART Planning reform coordinated by the State Government was identified as a method to reduce red tape and improve the ‘business environment’ within the region and to promote the creation of jobs and attract investment to the region.

#### **2.4.3. LATROBE VALLEY PLANNING SCHEMES REVIEW – DRAFT BACKGROUND REPORT 2018, MESH**

A draft Latrobe Valley Planning Scheme Review Background Report was prepared by Mesh in April 2018. The draft Report identifies a series of inefficiencies within the three LGAs planning schemes and provides recommendations for improvement.

The Draft Report found that the MSS should focus on ‘strategic direction and statutory implications’ and that for the implementation of zones and overlays needs to be prioritised over policy. Schemes should also be unambiguous and written in plain English. The increased use of graphics is also supported.

Industries identified which are suited to the valley include:

- Logistics;
- Food processing, including a potential opportunity for a food processing precinct in Latrobe (east of Morwell);
- Aeronautical industries;
- Noxious industries;

- Food and fibre industries; and
- Population-driven industries such as health, aged care.

Overall it was found that the link between planning and economic development is not being used to its full potential. The economic policy in schemes should recognise the sub-regional priorities of the EGZ and clearly identify industries/uses to be attracted to the region.

#### **2.4.4. LATROBE VALLEY NEW ENERGY: JOBS AND INVESTMENT PROSPECTUS**

The Latrobe Valley New Energy Jobs and Investment Prospectus was prepared by the Latrobe Valley Authority in 2018. The Prospectus identifies the opportunities for new renewable energy within the Valley including solar and wind.

An opportunity identified in the Prospectus is the establishment of a supply chain to support the generation of renewable energy, including the manufacturing of products and services. The skills of workers within the Valley is also identified as a strong asset to support new energy in the region.

### **2.5. KEY FINDINGS**

The key findings and implications of this section are summarised as follows.

#### **STATE**

- **Key industries in Victoria include advanced manufacturing and processing, food and fibre industries, education, knowledge-based industries, population services, tourism and new low carbon energy sectors.**
- **Policy requires adequate employment land to be provided to meet future demand and the identification and protection of land which is strategically important for agriculture, energy, tourism and extractive and other natural resources.**
- **Community facilities and services as well as retail and office-based employment are to be provided in central locations and activity centres, especially Traralgon, Morwell Mid Valley, Warragul and Sale. Latrobe City is identified as a Regional City, the highest tier of settlements in the state.**
- **In the Latrobe Valley, the economy is transitioning to knowledge-based industries. The need to support and create opportunities for the innovation and the knowledge economy across Victoria is recognised.**
- **Tourism needs to be supported due to the range of economic benefits it brings to Victoria.**
- **Recent changes to the Planning Policy Framework will require local economic development policies to reflect the new structure.**

#### **GIPPSLAND**

- **The Gippsland economy is highly resource-based. The region's natural resources, including agriculture, forestry and fishing and brown coal, are key features of the region's economy that should be protected.**
- **High growth sectors include the financial and insurance services, retail trade, healthcare and social assistance and education and training sectors. Industries with potential growth include natural resource-based industries such as intensive and organic agricultural production and food processing, commercial fishing and other marine industries, horticulture and forestry and timber. Other industries with growth potential include new innovative industries such as renewable energy and coal derivative research and development and technology.**
- **The growth of new clean and sustainable energy industries such as the renewable energy sector is likely to support the region's need to diversify and move away from traditional industries which produce high levels of carbon.**
- **Population driven industries such as aged care, education, health and housing construction as well as 'Knowledge' industries and tourism are also identified as likely drivers of the region's economy.**

- Regional planning policy identifies the need for additional industrial land in Warragul and Sale and the importance of the Macalister Irrigation District, tourism and oil and gas extraction to the regional economy.

#### ECONOMIC GROWTH ZONE

- The current planning process is recognised as a constraint to economic development in the EGZ.
- To facilitate better planning outcomes within the EGZ there is a need for better alignment with Council and regional economic development plans and strategies and to streamline the LPPF, including the reduction of duplication between State and local planning policy.
- Although each Council has different economic specialisations, there are some common industries to be supported, including health, agriculture, food and fibre, tourism, education, manufacturing and timber. Many of these industries align well to the State’s growth sectors and could form part of a sub-regional economic policy.
- Policy support should be introduced as a part of a new EGZ regional policy, in conjunction with guidelines and site suitability criteria alongside streamlined approvals processes for tourism events in rural areas. This is due to the importance of tourism and identification of tourism as a “potential future driver of the region’s economy” in the Regional Growth Plan.

A summary of the key current and future drivers of the economy in the EGZ is summarised in Table 2 based on the policies and strategies reviewed.

**TABLE 2** CURRENT AND FUTURE DRIVERS OF THE ECONOMY IN THE EGZ

SECTOR	CURRENT STRENGTH	GROWTH OPPORTUNITY
Agriculture	Dairy Horticulture Timber production	Dairy Timber Fisheries Horticulture Intensive and organic agricultural production
Earth Resources	Electricity generation Oil and gas extraction Sand, stone and mineral extraction	Biofuels and bioenergy Renewable energy
Industrial	Manufacturing Defence and aviation	Food and fibre production Advanced manufacturing
Tourism	Nature-based tourism	Nature-based tourism Agri-tourism Cycling Events
Knowledge Based	Dairy research	Research and development Health innovation Coal derivative research Renewable energy research Professional, scientific and technical services
Population Services	Healthcare Education Retail	Aged care Housing construction Retail

Source: Urban Enterprise, 2018.

## 3. DIRECTION ON POLICY CONTENT

### 3.1. INTRODUCTION

This section provides a brief review of available guidance on the required and best practice content and structure of local economic policy in Victoria.

### 3.2. PLANNING PRACTICE NOTE

Planning Practice Note 8: *Writing a Local Planning Policy* provides guidance on the principles, content and requirements for local policies in Victorian planning schemes.

Although the Practice Note does not specify any particular requirements of economic policy as distinct from general local policy, the following points are relevant to this project:

- Local policy gives a planning authority an opportunity to state how discretion should or will be exercised under the planning scheme in relation to a zone, overlay or particular provision;
- Local policy should not repeat or contradict state policy, the Municipal Strategic Statement or other local policies;
- Local policy should not contain broad strategic objectives and strategies and should relate to a specific permit discretion; and
- Local policy should be derived from an objective or strategy in the MSS and should be self-contained, not relying on external documents unless they are incorporated into the Planning Scheme.

### 3.3. REVIEW OF OTHER REGIONAL CENTRE ECONOMIC POLICY

Latrobe City is a network of large towns which together form one of the four largest regional cities in Victoria. When combined with Baw Baw Shire and Wellington Shire, the EGZ forms a substantial economic region.

The population of Latrobe City is approximately 73,250 people (ABS Census, 2016), compared with the population of Victoria's largest regional cities of Geelong (157,104 people<sup>1</sup>), Ballarat (93,759 people<sup>1</sup>) and Bendigo (92,379 people<sup>1</sup>). The next bracket of regional cities have between 30,000 and 50,000 residents, such as Shepparton, Wodonga, Mildura and Warrnambool.

As a large and relatively unique network-based regional centre, it is relevant to consider economic policy examples of the largest regional cities in Victoria as a guide for the EGZ economic policy to encourage growth and development over the next phase of the region's growth. The economic policies included in the planning schemes of the three largest regional centres in Victoria are reviewed in this section, including Ballarat, Geelong and Bendigo, to provide guidance on the most common and most effective format and content of such policies.

---

<sup>1</sup> Census of Population and Housing, Australian Bureau of Statistics, 2016.

### 3.3.1. BALLARAT

Clause 21.07 – Economic Development includes a series of objectives and strategies to achieve economic growth within the municipality.

The policy, last updated by Amendment C194 in 2016, also identifies regionally significant precincts which contribute to the economic development of the municipality. The policy identifies key industries, policy and spatial directions.

The policy has the following general structure:

- An overarching objective regarding economic growth based on a summary of current economic conditions, strengths and changes;
- Identification of regionally significant precincts, the strategic direction for each precinct, and strategies which seek to achieve clustering and innovation;
- Identification of an activity centres hierarchy and strategies to facilitate desired land use and built form outcomes (including areas which certain uses are discouraged);
- Objectives and strategies to support industrial land uses, including land supply, lot sizes, buffers to sensitive uses, identification of preferred locations for growth and timing (including an 'Industry Plan' map) and specific built form and land use directions;
- Objectives and strategies relating to the tourism and racing industries, including locations where such uses are encouraged or discouraged and general objectives for the respective industries;
- Strategies to guide decision making on the location of gaming venues; and
- An implementation section including policy guidance and a list of future strategic work.

### 3.3.2. GREATER BENDIGO

Clause 21.07 of the Bendigo Planning Scheme outlines objectives and strategies to facilitate economic development within the municipality across nine areas.

The policy has the following general structure:

- An overall economic growth objective including strategies relating to land supply and development, following an overview of the municipal economy including data, key industries and opportunities;
- An activity centre hierarchy and associated plan, drawing on the findings of a *Commercial Land and Activity Centre Strategy*. The policy sets out in detail the projected additional floorspace and direction of each centre, along with strategies to guide decisions relating to land uses, supporting infrastructure, centre growth and impacts, locations of new centres and circumstances where certain outcomes are discouraged;
- A section on the Bendigo CBD drawing on the *Bendigo CBD Plan* which includes strategies relating to preferred land uses, development and built form outcomes and discouragement of competing uses;
- Policy supporting the ongoing development of the specialised hospital precinct, including supporting infrastructure (open space, parking), built form guidance, investment in major institutions and identified complementary uses including such as tourism, heritage, health and residential;
- A policy on gaming venues providing guidance on preferred and discouraged locations;
- Detailed description of the industrial sector and land supply strategies, along with objectives and strategies identifying preferred locations and industry types (including reference to an Industrial Strategic Framework Plan included in the policy);
- An overview of the key tourism assets of the municipality, supported by four broad strategies which seek to encourage development which supports the tourism industry while protecting heritage places;
- An overview of the agriculture sector and a range of strategies which seek to protect agricultural and rural industries from land use conflicts, protect rural assets, maintain suitable land and property holdings for agricultural production and manage off-site impacts of intensive agricultural uses. The clause identifies preferred areas for intensive agricultural businesses on a Strategic Framework Plan;

- A clause which identifies the importance of protecting earth and energy resources supported by broad strategies which seek to ensure economic benefit, protection of environment, health and amenity, and management of land use conflicts as part of ongoing extractive industry operations;
- A detailed implementation section which:
  - Refers to seven other local policies through which the policy will be implemented;
  - Includes decision guidelines for circumstances where an applicant seeks to exceed commercial floorspace allocations in the policy;
  - Provides clear direction regarding the circumstances and location in which the range of commercial and related zones are to be applied across the municipality; and
  - Identifies specific further work required.

### 3.3.3. GREATER GEELONG

Clause 21.07 – Economic Development and Employment of the Greater Geelong Planning Scheme includes policy guidance on 5 key sectors of the economy within the following structure:

- An overview of the key issues and influences relevant to the local economy across the areas of economic role and function, industry, retail, rural and tourism. Policy objectives and strategies for each industry are included under subsequent clauses;
- Objectives and strategies for industry, mainly relating to preferred locations for certain industrial land uses, land supply and diversity, minimising land use conflicts, built form and supporting infrastructure and protection of stone resources. The clause is supported by a Framework Plan for the Geelong Ring Road Employment Precinct;
- A clause relating to retail, primarily in support of the preferred retail activity centre hierarchy which includes indicative floorspace. Strategies seek to direct new retail development to activity centres (along with a mix of other uses), require new retail applications to demonstrate ‘need’ and no adverse impacts on the hierarchy, and direct the location of gaming venues;
- A clause which identifies economic growth sectors and particular precincts and regions within which certain industry sectors are supported;
- Objectives and strategies for rural areas, including policy to maintain rural land in large parcels, protect farming activity and minimise non-agricultural uses in rural areas;
- A clause relating to tourism in rural areas which supports appropriate tourism development while directing major accommodation to urban areas; and
- An implementation section which:
  - Refers to relevant sections of eight local policies;
  - Refers to application of the Rural Activity Zone in accordance with a local policy; and
  - Sets out further work and reference documents.

### 3.3.4. ANALYSIS

In **Ballarat**, most strategies relate to land supply, land use decisions or preferred built form and development outcomes, resulting in an economic policy which explains how economic objectives will be supported through both strategic and statutory planning decisions.

The **Bendigo** policy is considerably more detailed than the Ballarat policy and includes both spatial and broader strategic directions. Greater detail is provided in terms of activity centre directions, and more references are made to supporting documents and strategies.

Substantially more contextual detail is provided than in the Ballarat policy, however this makes for a policy that is less readable and potentially less clear in terms of guiding decision making.

The use of Strategic Framework Plans showing the location of land and precincts suitable for certain types of agricultural economic activity provides a useful guide for spatial decision making for both investors and Council.

The **Geelong** policy follows a different format to Ballarat and Bendigo, with all contextual information separated from policy objectives and strategies and is considerably shorter than the other policies.

Table 3 shows a summary of the content of the three policies.

**TABLE 3** REGIONAL CENTRE ECONOMIC POLICY MATRIX

TOPIC	BALLARAT	BENDIGO	GEELONG
Last Updated	2016	2017	2017
No. pages	13	19	9
Economic Growth	✓	✓	✓ no policy
<i>Economic data</i>	✗	✓	✗
Specialised Precincts	✓ Multiple, Plan	✓ CBD, hospital	✓ sectors and regions
Activity Centres	✓	✓	✓
Industry	✓ Industry Plan	✓ Strategic Plan	✓
Tourism	✓	✓	✓ rural areas only
Racing	✓	✗	✗
Agriculture	✗	✓	✓ rural areas
Earth and Energy Resources	✗	✓	✓ In industry
Gaming	✓	✓	✓ in retail
Implementation	✓	✓	✓
Zones and overlays	✓	✓	✓ RAZ only
Policy guidelines	✓	✓ link to other local policies	✓ link to other local policies
Further work	✓	✓	✓
Reference documents	✗	✗ in text references	✓
Focus	Spatial		

Source: Relevant planning schemes, Urban Enterprise.

Although each policy follows a slightly different format, there are many similarities such as:

- Most policies identify the importance of and vision for specialised precincts;
- Some policies discuss growth sectors that will be supported;
- All policies set out the existing activity centre hierarchy and vision and steps for maintaining the hierarchy;
- All policies include a section on industry which generally relates to the key sectors, land supply, infrastructure and land use conflicts;
- All policies include a section on tourism with varying degrees of detail;
- Some policies include a section on agriculture or other economic uses within rural areas;
- Most policies reference existing strategies and spatial plans which assisted in making policy context and spatial implications clear;
- All policies include a section on implementation and further work, including links to other relevant local policies.

The primary difference in terms of ease of use is the amount of contextual information and data regarding the existing economy and opportunities for economic development. Policies with less such content (eg. Ballarat) were easier to navigate and policy directions were clearer.

Overall, it is concluded that strong economic policy:

- Identifies the major economic strengths and opportunities relevant to the municipality;
- Draws on adopted local economic and planning strategies, especially an activity centres strategy and any employment land strategies;
- Provides clear land use planning direction regarding the industries and locations in which investment will be supported by Council, including specific precincts;

- Identifies the key land uses, infrastructure and resources that are significant to the municipal economy and must be protected;
- Identifies the planning tools and decision guidelines that will be applied in certain circumstances to implement the policy, including linking to other local policies as relevant;
- Provides clear policy direction through less contextual information and data; and
- Flags the need for further work to address policy gaps or emerging issues.

### 3.4. KEY FINDINGS AND RECOMMENDATIONS

- **Planning Practice Note 8 directs that local policy should provide policy guidance relevant to specific decisions, zones and overlays. It is apparent, however, that most existing economic policies seek to articulate strategic support for particular industries and identify planning tools that will be applied (often through other local policies).**
- **The three regional centre economic policies reviewed have a relatively consistent structure, however include varying degrees of detail. Policy directions were generally clearer in examples with less contextual information and data.**
- **Strong economic policy aligns with identified State and regional economic opportunities relevant to the municipality, draws on adopted Council strategies relating to economic development and employment, provides clear land use planning direction regarding the industries and locations in which investment will be supported by Council and identifies the economic assets that are significant to the municipal economy and must be protected.**

### RECOMMENDATIONS

In order to adopt best practice approaches to economic development policy, the following recommendations are made.

**TABLE 4** BEST PRACTICE RECOMMENDATIONS

NO.	RECOMMENDATION	POLICY NEUTRAL
R1	In each EGZ economic policy, seek to include less contextual information and data and instead focus on clear policy direction	Yes
R2	For each municipality, include a section identifying economic growth sectors and particular precincts and regions within which certain industry sectors are supported	No
R3a	In each economic policy, include a clause relating to tourism in rural areas which supports appropriate tourism development and directs major accommodation to suitable area.	No – requires supporting analysis (see 3b)
R3b	Prepare supporting analysis to identify rural areas with advantages and suitable to accommodate tourism uses.	No
R4	For each municipality, identify specialised economic / employment precincts that exist and are to be supported in the future, particularly precincts which align with sectors identified as growth opportunities for the municipality and/or region	No

Source: Urban Enterprise, 2018.

## 4. BAW BAW

### 4.1. INTRODUCTION

This section reviews the current economic development policy in the Baw Baw Planning Scheme and seeks to assess policy strength by reference to regional objectives, local economic development strategies and current and recent economic projects.

### 4.2. CURRENT POLICY

Economic development objectives are primarily set out in the Economic Activity clause, with other references in the Municipal Strategic Statement, Municipal Vision and Rural Zone Policy.

#### MUNICIPAL STRATEGIC STATEMENT

Clause 21.01 of the Baw Baw Planning Scheme provides an overview of the economy within the municipality and identifies industries to be supported as Agriculture, Horticulture, service industries; administration, education and health. Clause 21.01 also identifies the strength of tourism with products including nature-based activities, agritourism and Walhalla.

Clause 21.02 provides a vision for the municipality. The economic related vision states that resources, including land and water are to be protected to ensure future prosperity.

Clause 21.07 Economic Activity is the primary policy within the Baw Baw Planning Scheme regarding economic development. A summary of the policy is provided in Table 5. A full copy of Clause 21.07 is provided in Appendix A.

**TABLE 5** BAW BAW CLAUSE 21.07 ECONOMIC ACTIVITY SUMMARY

INDUSTRY	OBJECTIVE	SUMMARY OF STRATEGIES
Overview	1. To establish and maintain a strong, dynamic economy and employment base by building on advantages in location, agriculture and related industries and services, industry, timber, transport, tourism, education, manufacturing, service industry and commerce.	Provides a range of strategies to attract, support and facilitate the development of a range of industries within the municipality.
	2. To ensure the community and local business is ready to take advantage of opportunities arising from the carbon economy.	Outlines need to identify opportunities to engage in the low carbon economy.
Primary Production	3. To enhance rural based economic activity in agriculture, horticulture and silviculture.	Outlines methods to further develop production industries operating within the municipality include. Methods to protect productive land from other uses are also outlined.
Secondary and Tertiary sectors	4. To recognise and support manufacturing, service industries and the tertiary sector (education, administration, retailing, services) as major contributors to the local economy.	Identifies methods to support specific industries operating locations.
Tourism	5. Seek to attract high quality tourist development that is compatible with the environmental values of the area.	Outlines methods to promote tourism.

Source: Baw Baw Planning Scheme and Urban Enterprise, 2018.

## CLAUSE 22.01 RURAL ZONE POLICY

Clause 22.01 contains a local policy which identifies the importance of protecting agricultural land due to production being a key contributor to the municipal economy.

Although there is also an objective in the policy to “support tourism use and development that is compatible with agricultural production and/or the environmental attributes of the area”, the content of the policy primarily relates to dwellings and subdivision controls which seek to protect the ongoing use of rural land for agricultural purposes.

## 4.3. PLANNING ZONES

Table 6 shows the planning zones currently applied in Baw Baw Shire which primarily support economic and employment uses.

Industrial zones are primarily located in established areas of Warragul and Drouin with smaller areas in Longwarry, Yarragon and Trafalgar.

The Rural Activity Zone is applied to sections of land in the northern and central parts of the municipality, and the Special Use Zone is applied to two towns (Walhalla and Tanjil Bren) in environmentally sensitive locations.

**TABLE 6** ECONOMIC PLANNING ZONES IN BAW BAW

LOCATION	INCLUDES	C1Z	C2Z	MUZ	TZ	IN1Z	IN2Z	IN3Z	SUZ	FZ	RAZ
Regional Centres	Warragul, Drouin	✓	✓	✓		✓		✓	✓		
Towns	Longwarry, Trafalgar, Yarragon, Neerim South	✓	✓	✓	✓	✓		✓			
Small towns	Willow Grove, Thorpdale, Rawson, Darnum, Nilma, Buln Buln, Noojee, Erica, Tanjil Bren, Walhalla, Neerim, Neerim Junction, Jindivick and Rokeby				✓	✓			✓		
Specialised	Walhalla, Tanjil Bren, resource area, Warragul Bulky Goods.								✓		
Rural Areas	Non-urban zones									✓	✓

Source: Baw Baw Planning Scheme, Urban Enterprise.

## 4.4. ECONOMIC REFERENCE DOCUMENTS

Economic policies should be underpinned by economic analysis which identify the key opportunities for the municipality and the planning policies and tools that will be applied to support economic and employment objectives. This often takes the form of an Economic Development Strategy, along with other documents such as retail strategies, employment land strategies or plans for specific employment areas, resources, infrastructure or industries.

Five Reference Documents are included in the Clause, most of which are strategies or Masterplans which guide the spatial development of individual towns. The Reference Documents do not include an Economic Development Strategy, Retail Strategy, Industrial Strategy or other employment or economic assessment.

### ECONOMIC DEVELOPMENT STRATEGY

The Baw Baw Economic Development Strategy 2018-2021 was adopted by Council in August 2018 and outlines the actions Council will undertake to facilitate economic development within the municipality.

The Strategy includes an overview of the municipality’s economy as well as the identification of a range of weaknesses and threats to economic development including land use pressures and land use conflicts.

The Strategy identifies a number of sectors as major contributors to the economy. Industries with the highest economic output are manufacturing, construction, rental hiring and real estate services, agriculture, forestry and

fishing, wholesale trade, healthcare and social assistance and retail trade. It is expected the agriculture, construction, health and retail industries will remain strong into the future.

Further economic strengths, opportunities and current or potential projects identified in the Strategy are summarised in Table 7.

In addition to the projects identified in Table 7, Council has also formed a priority planning team to streamline the planning process for businesses through a coordinated approach with minimal red tape.

**TABLE 7** BAW BAW ECONOMIC STRENGTHS, OPPORTUNITIES AND KEY PROJECTS

STRENGTHS	OPPORTUNITIES	KEY PROJECTS
<b>Agriculture</b>	Agri and eco-tourism developments Agribusiness	
<b>Retail</b>	Large Scale Retail Bulky Goods	Identification of bulky good sites Warragul Town Centre Transformation
<b>Tourism</b> <i>Walhalla and Mountain Rivers</i> <i>Noojee and surrounds</i> <i>Yarragon and surrounds</i>	Cycling Major Events RVs Agri and eco-tourism developments Food and Wine Trails "Weekend Escapes"	Regional cycling centre Logan Park precinct Sealing of South Face Road RV Strategy
<b>Manufacturing</b>	Food Product Manufacturing	
<b>Healthcare</b>		Hospital for West Gippsland
<b>Other</b>	Professional Services	Toyota Insurance (began in 2016)
	Arts and Events	West Gippsland Arts Centre
	Start-up businesses	Startup Gippsland

Source: Urban Enterprise, 2018.

## CURRENT STRATEGIC PROJECTS

Table 8 shows the main existing, current and proposed strategic economic assessments and projects that could be reflected in local policy.

**TABLE 8** BAW BAW SHIRE COUNCIL STRATEGIES RELEVANT TO ECONOMIC POLICY

ADOPTED STRATEGIES	STRATEGIC PROJECTS NEARING COMPLETION	FUTURE STRATEGIC PROJECTS
<ul style="list-style-type: none"> <li>Settlement Management Plan (Reference for Rural land use policy)</li> <li>Economic Development Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Rural land use policy review</li> <li>Destination Action Plans (tourism).</li> </ul>	<ul style="list-style-type: none"> <li>RV Strategy</li> <li>Flood management project</li> <li>Review of town centre plans</li> <li>Growth boundaries</li> </ul>

Source: Baw Baw Shire.

## 4.5. CONSULTATION

Contributions to this project by Council officers in economic development and planning were provided through an online survey and workshop at Council.

The competitive advantages of Baw Baw identified in consultation were as follows:

- Proximity and access to Melbourne;
- Natural and heritage assets including snow areas;
- Productive agricultural land;
- Transport infrastructure;
- Employee pool including skilled workers; and
- Agricultural and energy sectors.

Table 9 summarises the findings of this consultation in respect of economic policy strength and gaps.

**TABLE 9** BAW BAW POLICY STRENGTH AND GAPS – COUNCIL INPUT

STRENGTH OF ECONOMIC PLANNING POLICY	GAPS
<p>Policy contains overarching objectives but does not provide strong planning guidance for key industries within region.</p> <p>Local policy is not actually used in practice very often.</p>	<ul style="list-style-type: none"> <li>• Greater guidance should be provided for the following industries: <ul style="list-style-type: none"> <li>• Intensive agriculture (horticulture);</li> <li>• Intensive animal husbandry (dairy);</li> <li>• Tourism; and</li> <li>• Tertiary education.</li> </ul> </li> <li>• The following industries should be identified within the planning scheme: <ul style="list-style-type: none"> <li>• Businesses in residential zones;</li> <li>• Research and development; and</li> <li>• Renewable energy (including wind and solar).</li> </ul> </li> </ul>

Source: Urban Enterprise, 2018.

A particular gap identified in consultation was the absence of any recent strategic planning for employment land needs, with the majority of Council's focus in recent years being on residential growth areas in Warragul and Drouin. This has resulted in a perceived lack of industrial land, particularly lots suitably sized and located to accommodate large format businesses, and subsequently an inability to offer suitable sites in response to enquiries.

The need for additional industrial land in Warragul is identified in the Planning Policy Framework – this should be a high priority for further work to facilitate economic development in Baw Baw Shire and the EGZ.

#### 4.6. ECONOMIC STRENGTHS AND OPPORTUNITIES

Table 10 summarises key current and future drivers of the economy in Baw Baw based on the policies and strategies reviewed.

**TABLE 10** BAW BAW ECONOMIC STRENGTHS AND OPPORTUNITIES

SECTOR	CURRENT STRENGTH	GROWTH OPPORTUNITY
<b>Agriculture</b>	Dairy Horticulture	Intensive agriculture (horticulture) Intensive animal husbandry Hydroponics
<b>Earth Resources</b>		Renewable energy (wind and solar)
<b>Industrial</b>	Manufacturing	Food product manufacturing
<b>Tourism</b>	Nature based tourism Agri-tourism	Nature based and eco-tourism Agri-tourism Cycling Events RV Food and wine
<b>Knowledge Based</b>	Dairy research	Research and development Professional services Start-up businesses / incubation
<b>Population Services</b>	Administration Health Education Retail	Tertiary education Large format retail Bulky goods retail Health Arts and events

Source: Urban Enterprise, 2018.

## 4.7. PROJECTS APPROPRIATE FOR INCLUSION IN POLICY

The findings of the recently adopted Baw Baw Economic Development Strategy should be reflected in the economic policy of the Baw Baw Planning Scheme.

No other projects were identified that are suitable for inclusion in the planning scheme.

## 4.8. POLICY STRENGTH

Table 11 provides an assessment of the economic policy strength of the Baw Baw Planning Scheme. Overall, the economic policy was assessed to be relatively weak.

**TABLE 11** ASSESSMENT OF BAW BAW ECONOMIC POLICY STRENGTH

Factor	Assessment	Comments
Alignment with State and regional opportunities	Moderate	Policy should reflect opportunities to capitalise on peri-urban growth and the need to provide employment for the growing population (responding to Plan Melbourne). Regional policy identifying the need for more industrial land in Warragul is not reflected in local policy.
Local strategy basis and alignment	Weak	The current policy is not supported by any up-to-date Economic Development Strategy, Retail Strategy or Employment land strategy. Opportunity to more clearly identify industries with a competitive advantage and/or growth prospects, particularly those which align with state and regional policy.
Land use planning direction	Weak	The policy provides limited land use planning direction and does not include a map showing preferred locations of economic land uses.
Economic assets to be protected	Moderate	The rural policy highlights the need to protect agricultural land from residential encroachment and subdivision.
Implementation	Moderate	Further work to be completed should be identified.
Overall	Weak	Suggested rewording of policy to reduce contextual statements and prioritise policy direction for land use planning (policy neutral). Suggested addition of statements of economic opportunities to align with state and regional opportunities (new policy). Suggested introduction of a sub-regional policy statement Over time, there will be the need to incorporate findings of studies currently under preparation, particularly Destination Plans (tourism) and Rural Land Use Strategy.

Source: Urban Enterprise.

## 4.9. RECOMMENDATIONS

The following recommendations are made to improve policy strength, responding to the weaknesses and opportunities identified in Table 11.

**TABLE 12** BAW BAW RECOMMENDATIONS

NO.	RECOMMENDATION	PRIMARY BASIS	POLICY NEUTRAL?
B1	Reword policy to reduce contextual statements and prioritise policy direction for land use planning.	Best practice	Yes
B2	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ and the relative advantages of Baw Baw within the sub-region	LV Planning Schemes Review	No
B3	Update structure to reflect new Planning Policy Framework.	VC148	
B4	Add stronger identification of Baw Baw's economic strengths in agriculture (particularly dairy), intensive agriculture, timber, tourism, manufacturing and education.	EDS	No
B5	Add stronger identification of Baw Baw's economic and employment opportunities, focused on tourism, diversification of agri-business uses, hydroponics, adding value to agricultural produce and expansion of the manufacturing sector and large-scale retail development.	EDS	No
B6	Identify the need to provide a diversity of local employment opportunities to support the fast-growing population and policy for peri-urban towns to accommodate significant growth. Opportunities include supporting greater professional services, retail, education and health employment.	Best practice; Align with state and regional policy and strategy	No
B7	Prepare a map showing the location of key economic assets and employment precincts in the municipality, including locations and sectors / land uses that will be supported by Council.	Best practice	No
B8	Existing policy does not include a section on activity centres, hierarchy or out of centre development. This should be added and can utilise Precinct Structure Plans as a guide.	VC148; Best practice	No
B9	Identify preparation of an employment land strategy as Further Work, particularly relating to the availability of industrial land.	Align with regional policy; Best practice	No
B10	Identify and undertake further work relating to suitable tourism uses and locations complementary to agricultural uses.	Align with regional and state policy; Best practice	No

Source: Urban Enterprise, 2018.

## 5. LATROBE

### 5.1. INTRODUCTION

This section reviews the current economic development policy in the Latrobe Planning Scheme and seeks to assess policy strength by reference to regional objectives, local economic development strategies and current and recent economic projects.

### 5.2. CURRENT POLICY

The Municipal Strategic Statement identifies economic development as a key issue for Council to address and includes the goal of job creation and economic sustainability.

Clause 21.07 – Economic Development is the primary clause dealing with economic issues in Latrobe. The Clause includes policy and strategies relating to ten key economic issues, including Economic Growth; Activity Centres; Industry; Timber; Latrobe Regional Airport; Health; Education; Information Technology; Tourism; and Stone Extraction.

A summary of these objectives and strategies is provided in Table 13. The complete Clause 21.07 is provided at Appendix B of this report.

**TABLE 13** LATROBE CLAUSE 21.07 ECONOMIC DEVELOPMENT SUMMARY

KEY ISSUE	OBJECTIVES	SUMMARY OF STRATEGIES
Economic Growth	1. To facilitate a vibrant and dynamic economic environment.	Identifies methods to promote further economic development within the municipality including in the power sector.
	2. To facilitate new development and employment opportunities in Latrobe.	Outlines need to ensure availability of high quality industrial and commercial land to support economic development.
Activity Centres	1. To identify appropriate locations for retailing activities.	Outlines methods to ensure activity centres are located and supported in strategic locations. Any Council retail land use strategies should also be implemented.
	2. To establish a network of activity centres which satisfy a range of retail, commercial, community and residential needs.	Encourages the development of a range of uses within activity centres.
	3. To facilitate the growth of Morwell, Moe, Traralgon and Churchill Town Centres.	Identifies methods to encourage economic growth within specified activity centres.

KEY ISSUE	OBJECTIVES	SUMMARY OF STRATEGIES
Industry	1. To maximise the potential for new industry, especially those that may benefit from the coal and electricity industry.	Support new and existing industries and infrastructure.
	2. To promote increased rail use as a model for economic viability and sustainability.	Outlines methods to increase freight.
	3. To ensure that industry and sensitive uses are planned and designed to minimise any potential detriment or loss of amenity.	Outlines methods to ensure productive land and amenity is protected from industrial uses.
	4. To ensure sufficient supply and adequate choice of industrial land to accommodate the varying needs of the different types of industry likely to emerge in the future.	Outlines methods to ensure supply of land for range of existing and emerging industries.
Latrobe Regional Airport	1. To promote and protect the operations of Latrobe Regional Airport.	Outlines methods to support the ongoing operation of the airport and identify suitable uses in the surrounding area.
Health	1. To promote and protect the operations of Latrobe Regional Hospital.	Outlines methods to support the ongoing operation of the hospital and identifies suitable uses in the surrounding area.
Education	1. To promote and protect the operations of Federation University.	Supports the implementation of a Federation University masterplan.
Information Technology	1. To encourage the growth of information technology in Latrobe.	Supports the development of IT hubs within the municipality.
Tourism	1. To encourage environmentally sustainable tourism opportunities and establish a point-of-difference in tourism product.	Identifies the attractiveness of Latrobe to hold conferences and major events is to be strengthened.
Stone Resources	1. To protect significant stone resources to ensure an adequate supply of stone in future years.	Outlines methods to protect stone resources now and into the future.

Source: Latrobe Planning Scheme and Urban Enterprise, 2018.

## CLAUSE 21.09 LOCAL AREAS

Clause 21.09 identifies 12 local areas (including growth areas) within the municipality with an overarching vision and specific strategies to promote the economic development provided for each.

The Clause also provides reference to the Gippsland Regional Growth Plan and structure plans and/or concept plans for each local area. These plans spatially display where economic uses, as well as other uses, will be located.

### 5.3. PLANNING ZONES

Table 14 shows the planning zones currently applied in Latrobe which primarily support economic and employment uses.

Significant areas of the municipality are within the Special Use Zone (Schedule 1) which supports brown coal mining and electricity generation. Morwell includes a number of areas zoned for heavy industry (Industrial 2 Zone).

Rural areas are within the Farming Zone, with no application of the Rural Activity Zone at present.

The Latrobe Planning Scheme also applies a range of overlays to protect natural resources (brown coal) and existing economic uses and assets (airport, hospital, gas pipeline) from inappropriate development.

**TABLE 14** ECONOMIC PLANNING ZONES IN LATROBE

LOCATION	INCLUDES	C1Z	C2Z	MUZ	TZ	IN1Z	IN2Z	IN3Z	SUZ	FZ	RAZ
<b>Regional Centres</b>	Traralgon, Morwell, Moe-Newborough	✓	✓	✓		✓	✓	✓	✓		
<b>Towns</b>	Churchill	✓		✓				✓			
<b>Small towns</b>	Boolarra, Glengarry, Toongabbie, Yallourn North, Traralgon South, Tyers and Yinnar			✓	✓				✓		
<b>Specialised</b>	Brown coal areas, car sales, Gippsland Heritage Park, earth resource areas, Latrobe Valley Airport								✓		
<b>Rural Areas</b>	Non-urban areas								✓	✓	

Source: Latrobe Planning Scheme, Urban Enterprise.

### 5.4. ECONOMIC REFERENCE DOCUMENTS

Economic policies should be underpinned by economic analysis which identify the key opportunities for the municipality and the planning policies and tools that will be applied to support economic and employment objectives. This often takes the form of an Economic Development Strategy, along with other documents such as retail strategies, employment land strategies or plans for specific employment areas, resources, infrastructure or industries.

Although no list of Reference Documents is included Clause 21.07 Economic Development, a number of documents are referenced in the clause text including:

- Economic Sustainability Strategy 2016-2020;
- Retail Strategy Review 2007;
- Bulky Goods Retail Sustainability Assessment 2009;
- Wood Encouragement Policy 2014;
- Latrobe Supply Area Extractive Industry Interest Areas Strategy 1999.

The Reference Documents do not include an Economic Development Strategy, Retail Strategy, Industrial Strategy or other employment or economic assessment, however a Planning Scheme Amendment is currently in progress to implement the Live Work Latrobe project which includes an Industrial and Employment Land Strategy and a Rural Land Strategy.

#### ECONOMIC DEVELOPMENT STRATEGY

The Latrobe City Economic Development Strategy 2016-2020 provides an overview of the municipality's economy and identifies the role of local government in facilitating economic development. The Strategy identifies engineering strengths and achievements and sets a vision of becoming the "engineering capital of Australia".

The top contributors to GRP (in 2013) were Electricity, Gas, Water and Waste, Health and Community Services, Manufacturing and Mining. The largest employers in the region were Health Care and Social Assistance, Retail Trade and Manufacturing.

The Strategy includes five themes and supporting objectives and directions as summarised in Table 15. It is particularly relevant that the Strategy identifies that clear planning policy and direction is one of Council's main roles in supporting economic development.

Building on these themes, the Strategy provides a series of activities to promote economic development. A summary is provided in Table 16.

Council advised that the economic policy has not been updated to reflect the directions of the Economic Development Strategy.

**TABLE 15** SUMMARY OF THEMES AND OBJECTIVES: LATROBE ECONOMIC DEVELOPMENT STRATEGY

THEME	SUMMARY OF OBJECTIVES
<b>Job creation and economic sustainability</b>	Outlines Council will pursue diversification of business and the maintenance of and creation of jobs.
<b>Appropriate, affordable and sustainable facilities, services and recreation</b>	Outlines methods to improve the health and living conditions of the community including through provided key community facilities and services and improving the amenity of Latrobe City.
<b>Efficient, effective and accountable governance</b>	Outlines methods to improve the governance of Council including the use of financial resources.
<b>Advocacy for and consultation with our Community</b>	Outlines methods to promote Latrobe and attract further investment, industries and businesses.
<b>Planning for the future</b>	Outlines methods to improve the planning process and system including through the development of clear planning policies and directions to create a well-planned and connected community.

Source: Latrobe City Council, 2016; Urban Enterprise.

**TABLE 16** SUMMARY OF LATROBE ECONOMIC DEVELOPMENT STRATEGY ACTIVITIES

SECTION		ACTIVITIES
1.	Education and Training	Establish a working relationship with Federation University.
		Assist in the development of the Tech School in Latrobe City.
		Investigate the potential to establish Engineering related research and development agencies in Latrobe City.
2.	Branding and Image	Develop a concept to establish an Engineering Hall of Fame and Museum.
		Work with Engineer representative organisations to raise the profile of engineering in Latrobe City.
		Investigate new brand for Latrobe City.
Investment Attraction	3.	Timber engineered products
		Work with timber industry representative organisations to determine the potential for Timber Engineered Products in Latrobe City.
	4.	Advanced manufacturing
		Facilitate the Manufacturers Network
	5.	Intensive agribusiness
		Investigate opportunities to attract/develop advanced manufacturing enterprises in Latrobe City.
		Work with chicken meat processors to determine the potential for a processing industry in Latrobe City.
	6.	Coal and coal derivatives
		Investigate potential for new intensive agriculture opportunities.
		Maintain relationships with agribusiness organisations and government agencies.
	7.	Food manufacturing
		Maintain a relationship with appropriate Coal representative organisations and Power Generators.
		Support the Gippsland Carbon Transition Committee.
	8.	Health
		Support Coal industry initiatives
		Investigate opportunities for food manufacturing businesses to locate in Latrobe City.
	9.	Infrastructure
		Support and utilise State and Federal Government initiatives.
Promote capability of Latrobe City for food manufacturing.		
9.	Infrastructure	
	Participate in and support the Health Innovation Technology Enterprise Centre.	
	Support Latrobe Regional Hospital Departments.	
9.	Infrastructure	
	Investigate opportunities to attract/develop health technology manufacturing enterprises in Latrobe City.	
	Latrobe Regional Airport	
9.	Infrastructure	
	Gippsland Logistics Precinct	
	Supply of industrial land	

Source: Urban Enterprise and Latrobe City Council, 2016.

## CURRENT STRATEGIC PROJECTS

Table 17 shows recent, current and proposed employment and economic strategies that will inform economic policy as advised by Council through consultation.

**TABLE 17** LATROBE CITY COUNCIL STRATEGIES RELEVANT TO ECONOMIC POLICY

ADOPTED STRATEGIES	STRATEGIC PROJECTS NEARING COMPLETION	FUTURE STRATEGIC PROJECTS
<ul style="list-style-type: none"> <li>Economic Development Strategy 2016 to 2020</li> </ul>	<ul style="list-style-type: none"> <li>Morwell to Traralgon Employment Corridor Masterplan (adopted, no PSA as yet);</li> <li>Live Work Latrobe Industrial and Employment Land Strategy; and</li> <li>Live Work Latrobe Rural Land Use Strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Retail Strategy;</li> <li>Tourism and Events Strategy;</li> <li>International Engagement Strategy (possible 18/19);</li> <li>Convention Centre Study;</li> <li>Motorsport Complex Feasibility Study.</li> </ul>

Source: Urban Enterprise, 2018.

## AMENDMENT C105 LIVE WORK LATROBE

Amendment C105 proposes to implement the Live Work Latrobe project, including the Industrial Land Use and Employment Strategy and the Rural Land Use Strategy. The Amendment is currently in the exhibition phase.

Amendment C105 proposes to update the Economic Development policy of the Latrobe Planning Scheme through changes which reflect the strategic work undertaken. The main changes proposed are to:

- Strengthen the importance of diversifying the economy;
- Highlight opportunities for low emission energy resources and food production sectors;
- Introduce policy direction for current and future industrial development and investment within Latrobe City;
- Identify key locations for intensive agriculture, including direction for the interim use and development of land for intensive agriculture on land over coal pending the utilisation of underlying coal resources;
- Delete the sections on activity centres, timber, stone resources and extractive industry interest areas; and
- Introduce each of the Live Work Latrobe land use strategies as Reference Documents to the Planning Scheme.

Amendment C105 represents a comprehensive update to the economic policy within the Latrobe Planning Scheme based on a detailed evidence and strategy base. If the amendment is approved as exhibited, the additional policy content and evidence base would present a range of improvements to economic policy strength, such as:

- The inclusion of an Industrial Framework Plan which identifies preferred locations, land uses and economic clusters across the municipality, thereby providing clear direction to investors and businesses;
- Policy support for the future application of the Rural Activity Zone to provide greater direction to potential tourism and economic uses other than agriculture in rural areas; and
- Clear policy support for new and alternative clean energy businesses which would assist diversification of the industrial sector in Latrobe while leveraging existing skills and infrastructure.

## 5.5. CONSULTATION

Contributions to this project by Council officers in economic development and planning were provided through an online survey and workshop at Council. The competitive advantages of Latrobe identified in consultation were as follows:

- Central location in Gippsland;
- Electricity grid;
- International visitation to the region and business visitation to the municipality;
- University campus;
- Renewable energy opportunities including geothermal;
- Hydrogen Pilot Plant;
- Hi-Tech precinct in Morwell; and
- Existing mix of heavy industry land and business.

Table 18 summarises the findings of consultation in respect of economic policy strength and gaps.

**TABLE 18** LATROBE POLICY STRENGTH AND GAPS – COUNCIL INPUT

STRENGTH OF ECONOMIC PLANNING POLICY	GAPS
<ul style="list-style-type: none"> <li>• Existing policy is sound and effective.</li> <li>• The policy is not up to date with Council's latest economic development strategy.</li> <li>• Need for planning policy to reflect emerging economic directions.</li> </ul>	<ul style="list-style-type: none"> <li>• Support for tourism and events as well as meetings/conferences;</li> <li>• Greater support of/for natural assets;</li> <li>• Support more efficient rail transport;</li> <li>• Greater support for the power industry and educational facilities;</li> <li>• Improvement of the overall branding and perception of Latrobe.</li> </ul>

Source: Latrobe City Council; Urban Enterprise, 2018.

## 5.6. ECONOMIC STRENGTHS AND OPPORTUNITIES

Table 19 summarises key current and future drivers of the economy in Latrobe based on the policies and strategies reviewed.

**TABLE 19** LATROBE ECONOMIC STRENGTHS AND OPPORTUNITIES

SECTOR	CURRENT STRENGTH	GROWTH OPPORTUNITY
<b>Agriculture</b>		
<b>Earth Resources</b>	Coal mining Electricity production	New and alternative energy Coal derivatives
<b>Industrial</b>	Manufacturing Aviation	Transport and logistics Aviation Advanced manufacturing Food and fibre manufacturing Timber products manufacturing Health manufacturing
<b>Tourism</b>		Nature-based tourism Events Business visitation and events International visitation
<b>Knowledge Based</b>	Engineering Research & development	Hi-tech precinct and innovation Engineering Information Technology
<b>Population Services</b>	Health care Retail Education	Health Education

Source: Urban Enterprise, 2018.

## 5.7. PROJECTS APPROPRIATE FOR INCLUSION IN POLICY

The Morwell Traralgon Employment Corridor Masterplan has recently been finalised and pending Council adoption in September 2018 will provide strategic justification for an amendment to the Planning Scheme to provide a variety of new employment land types which leverage existing infrastructure and uses.

The Masterplan was informed by landowner consultation and builds on the Traralgon West Structure Plan which included public consultation. Given the significant strategic planning processes, consultation, economic analysis and infrastructure work that has been undertaken to date in this area, including identification of a lack of well-located and unconstrained industrial land in Morwell and Traralgon, it is considered appropriate for the Latrobe Planning Scheme to be amended through a streamlined planning scheme amendment process.

It is noted that the current Economic Development Strategy is not reflected in the economic development policy. The Strategy has been adopted by Council following extensive consultation which included:

- Face to face and telephone interviews;
- Industry breakfast;
- Emails to 4,000 stakeholders;
- 3,000 postcards promoting the consultation were distributed;
- Advertisements were placed in the Latrobe Valley Express (x3); and
- A project website with an online forum and quick poll facility was established.

It is considered appropriate that the themes and priority industries identified in the Strategy are reflected in Council's planning scheme through a streamlined planning scheme amendment.

## 5.8. POLICY STRENGTH

Strong economic policy aligns with identified State and regional economic opportunities relevant to the municipality, draws on adopted Council strategies relating to economic development and employment, provides clear land use planning regarding the industries and locations in which investment will be supported by Council and identifies the economic assets that are significant to the municipal economy and must be protected.

Table 20 provides an assessment of the economic policy strength of the Latrobe Planning Scheme.

**TABLE 20** ASSESSMENT OF LATROBE ECONOMIC POLICY STRENGTH

Factor	Assessment	Comments
Alignment with State and regional opportunities	Moderate	<ul style="list-style-type: none"> <li>• Opportunity to identify sub-regional network of cities, including peri-urban growth to the west and tourism opportunities in adjacent municipalities.</li> <li>• A large number of state and regional economic directions and opportunities are directly relevant to Latrobe, particularly those related to diversification, new energy types, education and research. This could be more clearly identified in local policy.</li> </ul>
Local strategy basis and alignment	Weak	<ul style="list-style-type: none"> <li>• Policy references a number of supporting documents, however many are dated, especially those relating to retail.</li> <li>• If C105 is approved, activity centres policy will be moved to Clause 21.02 and the policy will be comprehensively updated based recent industrial and rural strategies.</li> <li>• EDS findings have not been included in policy. In particular, policy should reflect identified opportunities in the intensive agriculture, food manufacturing and advanced manufacturing sectors, and the importance of training and education providers in maintaining and enhancing the existing engineering specialisation.</li> </ul>
Land use planning direction	Moderate	<ul style="list-style-type: none"> <li>• Existing policy highlights the need to ensure adequate land for a range of industries including those likely to emerge in the future.</li> <li>• C105 will provide further direction for land use planning through introduction of Framework plans and other strategies. Post C105, further spatial direction could be provided relating to preferred locations of tourism and retail uses.</li> <li>• Policy could be strengthened to highlight the critical role that the Morwell Traralgon Employment Corridor will play in accommodating employment and business growth and diversification over the next 20 years, including addressing a lack of unconstrained industrial land elsewhere in the area. Policy should include support for necessary infrastructure investment.</li> </ul>
Economic assets to be protected	Moderate	<ul style="list-style-type: none"> <li>• Identifies need to protect operations of airport, hospital and education institutions.</li> <li>• Policy could be strengthened by making specific reference to the use of planning tools (such as overlays) to protect operations within existing employment area and key infrastructure assets.</li> </ul>
Overall	Moderate	<ul style="list-style-type: none"> <li>• C105 represents an important update, however gaps remain in terms of an updated retail strategy and reflecting the Economic Development Strategy in policy.</li> </ul>

Source: Urban Enterprise.

## 5.9. RECOMMENDATIONS

The following recommendations are made to improve policy strength, responding to the weaknesses and opportunities identified in Table 20.

**TABLE 21** LATROBE RECOMMENDATIONS

NO.	RECOMMENDATION	PRIMARY BASIS	POLICY NEUTRAL?
L1	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ	LV Planning Schemes Review	No
L2	Update the policy to reflect the new PPF structure.	VC148	Yes
L3	Under the Diversified Economy section, add policy support for industry sectors which have been identified as state and regional growth opportunities with local advantages in Latrobe, such as research and development, information technology, education, new energy production, food and fibre production and advanced manufacturing.	Align with State and regional policy; Economic Development Strategy	No
L4	Identify Latrobe's role as the Regional City for Gippsland and policy support to facilitate establishment of higher order businesses, agencies and institutions in the major towns to serve the region, including accommodation, events, education institutions, government and retail.	Align with State and regional policy	Yes
L5	Add emerging industries identified in the EDS to the policy, including advanced manufacturing, intensive agribusiness, food manufacturing, advanced manufacturing, new energy types and training and education (especially for engineering skills, expanding on the current limited reference to education and training in the policy).	Economic Development Strategy	No
L6	Highlight the critical role that the Morwell Traralgon Employment Corridor will play in accommodating employment and business growth and diversification over the next 20 years, including addressing a lack of unconstrained industrial land elsewhere in the area. Policy should include support for necessary infrastructure investment.	MTEC Masterplan	No
L7	Add specific reference to the use of planning tools (such as overlays) to protect operations within existing employment area and key infrastructure assets.	Best practice	No
L8	Undertake a streamlined planning scheme amendment to introduce the themes and priority industries identified in the Morwell Traralgon Employment Corridor to the Latrobe Planning Scheme.	MTEC Masterplan	No
L9	Prepare a Retail Strategy and update economic policy to reflect findings and directions.	Best practice	No
L10	Progress work on tourism opportunities and optimal locations, including nature-based tourism, events and business visitation (conferences and accommodation).	Best practice	No

Source: Urban Enterprise, 2018.

## 6. WELLINGTON

### 6.1. INTRODUCTION

This section reviews the current economic development policy in the Wellington Planning Scheme and seeks to assess policy strength by reference to regional objectives, local economic development strategies and current and recent economic projects.

### 6.2. CURRENT POLICY

The Wellington Planning Scheme makes a number of references to the importance of the local economy in the Municipal Strategic Statement and local policy.

#### MUNICIPAL STRATEGIC STATEMENT

Clause 21.01-6 provides an overview of the local economy and identifies the main employing industries as:

- Agriculture, forestry and fishing;
- Health and community services;
- Retail trade; and
- Public administration and safety.

The oil and gas industry and aviation (RAAF base) are also identified as key industries, along with the agricultural sector (primarily dairying and cattle grazing) which is one of the largest contributors to the Victorian agricultural economy, supported by the Macalister Irrigation District (MID).

Clause 21.02 identifies several economic issues and influences which have been used to form the strategic directions and planning controls within the Scheme, including dairy farming, beef production, timber production and oil and gas exploration. Key locations identified include Sale (as the primary service centre) and the Macalister Irrigation District high quality agricultural land. Other economic assets identified include the airfields and the natural resources located within the municipality.

The clause identifies the need to diversify the economy to ensure sustainability and prosperity in the municipality. Future strategic industries identified include tourism, horticulture, dairying, timber production and viticulture. A key issue identified is that fragmentation of agricultural land will lead to less productive land and therefore lower the value of the sector.

Clause 21.03 includes the following vision for the Wellington economy in 2030:

*"Wellington has a diverse and sustainable economy. Existing industries have been supported and strengthened and we have actively sought and developed new business opportunities. Our economy generates wealth that remains in the Shire and provides employment for our people."*

#### CLAUSE 21.17 ECONOMIC DEVELOPMENT

Clause 21.17 is the primary local policy relating to the Wellington economy. The clause includes a series of objectives and strategies under the following five sub-headings:

- Industry, Retail and Commerce;
- Agriculture;
- Timber;
- Aviation; and
- Tourism.

A summary of the objectives and strategies is provided in Table 22. A full copy of the Clause is provided at Appendix C of this report.

The implementation section of the Clause identifies seven local policies to be applied, not all of which relate specifically to economic development, and identifies further work to be undertaken.

**TABLE 22** WELLINGTON CLAUSE 21.17 ECONOMIC DEVELOPMENT SUMMARY

INDUSTRY	OBJECTIVES	STRATEGIES
Industry, Retail and Commerce	1. To <u>expand and diversify</u> the regional economy and increase employment	Seek to support and facilitate the development of identified industries including in specific locations.
	2. To generate employment within a framework of ecologically <u>sustainable development</u> .	Seek to encourage sustainable use of resources, including natural and infrastructure.
	3. To protect and reinforce the role of existing <u>commercial centres</u> in a manner appropriate to their function.	Provide broad direction for commercial centres and industrial areas.
Agriculture	1. To support the contribution that <u>agriculture</u> and rural industries make to the regional economy.	Encourage horticulture and dairying in areas of high agricultural quality and requires land capability to be considered.
	2. To discourage the use or development of <u>high quality land</u> that would be incompatible with sustainable agricultural use of the land.	Outline methods to protect agricultural land, including by discouraging land fragmentation, maintaining high quality land for agricultural purposes, requiring rural land uses to be compatible with agriculture and discouraging dog breeding and boarding.
Timber	1. To achieve sustainable development within the <u>timber</u> industries.	Encourage timber production activities which minimise impacts on the environment and make use of particular land conditions.
Aviation	1. To capitalise on the opportunities afforded by the East Sale <u>RAAF base</u> to the Shire's employment and economic profile.	Support aviation related industries to be located in or close to aerodromes.
	2. To ensure that the <u>safety and efficiency of airfield operations</u> is not prejudiced by any new use or development of land nearby.	Seek to limit land use conflicts between aerodromes and other land uses.
Tourism	1. To encourage the development of tourism around the Shire's natural environment, and cultural and heritage assets.	Outlines methods to facilitate tourism in suitable locations.
	2. To promote Sale, and the Shire, as tourist destinations through initiatives such as the Wetlands Centre.	Identifies several tourist activities/developments to be supported, including development of the Sale Golf Club, Port of Sale and the greyhound racing industry.
	3. To promote and develop opportunities for eco-tourism and cultural tourism.	Encourages eco and cultural tourism where appropriate.

Source: Wellington Planning Scheme and Urban Enterprise, 2018.

### 6.3. PLANNING ZONES

The Wellington Planning Scheme applies a range of commercial, industrial, rural and Special Use zones across the municipality as summarised in Table 23. The Industrial 2 Zone does not apply to any land in the Shire.

**TABLE 23** ECONOMIC PLANNING ZONES IN WELLINGTON

LOCATION	INCLUDES	C1Z	C2Z	MUZ	TZ	IN1Z	IN2Z	IN3Z	SUZ	FZ	RAZ
<b>Regional Centres</b>	Sale	✓	✓	✓		✓			✓	✓	
<b>Towns</b>	Heyfield, Maffra, Rosedale, Stratford and Yarram	✓	✓	✓		✓		✓	✓	✓	✓
<b>Small towns</b>	Point Albert, Alberton, Briagolong, Dargo and Licola.	✓	✓		✓			✓		✓	
<b>Specialised</b>	RAAF Base, West Sale Airport, Macalister Irrigation District										
<b>Rural Areas</b>	Non-urban areas					✓				✓	✓

Source: Wellington Planning Scheme, Urban Enterprise.

### 6.4. ECONOMIC REFERENCE DOCUMENTS

Economic policies should be underpinned by economic analysis which identify the key opportunities for the municipality and the planning policies and tools that will be applied to support economic and employment objectives. This often takes the form of an Economic Development Strategy, along with other documents such as retail strategies, employment land strategies or plans for specific employment areas, resources, infrastructure or industries.

No list of Reference Documents is included in the Clause 21.17 and there are few in-text references to supporting analysis or strategies. Individual sections of the Clause have been updated by a series of planning scheme amendments, such as Amendment C98 which implemented the West Sale Airport Masterplan.

The Implementation section of the Clause identifies that the strategies set out in the policy “will be implemented by implement[ing] the Wellington Economic Development and Tourism Strategy 2011-2015 or any superseding document.” It is apparent that this action has not been completed.

#### ECONOMIC DEVELOPMENT STRATEGY 2016 - 2022

The Wellington Economic Development Strategy 2016-2022 supersedes the previous EDS from 2011 to 2015 and outlines a plan to ensure the strength of the municipality’s economy into the future. Consultation with Council identified that the key findings and directions of the Strategy have not been incorporated into the planning scheme.

The Strategy identifies the specialisation and diversity of Wellington’s local economy as a key strength. Major industries operating within the municipality include:

- Agribusiness;
- Defence (RAAF Base);
- Oil and gas; and
- Public Administration and Health.

The strategy also identifies industries with a high growth potential as shown in Figure 4. The need to support and facilitate growth in these industries is identified as a major opportunity for Wellington Shire, particularly defence and aviation, dairy cattle farming, mining support and intensive agriculture.

**FIGURE 4** KEY SECTORS AND GROWTH POTENTIAL WITHIN WELLINGTON



Source: Wellington Shire Council, 2016.

The Economic Development Action Plan 2016 to 2018 builds upon the Wellington Economic Development Strategy 2016 to 2022 to set out 44 actions across five objectives. An overview of the Action Plan is provided in Table 24 along with a summary of priority actions.

**TABLE 24** WELLINGTON ECONOMIC DEVELOPMENT STRATEGY ACTION PLAN 2016 TO 2018 SUMMARY

OBJECTIVE	NUMBER OF ACTIONS	SUMMARY OF ACTIONS
<b>Economic Diversity</b>	11 Actions	Outlines Council actions to investigate and support a range of industries in particular aviation, defence, renewable energy, agriculture and tourism.
<b>Amenity and Infrastructure</b>	10 Actions	Outlines Council actions to improve amenity and increase the provision of infrastructure within the municipality. Actions include improving train services, promoting small business in activity centres and preparing an industrial land strategy for West Sale and Wurruk.
<b>Leadership and Governance</b>	15 Actions	Outlines actions for Council to undertake to support economic development in particular facilitating relationships with industry groups and to review Council policies and strategies.
<b>Skills and Education</b>	3 Actions	Outlines Council actions to support the training and education within the municipality.
<b>Branding</b>	6 Actions	Outlines actions for Council to undertake to build the profile of Wellington and Council.

Source: Urban Enterprise and Wellington Shire Council, 2016.

### AGRICULTURE POSITIONS PAPER

The Agricultural Positions Paper (2017) outlines issues facing primary producers in the municipality such as the cost of land, climate change and other natural resource-based issues.

In response, the Paper outlines a series of methods and actions for Council to consider in order to improve agriculture in the municipality. Actions and methods include the strengthening of planning policy to support intensive agriculture and ensure planning accommodates a range of farming systems.

### WELLINGTON 2030 COMMUNITY VISION 2017

The Wellington 2030 Community Vision contains references to economic objectives including improved resilience, maximisation of competitive strengths and improvement of public transport as important aspects of a strong local economy.

Community consultation for the vision identified the need to provide range of employment opportunities, ensure protection of the natural environment, develop the visitor economy and support businesses to adopt environmentally sustainable practises.

## CURRENT STRATEGIC PROJECTS

Table 25 identifies projects that have recently been adopted or are underway that are relevant to economic planning policy in Wellington.

This includes two strategic projects:

- The **West Sale and Wurruk Industrial Land Supply Strategy** was adopted in June 2018 and sets out a strategy to increase the industrial land supply in Sale and surrounds in response to a lack of remaining land in suitable locations and lot sizes within existing zones;
- The **Wellington Land Use and Development Strategy** (LUDS) aims to provide the rationale and strategic land use planning framework to support a review of the vision and strategic direction within the MSS. Background work is underway, including a review of economic strengths and opportunities. Once complete, this project will have implications for economic policy.

**TABLE 25** WELLINGTON SHIRE COUNCIL STRATEGIES RELEVANT TO ECONOMIC POLICY

APPROVED STRATEGY	STRATEGIC PROJECTS NEARING COMPLETION	FUTURE STRATEGIC PROJECTS
<ul style="list-style-type: none"> <li>• <b>Economic Development Strategy 2016 to 2022 and Action Plan;</b></li> <li>• <b>Agriculture Positions Paper.</b></li> </ul>	<ul style="list-style-type: none"> <li>• West Sale and Wurruk Industrial Land Supply Strategy (adopted)</li> </ul>	<ul style="list-style-type: none"> <li>• Wellington Land Use and Development Strategy.</li> </ul>

Source: Urban Enterprise, 2018.

## 6.5. CONSULTATION

Contributions to this project by Council officers in economic development and planning were provided through an online survey and workshop at Council. The competitive advantages of Wellington identified in consultation were as follows:

- Advantages related to natural assets and resources and animal keeping and related industries;
- Macalister Irrigation District;
- Farming and agricultural land including broiler farms; and
- Natural assets.

Table 26 summarises the findings of consultation in respect of economic policy strength and gaps.

**TABLE 26** WELLINGTON POLICY STRENGTH AND GAPS – COUNCIL INPUT

STRENGTH OF ECONOMIC PLANNING POLICY	GAPS
<ul style="list-style-type: none"> <li>• Overall, the link between planning policy and Council's economic development strategy is considered to be good.</li> <li>• Need for planning policy to reflect emerging economic directions.</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity to attract and support new businesses including industries which do not rely on use of land;</li> <li>• Opportunity for increased freight and rail in the municipality;</li> <li>• Promote greater tourism including around natural assets;</li> <li>• Need to ensure the protection of important landscapes; and</li> <li>• Need to refer to emerging sectors, including green energy sectors.</li> </ul>

Source: Wellington City Council; Urban Enterprise, 2018.

## 6.6. ECONOMIC STRENGTHS AND OPPORTUNITIES

Table 27 summarises key current and future drivers of the economy in Wellington based on the policies and strategies reviewed.

The table also draws on the State and regional policy and strategies which identify the following economic opportunities relevant to Wellington Shire:

- The importance of Sale as a Regional Centre in accommodating growth;
- The need for additional industrial land in Sale, and State policy support to attract investment along major transport routes (e.g. Princes Highway and railway line);
- The strategic importance of the Macalister Irrigation District to the Gippsland economy;
- The ongoing importance of oil and gas production and associated industries in Wellington;
- Opportunities associated with Defence and aviation industries;
- The importance of Port Albert to the regional fishing industry; and
- Nature-based tourism strengths of Tarra Bulga National Park and the Gippsland Lakes.

**TABLE 27** WELLINGTON ECONOMIC STRENGTHS AND OPPORTUNITIES

SECTOR	CURRENT STRENGTH	GROWTH OPPORTUNITY
<b>Agriculture</b>	Dairy	Dairy Intensive agriculture
<b>Earth Resources</b>	Oil and gas	
<b>Industrial</b>	Timber products Oil and gas related industry Aviation	Defence Aviation Mining support Cement manufacturing Mineral product manufacturing Heavy and civil engineering Fishing Forestry support
<b>Tourism</b>	Accommodation	Nature-based tourism
<b>Knowledge Based</b>		Environmental sustainability, green energy
<b>Population Services</b>	Health Public administration Motor vehicle retailing	Education Food and beverage services Medical and health care

Source: Urban Enterprise, 2018.

## 6.7. PROJECTS APPROPRIATE FOR INCLUSION IN POLICY

The West Sale and Wurruk Industrial Land Supply Strategy has been adopted by Council following a detailed consultation program, including:

- Landowner information sessions and public newsletters;
- Direct contact with all affected land owners;
- Discussions with real estate agents, DELWP, DEDJTR, Gippsland Water, CFA, EPA; and
- Public exhibition of the Draft Strategy.

The Strategy highlights the importance of providing greater industrial land supply in the short term in order to facilitate investment and employment growth in the industrial sectors which are central to the Wellington economy. This responds to the Planning Policy Framework at Clause 11.01-1S which promotes investment opportunities along major transport infrastructure (Princes Highway and Melbourne – Bairnsdale railway line) and at Clause 17.03-1R which identifies a need for additional industrial land in Sale.

Given that significant consultation has been undertaken and the findings of the report directly relate to planning provisions required to support economic activity, it is considered that the recommendations of this project are appropriate for inclusion in a Ministerial amendment package to encourage employment and economic growth in the Economic Growth Zone.

## 6.8. POLICY STRENGTH

Table 28 provides an assessment of the economic policy strength of the Wellington Planning Scheme.

**TABLE 28** ASSESSMENT OF WELLINGTON ECONOMIC POLICY STRENGTH

Factor	Assessment	Comments
Alignment with State and regional opportunities	Moderate	<ul style="list-style-type: none"> <li>• Generally good alignment of local policy with state and regional policy, including aviation, agriculture, timber and tourism industry support.</li> <li>• Opportunity to identify sub-regional network of cities, including industrial assets in Wellington.</li> <li>• Opportunity to provide stronger identification of the resource-based nature of the Gippsland economy and Wellington Shire's pivotal role in this, including across timber, oil and gas, agriculture and tourism.</li> </ul>
Local strategy basis and alignment	Weak	<ul style="list-style-type: none"> <li>• Council policy does not provide an overall vision for the municipality's economy and employment.</li> <li>• EDS findings have not been included in policy. Opportunity to include reference to and policy for emerging and high growth potential industries with competitive advantages, such as intensive agriculture and mining support;</li> <li>• Other Economic Strategy actions which could be added to strengthen policy include supporting the RV market, tourism accommodation, nature-based tourism, renewable energy production.</li> <li>• Retail and activity centres should be separated from Industry to align with new PPF and best practise / common formats.</li> </ul>
Land use planning direction	Weak	<ul style="list-style-type: none"> <li>• Only limited spatial direction is provided regarding locations where certain types of economic activity are to be encouraged.</li> <li>• Specialised employment / economic areas (existing or future) are not clearly identified. These could include Port of Sale, RAAF Base, West Sale Aerodrome precinct, Port Albert and others.</li> <li>• Policy should expand on opportunities and suitable locations for intensive agriculture.</li> <li>• Policy could be strengthened to highlight the importance of industrial land supply and the opportunities provided by the strategic industrial precinct adjacent to the West Sale Aerodrome.</li> </ul>
Economic assets to be protected	Moderate	<ul style="list-style-type: none"> <li>• Policy supports protection of airports and high-quality agricultural land.</li> <li>• Acknowledgement of the importance of key industries and associated infrastructure should be added to strengthen policy, such as Defence, Oil and Gas, Macalister Irrigation District, Port Albert.</li> </ul>
Overall	Moderate	<ul style="list-style-type: none"> <li>• The policy could be strengthened by reflecting emerging and growth industries, increasing the focus on spatial locations where certain industries and outcomes are to be encouraged, and including an overall objective for employment and economic growth.</li> </ul>

Source: Urban Enterprise, 2018.

## 6.9. RECOMMENDATIONS

The following recommendations are made to improve policy strength, responding to the weaknesses and opportunities identified in Table 28.

**TABLE 29** WELLINGTON RECOMMENDATIONS

NO.	RECOMMENDATIONS	PRIMARY BASIS	POLICY NEUTRAL?
W1	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ.	EGZ	No
W2	Update the policy to reflect the new PPF structure.	VC148	Yes
W3	Add an overarching vision and objective for economic and employment growth in Wellington Shire based on the EDS and the existing planning Policy Framework.	Best practice	No
W4	Provide stronger identification of the resource-based nature of the Gippsland economy and Wellington Shire's pivotal role in this, including across timber, oil and gas and agriculture.	Align to State and Regional policy and strategy	No
W5	Increase focus on spatial locations within which certain economic uses will be encouraged, particularly relating to rural areas and specialised employment areas.	Best practice	No
W6	Introduce greater support for existing industry strengths and supporting infrastructure, including defence, oil and gas and MID, including business types which provide support to these as part of the supply chain.	Economic Development Strategy; Best practice	No
W7	Opportunity to strengthen emerging economic directions in policy to reflect latest EDS, such as renewable energy, intensive agriculture and nature-based tourism (including identification of further work required where justification for specific strategies and spatial locations for these industries is not available);	Economic Development Strategy	No
W8	Integrate findings of the West Sale Industrial Land Supply Strategy into the policy and include as a Reference Document.	WSILSS	No
W9	Consider separating greyhound racing opportunities from tourism section and adding greater reference to nature-based tourism opportunities such as Tarra Bulga, Gippsland Lakes.	Best practice; Align to regional policy and strategy.	No
W10	Separate retail and activity centres from Industry to align with new PPF and best practise / common formats.	VC148; Best practice	Yes
W11	Provide greater spatial direction identifying the location in which certain economic activity types should be encouraged.	Best practice	No
W12	Identify specialised employment / economic areas (existing or future). Potential areas which could be included are Port of Sale, RAAF Base, West Sale Aerodrome precinct, Port Albert.	Best practice; EDS; align to regional policy.	No

Source: Urban Enterprise, 2018.

# APPENDICES

## APPENDIX A BAW BAW CLAUSE 21.07 ECONOMIC ACTIVITY

## 21.07 ECONOMIC ACTIVITY

27/11/2014  
C104(Part 1)

### 21.07-1 Vision

27/11/2014  
C104(Part 1)

Council will consider planning applications and make decisions in accordance with the following vision:

- To provide leadership and to facilitate a well connected, inter-active economic environment in which to do business.

### 21.07-2 Overview

27/11/2014  
C104(Part 1)

The Shire has a strong economic base derived from versatile, high quality agricultural land, the local processing of product and the expansion of services to support production. It is one of the richest agricultural areas in the nation and has major tourism development opportunities.

The Shire is strategically positioned at the gateway to Gippsland and within one and a half hour drive of central Melbourne and 30 minutes from the Latrobe Valley towns. This location provides substantial advantages in terms of developing partnerships within the region and beyond in value-added industry, education, health, transport, tourism and marketing.

The role of the tertiary sector, agricultural service industries and manufacturing in providing employment means the role of the towns is critical to the economy of the Shire.

Agriculture and rural employment is gradually declining in common with Statewide trends in the restructuring of these industries. However this decline in employment does not reflect a decline in overall production. Australian Bureau of Statistics data indicates that for the year to June 2013 overall agricultural production (excluding value-adding) was \$384 million compared to \$370 million to the year June 2011, when there was more people employed in the agricultural sector.

However the fall in agricultural employment is expected to continue and be counterbalanced by growth in tertiary sector employment.

The Shire's employment pattern is dominated by the tertiary sectors, especially in community services and public administration. These sectors are represented in extensive education institutions, health services and the Warragul central business district.

#### Objective 1

**To establish and maintain a strong, dynamic economy and employment base by building on the comparative advantages in primary industry, timber, transport, tourism, education, manufacturing, service industry and commerce.**

- |              |  |
|--------------|--|
| Strategy 1.1 | Encourage investment and establish value added industry both within the Shire and in the region, particularly those which relate to the agricultural base and the natural resources. |
| Strategy 1.2 | Develop a co-operative and co-ordinated approach to economic development with other municipalities and Gippsland regional development agencies and community development services.   |
| Strategy 1.3 | Capitalise on the Shire's heritage, environment and produce by improving the promotion of the Shire as a tourism area.   |
| Strategy 1.4 | Support world class land management practices to ensure production of export quality.  |
| Strategy 1.5 | Reinforce local retail and business services to meet local and regional needs.   |

- Strategy 1.6 Encourage high speed information and communication technology to be made available and used to develop prosperity and social inclusion. .
- Strategy 1.7 Ensure land supply is managed to facilitate resilient primary, secondary and tertiary industries in the Shire, supported by relevant and current planning scheme policy.

## **Objective 2**

**To ensure the community and local business is ready to take advantage of opportunities arising from the carbon economy.**

- Strategy 2.1 Investigate opportunities for the Council as a trader in the carbon economy.

## **21.07-3**

27/11/2014  
C104(Part 1)

## **Primary Production**

### **Overview**

Baw Baw is part of the Gippsland region that represents an important critical mass of agricultural productivity at the National and State level and associated value added industries and employment opportunities.

The Shire is a major agricultural producer in the West Gippsland region. Agricultural output in the Shire is highly valued.

Dairying is the strength of the economy of the Shire. The south-west area of Gippsland within which the Shire is located, produces a substantial amount of Victoria's dairy production and a significant proportion of the State's vegetables.

Many opportunities exist for the further economic development of the Shire. Such opportunities include traditional produce, cut flowers, fresh fruit, nuts, bulbs, potato seeds and the timber industry. Such products will also assist in the further development of the Shire as a centre for agricultural production, research and education.

Demands on the Shire's resources from a range of industries will continue to influence the Shire's development. These include the maintenance of water resources, biodiversity values, environmental hazards, the impact of the timber industry and mining and the expansion of agriculture, horticulture and silviculture.

The economic strength of the Shire will continue to lie in agricultural production, principally in dairying and in a range of support services and industries. The requirements of traditional agriculture are rapidly changing with practices such as high input farming techniques and improved stock through genetic enhancement coupled with an increase in the average size of establishments.

Increased land values have resulted in some commercial farmers relocating out of the Shire where land prices are lower and the pressures from urban development are less. These changes and the popularity of alternative agricultural pursuits mean that there should be a more flexible approach to facilitating agricultural production.

The future of agriculture for the Shire not only lies locally, but overseas. The agricultural sector will increasingly think globally for its continued prosperity. The needs and standards expected by these markets in quality produce and food processing will strongly influence the Shire's development and economy.

### **Objective 1**

**To enhance rural based economic activity in agriculture, horticulture and silviculture.**

- Strategy 1.1 Facilitate opportunities to expand and value add to raw products.
- Strategy 1.2 Develop the concept of the Shire as a centre for high quality agricultural production.

- Strategy 1.3 Co-ordinate and continue the development of agricultural research, education and marketing facilities.
- Strategy 1.4 Discourage uses and developments likely to impact detrimentally on agriculture and the environment.
- Strategy 1.5 Encourage land subdivision only where it enhances primary industry productivity and sustainability.

**21.07-4 Secondary and Tertiary Sectors**

27/11/2014  
C104(Part 1)

**Overview**

The service industry sector and its links with agriculture provide a solid and diversified economic future for the Shire. The Shire acts as a centre for agricultural production and research.

Natural resources and raw materials from the Shire’s forests and farms are often processed outside the Shire. Economic development will be assisted by increased local processing.

Future opportunities for major industrial activity particularly that which adds value to the Shire’s primary products, are important to the economic development of the region.

The Shire is home to several substantial educational and health establishments, which, by themselves and through supporting businesses, provide many employment opportunities. These establishments are also significant attractors for new residents to the region.

**Objective 1**

**To recognise and support manufacturing, service industries and the tertiary sector (education, administration, retailing, services) as major contributors to the local economy.**

- Strategy 1.1 Support these industries by targeting Warragul and Drouin as twin towns and as the main tertiary and service centres.
- Strategy 1.2 Support Trafalgar and Yarragon as important centres for manufacturing, service industries and the tertiary sector.
- Strategy 1.3 Protect the amenity of residents by appropriate design and siting requirements and pursuit of minimum impact techniques.
- Strategy 1.5 Provide for future large scale plants processing local agricultural product in the Princes Highway transport corridor. Development is to be subject to environmental requirements, in particular how it treats and disposes of waste and ensures that water quality is not affected.

**21.07-5 Tourism**

27/11/2014  
C104(Part 1)

**Overview**

There are many opportunities for expanding tourism. Baw Baw National Park contains the closest downhill skiing facility to Melbourne and also provides opportunities for other recreational pursuits. Walhalla, an isolated old gold mining town in the north of the Shire, presents visitors with a journey through history with great potential to accommodate visitors in the nearby picturesque towns of Rawson and Erica. The existing day-visit or weekend stay businesses present an excellent foundation for linking tourism with the area’s produce and other natural and cultural attractions

Baw Baw Shire Council seeks to attract high quality tourist development that is compatible with the environmental attributes of the area. Development should be designed to be

unobtrusive and ensure that current environmental and aesthetic values are retained and not degraded. Landscape features such as the Strzelecki Ranges, Mount Baw Baw and the numerous ranges and hills are important to the tourism industry.

Development should build on the strengths of the area in terms of expanding the accommodation and conference base and continue to offer a wide range of recreational activities and accommodation types.

Strip development along major highways and roads should not be supported. The appearance of the environment is important to the tourism industry.

In order to promote active recreation and tourism, Council strongly supports the development and maintenance of a network of cycling, walking and horse riding trails including Rail Trails, as proposed in the Shire Bicycle and Walking Paths Development Plan, 1998.

### **Objective 1**

**Seek to attract high quality tourist development that is compatible with the environmental values of the area.**

- |              |  |
|--------------|--|
| Strategy 1.1 | Develop and promote tourism based on natural and built resources. Building design and location should take into account the attributes of the natural environment and local character.   |
| Strategy 1.2 | Ensure that infrastructure is supplied to the site to treat and contain all wastes, provide potable water, have all weather vehicle access and install appropriate on site fire fighting facilities.   |
| Strategy 1.3 | Support and encourage the utilisation of the Shire's resources for tourism where they are consistent with the sustainable management of the natural resource base, the provision of infrastructure and without compromising service provision and amenity for residents. . |
| Strategy 1.4 | Develop a coordinated Tourist Strategy encompassing the key tourism features of the Shire.   |
| Strategy 1.5 | Support tourism through improvements to accessibility of the ski fields at Mount Baw Baw/ Mount St Gwinear, and linking Erica and Rawson with Walhalla by a tourist train and by heritage based development of Walhalla.   |
| Strategy 1.6 | Capitalise on the abundant tourism opportunities available in National Parks, State and Regional Parks.  |
| Strategy 1.7 | Implement a consistent signage theme and comprehensive directional and tourist signage system, complementing the Latrobe regional signage system.  |
| Strategy 1.8 | Support tourism based around agricultural assets.  |
| Strategy 1.9 | Support the improvement of access to places of interest to the public while protecting their quality by ecologically sustainable management practices.   |

### **Reference Documents**

- Growth Management Strategy and Structure Plans – Warragul and Drouin (2005).
- Warragul Town Centre Urban Design Framework and Station Precinct Masterplan
- April 2010
- Warragul Town Centre Masterplan May 2011
- Drouin Town Centre Strategy November 2010

- Other Township studies, including Shire of Narracan Planning Strategies Report, Urban Areas (1994).

## APPENDIX B LATROBE CLAUSE 21.07 ECONOMIC DEVELOPMENT

## 21.07 ECONOMIC DEVELOPMENT

19/10/2017  
C97

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 Areas).

### 21.07-1 Key issue - Economic growth

19/10/2017  
C97

Latrobe City is uniquely placed in the Victorian economy. With 90% of the states 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.

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, the City makes a significant contribution to the Victorian economy. Employment growth in Latrobe City is strong, and in recent years this growth has exceeded that in the three additional major regional centres.

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. From these strengths come many opportunities including a focus on support for education, training, brand development and industry development and attraction. 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* has an emphasis on job creation, industry diversification and the ability to offer opportunities to prospective investors Latrobe City has two areas of significant commercial importance which are as follows:

- Gippsland Logistics Precinct in Morwell.
- Latrobe Regional Airport in the Morwell – Traralgon corridor.

#### Objective 1

To facilitate a vibrant and dynamic economic environment.

#### Strategies

- 1.1 Provide a balanced approach to economic development taking into account economic, social and environmental values.
- 1.2 Encourage the power generators to provide Victoria with a more flexible and cost effective response to meeting peak electricity load demands and provide larger reserves of electricity supply capacity.
- 1.3 Facilitate private and public sector investment and help create an attractive investment climate.

#### Objective 2

To facilitate new development and employment opportunities in Latrobe.

#### Strategies

- 2.1 Ensure adequate land availability for industrial and commercial growth.
- 2.2 Ensure that industrial and commercial development is of the highest quality particularly at the interface with residential land and at key township gateway locations.

**21.07-2 Key issue - Activity centres**19/10/2017  
C97

Latrobe City is the retail centre for Gippsland and is home to the Traralgon Primary Activity Centre and Churchill Primary Activity Centre, MidValley Shopping Centre in Morwell, Stockland Plaza in Traralgon, the Moe Central Activity District (CAD) and the Morwell CAD. There has also recently been a substantial increase in new retail floor space in Churchill. The retail sector provides the highest employment of any sector in Latrobe City providing close to 4,000 jobs and contributes \$385 billion to the local economy annually.

Council supports the existing main town neighbourhood and small town retail centres. No new centres should be supported unless demand can be demonstrated, as well as substantiating that existing centres would not be detrimentally affected.

Retail floor space increases should be provided with a focus on increasing the vibrancy of town centres of the main towns so that the centres continue their role to complement each other in the retail hierarchy. Growth should occur with Morwell and Moe contributing to the majority of traditional retail format, with Traralgon servicing a market with some higher levels of disposable income, having a higher percentage of white collar workers. There is an opportunity to better define the retail hierarchy by reviewing the Latrobe City *Retail Strategy Review 2007* through activity centre planning or a municipal wide retail land use strategy.

An outcome of Latrobe City *Bulky Goods Retail Sustainability Assessment 2009* has led to the identification of two new dedicated bulky goods centres at Princes Drive, Morwell and Princes Highway and Stammers Road, Traralgon, in order to decrease expenditure leakage to competing centres outside of Latrobe. Current bulky goods expenditure results in the requirement for two bulky goods centres in the order of 15,000 – 20,000 sq.m each. Additional land on the two bulky goods sites at Princes Drive, Morwell and Princes Highway and Stammers Road, Traralgon should also be set aside for any future expansion of the bulky goods centres, prior to any new large format bulky goods centres being developed.

**Objective 1**

To identify appropriate locations for retailing activities.

**Strategies**

- 1.1 Implement any Latrobe City adopted retail land use strategy.
- 1.2 Encourage neighbourhood shops providing local convenience goods and services in locations accessible to local communities in accordance with Structure Plans and endorsed development plans.
- 1.3 Encourage new shops that do not significantly detract from the function of the existing major retail centres.
- 1.4 Encourage increased residential densities around neighbourhood activity centres.
- 1.5 Encourage strong pedestrian and public transport connectivity to and between the neighbourhood/local activity centres.
- 1.6 Encourage the distribution of new bulky goods retailing to occur in Princes Drive, Morwell and Princes Highway and Stammers Road, Traralgon East in accordance with the Morwell and Traralgon Structure Plans.
- 1.7 Discourage 'out of centre' large format supermarkets and retail developments, unless demand can be demonstrated as well as substantiating that existing centres would not be detrimentally affected.
- 1.8 Provide for localised convenience retailing.

**Objective 2**

To establish a network of activity centres which satisfy a range of retail, commercial, community and residential needs.

**Strategies**

- 2.1 Encourage a mix of retail, office, commercial, entertainment, leisure and community uses, and medium density housing to locate within activity centres.
- 2.2 Encourage increased intensity and scale of development within defined activity centres.

**Objective 3**

To facilitate the growth of the Morwell, Moe, Traralgon and Churchill Town Centres.

**Strategies**

- 3.1 Implement any Latrobe City adopted town centre activity plans.
- 3.2 Encourage a diverse range of land uses including accommodation, office, retail, food and drink, transport, leisure, civic and community uses.
- 3.3 Encourage high quality, accessible and environmentally sustainable design.
- 3.4 Provide coordinated walking, cycling, pedestrian and vehicular movement.
- 3.5 Identify and encourage the development of an integrated high quality public transport interchange.
- 3.6 Provide well located and accessible car parking areas in the centre.

**21.07-3**

19/10/2017  
C97

**Key issue - Industry**

The 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. Latrobe also has a large manufacturing base, established from the electricity generation sector. The Australia Paper Mill, located in Maryvale north of Morwell and Traralgon, is another important heavy industry site.

The industrial sector in Latrobe has been recognised as having three main dimensions:

- The first is the heavy industrial complex which is currently sustained by the coal and timber resources. The main location of this industrial complex is in the south Morwell area and within the Special Use - Brown Coal zoned areas in association with the power stations and mines.
- The second is 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 third sector is local servicing industry providing for local community needs.

In all industrial areas the strategic direction is to encourage and support emerging and employment intensive industries. The strategic direction is to support the development and use of new industry in identified locations in Morwell, the Traralgon West Growth Corridor and Traralgon. Large industrial parcels identified on Structure Plans will accommodate new large, high amenity, low density manufacturing industry. The employment investigation area within in 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 strategic direction for industry in Churchill is to support the development of industry which benefits from locating in close proximity to the existing or future institutions.

Development of the Gippsland Intermodal Freight Terminal at Morwell will provide local industry 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.

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. 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.

### **Objective 1**

To maximise the potential for new industry, especially those that may benefit from the coal and electricity industry.

#### **Strategies**

- 1.1 Support the development of existing and new industries and infrastructure.

### **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.

### **Objective 3**

To ensure that industry and sensitive uses are planned and designed to minimise any potential detriment or loss of amenity.

#### **Strategies**

- 3.1 Encourage development and use that are compatible with agricultural activity.
- 3.2 Encourage uses compatible with the physical capability of the land.
- 3.3 Maintain the land resource for agriculture, conservation and timber production purposes.
- 3.4 Ensure that new development does not compromise existing and future infrastructure.

### **Objective 4**

To ensure that sufficient supply and adequate choice of industrial land exists to accommodate the varying needs of the different types of industry likely to emerge in the future.

#### **Strategies**

- 4.1 Implement any Latrobe City adopted industrial land use strategy.
- 4.2 Maximise the potential of the high amenity location to the north of Princes Drive and east of Tramway Road in Morwell to attract large, low density, high amenity industries.
- 4.3 Ensure that each urban settlement has convenient and accessible industrial areas to provide local employment and self-sufficiency of sustainable urban form.
- 4.4 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.
- 4.5 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.

**21.07-4 Key issue - Timber**19/10/2017  
C97

Latrobe City's large natural resource supports a productive timber and commercial forestry industry providing softwood, value-added hardwood, and paper products sold to domestic and export markets. Australian Paper is one of the largest paper manufacturing facilities in the southern hemisphere. The Maryvale complex leads the manufacture of high performance packaging supplies and office paper. Forestry projects are eligible under proposed schemes to generate carbon credits for sale to domestic and international markets. Council is also seeking to be a national leader in the timber industry, with the preparation of the *Wood Encouragement Policy 2014*. The Policy seeks to support the retention and expansion of the timber industry.

It is acknowledged that there is some infrastructure and rural amenity issues associated with timber production and these will need to be carefully managed. In particular, a challenge for Council is balancing the needs of timber operators accessing their coups with the concerns of residents of logging trucks near their properties.

**Objective 1**

To encourage environmentally sustainable timber production.

**Strategies**

- 1.1 Support and encourage timber processing and value-adding industries to expand and retain the timber industry in Latrobe City.
- 1.2 Strategically plan for road and rail haulage in conjunction with the industry.

**21.07-5 Key issue - Latrobe Regional Airport**19/10/2017  
C97

Council acknowledges that the Latrobe Regional Airport (LRA) is and has been a major economic generator for the City over many years and it is a large employer in the area. LRA is home to the only passenger commercial aircraft manufactured in Australia that successfully exports to global markets. The development and expansion of the LRA has created further opportunities for aviation-related businesses to establish on allotments with taxiway access to the main runway. The expansion provides opportunities for aerospace and aviation related industries to expand or establish their operations at the airport.

LRA is integral to the regions transport network and provides a range of employment and recreation opportunities. Well equipped and of a high standard, it ranks as one of the best regional airports in Australia. The airports supply of serviced industrial land has been expanded to facilitate enhanced aeronautical development.

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.

**Objective 1**

To promote and protect the operations of Latrobe Regional Airport.

**Strategies**

- 1.1 Support implementation of any adopted Latrobe Regional Airport Master Plan.
- 1.2 Support the application of appropriate land use controls and buffers around the airport.
- 1.3 Implement the Traralgon-Morwell Corridor Structure Plan to help identify appropriate uses surrounding the airport.

**21.07-6 Key issue - Health**19/10/2017  
C97

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 and the cancer care centre and allied health facilities have been extended together with the mental health wing and maternity extensions. The hospital is one of the largest employers in Gippsland.

Based on the last census, 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.

### **Objective 1**

To promote and protect the operations of Latrobe Regional Hospital.

### **Strategies**

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

## **21.07-7 Key issue - Education**

19/10/2017  
C97

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.

### **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.

## **21.07-8 Key issue - Information technology**

19/10/2017  
C97

Latrobe is a regional leader in information communication technology. Combining traditional with new technologies, the industry has developed a highly skilled workforce and 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.

### **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.

**21.07-9 Key issue - Tourism**19/10/2017  
C97

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 and 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.

**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.

**21.07-10 Key issue - Stone resources**19/10/2017  
C97

Latrobe contains significant stone resources including basalt, gravels, sands and limestone. There are significant resources in the extractive industry, including mineral sands north of Morwell and Traralgon that need to be protected. State Policy sets out objectives for the identification and protection of stone resources through the concept of 'Extractive Industry Interest Areas'. These areas are identified on the attached policy map and consideration will be given to the protection of stone resources within these areas when considering applications for development and use.

**Objective 1**

To protect significant stone resources to ensure an adequate supply of stone in future years.

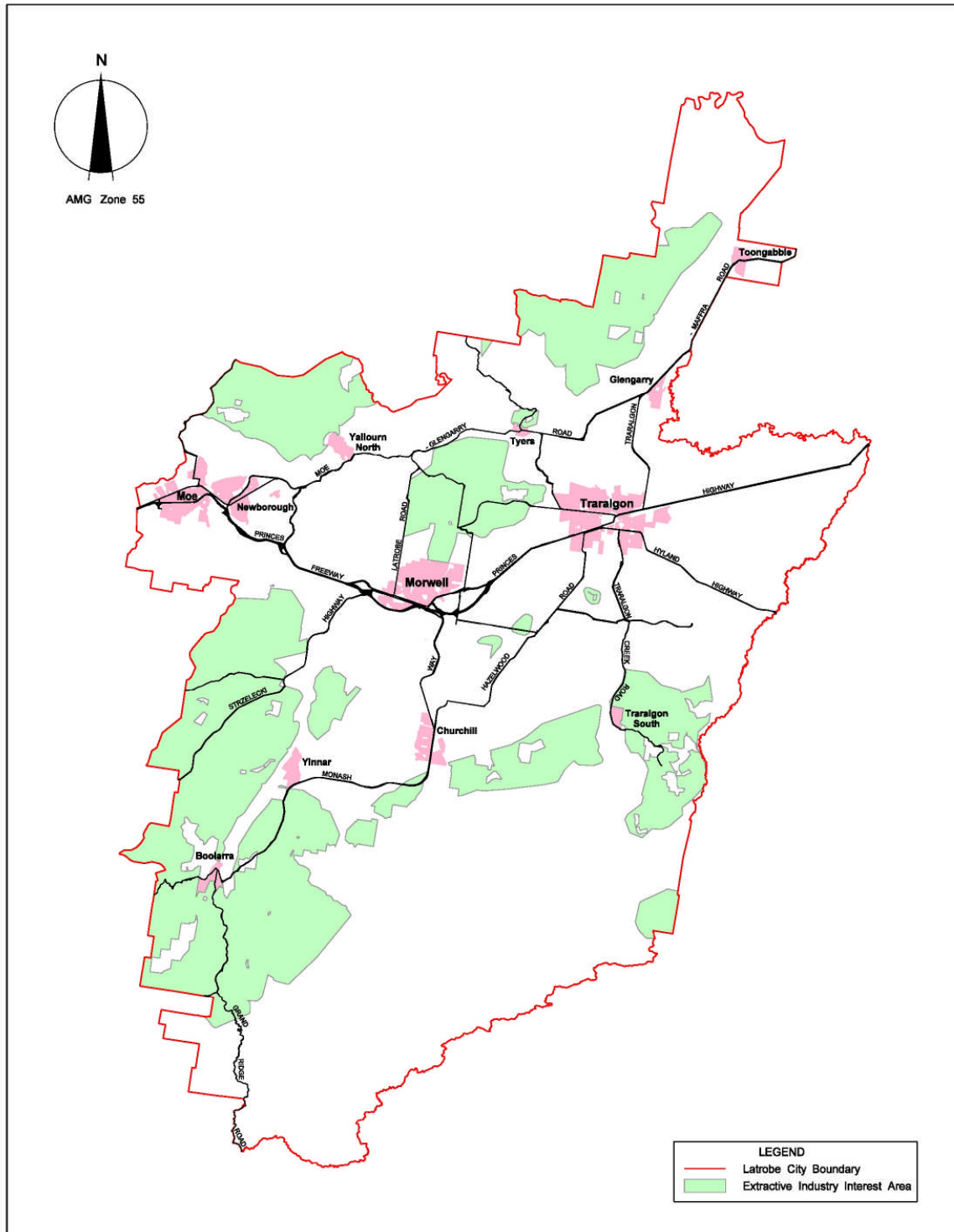
**Strategies**

- 1.1 Ensure the protection, development and use of stone resources.
- 1.2 Ensure that the long term protection of stone resources is in accordance with the recommendations in the *Latrobe Supply Area Extractive Industry Interest Areas Strategy 1999*.
- 1.3 Protect existing extractive industry sites by separating incompatible land uses and by physical separation.



**21.07-11 Implementation**19/10/2017  
C97

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

**Latrobe Supply Area – Extractive Industry Interest Area 1999**



**LATROBE PLANNING SCHEME - LOCAL PROVISION**

 <p><b>Latrobe City</b> a new energy</p> <p>EARTH TECH Survey &amp; Spatial Solutions</p>	<p>SCALE 1:200 000</p>  <p>KILOMETRES AUSTRALIAN MAP GRID ZONE 55</p>	<p>LATROBE SUPPLY AREA - EXTRACTIVE INDUSTRY INTEREST AREAS 1999</p> <p style="text-align: right;"><b>POLICY</b></p>
--	--	--

## APPENDIX C WELLINGTON CLAUSE 21.17 ECONOMIC DEVELOPMENT

## 21.17 ECONOMIC DEVELOPMENT

02/11/2017  
C98

### 21.17-1 Industry, Retail and Commerce

19/12/2013  
C70

#### Overview

There are many existing and new industries which are important to the economic wellbeing of the Shire. These include horticulture, dairying, timber production, fishing, tourism, the oil and gas industry and brown coal production. The promotion of a greater diversity in the Shire's industrial, retail and commercial sectors is important in securing a more robust economic profile. Retail provision in the Shire is focused on the main settlements including Sale.

#### Objective 1

To expand and diversify the regional economy and increase employment.

#### Strategies

- Support the establishment of new industries and businesses, and the expansion of existing operations in appropriate locations.
- Support new and innovative rural and other industries to help achieve a diverse regional economy.
- Facilitate the establishment of a future homemakers centre, bulky goods retailing and associated uses in the area north of Cobains Road and east of the Princes Highway in Sale.
- Facilitate oil and gas production and exploration.
- Facilitate economic development opportunities to locate where they can benefit from the Basslink Electricity Interconnector.

#### Objective 2

To generate employment within a framework of ecologically sustainable development.

#### Strategies

- Support business enterprises which utilise the Shire's natural resources in a sustainable manner.
- Ensure commercial, retail and industrial development minimises the impacts of their operations on the community and the local environment.
- Ensure commercial, retail and industrial development is adequately serviced by necessary infrastructure.
- Encourage businesses and industries which are reliant on road and rail infrastructure to locate on, or close to, the Princes Highway and South Gippsland Highway transport corridors.
- Provide and maintain appropriate buffer areas between industrial and residential land.
- Encourage the full development of existing commercial and industrial zoned land to maximise infrastructure efficiencies, except on sites of heritage significance.

#### Objective 3

To protect and reinforce the role of existing commercial centres in a manner appropriate to their function.

## Strategies

- Encourage development which consolidates and beautifies the ‘main street’ shopping centres in each of the main towns across the Shire.
- Provide sufficient, well located, and attractive land for the expansion of industrial and commercial activities in each of the main towns.
- Ensure retail centre developments provide adequate car parking and access.
- Encourage local convenience shopping facilities in new residential areas.
- Ensure that further development of existing industrial areas and any future industrial areas incorporate streetscape and landscape treatments, particularly where such sites are highly visible to town centres and/or entries.
- Enhance the physical and commercial connection of the Sale CBD to the Princes Highway and the Port of Sale cultural precinct.
- Promote a compact retail centre for the main commercial centre of Sale.

## 21.17-2

19/12/2013  
C70

## Agriculture

### Overview

Agriculture is a major industry within the Shire, producing approximately \$430 million worth of agricultural commodities and employing approximately 1,758 people in 2012. Although dairying is the key component of this sector, vegetable growing is increasing attracted to the water security of the Macalister Irrigation District. The Wellington community benefits directly and indirectly from the ongoing prosperity of this important industry.

### Objective 1

To support the contribution that agriculture and rural industries make to the regional economy.

### Strategies

- Ensure agricultural activity is based on the capability of land to support such use or development.
- Encourage agricultural activities such as horticulture and dairying in areas of high agricultural quality.

### Objective 2

To discourage the use or development of high quality agricultural land that would be incompatible with sustainable agricultural use of the land.

### Strategies

- Protect and retain land classified as ‘high quality’ and ‘very high quality’ in the “*Assessment of Agricultural Quality of Land in Gippsland*” (1984), in agricultural production, particularly in and around the Macalister Irrigation District.
- Protect agricultural land by limiting fragmentation into small rural lots and rural living areas especially in environmentally sensitive areas.
- Facilitate more intensive and diversified use of rural land for higher value products, including horticulture, viticulture, intensive animal husbandry and agroforestry, where environmental conditions permit.
- Ensure that use or development in rural areas, including advertising, is compatible with, and has an association with the surrounding agricultural activity.

- Protect high quality agricultural land by discouraging its use and development for dog breeding and boarding facilities, particularly in the Macalister Irrigation District.
- Ensure use and development adjacent to main roads in rural areas is related to agriculture.
- Discourage subdivision which re-aligns boundaries to create small lots for dwellings, particularly in irrigated areas.

### **Objective 3**

To promote and develop opportunities for value adding industries, plantation timber production, eco-tourism and cultural tourism.

#### **Strategies**

- Encourage development which adds to and diversifies existing agricultural activities.
- Facilitate more intensive and diversified use of rural land for higher value products, including horticulture, viticulture, intensive animal husbandry and agroforestry, where environmental conditions permit.

### **21.17-3**

19/12/2013  
C70

### **Timber**

#### **Overview**

The timber industry plays an important role in the Shire's economy and employs approximately 400 people. The Shire hosts seven timber mills, two treated pine mills and processing plants, and two large trucking contractors that service the industry. It also supplies timber to mills located at Maryvale in the Latrobe Valley and continues to be a significant employer across the region. The potential for expansion of timber plantations in rural areas across the Shire makes this industry an important one, with employment, economic, social, and environmental 'flow on' benefits for the Wellington community.

#### **Objective**

To achieve sustainable development within the timber industries.

#### **Strategies**

- Encourage the establishment of value adding timber production activities, such as timber mills in rural areas which minimise impacts on the surrounding environment.
- Encourage activities such as timber production and agroforestry on marginal agricultural land such as land with steep slopes (but less than 30 degrees), cleared land and areas with poor soil structure, perched water tables, salinity and erosion.
- Encourage the careful application of farm forestry to address groundwater and salinity issues.

### **21.17-4**

02/11/2017  
C98

### **Aviation**

#### **Overview**

Aviation related companies are based around the RAAF Base at East Sale and the West Sale Airport. The airfields are important assets and provide opportunities for the establishment of a range of aviation related businesses and value-added industries in the region. The "Parkside" Aerodrome near Yarram provides an important transport facility for that area.

**Objective 1**

To capitalise on the opportunities afforded by the East Sale RAAF base to the Shire's employment and economic profile.

**Strategy**

- Support the development of aviation related industries on, or in close proximity to, aerodromes.

**Objective 2**

To ensure that the safety and efficiency of airfield operations is not prejudiced by any new use or development of land nearby.

**Strategy**

- Ensure that land use or development around aerodromes does not impact upon their existing and future use.

**21.17-5**22/06/2017  
C51**Tourism****Overview**

Tourism in the Shire has significant potential for growth, particularly cultural and eco-tourism. Further promotion and development of the Wetlands, creation of tourist routes across the Great Dividing Range, promotion of farm based tourism and marketing of the rural and natural environment are all important for the growth of this industry.

Greyhound racing plays an important role in Wellington, with the Shire hosting the highest number of racing dog trainers in the State outside of Bendigo. The Sale Greyhound Racing Club contributes positively to the Shire's economy in encouraging regional tourism and providing employment opportunities.

In addition, a significant opportunity to improve tourism capture within the municipality is associated with the potential development of the Port of Sale cultural precinct. Should development occur in connection with the arts, entertainment and cultural activities, potential exists to attract an increased number of visitors to the area, thereby enhancing economic activity.

**Objective 1**

To encourage the development of tourism around the Shire's natural environment, and cultural and heritage assets.

**Strategies**

- Encourage rural based tourist activities that do not adversely impact upon legitimate agricultural activities, lead to fragmentation of high quality agricultural land or cause adverse impacts on the Shire's natural resources.
- Facilitate high quality tourist use and development which links to the agricultural economy, natural environment, and heritage of the Shire.
- Facilitate tourism in areas with favourable natural attributes, access and infrastructure.
- Encourage low impact and ecologically sustainable tourism development which enhances connectivity with local pedestrian and cycle paths to encourage physical activity.
- Promote the natural environment as a strength for the Wellington community and its visitors, particularly through sustainable eco-tourism.
- Ensure the environmental capability and suitability is considered in tourist developments along the coastline and lakes foreshore.

**Objective 2**

To promote Sale, and the Shire, as tourist destinations through initiatives such as the Wetlands Centre.

**Strategies**

- Facilitate the concentration of urban type tourist and commercial recreation development in established centres.
- Support the redevelopment of the Sale Golf Club into a high quality 18 hole championship golf course, including redevelopment of the clubhouse and provision of tourist accommodation.
- Facilitate appropriate development within the Port of Sale cultural precinct.
- Facilitate economic opportunities presented by the high number of racing dog trainers within the Shire and establish Sale as the regional headquarters for greyhound racing in eastern Victoria.

**Objective 3**

To promote and develop opportunities for eco-tourism and cultural tourism.

**Strategy**

- Encourage eco-tourism and cultural tourism developments which is appropriate to the area and cognisant of the environmental constraints.

**Implementation**

These economic development strategies will be implemented by:

**Using zones, overlays, policy and the exercise of discretion**

- Applying appropriate zones and overlays
- Applying the *Special Water Supply Catchment Areas* policy at Clause 22.01
- Applying the *Rural* policy at Clause 22.02
- Applying the *Heritage* policy at Clause 22.03
- Applying the *Car Parking* policy at Clause 22.04
- Applying the *Aerodrome and Environs* policy at Clause 22.05
- Applying the *Coal Resources* policy at Clause 22.06
- Applying the *Coal Buffers* policy at Clause 22.07
- Require proposed industrial areas expansions to be subject to investigation into the feasibility of infrastructure provision and an assessment of the potential impact of such use on any nearby residential areas.
- Use “*Assessment of Agricultural Quality of Land in Gippsland*” (1984) or any other relevant assessment as a basis for determining land capability.
- Implement the Wellington Economic Development and Tourism Strategy 2011-15 or any superseding document.

**Further Strategic Work**

- Identify potential development sites for the promotion of timber-related activities as well as value adding dairy related and food process industries (eg. Yarram and Heyfield for timber related activities and Maffra for milk).
- Review industrial land adjacent to residential areas (including the Stratford industrial estate) and where appropriate apply the Industrial 3 zone.
- In association with the relevant department, prepare an amendment to plot the alignment of the Latrobe Valley Outfall Sewer onto the planning scheme maps.

- Investigate the appropriateness of rezoning rural land into Rural Conservation zone.
- Identify land for the purposes of any future noxious industrial process, taking into account the appropriate buffer distances and other environmental concerns.
- Review all land included in a Public Acquisition Overlay for which Council is the acquiring authority.
- Review planning scheme controls to facilitate the implementation of incentives for improved Macalister Irrigation District irrigation practices.
- Council to pursue with the Department of Environment and Primary Industry a review the coal related provisions in Clauses 21 and 22 and to contribute to that review.

**Urban Enterprise**

Level 1 302-304 Barkly Street,  
Brunswick VIC 3056

(03) 9482 3888

[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)



# ECONOMIC POLICY STRENGTH IN THE ECONOMIC GROWTH ZONE

PROJECT 2: POLICY CHANGES: FINAL REPORT

APRIL 2019

DEPARTMENT OF ENVIRONMENT, LAND, WATER AND PLANNING

Urban Enterprise Urban Planning / Land Economics / Tourism Planning / Industry Software

[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)

## **AUTHORS**

Paul Shipp  
Madeleine Hornsby

## **Urban Enterprise**

**Urban Planning, Land Economics, Tourism Planning & Industry Software**

Level 1 302-304 Barkly Street, Brunswick VIC 3056  
(03) 9482 3888  
[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)

© Copyright, Urban Enterprise Pty Ltd, 2019

This work is copyright. Apart from any uses permitted under Copyright Act 1963, no part may be reproduced without written permission of Urban Enterprise Pty Ltd.

**FILENAME:** Economic Policy Strength Project 2 Policy Changes Final Report 18042019

**VERSION:** 1

## **DISCLAIMER**

Neither Urban Enterprise Pty. Ltd. nor any member or employee of Urban Enterprise Pty. Ltd. takes responsibility in any way whatsoever to any person or organisation (other than that for which this report has been prepared) in respect of the information set out in this report, including any errors or omissions therein. In the course of our preparation of this report, projections have been prepared on the basis of assumptions and methodology which have been described in the report. It is possible that some of the assumptions underlying the projections may change. Nevertheless, the professional judgement of the members and employees of Urban Enterprise Pty. Ltd. have been applied in making these assumptions, such that they constitute an understandable basis for estimates and projections. Beyond this, to the extent that the assumptions do not materialise, the estimates and projections of achievable results may vary.

## CONTENTS

<b>1. INTRODUCTION AND BACKGROUND</b> .....	<b>1</b>
1.1. ENGAGEMENT	1
1.2. PLANNING IN THE ECONOMIC GROWTH ZONE	1
1.3. REPORT STRUCTURE	2
<b>2. STRATEGIC JUSTIFICATION</b> .....	<b>3</b>
2.1. INTRODUCTION	3
2.2. ROLE OF LOCAL ECONOMIC DEVELOPMENT PLANNING POLICY	3
2.3. ECONOMIC POLICY STRENGTH REVIEW PROJECT 1	4
<b>3. BAW BAW</b> .....	<b>6</b>
3.1. INTRODUCTION	6
3.2. SUMMARY AND JUSTIFICATION OF POLICY CHANGES	6
3.3. BAW BAW POLICY CHANGES	7
3.4. BAW BAW FURTHER WORK	14
3.5. BAW BAW MAP	14
<b>4. LATROBE</b> .....	<b>15</b>
4.1. INTRODUCTION	15
4.2. SUMMARY AND JUSTIFICATION OF POLICY CHANGES	15
4.3. LATROBE PLANNING SCHEME POLICY CHANGES	16
<b>5. WELLINGTON</b> .....	<b>23</b>
5.1. INTRODUCTION	23
5.2. SUMMARY AND JUSTIFICATION OF POLICY CHANGES	23
5.3. WELLINGTON PLANNING SCHEME POLICY CHANGES	24
5.4. WELLINGTON MAP	33
<b>FIGURES</b>	
<b>FIGURE 1 BAW BAW ECONOMIC DEVELOPMENT MAP</b>	<b>14</b>
<b>FIGURE 2 WELLINGTON ECONOMIC DEVELOPMENT MAP</b>	<b>34</b>
<b>TABLES</b>	
<b>TABLE 1 SUMMARY OF CHANGES TO BAW BAW ECONOMIC DEVELOPMENT POLICY</b>	<b>6</b>
<b>TABLE 2 SUMMARY OF CHANGES TO LATROBE ECONOMIC DEVELOPMENT POLICY</b>	<b>15</b>
<b>TABLE 3 SUMMARY OF CHANGES TO WELLINGTON ECONOMIC DEVELOPMENT POLICY</b>	<b>23</b>

## **ACRONYMS**

**EGZ** – Economic Growth Zone

**PEGZ** – Planning in the Economic Growth Zone

**DELWP** – Department of Environment, Land, Water and Planning

**PSA** – Planning Scheme Amendment

**RDV** – Regional Development Victoria

**LVA** – Latrobe Valley Authority

# 1. INTRODUCTION AND BACKGROUND

## 1.1. ENGAGEMENT

Urban Enterprise was engaged by the Gippsland office of the Department of Environment, Land, Water and Planning (DELWP) in partnership with Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council, to prepare new economic development policies for each Council within the Economic Growth Zone (EGZ).

The changes to each policy are based on the findings and recommendations of the Economic Policy Strength in the Economic Growth Zone Project 1 report prepared by Urban Enterprise in 2018.

## 1.2. PLANNING IN THE ECONOMIC GROWTH ZONE

In November 2016, the Latrobe Valley EGZ was established by the Victorian government, with financial incentives aiming to create jobs and grow local businesses in the region. Financial incentives include the reimbursement of a range of government fees and charges as well as property transactions. The incentives aim to retain and attract businesses in the region for an extended period to support economic activity in the Latrobe Valley.

Three municipalities are located within the Economic Growth Zone: Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council, all of which are in the Gippsland region of Victoria.

The Planning in the Economic Growth Zone (PEGZ) project responds to the broader EGZ objectives and seeks to facilitate economic growth, investment and jobs within the region through a series of projects relating to planning controls in the region. As part of the project, three main studies were prepared concurrently in 2018. These studies were:

- Council Planning Process and Delegation Review;
- Latrobe Valley Planning Scheme Review; and
- Economic Policy Strength in the Economic Growth Zone review (Project 1).

### ECONOMIC POLICY STRENGTH IN THE ECONOMIC GROWTH ZONE

The Economic Policy Strength in the Economic Growth Zone review (Project 1) was completed by Urban Enterprise in late 2018 and provided a series of findings and recommendations based on a review of adopted economic strategies and policies for each Council.

Project 1 included 37 recommended changes to economic development policies. This report (Project 2) seeks to implement 20 of the recommendations of Project 1 into the Economic Development planning policies of each Council's planning scheme. This report includes "tracked changes" versions of each relevant policy.

As instructed by DELWP, all changes have been made to 'base policies' recently prepared as part of the Latrobe Valley Planning Scheme Review in December 2018 by consultants Mesh for DELWP. These base policies differ from the current economic development policies included in each Planning Scheme in a number of ways. The main difference is that the base policies are structured in accordance with new format planning schemes following the gazettal of *Smart Planning* Planning Scheme Amendment (PSA) VC148.

It is noted that the base policies refer to the "Economic Growth Zone" as the "Economic Growth Sub-region".

### 1.3. REPORT STRUCTURE

This report includes the following sections and content:

- **Section 2** sets out the **strategic justification** for the policy changes, recapping key findings from Project 1;
- **Section 3** sets out the proposed changes to the **Baw Baw** Economic Development policy and the rationale for each, along with a tracked changes version of the policy;
- **Section 4** sets out the proposed changes to the **Latrobe** Economic Development policy and the rationale for each, along with a tracked changes version of the policy; and
- **Section 5** sets out the proposed changes to the **Wellington** Economic Development policy and the rationale for each, along with a tracked changes version of the policy.

## 2. STRATEGIC JUSTIFICATION

### 2.1. INTRODUCTION

This section of the report summarises the strategic justification for the proposed changes to the Baw Baw, Latrobe City and Wellington economic development policies.

### 2.2. ROLE OF LOCAL ECONOMIC DEVELOPMENT PLANNING POLICY

Local planning policy provides guidance specific to a municipality to achieve local economic development and to assist decision making processes, building on state and regional policy.

Information generally utilised when preparing a local economic development policy includes municipal Economic Development Strategies and primary data and analysis. As the economy is continually changing and involving, it is important to regularly update local economic development policies.

Project 1 identified that strong local economic development planning policy has the following attributes:

- Identify major economic strengths and opportunities relevant to a municipality;
- Draws on adopted local economic and planning strategies, especially in an activity centres strategy and any employment land strategies;
- Provides clear land use planning direction regarding the industries and locations in which investment will be supported by council, including specific precincts;
- Identifies the key land uses, infrastructure and resources that are significant to the municipal economy and must be protected;
- Identifies the planning tools and decision guidelines that will be applied in certain circumstances to implement the policy, including linking to other local policies as relevant;
- Provides clear policy direction through less contextual information and data; and
- Flags the need for further work to address policy gaps or emerging issues.

#### STATE AND REGIONAL ECONOMIC DEVELOPMENT STRATEGY

It is important that local policy builds on but does not replicate state and regional policy. Local policy also needs to follow a consistent policy framework and structure set out at the State level.

Clause 17 (Economic Development) of the Victorian Planning Provisions identifies the overarching economic objectives for Victoria and contains economic development planning policy, spatial land use guidance and direction for a range of economic activities and issues.

Clause 17 consists of the following structure and general content:

- **Clause 17 Economic Development:** Identifies the role of planning in facilitating economic development including through solving land use conflicts, providing suitable land and facilitating decisions. The Clause is split into four subclauses relating to Employment, Commercial, Industry and Tourism:
  - **Clause 17.01 Employment:**
    - **Clause 17.01-1S Diversified Economy:** Outlines an objective and supporting strategies to achieve a strong and diversified economy in Victoria. The Clause provides spatial direction to achieve a diversified economy, including through protecting and/or strengthening existing and/or planned employment areas, facilitating regional relationships to capitalise on emerging opportunities, facilitating growth across key sectors and improving access to jobs.
  - **Clause 17.01-02S Innovation and Research:** Outlines an objective and corresponding strategies to promote innovation and research. Key strategies provide spatial direction to support and promote

innovative and research industries, including identifying the need to support business clusters, enterprise precincts and not-for-profit or start-up enterprises.

Other strategies include encouraging the expansion/development of logistics and communications infrastructure as well as other infrastructure which supports innovation, economic growth and employment opportunities, and providing accessible and connected environments for community-based learning.

- **Clause 17.02 Commercial:**
  - **Clause 17.02-1S Business:** Outlines an objective and corresponding strategies to support business in Victoria to ensure community needs for retail, entertainment, office and other commercial services are met. The strategies outline several spatial planning methods to support commercial facilities including ensuring adequate land in suitable locations and locating facilities in planned or existing activity centres.
  - **Clause 17.02-2S Out-of-centre Development:** Outlines an objective and corresponding spatial planning strategies to manage out of centre development. Key strategies include that proposals for commercial facilities outside of activity centres should be discouraged with preference given to locations which are in or close to the border of existing activity centres.
- **Clause 17.03 Industry:**
  - **Clause 17.03-1S Industrial Land Supply:** Outlines an objective as well as spatial planning strategies to ensure land is available for industry. Key strategies include ensuring an adequate supply of industrial land in appropriate locations is provided including through the minimisation of non-industrial uses being approved in existing or planned industrial land areas.
  - **Clause 17.03-2S Industrial Development Siting:** Outlines an objective and strategies to facilitate the sustainable development and operation of industry. Key spatial strategies outline methods to minimise industrial land use conflicts, including with other industrial activities as well as sensitive uses.
- **Clause 17.04 Tourism:**
  - **Clause 17.04-1S Facilitating Tourism:** Outlines an objective and strategies to encourage tourism development in Victoria. The objective outlines that development of tourism is to be supported to maximise the economic, social and cultural benefits of the industry in Victoria. Key strategies provide support for and spatial direction for future tourist facilities as well as encouraging new innovative tourism experiences and investment in the sector.
  - **Clause 17.04-2S Coastal and Maritime Tourism and Recreation:** Outlines an objective and corresponding strategies to support coastal and maritime tourism and recreation. Key strategies provide spatial direction for the development of tourism, ecotourism and major maritime events, identifying the locations in which such activity should be supported, none of which are in the EGZ.

Following the implementation of Smart Planning, each of the above sub clauses can also contain regional and / or local policy when relevant.

### 2.3. ECONOMIC POLICY STRENGTH REVIEW PROJECT 1

The strategic and economic justification for the changes to local policy proposed in this report primarily draws on the work and findings of Project 1. Project 1 included:

- A review of relevant adopted / approved regional and local economic development strategies and policies;
- A review of economic development policies in Victoria's largest regional centres (Ballarat, Greater Bendigo and Greater Geelong) to identify best practice; and
- Consultation with each Council, DELWP, Regional Development Victoria (RDV) and Latrobe Valley Authority (LVA);

Project 1 recommendations relied on existing adopted or approved economic related strategies, including:

- Baw Baw:

- Economic Development Strategy 2018 – 2021.
- Latrobe
  - Latrobe Economic Development Strategy 2016 – 2020; and
  - Latrobe City Events and Tourism Strategy 2018 – 2022.
- Wellington
  - Economic Development Strategy 2016 – 2022;
  - Agricultural Positions Paper 2017; and
  - Wellington Community Vision 2017.

No further research or analysis was prepared by Urban Enterprise – proposed changes rely on adopted economic strategies and studies for each council, along with overarching regional economic objectives of the Gippsland Regional Growth Plan.

## 3. BAW BAW

### 3.1. INTRODUCTION

This section contains revised policy content for Baw Baw and identifies the rationale for changes.

### 3.2. SUMMARY AND JUSTIFICATION OF POLICY CHANGES

Table 1 shows:

- Each recommended policy change for the Council identified in Project 1 and within the scope of Project 2;
- The location within the base policy where changes have been made to implement the recommendation; and
- The basis / rationale for the change.

All changes are shown in Tracked Changes in the following section.

**TABLE 1** SUMMARY OF CHANGES TO BAW BAW ECONOMIC DEVELOPMENT POLICY

RECOMMENDATION	PRIMARY CHANGE	BASIS FOR CHANGE
<b>B2</b> Add a sub-regional statement identifying the economic strengths and advantages of the EGZ and the relative advantages of Baw Baw within the sub-region.	21.09-1.1 (new content)	Latrobe Valley Planning Schemes Review
<b>B4</b> Add stronger identification of Baw Baw's economic strengths in agriculture (particularly dairy), intensive agriculture, timber, tourism, manufacturing and education.	21.09-1.1 (revised content)	Baw Baw Economic Development Strategy
<b>B5</b> Add stronger identification of Baw Baw's economic and employment opportunities, focused on tourism, diversification of agri-business uses, hydroponics, adding value to agricultural produce and expansion of the manufacturing sector and large-scale retail development.	21.09-1.1 (new objective 3 and Strategies); 21.09-1.2 (new Strategies); 21.09-4 (new content)	Baw Baw Economic Development Strategy
<b>B6</b> Identify the need to provide a diversity of local employment opportunities to support the fast-growing population and policy for peri-urban towns to accommodate significant growth. Opportunities include supporting greater professional services, retail, education and health employment.	21.09-1.1 (new objective 4 and Strategies); 21.09-3 (new content)	Best Practice; Align with State and Regional Policy
<b>B7</b> Prepare a map showing the location of key economic assets and employment precincts in the municipality, including locations and sectors / land uses that will be supported by Council.	Addition of Map	Best Practice
<b>B9</b> Identify preparation of an employment land strategy as Further Work, particularly relating to the availability of industrial land.	Clause 74.02 Schedule (new content)	Align with State and Regional policy; Best Practice

Source: Urban Enterprise, 2019.

In addition to the above changes, some policy content was also edited to improve clarity or consistency on a 'policy neutral' basis.

### 3.3. BAW BAW POLICY CHANGES

#### 21.09 ECONOMIC DEVELOPMENT

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

##### 21.09-1 Employment

##### 21.09-1.1 Diversified economy

Baw Baw Shire, Latrobe City, and Wellington Shire collectively form the Latrobe Valley Economic Growth Sub-region ~~(the EGS)~~. The Economic Growth Sub-region is a Government initiative to diversify the Latrobe Valley economy, to provide support to local businesses, to attract new investment and to facilitate job creation.

The municipalities together form a sub-regional economy with shared economic strengths and opportunities. Shared strengths include dairy, horticulture, timber production, traditional electricity generation, oil and gas, sand, stone and material extraction, manufacturing, defence and aviation, nature-based tourism and population services.

Sub-regional specialisations and advantages present a range of economic growth opportunities particularly within the sectors of healthcare and social assistance, renewable energy, agriculture and intensive agribusiness, export orientated food and fibre production, tourism including nature-based, education, manufacturing and timber production and processing.

The Baw Baw Economic Development Strategy 2018 to 2021 identifies that Baw Baw's economy is driven by industries related to dairy and other agriculture, with the sector providing local employment, associated manufacturing, food processing, farm gate tourism and agricultural service industries. Other industries driving the Baw Baw economy include: timber, education, health, transport, tourism, manufacturing, service industries and commerce. Key employers are the agriculture, retail, construction, accommodation and food services, community services and public administration sectors including education institutions, health services and businesses within the Warragul central business district. Baw Baw's strategic location proximate to Melbourne, and the high quality of ~~transport infrastructure~~ transport infrastructure positions Baw Baw as a key processing and distribution hub for the ~~metropolitan~~ metropolitan and Gippsland regions.

##### Objective 1

To provide leadership and to facilitate a well-connected, inter-active and diverse economic environment in which to do business.

##### Strategies

- 1.1 Support/Implement initiatives associated with the Economic Growth Sub-region that will increase employment opportunities and diversify business industry.
- 1.2 Support/Provide a cooperative and coordinated approach to economic development with other municipalities within the Economic Growth Sub-region.
- 1.3 Support development that builds on the geographic advantages such as proximity to Melbourne, and transport infrastructure of Baw Baw including road and rail.

##### Objective 2

To ~~establish and maintain~~ facilitate a strong, dynamic economy and employment base by building on Baw Baw's strengths in agriculture (particularly, intensive agriculture, and dairy), timber, transport, tourism, education, manufacturing, service industry and commerce.

## Strategies

- 2.1 ~~Support~~Encourage investment in value added industry within the Shire, particularly in relation to agriculture and natural resources.
- 2.2 Support world-class land management practices that contribute to production of export quality products.
- 2.3 Encourage niche agricultural industries, ~~dairy, and~~ intensive ~~farming~~agriculture, timber, manufacturing and processing industries in appropriate locations.
- 2.4 Encourage appropriate development in areas of the Shire, such as Walhalla and Mountain Rivers, Noojee and Yarragon, that have tourism, recreation or environmental attractions, and which will contribute to the economic prospects of Baw Baw.
- 2.5 Support development of Warragul and Drouin as ~~and~~ the primary centres for the service industry in Baw Baw.
- 2.6 ~~Support~~Strengthen Trafalgar and Yarragon as centres for manufacturing and service industries.
- ~~2.8 Support service industries, education, administration and retailing as major contributors to the local economy.~~

**Formatted:** Font: Times New Roman, 10 pt, Font color: Auto, Strikethrough

## Objective 3

To capitalise on Baw Baw's economic and employment opportunities.

### Strategies

- ~~3.1 Support growth within the manufacturing sector, especially where associated with local agricultural and other produce.~~
- ~~3.2 Support the operation and growth of businesses adding value to agricultural produce and businesses in the agribusiness and hydroponics sectors.~~
- ~~3.3 Support the ~~ongoing~~ operation and expansion of large scale retailers in Warragul and Drouin which serve to reduce escape expenditure, including bulky goods retailers and major core retailers such as discount department stores.~~
- ~~3.4 Support the development of logistics infrastructure and related business activity.~~

**Formatted:** Not Highlight

## Objective 4

To respond to strong population and skilled labour force growth by facilitating local employment and businesses in population service sectors such as administration, health, education and retail.

### Strategies

- ~~4.1 Encourage new development which supports education, retail and professional services sector employment in regional centres and main towns.~~
- ~~4.2 Direct population services investment and development to locations with strong population growth especially Warragul and Drouin.~~

## 21.09-1.2 Innovation and research

### Objective 1

To take advantage of opportunities arising from the carbon economy.

## Strategies

- 1.1 Investigate opportunities for the Council as a trader in the carbon economy.

## Objective 2

To support innovative economic development opportunities.

### Strategies

- 2.1 Support innovative business and industry which provide local employment.  
2.2 Support the establishment of new education facilities in appropriate locations.

Formatted: Font: 10 pt

Formatted: Font: Times New Roman, 10 pt, Not Bold, Font color: Auto, English (United States), Check spelling and grammar

## 21.09-2 Commercial

### 21.09-2.1 Business

Warragul and Drouin's activity centres serve a combined Regional Centre role within Baw Baw, and the broader Economic Growth Sub-region. Key commercial development in the Warragul- and Drouin activity centres is focussed around retail, healthcare and social assistance and education. Development in these sectors contributes substantially to Baw Baw's economy and provides significant employment opportunities.

#### Objective 1

To recognise and support ~~service industries, education, administration and retailing as major contributors to the local economy~~ commercial uses within activity centres.

#### Strategies

- 1.1 Support Warragul and Drouin as the primary centres for commercial development.  
1.2 Support Trafalgar and Yarragon ~~and as~~ secondary centres for commercial development.  
1.3 Encourage consolidation of retail and other commercial uses within the existing town centres of Warragul and Drouin.  
1.4 Plan for longer term development of activity ~~nodes-centres~~ within planned growth areas of Warragul and Drouin.

#### Objective 2

To ~~ensure provide~~ sufficient commercial land ~~is provided~~ to allow towns to play an appropriate retail role as their population increases, to provide employment and to ~~reduc~~ing escape expenditure.

#### Strategies

- 2.1 Encourage mixed-use development, including residential in Commercial Zones for the townships where infrastructure is available.  
2.2 Rezone Low Density Residential Zone land to the west of the town centre of Neerim South at the intersection of Main Neerim Road and Neerim East Road to Mixed Use Zone (or similar zone) to enable retail development at the street frontage and potential development of mixed density housing at the rear. [  
2.3 Consider long term expansion of the Yarragon town centre to the east (south of existing Commercial 2 Zone land) to support the future population.

### 21.09-3.2 Out of centre development

#### Objective 1

To plan for appropriately located bulky goods precincts outside of the main activity centres in appropriate locations.

#### Strategies

- 1.1 Encourage Support bulky goods businesses in Yarragon in the Commercial 2 Zone land fronting the Princes Freeway east of Rollo Street.
- 1.2 Encourage bulky goods businesses to locate in the regional centre of Warragul and Drouin in locations identified as ideal for bulky good retailers.

### 21.09-3 Industry

#### 21.09-3.1 Industrial land supply

The Economic Growth Sub-region forms a major industrial centre within the Gippsland Region, hosting a diverse range of complementary industries. Key existing and emerging industries in the Economic Growth Sub-region include:

- Agriculture and intensive agribusiness
- Export oriented food and fibre production
- Manufacturing
- Timber production and processing.

While natural resources and commodities are central to the Economic Growth Sub-region's existing industrial sector, the region continues to diversify into new and innovative sectors.

Baw Baw's particular industrial strengths are influenced by its peri-urban location, high rates of population growth and fertile soils, and include:

- Agricultural production, principally in dairying
- Specialised and alternative agriculture, such as hydroponic production of flowers, fruit and vegetable produce
- Agricultural support services and agribusiness that add value to agricultural products
- Timber production
- Logistics and manufacturing.

#### Objective 1

To provide strategically located and suitable industrial land for major businesses which enables regional opportunities to be leveraged and capitalises on Baw Baw's proximity to Melbourne and employment and transport corridors.

#### Strategies

- 1.1 Provide industrial land supply in suitable locations to meet population growth needs, especially in Warragul and Drouin.
- 1.2 Provide industrial land supply for logistics and transport industries in proximity to major transport infrastructure.
- 1.3 Investigate development of a future logistics precinct in Longwarry adjoining the Freeway that will service the Shire and region.

- ~~1.4~~ Provide land to accommodate ~~Plan for future~~ larger scale businesses ~~plants~~ processing local agricultural product in the Princes Highway transport corridor.

**Objective 21**

To supply sufficient land for new and existing industries in Baw Baw, which complement the operation of the ~~Latrobe Economic Growth Zone~~ Economic Growth Sub-region.

**Strategies**

- ~~1.1~~ Ensure sufficient industrial land supply is available to meet the future demand and support the economic base of the Shire.
- ~~21.21~~ Consolidate industrial development on ~~already on already zoned land to meet the~~ meet the medium term (potentially 15 years supply from 2012) supply needs.
- ~~12.13~~ Plan for future industrial growth in Drouin to the west of existing Industrial 1 Zone.
- ~~12.24~~ Encourage industrial development in Trafalgar within the nominated industrial precinct to the north of and along Waterloo Road.
- ~~12.53~~ Plan for future industrial growth in Warragul to the east of the existing Industrial 1 Zone land in Albert Road.
- ~~12.46~~ Consolidate existing commercial and industrial lots to allow further development in Yarragon.
- ~~12.57~~ ~~Concentrate~~ Direct industrial development in Yarragon ~~on to~~ the Industrial 1 Zone land to the north of the Princes Freeway.
- ~~2.6~~ Support industrial land development in Thorpdale along the west side of Station Street and the Mirboo-Thorpdale Road.
- ~~2.7~~ Encourage value adding businesses in Longwarry that provide an attractive gateway to the Shire, with limited amenity impacts to adjoining residents.

Formatted: Indent: Left: 2 cm, Hanging: 2.5 cm, No bullets or numbering

**21.09-3.2 Industrial development siting**

**Objective 1**

To encourage a high standard of urban design, signage control and landscaping for industrial sites.

**Strategies**

- ~~1.1~~ Support industrial land development in Thorpdale along the west side of Station Street and the Mirboo-Thorpdale Road.
- ~~1-21.1~~ Support industrial development in Thorpdale that is of a village scale and supports agriculture.

### 21.09-3.3 State significant industrial land

### 21.09-4 Tourism

#### 21.09-4.1 Facilitating tourism

Tourism is a key driver of economic growth and prosperity within the ~~Latrobe~~ Economic Growth ~~Zone-Sub-region~~ (EGZS), with most tourism related to the natural environment and agriculture.

Baw Baw's particular tourism strengths relate to natural and cultural attractions, sport and recreation and agri-tourism. Key attractions include ~~natural assets such as~~ the Baw Baw National Park ~~and Mountain Rivers region, historical goldmining heritage~~ towns such as Walhalla, ~~Yarragon and surrounds,~~ and recreation ~~facilities~~ such as skiing ~~facilities, event facilities such as Lardner Park~~ and the Shire's various cycling, walking and horse riding trails.

#### Objective 1

To attract high quality tourist development that is compatible with the environmental values of the area.

#### Strategies

- 1.1 Support tourism development that capitalises on the Shire's natural resources, heritage, environment and agriculture.
- 1.2 ~~Ensure~~ ~~Require~~ that ~~building~~ design and location of tourism development considers the attributes of the natural environment and local character.
- 1.3 ~~Ensure~~ ~~Support~~ natural-resource based tourism development ~~does not~~ ~~that does not~~ compromise the sustainable management of the natural resource base.
- 1.4 Support development that helps to link Erica and Rawson with Walhalla by a tourist train.
- 1.5 Support heritage ~~and tourism~~ based development of Walhalla.
- 1.6 Support tourism that appropriately capitalises on the opportunities available in National Parks, State and Regional Parks.
- 1.7 ~~Ensure~~ ~~Require~~ tourist and directional signage is consistent and complements the ~~latrobe~~ ~~Latrobe~~ regional signage system.
- 1.8 ~~Support~~ ~~improvement~~ ~~Support~~ ~~improvement~~ of access to places of interest to the public while protecting their quality by ecologically sustainable management practices.
- 1.10 ~~Encourage~~ ~~Support~~ development of accommodation in Rawson for visitors to nearby snowfields, parks and historic destinations such as Walhalla.
- 1.11 ~~Support~~ ~~Facilitate~~ walking and cycling infrastructure and networks in Rawson for residents, tourists and visitors, including the retention of the original footpath network.
- 1.12 ~~Encourage~~ ~~Support~~ ~~the development of~~ short stay accommodation in Noojee to facilitate tourism and small business.
- 1.13 Encourage short stay accommodation in Erica to enhance tourism and build on the 'mountain retreat' appeal of the town.
- 1.14 Provide camping opportunities with ~~appropriate~~ ~~appropriate~~ ~~facilities~~ ~~facilities~~ at designated locations in Walhalla.
- 1.15 Provide ~~public~~ facilities in Walhalla adequate to manage visitor impacts e.g. bins for litter, toilets.
- 1.16 Encourage provision of appropriate short-stay accommodation (for example, ~~Bed and Breakfast~~ ~~-&-B~~, host farm) in Jindivick.

- 1.17 Support ongoing use and development of major events facilities including Lardner Park including by managing potential land use conflicts and supporting investment in complementary tourism uses such as accommodation and hospitality located nearby.
- 1.18 Support ongoing use and development of complementary tourism uses such as accommodation and hospitality located in proximity to the Mt Baw Baw Alpine Resort.
- 1.19 Facilitate development which will support tourism experiences such as food and wine trails, cycling tours and weekend escapes.
- 1.20 Support the development and operation of knowledge tourism operators and businesses.

**21.09-4.2 Coastal and maritime tourism and recreation**

[Not applicable to Baw Baw]

### 3.4. BAW BAW FURTHER WORK

Further work which should be undertaken by Council has been included below and is recommended to be included as a schedule to Clause 74.02 Further Strategic Work:

- Completion of an employment land strategy including the identification of available industrial land.

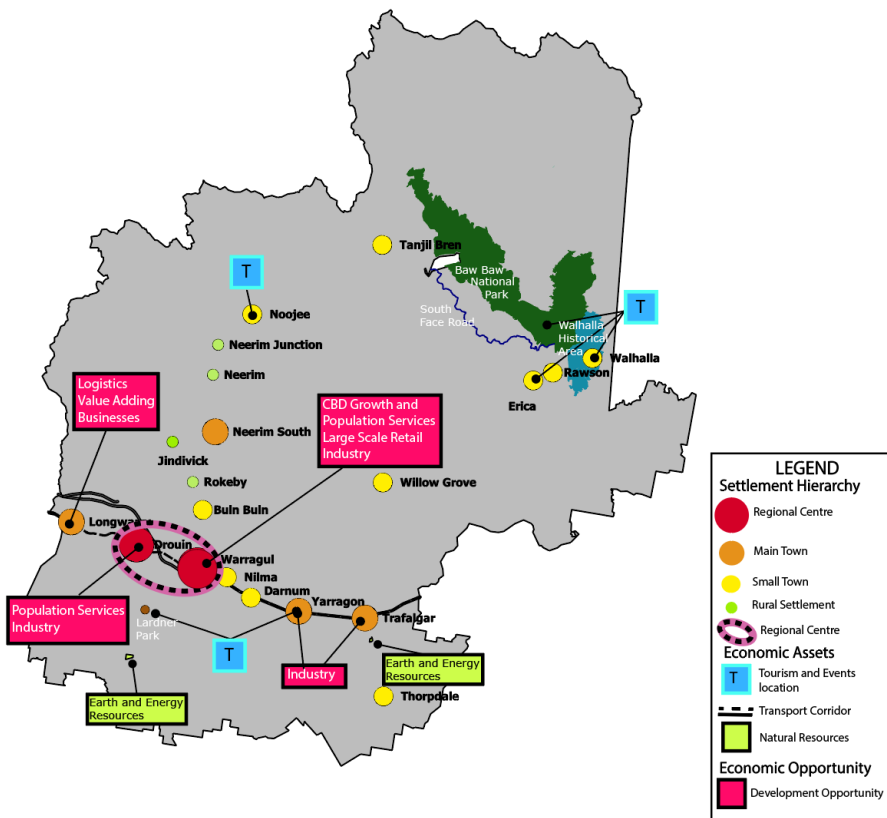
### 3.5. BAW BAW MAP

A draft map showing the location of key economic assets and employment precincts in the Baw Baw, including locations and sectors / land uses that will be supported by Council is provided below (Figure 1).

The preparation of the draft map was based upon the following:

- Gippsland Regional Growth Plan, 2014;
- Existing Settlement map (Clause 21.03-2);
- Existing Economic Development policy objectives and strategies (Clause 21.09); and
- Baw Baw Economic Development Strategy 2018-2021.

**FIGURE 1** BAW BAW ECONOMIC DEVELOPMENT MAP



Source: Urban Enterprise, 2018.

## 4. LATROBE

### 4.1. INTRODUCTION

This section contains revised policy content for Latrobe and identifies the rationale for changes.

### 4.2. SUMMARY AND JUSTIFICATION OF POLICY CHANGES

Table 2 shows:

- Each recommended policy change for the Council identified in Project 1 and within the scope of Project 2;
- The location within the base policy where changes have been made to implement the recommendation; and
- The basis / rationale for the change.

All changes are shown in Tracked Changes in the following section.

**TABLE 2** SUMMARY OF CHANGES TO LATROBE ECONOMIC DEVELOPMENT POLICY

RECOMMENDATION	PRIMARY CHANGE	BASIS FOR CHANGE
<b>L1</b> Add a sub-regional statement identifying the economic strengths and advantages of the EGZ.	21.09-1.1 (new content)	Latrobe Valley Planning Schemes Review, 2018.
<b>L3</b> Under the Diversified Economy section, add policy support for industry sectors which have been identified as state and regional growth opportunities with local advantages in Latrobe, such as research and development, information technology, education, new energy production, food and fibre production and advanced manufacturing.	21.09-1.1 (new policy content and new objective 3)	Latrobe Economic Development Strategy; Align with State and regional policy
<b>L4</b> Identify Latrobe's role as the Regional City for Gippsland and policy support to facilitate establishment of higher order businesses, agencies and institutions in the major towns to serve the region, including accommodation, events, education institutions, government and retail.	21.09-2.1 (new policy text and new objective 2); 21.09-4 (new strategies and new objective 2).	Align with State and regional policy
<b>L5</b> Add emerging industries identified in the EDS to the policy, including advanced manufacturing, intensive agribusiness, food manufacturing, advanced manufacturing, new energy types and training and education (especially for engineering skills, expanding on the current limited reference to education and training in the policy).	21.09-1.1 (new policy content and new Objective 3) 21.09-1.2 (new Objective 3)	Latrobe Economic Development Strategy
<b>L7</b> Add specific reference to the use of planning tools (such as overlays) to protect operations within existing employment area and key infrastructure assets.	No change	Best Practice

Source: Urban Enterprise, 2019.

In addition to the above changes, some policy content was also edited to improve clarity or consistency on a 'policy neutral' basis.

### 4.3. LATROBE PLANNING SCHEME POLICY CHANGES

Does not include changes proposed by Planning Scheme Amendment C105latr

#### 21.09 ECONOMIC DEVELOPMENT

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

##### 21.09-1 Employment

##### 21.09-1.1 Diversified economy

Latrobe City, Baw Baw Shire and Wellington Shire-Council collectively form the Latrobe Valley Economic Growth Sub-region ~~(the EGS)~~. The Economic Growth Sub-region is a Government initiative to diversify the Latrobe Valley economy, to provide support to local businesses, to attract new investment and to facilitate job creation.

The municipalities together form a sub-regional economy with shared economic strengths and opportunities. Shared strengths include dairy, horticulture, timber production, traditional electricity generation, oil and gas, sand, stone and material extraction, manufacturing, defence and aviation, nature-based tourism and population services.

Sub-regional specialisations and advantages present a range of economic growth opportunities particularly within the sectors of healthcare and social assistance, renewable energy, agriculture and intensive agribusiness, export orientated food and fibre production, tourism including nature-based, education, manufacturing and timber production and processing.

▲  
Latrobe City is recognised as one of Victoria’s four major regional centres, along with Ballarat, Bendigo and Geelong. The retail sector provides the highest employment of any sector in Latrobe City, however, Latrobe City’s economy and a large proportion of its employment is related to or underpinned by brown coal electricity generation, including mining, power, manufacturing, maintenance and fabrication industries.

Population growth, technology advances, the ageing workforce, globalisation and a future low carbon economy present both challenges and opportunities. Diversification of employment opportunities is a key priority for Latrobe City and the Economic Growth Sub-region.

The Latrobe City *Economic Development Strategy 2016-2020* emphasises job creation, education and training, industry diversification and the ability to offer opportunities to prospective investors. The quality of local manufacturing and engineering expertise is a key competitive strength of Latrobe City. Key markets for employment growth are expected to be related to low emission energy resources and food production.

Local economic opportunities to capitalise on State strengths include research and development, information technology, education and training, new energy production, and advanced manufacturing.

The *Latrobe City Economic Development Strategy 2016-2020* identifies emerging industries such as education and training specifically for engineering skills as presenting economic opportunities for the municipality.

▲  
Latrobe's fertile soils also support 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.

Key existing and future employment clusters include:

- Gippsland Logistics Precinct in Morwell.
- Latrobe Regional Airport, ~~and~~ Hospital and employment land in the Morwell – Traralgon corridor.

Formatted: English (United States)

Formatted: Font: Times New Roman, 10 pt, Font color: Auto, English (United States)

Formatted: Font: Times New Roman, 10 pt, Font color: Auto, English (United States)

Formatted: Font: Italic

Formatted: Font: Italic

Formatted: Font: Italic

Formatted: English (United States)

- Federation University in Churchill.

These employment clusters will form the focus for employment growth.

#### 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 ~~Support Plan for~~ emerging and employment intensive industries which build upon existing strengths.
- 1.3 Encourage development that delivers more flexible and cost effective power generation, that meets peak electricity load demands and provides larger reserves of electricity supply capacity.
- 1.4 Facilitate private and public sector investment in diverse industries that provide job growth.
- ~~1.5 Support use and development associated with the Economic Growth Subregion program that will increase employment opportunities and diversify local industry such as including renewable energy, intensive agriculture and manufacturing.~~
- 1.56 ~~Support~~ Maintain a cooperative and coordinated approach to economic development with other municipalities within the Economic Growth Sub-region.

#### Objective 2

To facilitate new development and employment opportunities in Latrobe.

##### Strategies

- 2.1 ~~Ensure~~ Provide adequate land availability for industrial and commercial growth.
- ~~2.2 Ensure that industrial and commercial development is of the highest quality particularly at the interface with residential land and at key township gateway locations.~~

#### Objective 3

~~To capitalise on Latrobe's local advantages in food and fibre production and intensive agriculture.~~

##### Strategies

- ~~3.1 Support the development and establishment of new food and fibre manufacturing businesses, especially in large format industrial areas and in locations with high accessibility to major freight routes and logistics infrastructure.~~
- ~~3.2 Support the development of intensive agriculture businesses in suitable locations.~~

Formatted: Not Highlight

#### 21.09-1.2 Innovation and research

The employment investigation area within in 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 strategic direction for industry in Churchill is to support the development of industry which benefits from locating in close proximity to existing or future institutions, such as Federation University.

Development of the Gippsland Intermodal Freight Terminal at Morwell will provide local industry 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.

Council has prepared a Master Plan and Project Plan for the development of a Gippsland Logistics Precinct (GLP) east of Morwell. The development of the GLP will establish a centre for efficient and cost effective movement of freight to and from the Gippsland region.

Latrobe is a regional leader in information communication technology. Combining traditional with new technologies, the industry has developed a highly skilled workforce and 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.

### **Objective 12**

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

#### **Strategies**

- 21.1 Support development of the Gippsland Logistics Precinct in Morwell in a manner that maximises freight being handled by rail.
- 21.2 Facilitate a range of logistics activities on the Gippsland Intermodal Freight Terminal precinct in Morwell.
- 21.3 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.

### **Objective 23**

To encourage the growth of information technology in Latrobe.

#### **Strategies**

- 23.1 Support development of information communications technology hubs and precincts in Latrobe.

### **Objective 3**

To encourage and facilitate business and employment growth in emerging research and innovation sectors, including Research and Development, new and alternative energy, advanced manufacturing and education and training.

#### **Strategies**

- 3.1 Facilitate the use of the Gippsland Hi-Tech Precinct and other related businesses and uses that seek to co-locate or complement the activities within the Precinct.
- 3.2 Facilitate establishment of new research and development facilities, including those associated with existing businesses.
- 3.3 Support growth opportunities in new and alternative energy.
- 3.4 Facilitate the development of a high-tech manufacturing precinct in suitable locations.
- 3.5 Recognise and support the ongoing operations of existing significant advanced manufacturing businesses in Latrobe.

3.6 Encourage development which supports education and training providers (including existing higher education institutions) and capitalises on labour force strengths in engineering.

## 21.09-2 Commercial

### 21.09-2.1 Business

Latrobe City is the retail centre for Gippsland and is home to the Traralgon Primary Activity Centre and Churchill Primary Activity Centre, MidValley Shopping Centre in Morwell, Stockland Plaza in Traralgon, the Moe Central Activity District (CAD) and the Morwell CAD. The centres are supported by main town neighbourhood activity centres and small town retail centres.

Latrobe's service industry provides for local and regional community needs, including health and medical services associated with the Latrobe Regional Hospital, the Maryvale Private Hospital and the Latrobe Community Health Service.

~~Latrobe City has two areas of significant commercial importance which are as follows:~~

- ~~\* Gippsland Logistics Precinct in Morwell.~~
- ~~\* Latrobe Regional Airport in the Morwell – Traralgon corridor.~~

Latrobe City is a regional leader in information communication technology. Key areas for commercial development include information communication technology and shared business services such as call centres.

Retail floor space increases should be provided with a focus on increasing the vibrancy of town centres of the main towns so that the centres continue their role to complement each other in the retail hierarchy. Growth should occur with Morwell and Moe contributing to the majority of traditional retail format, with Traralgon servicing a market with some higher levels of disposable income, having a higher percentage of white collar workers. There is an opportunity to better define the retail hierarchy by reviewing the Latrobe City *Retail Strategy Review 2007* through activity centre planning or a municipal wide retail land use strategy.

An outcome of Latrobe City *Bulky Goods Retail Sustainability Assessment* ~~Assessment~~ 2009 has led to the identification of two new dedicated bulky goods centres at Princes Drive, Morwell and Princes Highway and Stammers Road, Traralgon, in order to decrease expenditure leakage to competing centres outside of Latrobe.

Opportunities for Latrobe City as the regional city for Gippsland include the establishment of higher order businesses, agencies and institutions in major towns such as Traralgon, Morwell and Moe, to serve the region including accommodation, events, education institutions, government and retail.

#### Objective 1

To support and facilitate development in appropriate locations for retail activities.

#### Strategies

- 1.1 Implement the Latrobe City adopted retail land use strategy.
- 1.2 ~~Encourage-Support~~ neighbourhood shops ~~that providing-provide~~ local convenience goods and services in locations accessible to local communities in accordance with Structure Plans and endorsed development plans.
- 1.3 ~~Encourage-Support~~ new shops that do not significantly detract from the function of the existing major retail centres.
- 1.4 Encourage the distribution of new bulky goods retailing to occur in Princes Drive, Morwell and Princes Highway and Stammers Road, Traralgon East in accordance with the Morwell and Traralgon Structure Plans.
- 1.5 Plan for localised convenience retailing.

## **Objective 2**

To accommodate higher order businesses, agencies and institutions within major town centres of Latrobe, especially the Traralgon Primary Activity Centre and the Moe and Morwell CADs which reflect and strengthen Latrobe City's role as the regional centre for Gippsland.

### **Strategies**

- 2.1 Direct development of regional significance to locate within the CADs of Moe and Morwell and the Traralgon Primary Activity Centre wherever possible, including major office and institutions.
- 2.2 Support uses and development which will provide support services to reinforce the regional role of the town centres and the major businesses and institutions, such as hospitality, retail services, financial services and transport access.

## **21.09-2.2 Out-of-centre development**

### **Objective 1**

To ensure out-of-centre development does not detrimentally affect the existing and planned network of activity centres.

### **Strategies**

- 1.1 Discourage 'out of centre' large format supermarkets and retail developments, unless demand can be demonstrated as well as substantiating that existing centres would not be detrimentally affected.

## **21.09-3 Industry**

### **21.09-3.1 Industrial land supply**

The main industries in Latrobe City are related to coal, timber and food processing. Opportunities for production of biomass and algae for electricity and fuel production are expected to provide further markets for agricultural products.

~~In all industrial areas the strategic direction is to encourage-facilitate~~ and support emerging and employment intensive industries. The strategic direction is to support development and use of new industry in identified locations in Morwell, the Traralgon West Growth Corridor and Traralgon. Large industrial parcels ~~identified~~identified on Structure Plans will accommodate new large, high amenity, low density manufacturing industry.

### **Objective 1**

To ensure that sufficient supply and adequate choice of industrial land exists to accommodate the varying needs of the different types of industry likely to emerge in the future.

### **Strategies**

- 1.1 ~~Implement-Require development to respond to~~ any Latrobe City adopted industrial land use strategy.
- 1.2 Support large, low density, high amenity industries to locate in the high amenity location to the north of Princes Drive and east of Tramway Road in Morwell. Maximise the potential of the high amenity and exposure location to the north of Princes Drive and east of Tramway Road to attract appropriate industries.

- 1.3 Ensure that each urban settlement has sufficient land available of convenient and accessible industrial areas to provide local employment.
- 1.4 Retain the potential of the Morwell South Industrial Area and land within the Special Use - Brown Coal Area to support major heavy industry.

### 21.09-3.2 Industrial development siting

#### Objective 1

To maximise the potential for new industry, especially those that may benefit from the coal and electricity industry.

#### Strategies

- 1.1 Support development of existing and new industries and infrastructure in proximity to key coal and other electricity resources.

#### Objective 2

~~To ensure~~ Require that industry and sensitive uses are planned and designed to minimise any potential detriment or loss of amenity.

#### Strategies

- 2.1 ~~Encourage~~ Support use and development that ~~are~~ is compatible with agricultural activity.
- 2.2 ~~Encourage~~ Support uses compatible with the physical capability of the land.
- 2.3 ~~Ensure~~ Support that new industrial development that does not detrimentally affect existing and future infrastructure.
- 2.4 Encourage new industrial development to contribute positively to progressive ~~delivery~~ delivery of new infrastructure.
- 2.5 Require that industrial and commercial development is of the highest quality particularly at the interface with residential land and at key township gateway locations.

### 21.09-3.3 State Significant Industrial Land

## 21.09-4 Tourism

### 21.09-4.1 Facilitating tourism

Tourism in Latrobe City is focussed around the significant natural assets and biodiversity of the Gippsland region and a range of national and international sporting events. Business tourism and conferencing is a key area of opportunity.

#### Objective 1

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

#### Strategies

- 1.1 Support development which supports visitation to and interpretation of the region's industrial heritage and energy production.

1.2 Support proposals which facilitate rural tourism associated with local produce and environments, such as farm stay, farm gate sales and activities which promote agricultural visitor experiences in rural areas.

**Objective 2**

To strengthen the attraction of Latrobe City as a conference and major events destination.

**Strategies**

2.1 Encourage development of events and related facilities, including business events.

2.2 Facilitate tourism development which supports visitation to local events, including accommodation and hospitality in appropriate locations.

**21.09-4.2 Coastal and maritime tourism and recreation**

[Not applicable to Latrobe City]

## 5. WELLINGTON

### 5.1. INTRODUCTION

This section contains revised policy content for Wellington and identifies the rationale for changes.

### 5.2. SUMMARY AND JUSTIFICATION OF POLICY CHANGES

Table 3 shows:

- Each recommended policy change for the Council identified in Project 1 and within the scope of Project 2;
- The location within the base policy where changes have been made to implement the recommendation; and
- The basis / rationale for the change.

All changes are shown in Tracked Changes in the following section.

**TABLE 3** SUMMARY OF CHANGES TO WELLINGTON ECONOMIC DEVELOPMENT POLICY

RECOMMENDATION	PRIMARY CHANGE	BASIS FOR CHANGE
<b>W1</b>	Add a sub-regional statement identifying the economic strengths and advantages of the EGZ.	21.09.1-1 (new content)
<b>W3</b>	Add an overarching vision and objective for economic and employment growth in Wellington Shire based on the EDS and the existing Planning Policy Framework.	Latrobe Valley Planning Schemes Review, 2018
<b>W4</b>	Add an overarching vision and objective for economic and employment growth in Wellington Shire based on the EDS and the existing Planning Policy Framework.	21.09-1.1 (new content)
<b>W4</b>	Provide stronger identification of the resource-based nature of the Gippsland economy and Wellington Shire's pivotal role in this, including across timber, oil and gas and agriculture.	21.09-1.1 (new content, new objective 3)
<b>W5</b>	Increase focus on spatial locations within which certain economic uses will be encouraged, particularly relating to rural areas and specialised employment areas.	Best Practice
<b>W6</b>	Introduce greater support for existing industry strengths and supporting infrastructure, including defence, oil and gas and MID, including business types which provide support to these as part of the supply chain.	21.09-1.1 (new content, new objectives 2, 3 and 5)
<b>W7</b>	Opportunity to strengthen emerging economic directions in policy to reflect latest EDS, such as renewable energy, intensive agriculture and nature-based tourism (including identification of further work required where justification for specific strategies and spatial locations for these industries is not available).	Wellington Economic Development Strategy; Best Practice
<b>W9</b>	Consider separating greyhound racing opportunities from tourism section and adding greater reference to nature-based tourism opportunities such as Tarra Bulga, Gippsland Lakes.	21.09-1.1 (new content, new objective 5) 21.09-1.2 (new content and Objective 2) 21.09-4.1
<b>W11</b>	Provide greater spatial direction identifying the location in which certain economic activity types should be encouraged.	21.09-4.1 (new content)
<b>W12</b>	Identify and map specialised employment / economic areas (existing or future). Potential areas which could be included are Port of Sale, RAAF Base, West Sale Aerodrome precinct, Port Albert.	Best Practice; Align to regional policy and strategy
		Best Practice; Economic Development Strategy; Align to regional policy

Source: Urban Enterprise, 2019.

In addition to the above changes, some policy content was also edited to improve clarity or consistency on a 'policy neutral' basis.

### 5.3. WELLINGTON PLANNING SCHEME POLICY CHANGES

#### 21.09 ECONOMIC DEVELOPMENT

##### 21.09-1 Employment

##### 21.09-1.1 Diversified economy

Wellington Shire, Latrobe City, and Baw Baw Shire and Wellington Shire Council collectively form the Latrobe Valley Economic Growth Sub-region (the Economic Growth Sub-region). The Economic Growth Sub-region is a Government initiative to diversify the Latrobe Valley economy, to provide support to local businesses, to attract new investment and to facilitate job creation.

The municipalities together form a sub-regional economy with shared economic strengths and opportunities. Shared strengths include dairy, horticulture, timber production, traditional electricity generation, oil and gas, sand, stone and material extraction, manufacturing, defence and aviation, nature-based tourism and population services.

Sub-regional specialisations and advantages present a range of economic growth opportunities particularly within the sectors of healthcare and social assistance, renewable energy, agriculture and intensive agribusiness, export orientated food and fibre production, tourism including nature-based, education, manufacturing and timber production and processing.

The Wellington Economic Development Strategy 2016-2022 identifies a vision for a diverse and sustainable economy, to connect residents and businesses with one another and markets through strengthening existing industries and ensuring Wellington is well placed to take advantage of new economic opportunities.

The economy is linked to the natural resource base and productive agricultural land of the area. While natural resources provide significant economic opportunities, it is important to ensure natural assets are used sustainably and are protected.

There are many existing and new industries which are important to the economic wellbeing of the Shire and provide employment opportunities. These include defence, aviation, health, education, manufacturing, horticulture, dairying, intensive agriculture, timber production, forestry and forestry support ~~timber production~~, fishing, tourism, the oil and gas industry, ~~and~~ brown coal production, mining support and environmentally sustainable green energy. The promotion of a greater diversity in the Shire's industrial, retail and commercial sectors is important in securing a more robust economic profile.

##### Objective 1

To expand and diversify the regional economy and increase employment.

##### Strategies

- 1.1 Support emerging and employment intensive industries.
- 1.2 Support use and development associated with the Economic Growth Sub-region program that will increase employment opportunities and diversify industry.
- 1.3 ~~Support~~ Provide a cooperative and coordinated approach to economic development with other municipalities within the Economic Growth Sub-region.
- 1.4 Support establishment of new industries and businesses, and expansion of existing operations in appropriate locations.
- 1.5 Support new and innovative rural and other industries to help achieve a diverse regional economy.
- ~~1.6~~ ~~Facilitate oil and gas production and exploration.~~
- ~~1.67~~ Facilitate economic development opportunities to locate where they can benefit from the Basslink Electricity Interconnector.

**Formatted:** Font: Times New Roman, 10 pt, Font color: Auto, English (United States)

- 1.78 Facilitate development and diversification of local vegetable processing industries where possible to ensure immediate opportunities for employment and output growth for the Maffra and Boisdale area and other suitable locations.
- 1.98 Encourage provision of natural gas infrastructure in Heyfield to support business and industry. Encourage Facilitate development of further value adding timber industries and service industries in Heyfield.
- 1.910 Encourage provision of natural gas infrastructure in Heyfield to support business and industry. Facilitate development of value-adding and employment generating timber industries and service industries in Heyfield and Yarram.
- 1.110 Facilitate development of local timber businesses where possible to ensure immediate opportunities for employment and growth in the Yarram area.

Formatted: Font: Times New Roman, 10 pt, Font color: Auto

Formatted: Font: Times New Roman, 10 pt, Font color: Auto

Formatted: Font: Times New Roman, 10 pt, Font color: Auto

Formatted: Font: Times New Roman, 10 pt, Font color: Auto

Formatted: Font: Times New Roman, 10 pt, Font color: Auto

**Objective 2**

To support economic activity and development within existing sectors of economic strength including agriculture, defence and oil and gas.

**Strategies**

- 2.1 Support development and business activities which complement defence activities, including training, manufacturing and research and development.
- 2.2 Facilitate development which supports the agricultural, defence and oil and gas industries and supply chains, including industrial and commercial business activities.

Formatted: Not Highlight

Formatted: Not Highlight

**Objective 3**

To enhance Wellington’s strengths in natural resource-based industries and protect natural assets important for the economic wellbeing of the Shire.

**Strategies**

- 3.1 Encourage the establishment of value adding timber production activities, such as timber mills in rural areas which minimise impacts on the surrounding environment.
- 3.2 Facilitate oil and gas production and exploration and support continuing production from the region’s oil and gas fields.
- 3.3 Recognise and support the contribution of agriculture and rural industries to the regional economy.

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

**Objective 24**

To ~~generate~~ facilitate employment within a framework of ecologically sustainable development.

**Strategies**

- 24.1 Support business enterprises which utilise Wellington’s natural resources in a sustainable manner.
- 24.2 ~~Ensure~~ Require commercial, retail and industrial development to minimise the impacts of their operations on the community and the local environment.
- 24.3 Encourage businesses and industries which are reliant on road and rail infrastructure to locate on, or close to, the Princes Highway and South Gippsland Highway transport corridors.
- 24.4 Encourage full development of existing commercial and industrial zoned land to maximise infrastructure efficiencies, except on sites of heritage significance.

~~24.5 Facilitate establishment of a multimodal interchange/transport and logistics hub at the West Sale Airport, commensurate with economic development initiatives and commercial interest.~~

#### **Objective 5**

To support growth, development and diversification of the agricultural sector.

#### **Strategies**

- ~~5.1 Recognise and protect the Macalister Irrigation District as critical infrastructure underpinning the agricultural sector.~~
- ~~5.2 Encourage development which adds to and diversifies existing agricultural activities.~~
- ~~5.3 Facilitate more intensive and diversified use of rural land for higher value products, including horticulture, viticulture, intensive animal husbandry and agroforestry, where environmental conditions permit.~~

Formatted: Not Highlight

### **21.09-1.2 Innovation and research**

Aviation related companies are based around the RAAF Base at East Sale and the West Sale Airport. The airfields are important assets and provide opportunities for the establishment of a range of aviation related businesses and value-added industries in the region.

Renewable energy production presents opportunities for Wellington to capitalise on Gippsland's potential to be a future leader in new, low emission energy technologies such as biomass.

#### **Objective 1**

To capitalise on the opportunities afforded by the East Sale RAAF base and the West Sale Airport to the Shire's employment and economic profile.

#### **Strategy**

- 1.1 Support the development of aviation related industries on, or in close proximity to the West Sale and East Sale, aerodromes.

#### **Objective 2**

To support development in the emerging renewable energy sector.

#### **Strategy**

- ~~2.1 Encourage the establishment of low emissions energy technologies such as renewable energy including biomass in suitable locations.~~

Formatted: Not Highlight

### **21.09-2 Commercial**

#### **21.09-2.1 Business**

#### **Objective 1**

To protect and reinforce the role of existing commercial centres in a manner appropriate to their function.

### Strategies

- 1.1 Encourage development ~~which which consolidates~~strengthens and beautifies the 'main street' shopping centres in each of the main towns across the Shire.
- 1.2 Provide sufficient, well located, and attractive land for the expansion of industrial and commercial activities in each of the main towns.
- 1.4 ~~Encourage Support~~ local convenience shopping facilities in new residential areas.
- 1.5 ~~Enhance Improve~~ the physical and commercial connection of the Sale CBD to the Princes Highway and the Port of Sale cultural ~~and civic~~ precinct.
- 1.6 Promote a compact retail centre for the main commercial centre of Sale.

### Objective 2

To provide a sustainable business environment in Heyfield for existing and future retail, commercial, and tourism based uses.

### Strategies

- 2.1 Facilitate the consolidation of the George and Temple Street commercial areas into a single commercial area.
- 2.2 ~~Encourage Support~~ retail expansion and some ancillary office and residential uses on the eastern side of Temple Street.
- 2.3 ~~Encourage Support~~ the long-term expansion of the existing supermarket.
- 2.4 Facilitate improved signage and town entry treatments.

### 21.09-2.2 Out-of-centre development

#### Objective 1

To plan for appropriately located bulky goods centres.

#### Strategies

- 1.1 Facilitate establishment of a future homemakers centre, bulky goods retailing and associated uses in the area north of Cobains Road and east of the Princes Highway in Sale.

### 21.09-3 Industry

#### 21.09-3.1 Industrial land supply

#### Objective 1

To facilitate supply of industrial land within Wellingtons towns that is appropriate for the nature of the industry in terms of location and scale.

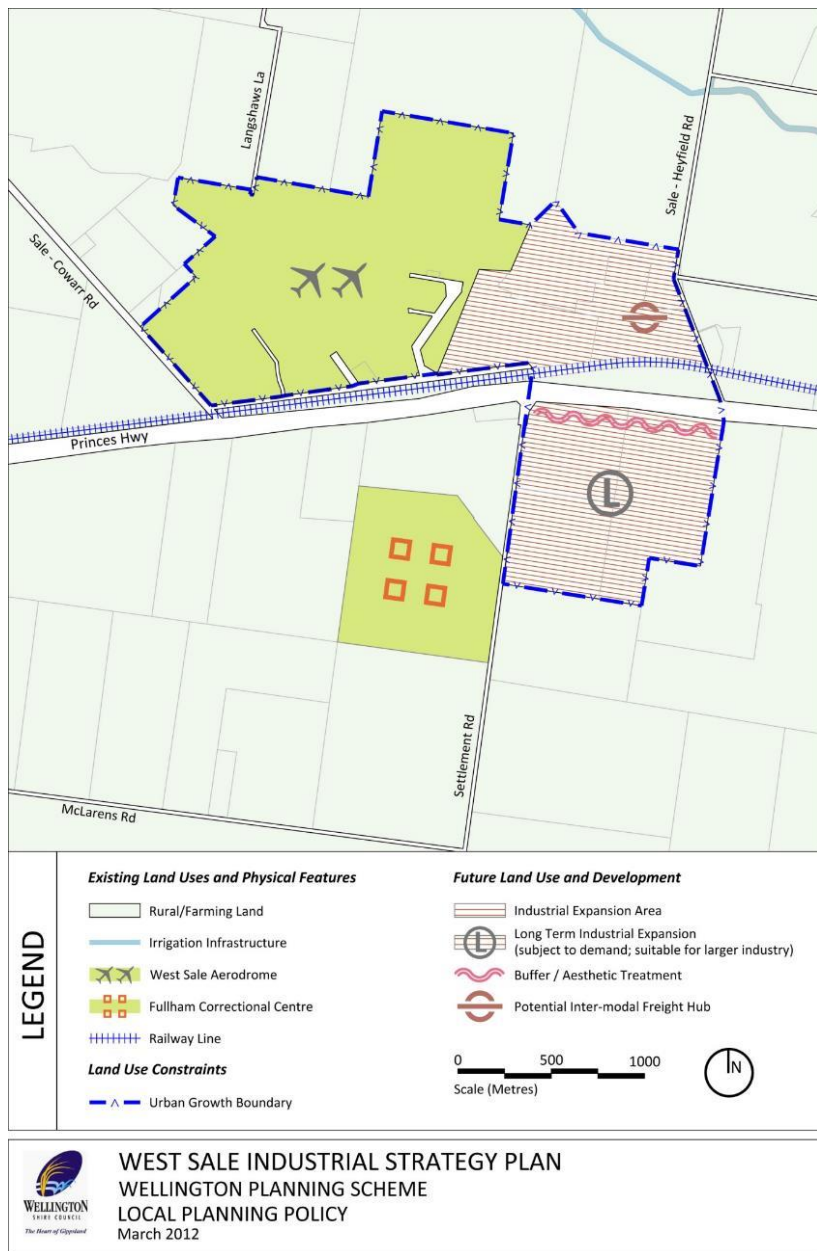
#### Strategies

- 1.1 Provide suitable land for the development of future noxious or offensive industries such as food and animal processing industries, together with appropriate value adding industries.
- 1.2 Facilitate development in accordance with the Sale and Wurruk Strategy Plan and West Sale Industrial Strategy Plan (Figure 1).

Formatted: Font: Arial, 10 pt, Font color: Auto, English (United States)

- 1.3 Facilitate the westward expansion of the existing Wurruk Industrial Estate to make provision for new industrial demand.
- 1.4 ~~Facilitate the Establishment of~~ the West Sale Airport area as an industrial precinct, whilst ensuring that current and future aerodrome functions and environmentally significant features are not adversely affected.
- 1.5 ~~Facilitate establishment of a multimodal interchange/transport and logistics hub in the West Sale Airport area, commensurate with economic development initiatives and commercial interest.~~
- 1.56 Support the establishment of an industrial area for large scale industry south of the West Sale Airport and Princes Highway in the long term, unless demand arises for this to occur sooner.
- 1.67 Encourage development of existing industrial land in Maffra, Stratford and Yarram.
- 1.78 Encourage industrial development east of Fulton Road in Maffra as noted on the strategy plan as a first phase.
- 1.89 Investigate the most appropriate land use for Farming Zone land west of Fulton Road in Maffra, including investigation of options for industrial uses on part of the land and retaining appropriate buffers between industrial and residential land uses.
- 1.910 Assess the suitability of the land north of Stratford – Bengworden Road for potential industrial use and rezone appropriately.
- 1.4011 Encourage industrial development on the land on the corner of Church Road and Livingston Road, Yarram as noted in the strategy plan, as a first phase.
- 1.4412 ~~Encourage-Facilitate~~ retention and expansion of timber processing industries within Heyfield.
- 1.4213 Encourage any new large-scale industries and industries with adverse amenity potential in Heyfield to locate east of Weir Road in the Industrial Activity Precinct.
- 1.4314 Provide and maintain appropriate buffer treatment to land identified for future growth in Heyfield.
- 1.4415 Encourage light industrial uses to remain on industrial land in Firebrace Road closest to the Heyfield town centre.
- 1.4516 Protect timber processing industries around Heyfield by requiring sensitive activities in close proximity to provide suitable noise attenuation measures.
- 1.1746 ~~Encourage-Facilitate~~ the redevelopment of the old Murray Goulburn factory site in ~~Yarram in~~ Commercial Road, Yarram.

Figure 1 West Sale Industrial strategy plan



LEGEND

**Existing Land Uses and Physical Features**

- Rural/Farming Land
- Irrigation Infrastructure
- West Sale Aerodrome
- Fullham Correctional Centre
- Railway Line

**Land Use Constraints**

- Urban Growth Boundary

**Future Land Use and Development**

- Industrial Expansion Area
- Long Term Industrial Expansion (subject to demand; suitable for larger industry)
- Buffer / Aesthetic Treatment
- Potential Inter-modal Freight Hub

0 500 1000  
Scale (Metres)



**WEST SALE INDUSTRIAL STRATEGY PLAN**  
WELLINGTON PLANNING SCHEME  
LOCAL PLANNING POLICY  
March 2012

### 21.09-3.2 Industrial development siting

#### Objective 1

To appropriately design and site industrial areas so as to positively contribute to the town and streetscape.

#### Strategies

- 1.1 ~~Encourage-Require~~ incorporation of appropriate streetscape and landscape treatments in the development of industrial areas, particularly where such sites are highly visible to the town centre and town entries.
- 1.2 Ensure future industrial development in Sale, Warrak and Longford achieves high standards of design, affords appropriate buffers from sensitive uses and appropriately mitigates off-site impacts to both sensitive and non-sensitive surrounding uses.
- 1.3 ~~Promote-Require~~ well designed industrial areas in Stratford with frontage and visibility of buildings to the Princes Highway.

### 21.09-3.3 State significant industrial land

### 21.09-4 Tourism

#### 21.09-4.1 Facilitating tourism

Tourism in the Shire has significant potential for growth, particularly cultural, [agri-tourism](#) and eco-tourism. Further promotion and development of the Wetlands, [coast, mountains and other nature based tourism](#), creation of tourist routes across the Great Dividing Range, promotion of farm based tourism and marketing of the rural and natural environment [and the development of tourist facilities](#) are all important for the growth [and diversification](#) of this industry [and the Wellington economy](#).

The Sale Greyhound Racing Club plays an important role in Wellington Shire, encouraging regional tourism and providing employment opportunities.

A significant opportunity to improve tourism capture within the municipality is associated with the potential development of the Port of Sale cultural and civic precinct, including arts, entertainment and cultural activities. [Other opportunities include niche markets including recreational vehicles \(RVs\), fishing, boating and four-wheel driving.](#)

#### Objective 1

To encourage the development of tourism around Wellington's natural environment, and cultural and heritage assets.

#### Strategies

- 1.1 ~~Encourage-Facilitate~~ rural based tourist activities that do not adversely impact upon legitimate agricultural activities, lead to fragmentation of high quality agricultural land or cause adverse impacts on the Shire's natural resources.
- ~~1.2 Facilitate high quality tourist use and development which links to the agricultural economy, natural environment, and heritage of the Shire.~~
- 1.23 Facilitate [high quality](#) tourism ~~use and development~~ [\(including sustainable eco-tourism\) to capitalise on](#) areas with favourable natural [and heritage](#) attributes, access and infrastructure.
- 1.34 ~~Encourage-Support~~ low impact and ecologically sustainable tourism development which enhances connectivity with local pedestrian and cycle paths to encourage physical activity.

- ~~1.5~~ ~~Encourage tourism uses and development that capitalises on Wellington's the natural environment, particularly sustainable eco-tourism.~~
- 1.46 ~~Ensure~~ Require that environmental capability and suitability is considered in tourist developments along the coastline and lakes foreshore.
- 1.57 ~~Encourage~~ Support development that will promote Heyfield as a "RV Friendly" location.
- 1.68 Promote Heyfield as the 'tourist gateway' to the Alpine National Park and Lake Glenmaggie.
- 1.97 Ensure that land in close proximity to the Gippsland Plains Rail Trail is utilised where appropriate, for tourist accommodation to support the use of the Gippsland Plains Rail Trail.
- 1.108 ~~Encourage~~ Facilitate tourism use and development in and around Dargo and Licola.
- 1.119 ~~Encourage~~ Support enhancement of the Heyfield Wetlands to provide passive recreation opportunities, walking, cycling and meeting places, along with tourist information for the Alpine National Park.
- 1.1210 ~~Promote~~ Facilitate development of 'cottage' based tourism in Briagolong, particularly along the main roads of the town and subject to such development being compatible with the amenity and character of the locality.
- 1.1311 ~~Encourage~~ Facilitate "sustainable" tourism uses in Rosedale within the rural activity area north of the western town approach of the highway.
- 1.12 ~~Facilitate nature-based tourism in appropriate locations especially near the Gippsland Lakes and Tarra Bulga National Park.~~

## Objective 2

To promote Sale as a tourist destination.

### Strategies

- 2.1 Facilitate concentration of urban-type tourist and commercial recreation development in established centres.
- 2.2 Support redevelopment of the Sale Golf Club into a high quality 18 hole championship golf course, including redevelopment of the clubhouse and provision of tourist accommodation.
- 2.3 Facilitate appropriate development within the Port of Sale cultural and civic precinct.
- ~~2.4~~ ~~Support the growth and expansion of greyhound racing within the region including encouraging the redevelopment of the Sale Greyhound Racing Club.~~
- ~~2.5~~ ~~Support development that contributes to establishing Sale as the regional headquarters for greyhound racing in eastern Victoria.~~

## Objective 3

To support the role of Greyhound racing in Wellington's economy.

### Strategies

- ~~3.1~~ ~~Support the growth and expansion of greyhound racing within the region including encouraging the redevelopment of the Sale Greyhound Racing Club.~~
- ~~3.2~~~~5~~ ~~Support development that contributes to establishing Sale as the regional headquarters for greyhound racing in eastern Victoria.~~

## 21.07-4.2 Coastal and maritime tourism

### Objective 1

To promote coastal tourism in areas with attractive natural attributes and appropriate access and infrastructure.

#### Strategies

- 1.1 Encourage the concentration of coastal tourist and commercial recreation development in established centres and ensure development along the coastline and lakes foreshore is located on environmentally suitable sites.
- ~~1.2 Ensure tourist developments along the coastline and lakes foreshore locate on environmentally suitable sites.~~
- 1.23 ~~Encourage~~ Support major tourism uses or developments which are not dependent on a coastal location to develop inside-within the main existing townships of Loch Sport and Port Albert.
- 1.34 ~~Encourage~~ Facilitate a diversity of commercial activity in coastal areas, particularly where it is related to environmentally sustainable tourism.

### Objective 2

To enhance Loch Sport's role as a boating centre.

#### Strategies

- 2.1 Support facilities that promote and enable boating visitation to Loch Sport from other boating centres in the Gippsland Lakes network.

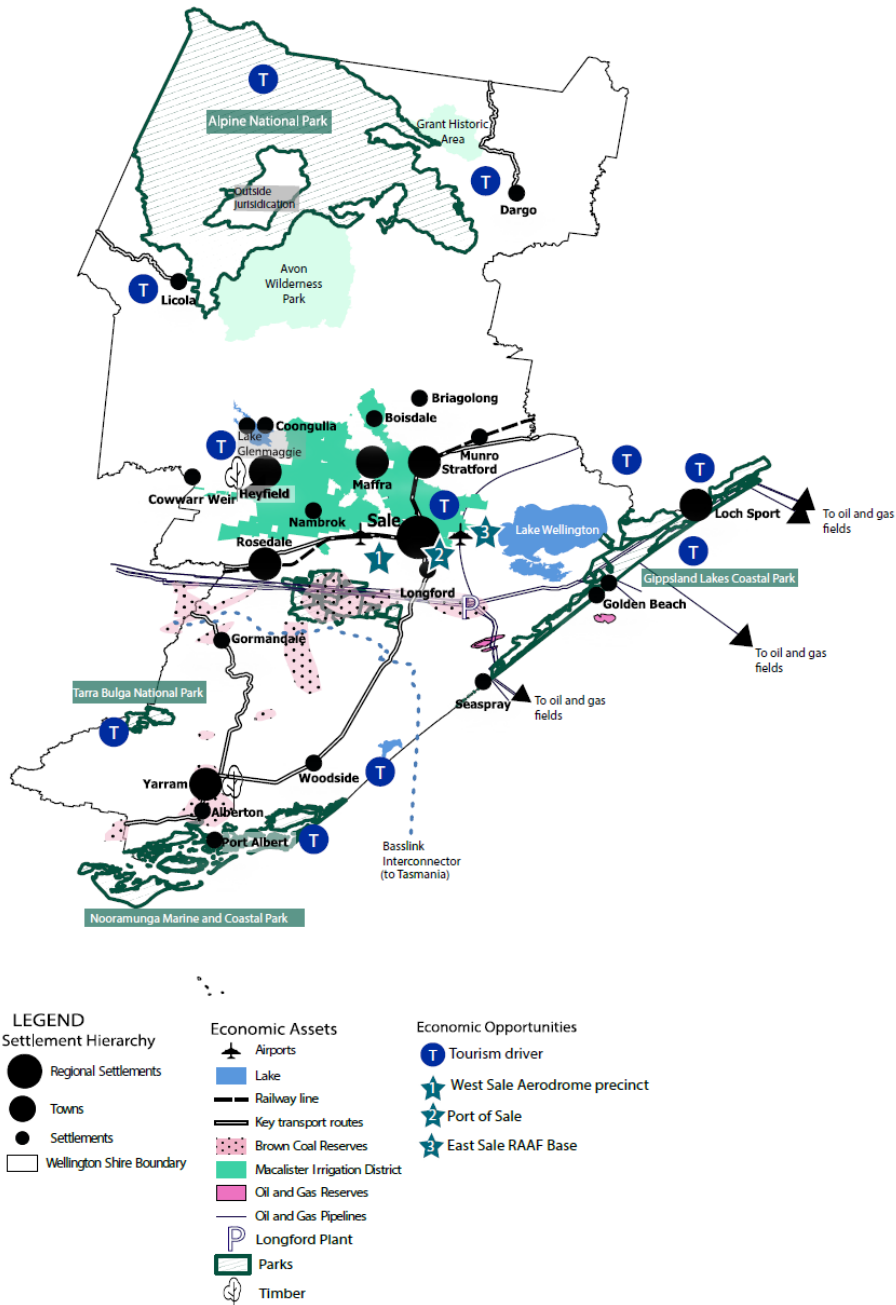
#### **5.4. WELLINGTON MAP**

A draft map showing the location of key economic assets, opportunities and employment precincts in Wellington, including locations and sectors / land uses that will be supported by Council is provided overleaf (Figure 2).

The preparation of the draft map was based upon the following:

- Existing Strategic Framework Land Use Plan (Clause 21.03-2);
- Existing Economic Development policy objectives and strategies (Clause 21.09); and
- Wellington Economic Development Strategy 2016-2022.

FIGURE 2 WELLINGTON ECONOMIC DEVELOPMENT MAP



Source: Urban Enterprise, 2018.





**Urban Enterprise**

Level 1 302-304 Barkly Street,  
Brunswick VIC 3056

(03) 9482 3888

[www.urbanenterprise.com.au](http://www.urbanenterprise.com.au)

