ECONOMIC DEVELOPMENT

Economic Development Overview

Wonthaggi is the region’s main centre for administrative, retail, commercial, industrial and community facilities, serving communities as far away as Grantville and Phillip Island. It provides for a range of health practitioners, retail and office services, schools, community facilities (library, court house) and municipal offices.

Other business centres include Cowes, San Remo, Grantville and Inverloch. These centres provide retailing and community facilities for the local and wider population. The role and function of these commercial areas are changing in line with increased population and visitation rates. Smaller centres provide the day to day needs of the local community as well as acting as a social gathering point.

There are smaller industrial estates located in Cowes, Inverloch, Newhaven, and Grantville. These generally provide a local service industry function.

Dairy and beef cattle farming are a significant contributor to both the local and regional economies, and a major source of local employment. Meat production and horticulture are also locally important and production of these commodities takes place across the Shire.

Tourism is a major contributor to the local, regional and State economies. The coastlines of Western Port and Bass Strait, as well as Phillip Island, are major tourist destinations. People visit the Shire because of the unique natural attributes, complemented with built attractions, such as the Phillip Island Motor Racing Track. Tourism is broadening its focus and seeks to capitalise on a wider tourism product based around the agricultural, environmental and landscape values of the rural hinterland.

Agriculture continues to make an important economic contribution to the Shire. Dairy is the most significant agricultural sector, with production focused in the Bass Valley, on the Strzelecki Ranges and in the Powlett River valley north of Wonthaggi. This area is part of the nationally important Gippsland dairy industry supporting significant investment in milk processing and manufacturing.

The construction industry is another significant contributor to the local economy. This reflects the growth in the municipality. Many other local businesses are aligned with the construction industry and provide local employment opportunities. It is anticipated that there will be a number of major developments in the municipality in the next ten years; this will consolidate the importance of the construction industry in the municipality.

Commercial

Overview

The role and function of commercial areas is changing as population and visitation increases. Smaller commercial centres provide the day to day needs of the local community as well as acting as a social gathering point. Some businesses are home based which also provide an economic benefit to the municipality.

Key issues

- Growing the local economy and encouraging local employment.
- Increasing the supply of commercial land in the main business centres of the municipality.
- Providing business services that cater to both residents and visitors.
- Managing the implications of being a premier tourist destination.
- Defining the role and functions of industrial areas.
- Providing for rural based tourism.
- Understanding the future opportunities for industrial activity across the municipality.
Objectives and Strategies

Objectives and Strategies

Objective 1  To support the development of new and existing businesses within the municipality.
Strategy 1.1  Provide opportunities for increased business diversification and expansion, including the development of export income streams.
Strategy 1.2  Facilitate the establishment and further development of new enterprises and provide opportunity for increased business diversification.

Objective 2  To have attractive, functional, and viable business centres.
Strategy 2.1  Encourage commercial and community uses to establish on undeveloped commercial zoned land in the smaller townships throughout the municipality.
Strategy 2.2  Consolidate industry and commercial uses in the Wonthaggi north east growth area to encourage business development and local job growth to support population growth in Wonthaggi.

Industry

Overview

Industrial activity provides significant economic benefits for the Shire and employs large numbers of people. Smaller industrial estates generally provide a local service industry function.

Key Issues

- Growing the local economy and encouraging local employment.
- Increasing the supply of commercial land in the main business centres of the municipality.
- Providing business services that cater to both residents and visitors.
- Managing the implications of being a premier tourist destination.
- Defining the role and functions of industrial areas. (Reworded from 21.03-2)
- Understanding the future opportunities for industrial activity across the municipality.

Objectives and Strategies

Objective 1  To facilitate the establishment and further development of industry in the Shire.
Strategy 1.1  Encourage new industrial development to locate in Wonthaggi to build on the existing infrastructure and industrial base.
Strategy 1.2  Encourage new and existing industries to locate within existing and planned industrial estates where all physical infrastructure is available, and which are readily accessible to transport networks.
Strategy 1.3  Strongly discourage the establishment of industry that may also have offsite amenity impacts on land outside of existing and planned industrial estates.
Strategy 1.4  Encourage the relocation of industrial activities from predominantly residential areas to new industrial estates.
Strategy 1.5  Encourage consolidation of industrial uses that support the northern part of the Shire in Grantville.
Strategy 1.6  Encourage the establishment of ‘value-adding’ industries within the Shire.

Objective 2  To promote the development of certain industry in appropriate locations.
Strategy 2.1  Encourage manufacturing and processing industries that use sand and ancillary products as a raw material in Grantville.

Tourism

Overview

Tourism is the pillar of the Bass Coast economy with internationally recognised tourism attractions particularly on Phillip Island. Tourism is estimated to generate around $620 million in direct expenditure and over $1 billion in value added expenditure, and supports about 1,400 jobs annually (source: Bass Coast Rural Land Use Strategy (2014)).
Nature plays an important role in tourism in the Shire. The Phillip Island Nature Parks organisation manages popular wildlife attractions on Phillip Island.

A range of accommodation, eating establishments, and shops contribute to the visitor’s experience and to the economy providing local job opportunities, investment, and facilities for residents.

There is a growing demand for environmentally sustainable tourism development, and a recent demand for large scale tourism development. The large scale tourism development is predominantly residential and has the same long-term implications as urban use and development.

There is potential for further development of tourism in the Shire’s rural areas, but this must not come at the expense of the landscape, amenity, environmental and agricultural values of the Shire or the liveability for residents.

**Tourism areas**

<table>
<thead>
<tr>
<th>Area</th>
<th>Boundaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourist precinct of Cowes</td>
<td>Includes the land along the Cowes foreshore and abutting either side of Thompson Avenue/Phillip Island Road to the southern boundary of the golf driving range. This area is zoned Mixed Use, Commercial 1, General Residential and Farming, and provides for a range of tourist development responsive to surrounding land uses.</td>
</tr>
<tr>
<td>Accommodation in Cowes</td>
<td>A variety of tourist accommodation is encouraged to locate in the area zoned General Residential and generally bounded by McKenzie Road, Church Street, Dunsmore Road and the foreshore, Cowes.</td>
</tr>
<tr>
<td>Tourist precinct of Fiveways on Phillip Island, as shown on Map 2 in this Clause.</td>
<td>Land is zoned Rural Activity Zone (except for the Phillip Island Nature Park’s Koala Conservation centre which is zoned Public Conservation and Resource Zone).</td>
</tr>
<tr>
<td>Tourist precinct of Newhaven</td>
<td>Includes the land abutting the north side of Phillip Island Road, between Boys Home Road and Samuel Amess Drive, and on the south side of Phillip Island Road between Bluebird Court and the Newhaven Visitor Information Centre. This area is zoned Mixed Use, Farming, and Public Conservation and Resource Zone and provides for a range of tourist development responsive to surrounding land uses.</td>
</tr>
<tr>
<td>Inverloch</td>
<td>Areas zoned Mixed Use along the foreshore at Rhyll, along Phillip Island Road east of the San Remo business centre, and along the foreshore at Inverloch.</td>
</tr>
<tr>
<td>Rhyll</td>
<td></td>
</tr>
<tr>
<td>San Remo</td>
<td>The Cliffs golf course south of the Anderson Peninsula ridgeline in San Remo, between Potters Hill Road and Punch Bowl Road.</td>
</tr>
<tr>
<td>Tourist precinct of Bass, as shown on Map 1 in this Clause.</td>
<td>Includes land bounded by Bass Highway to the east, Soldiers Road to the north and Massie Road to the west, known as the Bass Tourism Precinct.</td>
</tr>
<tr>
<td>Rural based tourism (included in the RAZ), as shown on Maps 3, 4 and 5 in this Clause.</td>
<td>Coronet Bay – Corinella “Fantasia Site”, 1003 Bass Highway, The Gurdies Inverloch - Cape Paterson</td>
</tr>
</tbody>
</table>
Table 1: Tourism Areas

Objectives and strategies

**Objective 1**
To encourage new tourist development in appropriate locations.

- **Strategy 1.1** Support new tourist development in the tourist areas identified in this Clause.
- **Strategy 1.2** Discourage tourist developments from establishing intermittently along major tourist routes.
- **Strategy 1.3** Discourage ad hoc tourist development along tourist routes outside identified tourist precincts, distant from existing tourist and urban infrastructure.
- **Strategy 1.4** Discourage tourist developments on high quality agricultural land and in areas of high environmental and landscape quality.
- **Strategy 1.5** Discourage tourist or recreation-based resorts such as golf courses from establishing on productive agricultural land.
- **Strategy 1.6** Encourage new tourist development to be sited and designed to minimise its impact on the natural environment and landscapes.
- **Strategy 1.7** Ensure tourism related development is planned, located and integrated with existing settlements consistent within the coastal planning policy context.

**Objective 2**
To provide diversity in tourist accommodation.

- **Strategy 2.1** Encourage tourist accommodation in appropriately zoned rural areas.
- **Strategy 2.2** Encourage the development of short-term tourist accommodation such as holiday units and cabins, particularly at Corinella, Coronet Bay, Grantville, San Remo, Cowes, and Inverloch.

**Objective 3**
To provide diversity in tourist attractions and eating establishments.

- **Strategy 3.1** Encourage a diverse range of restaurants and entertainment facilities at Cowes, San Remo, Wonthaggi, Grantville and Inverloch.
- **Strategy 3.2** Facilitate the development of integrated recreation, cultural heritage or nature based tourist developments at locations identified for these uses.
- **Strategy 3.3** Facilitate the establishment of home-based cottage industries with either direct sale to the public, through local retail outlets, at community markets, or at major tourist destinations.
- **Strategy 3.4** Encourage tourist facilities and services that are compatible with and add value to the existing built and natural attractions of the municipality.
- **Strategy 3.5** Encourage tourist, recreational activities, primary produce sales and tasting, linked or dependent upon agricultural activities, to establish in appropriately zoned rural areas.

**Objective 4**
To encourage sustainable year-round tourism.

- **Strategy 4.1** Actively promote tourist development that will contribute and reinforce the municipality as an all-year round tourist destination.
- **Strategy 4.2** Encourage development which is innovative, attracts visitors throughout the year, is conducive to overnight stays or which leads to new tourist products or promotions.
- **Strategy 4.3** Provide the necessary infrastructure needed to host major sporting and cultural events.
- **Strategy 4.4** Support the provision of temporary camping and accommodation premises to satisfy demand beyond the capacity of established premises for major events attracting over 50,000 people.

**Objective 5**
To encourage appropriate tourism developments and tourism signage

- **Strategy 5.1** Development on major tourist routes should be sited and designed to ensure that it does not detract from the visual values and vistas that are enjoyed by motorists, passengers, cyclists and pedestrians.
- **Strategy 5.2** Assess proposals for tourist development and associated signage against the following criteria:
  - The relationship of the layout and building design to:
    - Native vegetation, watercourses, the coastline, ridge lines and other natural features.
    - The capability of the site to accommodate the proposed development.
    - Access from roads, both internal and external to the site and the provision of car parking areas for patrons.
    - The natural and built environment.
    - Location relative to major tourist routes.
    - The use of landscaping treatment to complement development.
    - Height, scale, mass and colour that is compatible and responsive to the environment.
Ensure signage that is visible to the public from outside the development is appropriate.

Map 1: Bass Tourism Precinct
Map 4: Corinella-Coronet Bay Rural Activity Zone
Agriculture
Overview
Agricultural activities, particularly dairy and beef cattle farming are a significant contributor to the local and regional economies and a major source of local employment. Agriculture is the main land use of the Shire’s hinterland and as such creates an attractive landscape backdrop to the coastal areas.

Agriculture is an important part of the local economy generating around 7% of total economic output and 8% of all jobs. The largest commodity groups by value of production are dairy ($52 million) and meat ($28 million). While the future outlook for agriculture is strong, land affordability and urban encroachment are issues for agriculture in some areas of Bass Coast (source: Bass Coast Rural Land Use Strategy (2014)).
Much of the rural land in Bass Coast is considered productive agricultural land with areas east of the Bass Highway considered land of “strategic significance” due to its contribution to the nationally significant Gippsland dairy industry.

The Bass Coast Rural Land Use Strategy (2014) sets out a long term vision for the Shire’s rural areas and identifies three different rural precincts that reflect the diversity of the landscape and agricultural values (Map 1: Rural Precincts). These are:

**Precinct 1 (East of Bass Highway).** The main commercial agriculture area with a strong future for agriculture.

**Precinct 2 (West and South of Bass Highway).** A mix of commercial agriculture and lifestyle farming.

**Precinct 3 – Phillip Island.** A mix of commercial agriculture and lifestyle farming.

Each precinct has subdivision and minimum lot size provisions identified for dwellings, based on the area required to support agriculture and the need to protect the rural farmed landscape.

There is the potential for conflict when the expectations of the farmer and the expectations of the rural lifestyle resident differ. Direction is required to ensure that unplanned rural living does not displace agriculture or prevent flexibility for farm businesses as this impacts on their ‘right to farm’.

In this context, important principles to be applied in the rural areas are:

- The need to avoid expectations and perceptions that there will always be an automatic entitlement to erect a dwelling on all lots in the Farming Zone; and
- Small lot subdivisions should not create any additional entitlements for a dwelling.

**Map 1: Rural Precincts**

**Key Issues**

- Protecting the opportunity for agriculture.
- Protecting productive agricultural land.
- Diversifying agricultural industry.
- Developing value adding rural industries in the Shire.
Objectives and Strategies

Objective 1
To establish a strong and vibrant rural agricultural community comprising a range of diversified enterprises that is efficiently managed and ecologically sustainable.

Strategy 1.1
Encourage the diversification of agricultural practices including introduction of new crops and animals, use of energy efficient technology, and ecologically sustainable farming techniques.

Strategy 1.2
Encourage farmers to prepare and implement Farm Management Plans for their properties, particularly as part of a planning permit application for a change in land use or development.

Strategy 1.3
Encourage the planting of locally indigenous vegetation to provide shelter for livestock, minimise soil erosion and salinity, enhance landscape quality, and provide further opportunities for wildlife corridors.

Objective 2
To retain viable rural holdings, particularly on productive agricultural land.

Strategy 2.1
Discourage the subdivision of productive agricultural land.

Strategy 2.2
Encourage restructuring of existing titles to more adequately respond to sustainable farming operations and environmental objectives.

Strategy 2.3
Encourage use, development and management of land that is conducive to maintaining options and opportunities for future farming activities.

Objective 3
To prevent land use conflicts in agricultural areas.

Strategy 3.1
Limit development in rural areas that is not associated with an agricultural land use.

Objective 4
To encourage a range of value-adding rural industries to establish in the Shire.

Strategy 4.1
Encourage rural industries which package and/or process local primary products in proximity to their raw product.

Objective 5
To provide clear direction for use and development in the rural areas of the Shire.

Strategy 5.1
Support agriculture and the protection of the rural farmed landscape.

Strategy 5.2
Ensure that the ability of future generations to productively farm the land is not prejudiced.

Strategy 5.3
Support agricultural activities and associated rural industries that will maintain and build on the economic base of the Shire.

Strategy 5.4
Encourage the use of existing small lots for innovative uses or niche production activities that are not dependent upon or associated with the development of a dwelling on the lot.

Objective 6
To balance demand for rural lifestyle and protection of agricultural values.

Strategy 6.1
Discourage fragmentation of land in rural areas.

Strategy 6.2
Discourage additional dwellings unrelated to the agricultural use of the land.

Objective 7
To protect and maintain the existing rural character of the Shire.

Strategy 7.1
Provide clear definitions and distinctions between rural and urban areas.

Objective 8
To protect and maintain areas of environmental and landscape significance.

Strategy 8.1
Discourage inappropriate development and uses.

Strategy 8.2
Provide for a range of tourism uses in appropriate areas.

Forestry and timber production

Overview

Forestry and timber production is a relatively new and small scale industry for the Shire. The growing of softwood and hardwood timber plantations by farmers to supplement their incomes, or whole properties being used for timber plantations is a legitimate use of rural land, particularly if it is not productive agricultural land and the land is predominantly cleared.

Objectives and Strategies

Objective 1
To minimise the impact of timber plantations and forestry on the environment and significant landscape.

Strategy 1.1
Ensure indigenous vegetation is not removed for the establishment of timber plantations.

Strategy 1.2
Strongly discourage timber plantations from locating in areas of high landscape and environmental quality.

Strategy 1.3
Ensure that extensive buffer zones of indigenous vegetation are planted around timber plantations.

Objective 2
To minimise the impact of timber plantations and forestry on infrastructure.
Minimise the impact of timber plantations and forestry on infrastructure, including the surrounding road networks and water supply.

Extractive Industry

Overview
The known sand resources at The Gurdies-Grantville area will become increasingly important for concrete sand supplies in metropolitan Melbourne over the next 20 years. Although extractive industry itself may not employ many workers, the transporting of material, the associated service activities and related industrial activities provide employment opportunities for the local population.

Objectives and Strategies

Objective 1

To ensure the long term protection of known and potential sand resources.

Strategy 1.1
Discourage incompatible use or development from within or adjacent to buffers of known stone and sand resources.

Objective 2

To effectively manage extractive industry in response to surrounding land uses and the natural environment.

Strategy 2.1
Ensure that extraction of stone is carried out in accordance with high environmental standards and does not have a detrimental impact on the environment or significant landscape areas.

Strategy 2.2
Ensure that extensive buffer zones of indigenous vegetation are planted around quarries.

Strategy 2.3
Minimise the impact of extractive industries on the infrastructure capacity of the surrounding area.

Strategy 2.4
Ensure quarries are located or designed so as to minimise impacts on areas of high landscape and environmental quality.

Specific Implementation

Request extractive industries provide the following information as appropriate:

- A draft or outline of the work plan required in the Extractive Industries Development Act 1995.
- A detailed Infrastructure Management Strategy addressing, but not limited to, any issues in relation to surrounding road networks, water usage, and drainage. When deciding on applications consider, as appropriate:
  - The EPA Protocol for Environmental Management (PEM) Mining and Extractive Industries (December 2007) to minimise impacts on the environment and surrounding areas.
  - The Extractive Industry Interest Areas map for Bass Coast Shire when considering applications in The Gurdies - Grantville area, the area north of Inverloch and around the existing quarry on Phillip Island.