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C55**ECONOMIC DEVELOPMENT****Overview**

The economy of the Shire has traditionally been based on agriculture and to a lesser extent manufacturing, tourism and commerce.

The Shire is one of Victoria's most productive and enterprising regions, particularly in the area of agriculture. In this regard, the region's economy is strongly based on land resources, particularly those related to livestock production. The manufacturing industry is dominated by the processing of agricultural products. Animal agriculture is the most important economic sector in terms of exports and the largest generator of employment and household income followed by the trade and community service sectors.

While the traditional agricultural pursuits such as dairying, beef and wool production have largely formed the basis of the Moyne Shire economy, diversity in production is being pursued. Further diversity in the economic base, employment and business is also being pursued through the development of agriculturally linked value added industries together with the continuing expansion of tourism, recreation and leisure opportunities in the Shire. Aquaculture ventures such as abalone farming and the development of bed and breakfast operations are new examples of diversifying businesses.

There are numerous well established businesses in the Shire including Clarkes Pies in Mortlake, the Murray Goulburn dairy factory in Koroit and the Warrnambool Cheese and Butter factory at Allansford, BAM Stone, Glaxo and Southwest Seafoods in Port Fairy. Community services such as the Port Fairy hospital, local schools and the council also make important contributions to the economy.

Tourism and domestic holiday sectors of the economy continue to grow, in Port Fairy in particular. Port Fairy, Koroit and Mortlake are important character and heritage tourism towns. Port Fairy and Koroit contain a wide range and type of historic buildings and Mortlake has a nationally significant Bluestone Precinct. Other attractions of southwest Victoria such the Great Ocean Road, the whale nursery and the Shipwreck Coast add to the region's appeal. Tourists are also attracted to the national parks and the various volcanic features located throughout the Shire. In addition, significant promotions such as the Port Fairy folk festival and the Mortlake buskers festival, Rhapsody in June (Port Fairy), Koroit Irish Festival and the Murray to Moyne Charity Cycle Race continue to promote tourism.

Warrnambool provides a range of high-end services for Moyne Shire residents, including health services at the Warrnambool and District Base Hospital, educational opportunities at Deakin University, and various large stores and government departments. A growing number of Moyne Shire residents commute and work in Warrnambool.

Employment

The local economy is heavily dependent upon agriculture (the agriculture, forestry and fishing sector as categorised by the ABS). The proportion of the workforce employed in this sector declined consistently over the 1981 to 1991 period (from 55% of males and 49.1% of females in 1981, to 49.5% of males and 33.1% of females in 1991), the sector still accounts for about half the male workforce in the Shire and about one-third of the female workforce. This would partly account for the fact that the proportion of individuals and households in the Shire with income in the lower annual income bracket was substantially higher than for Victoria as a whole (ie due to the depressed state of agriculture).

After agriculture, the wholesale and retail trade sector is the next most important employment category (males 11.6% and females 14.5% respectively in 1991, compared with 19.9% and 21.5% for Victoria as a whole). This was followed by community service occupations (7.6% of males and 26.6% of females, compared with 11.2% and 29.6% for

Victoria as a whole). Manufacturing employed 9.4% of males and 5.9% of females, which is lower than for Victoria as a whole (21.5% of males and 12.5% of females).

Agriculture

Agriculture is the most significant land use in the Shire, due to the mild climate, high and well distributed rainfall, suitable soils and good access to markets. Intensive dairying and crop production activity are significant land uses along the coastal areas, whilst large cattle and sheep farms are significant activities in the northern portion of the Shire.

Agriculture is also the most important sector of the local and regional economy, in terms of its contribution to gross product, value-adding, employment and trade. The economic well-being of the towns, as well as the Shire generally, is directly related to the incomes of primary producers. In this regard, business enterprises in the Shire's rural townships are largely oriented to servicing primary producers and include farm input suppliers, transport operators and agricultural product processing.

Dairying accounts for 43.1% of total farm production, while cattle/prime lamb production and wool production account for 18.8% and 17.9% respectively of total farm production. However, shifts in the market fortunes of local livestock, horticulture, vegetable production and wool has caused decreasing producer margins since the mid 1980's. As a result farms have had to become larger to become more viable. Farmers are also attempting to remain viable by diversifying into other agricultural products such as vineyards, agroforestry, ostrich and other exotic meats and a limited number of market garden activities.

Value adding onsite or closer to the source of the product is considered an ideal way of increasing local revenue. This way the Shire can gain from the secondary process, not only primary production.

Mining / extractive industry

The mining of export quality bluestone and granite occurs near Port Fairy. Some local use of mineral sandstone also occurs. Mining of red scoria occurs near Mortlake.

Wind farms and other energy facilities

Wind farms have been established along the Yambuk and Codrington coasts. There is an increasing amount of pressure for wind farms and gas plants along the coastal hinterland from Peterborough to Warrnambool, including large wind farms containing multiple turbines. A 550 megawatt (MW) gas-fired power station is operational 12 km west of Mortlake.

Timber plantations

A key issue is the clear felling of plantation trees adjacent to main road corridors and tourist routes. This practice leaves large and often highly visible areas of the landscape scarred, detracting from the landscape character of the region. Introducing a policy requirement to require plantations to be screened from main road corridors by an indigenous and/or native vegetation buffer including understorey thus obscuring clear felled areas from key tourist routes and other main roads will support protection of landscape quality.

Commercial

Port Fairy, Koroit and Mortlake are the principal retail and service centres in the Shire, and also perform important commercial, community and administrative functions. As far as retailing is concerned however, their role is limited to convenience shopping, weekly shopping and a modest range of clothing and comparison merchandise. In this regard,

Warrnambool provides a number of larger stores offering higher order consumerables such as durable household and non-food merchandise. Portland and to a lesser degree Hamilton also cater for similar needs, particularly for residents in the western part of the Shire. Ballarat caters for residents in the northern part of the Shire.

Manufacturing

Manufacturing endeavours are mainly focused on the processing of primary products and resources, or the production of particular specialised products.

There are numerous well-established businesses in the Shire, including Clarke's Pies in Mortlake, the dairy factories in Koroit and Allansford, BAM Stone, Glaxo and Southwest Seafoods in Port Fairy.

Clarke's Pies in Mortlake makes a range of pies for local consumption and contract supply for events or special markets. The location of the Clarkes Pie factory in the centre of Mortlake raises issues related to future factory expansion and vehicular access to the site. Similarly, future expansion of operations at the dairy industry sites in Allansford and Koroit will also need to be provided for under the new planning arrangements. In general however, separation of other existing manufacturing businesses from other land uses, particularly residential, is considered important in order that they may carry out their activities without conflict.

Tourism

Tourism is a key sector of the local economy and has significant growth potential.

Tourists are attracted to the various heritage buildings and towns in the Shire, of which the following are of particular interest:

- the Mortlake bluestone buildings,
- the Koroit Church Precinct and Main Street,
- the historic commercial and residential buildings in Port Fairy,
- the Port Fairy Lighthouse, Battery Hill fortifications and historic lifeboat station,
- Motts Cottage, Port Fairy,
- Woodbine Homestead, Port Fairy.

Tourists are also attracted to the local reserves, national parks and the various volcanic features present throughout the Shire, including:

- The Tower Hill State Game Reserve (volcanic features and wildlife),
- Johnstone Reserve, Woolsthorpe (vegetation),
- Pallisters Reserve (vegetation),
- Maam Wetlands (vegetation and wildlife),
- Framlingham Forest (vegetation and wildlife),
- Wilton Reserve, Naringal South (vegetation),
- Doug Fenick Reserve (vegetation),
- Ralph Illidge Sanctuary, Naringal East (vegetation and wildlife),
- Childers Cove, Bay of Islands Coastal Park (geological and historical features, and vegetation),
- Yambuk Coastal Reserve (good fishing, vegetation and wildlife),

- Orford Recreation Reserve (vegetation and wildlife),
- Grass Tree Plains Reserve (vegetation),
- Kurri Kurri Co-operative Reserve (vegetation and wildlife),
- Mahogany Walking Track (walking, historical features and landscapes),
- Mount Eccles National Park (volcanic features, vegetation, wildlife and recreational opportunities),
- Botanical Gardens, Koroit and Port Fairy (historical and amenity),
- Muttonbird Rookery, Port Fairy (wildlife).

The Shire has a well-established program of music festivals in Port Fairy, Koroit and Mortlake.

The Shire's historic character and beautiful landscapes are key attractions for tourists, who typically enjoy informal, independent travel around the various points of interest. As a result of visitors organising their own activities, existing tourism business relates to accommodation, food and some craft shopping. Some fishing charters exist, but in general the organised "guided tour businesses" are not present.

The provision of accommodation needs for independent visitors has significant potential and needs to be encouraged. High quality bed and breakfast or farm stay accommodation catering for a wide range of budgets has become popular in Port Fairy in particular, whilst cottage, house and flat hire provides longer term holiday accommodation for domestic visitors. Camping grounds are popular in summer months and youth hostels also provide low cost visitor accommodation.

A range of dining opportunities exists throughout the Shire, from restaurants and cafes to take-away establishments. Given that the majority of accommodation is non-catering, the availability of both accommodation and restaurants is important.

The Great Ocean Road is a major component of the tourist infrastructure in the region. The number of travellers on the Great Ocean Road continues to expand and it compliments other attractions of southwest Victoria such as the whale nursery and the Shipwreck Coast.

Port Fairy is the only activity node in the Moyne Shire, as identified in the Victorian Coastal Strategy 2014.

There is potential for further development of tourism in the Shire, provided that a base level of infrastructure is provided and information made available on places to visit and activities.

Issues

The key strategic issues include:

- The municipality relies heavily on agricultural activity as its economic base.
- The existing agricultural base needs to be preserved in recognition of its strong economic performance.
- Timber production is a potentially significant issue for the Shire. The growth and management of forests for timber production will need to consider a balance with environmental, landscape and social values.
- The impacts of a large influx of tourists needs to be considered in terms of balancing environmental impact and pressure for development.
- Protection of those assets on which tourism depends is an important consideration in the future development of the Shire.

- The sustainable management of the Shire's coastal resources, including the identification and protection of significant environmental features and the need for clear directions regarding the future use and development of the coast.

Objectives

- To support and facilitate the development of local employment opportunities.

Strategies

- To maintain the status of agriculture as the key element of the economy.
- To encourage innovative farming practices and new products to expand the agricultural sector's role.
- To encourage enterprisiers which add value to local produce in appropriate locations.
- To encourage manufacturing and processing industries in appropriate locations.
- To encourage service based industries in existing settlements.
- To encourage the expansion of tourism as an important sector in the local economy.
- To encourage tourism development in settlements and in appropriate locations near natural, cultural or historic features.

These strategies will be implemented by:

- Complying with the Victorian Coastal Strategy 2014.
- Applying the Environmental Significance Overlay for areas on or adjoining the coast.
- Ensure coastal and river developments that optimise tourism potential do so in a manner which recognises the sensitive nature of these assets.
- Applying the Business 1 zone to the primary retail and commercial areas of Moyne within the townships of Port Fairy, Koroit and Mortlake.
- Applying the Farming Zone to agricultural land in Moyne.
- Applying the Industrial 1 Zone to industrial areas that do not border residential areas and the Industrial 3 Zone to areas that do border residential areas and industry is to be encouraged.
- Using local policy to encourage well planned industrial development.
- Using local policy to protect the amenity of residential areas from the effects of industrial activity while not impeding industrial productivity.
- Using local policy to encourage the appropriate development of the timber industry.
- Using local policy to protect the natural and physical resources upon which agricultural industries rely.
- Using local policy to conserve heritage places and precincts of importance to tourism.
- Using local policy to protect agricultural land from non-productive use and development.
- Using local policy to ensure that excision of house lots in the Farming Zone is consistent with the purpose of the zone.
- Using local policy to encourage the proper siting and construction of dams.

- Using local policy to encourage appropriate fire protection measures in the Farming and Rural Living Zones.

Supporting actions include:

- Establishing appropriate design and siting guidelines to ensure all industrial development along highways is of an appropriate standard.
- Enhance all industrial areas through the development and maintenance of landscaping to a high standard.
- Ensure all industrial development and agricultural activity minimises its impact upon the coastal and river environments in the Moyne Shire.