

21.05 ECONOMIC DEVELOPMENT

13/08/2015
C73

21.05-1 Agriculture

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Overview

Agriculture is a key economic contributor to the Colac Otway Shire with the dairy and beef industries the most significant in terms of land use and economic contribution to the Shire. The protection of agricultural industries is critical to the economic and social wellbeing of the Shire. Dairy farms account for 65% of the total contribution made by agriculture to the Colac Otway economy and, along with other forms of broadacre agriculture, will require access to affordable land for future growth and expansion.

The Colac Otway Shire has three distinct geographical areas that offer different agricultural land use opportunities. The Rural Land Strategy (2007) identified the north-western part of the Shire as an area of "Farmland of Strategic Significance" having 'high' agricultural capability due to soil type, climatic conditions and larger land parcels. The primary agricultural land use of this area is dairying, while the north-eastern part of the Shire is identified as having 'medium' agricultural capability with the primary land use for production of beef. The southern part of the Shire includes the Otway Ranges and is generally characterised by rolling hills and heavily vegetated forests with pockets of cleared farmland. Along the coastal fringe of the shire, there is a mix of mainly medium and low agricultural capability land interspersed with areas of medium and high agricultural capability. This land predominantly consists of grazing based farming systems due to contours and climatic conditions. The Rural Land Strategy has acknowledged that to maintain viability, many farms will have to increase in size or look to more intensive, alternative enterprises. However, there are evident land use trends which pose significant threats to the consolidation and expansion of farm holdings.

The protection of agricultural land and the strategic provision of land designated for rural living development in appropriately serviced areas was identified as a key issue in the Rural Living Strategy (2011). It is anticipated that the need to protect arable land within the Shire will intensify as the Shire's significant landscapes continue to attract those seeking a rural/coastal lifestyle, and farmers seeking to relocate and/or diversify their business, and as farming land in other areas of the State becomes increasingly vulnerable to harsher climatic conditions.

Future land use planning should prevent these trends from prevailing and enable opportunities for expansion of the medium to large farms, which is of greater net community benefit.

The following key land use trends and issues were identified in the Rural Land Strategy:

- Farm consolidation and expansion is evident and is considered fundamental to the long term protection of the agricultural base of the Shire.
- Future rural land use in the Colac Otway Shire is likely to comprise a few large farms, some medium family farms and an increasing number of small or part-time farms.
- There has been an increase in demand for rural lifestyle properties.
- There has been an increase in demand for tourism based activities in rural areas.
- The diversity of land uses resulting from change in rural land use may bring conflict between agriculture and other land uses.
- Proliferation of dwellings for lifestyle / hobby farm purposes in the Farming Zone will compromise the long term viability of farming in Colac Otway Shire.
- Proliferation of tourism-based activities in the Farming Zone will compromise the long-term viability of farming in Colac Otway Shire unless they are appropriately located.

- The clear evidence of farm amalgamations and the need to increase farm sizes to remain economically viable indicates that policy and provisions relating to dwellings and small lot subdivisions in rural areas will require a strict interpretation of the Farming Zone provisions to ensure incompatible land uses (including dwellings) do not negatively impact on the ability to farm.
- Approval of a dwelling or a small lot subdivision accompanied by a legal agreement prohibiting further subdivision and a further dwelling being erected on the vacant parcel can ensure the value of the remainder of the land will not be distorted by the presence of a house, but will be priced to reflect that the land has no further potential for a house. Given that the remainder of the land will have no housing potential, this may be the incentive for the land to be retained and consolidated in agricultural use.

Objectives

- To facilitate the growth of key primary industries and a range of developments to add to the economic base of the Shire.
- To maintain the viability of large-scale agriculture and the retention of areas of farmland of strategic significance and other high quality agricultural land for agricultural use.
- To protect rural land for agricultural production and timber harvesting activities.
- To limit the further fragmentation of rural land by subdivision.
- To encourage the consolidation of rural land.
- To protect the rural and agricultural areas of the Shire from the proliferation of dwellings not associated with agriculture.
- To ensure that lots resulting from subdivision are of a sufficient size to be of benefit to agricultural production or environmental protection.
- To ensure that the development of dwellings on rural land does not prejudice existing agricultural production or forestry activities on surrounding land.
- To discourage the development of dwellings that has a detrimental impact in areas of high landscape value and significant environmental quality.
- To ensure that incompatible land uses (including dwellings) do not negatively impact on the ability to farm.

Strategies

Dwellings

- Discourage the development of dwellings on lots that do not meet the minimum lot area of the zone or relevant schedule unless it can be demonstrated that the dwelling is required to carry out an intensive agricultural activity on the land or is required to achieve the environmental protection of the land.
- Development of the land for a dwelling should avoid or minimise the removal of native vegetation and be sited and designed to reduce visual prominence within the landscape.
- Development of the land should not lead to a localised concentration of dwellings so as to change the established land uses and/or character of the rural locality.
- Development of the land for the purposes of a dwelling should be compatible with and not adversely impact upon any of the following:
 - Any existing agricultural production or timber harvesting activities on surrounding land.

- The environmental characteristics of the land including vegetation, natural systems and water quality.
- The rural character and landscape values of the area, including visual and environmental impact.

Subdivisions

- Discourage the subdivision of rural land that creates small lots for existing dwellings or vacant lots for the purposes of a dwelling.
- Discourage the realignment of boundaries which create small lots for existing dwellings unless the re-subdivision contributes to the restructure and/or consolidation of agricultural holdings into larger farming units.
- Encourage the consolidation and restructure of agricultural land into larger parcels that meet the subdivision minimum under the zone or schedule to the zone.
- Ensure that small lot subdivisions or excisions facilitate sustainable rural production and do not prejudice surrounding rural activities.
- Discourage boundary realignments (re-subdivision) if they rely on land which was previously a road reserve, utility lot, crown land or are of insufficient size to support a dwelling.

Land Management

- Support development which will provide economic and social benefits while not adversely affecting farmland of strategic significance, water catchments, timber production and environmental and landscape attributes.
- Ensure that existing dairying and other agricultural producers are protected from encroachment by conflicting development such as hobby farms.
- Apply a strict interpretation of the Farming Zone provisions to ensure incompatible land uses (including dwellings) do not negatively impact on the ability to farm.
- Protect farmland of strategic significance and other high quality agricultural land for sustainable agriculture use and development.
- Protect the environmental significance of key sites while allowing limited diversification into new agricultural uses.
- Encourage tourist related development in association with agricultural enterprises in appropriate locations where development does not compromise use of land for agriculture.
- Encourage land management practices that are sustainable and protect the environment.
- Provide for innovative agricultural activities that do not detract from the long-term sustainability of large-scale agriculture.
- Introduce the Rural Activity Zone to selected areas, which better provide for uses and development that are compatible with agriculture and the environmental and landscape characteristics of the area with a focus on areas with moderate to low agricultural capability and in close proximity to the coast or within the Otway Ranges to provide for tourism.

Specific Implementation

Policy guidance

An application for a dwelling or subdivision must include, as appropriate:

- A site analysis outlining notable features of the site and surrounding area including topography, vegetation, existing buildings and works, roads (made and unmade), utility services, easements, soil type and other relevant features.

- A Whole Farm Plan and/or Business Plan with any application to use and develop a lot for a dwelling in association with an agricultural activity, including a written report that provides justification for the dwelling on the basis of the agricultural use of the land.
- A Land Management or Environmental Management Plan with any application to use and develop a lot for a dwelling in association with the environmental protection of the land, including a written report that provides justification for the dwelling on the basis of the environmental protection of the land.
- A detailed set of plans, drawn to scale, showing all of the following:
 - Subdivision layout and/or site layout, as applicable;
 - Floor plans and elevations for dwellings;
 - External building and materials and colours; and
 - Location of wastewater system and effluent fields.

Proposals for a dwelling or small lot subdivision (including a house lot excision and boundary re-alignment) must be assessed against the following criteria:

- Any small lot containing the dwelling and associated infrastructure should be at least 0.4ha and no more than 2ha in area;
- An adequate distance around the existing dwelling to lot boundaries should be provided to limit likely impacts (if any) of adjacent agricultural activity.

Decision Guidelines

When deciding on applications for a dwelling or small lot subdivision (including a house, lot excision and boundary re-alignment) consider, as appropriate:

- Whether it has been adequately demonstrated that the dwelling is genuinely required to carry out a long-term agricultural activity on the land and whether a dwelling is reasonably required on the land having regard to the size of the lot, intensity and ongoing nature of the proposed agricultural activity.
- Whether it has been adequately demonstrated that the dwelling is necessary to improve, or provide for, the ongoing protection of the environmental qualities of the land.
- Whether the commercial agricultural activities of the existing farm are compromised by a reduction in the size of the existing farm, which may include a tenement or multi-lot holding.
- Whether the dwelling requires the removal of vegetation or is intrusive on the landscape.
- Whether there is a need for planting of vegetation and construction of fences within the excised lot to reduce any potential impacts.
- Whether the proposal will lead to a concentration of lots that would change the general use and character of the rural area.
- Whether an adequate distance is maintained from dwellings to limit impacts on agricultural and forestry activities, including the setbacks required under the zone.
- Whether there is the need for any approval to be conditional upon the applicant entering into an agreement under Section 173 of the Act to prevent the further subdivision of the land and the construction of a dwelling on any lot created other than in accordance with the minimum lot size in the zone.
- Whether the proposal reduces the number of existing titles (having the effect of reducing future opportunities for applications for dwellings) and increases the size of remaining lots to reflect the minimum subdivision requirement of the zone or schedule to the zone.

- Whether there is the need for an agreement under section 173 of the Act acknowledging the possible off-site impacts of adjoining or nearby agricultural activities.

Rezoning guidance

- Support the Rural Activity Zone on land in close proximity to the coast or within the Otway Ranges to provide for tourism use on land with moderate to low agricultural capability and provided the use and development are compatible with agricultural, environmental and landscape characteristics of the area.

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Timber Production

Overview

Despite the cessation of timber harvesting from Crown land in the Otways the forestry industry, overall, contributes significantly to the local and regional economy and is a significant employer.

Council prepared and adopted a “Rural Land Strategy” (2007) which identified the value of the forestry industry at approximately \$156 million (\$82 million from gross value of production and \$74 million from timber processing) to the economy in 2001/2002 and employed 392 people directly in forestry production and 315 people in timber processing.

These plantations are located mainly in the southern part of the Shire with higher rainfall. Jobs associated with management, harvesting and processing of the forestry resource are predominantly located in Colac.

Timber processing plants in and around Colac employ over 380 people in kiln drying, preservation treatment and a range of sawmilling processes, while smaller more specialised mills occur in smaller settlements such as Birregurra. Some key issues identified include:

- Timber production and processing is a significant contributor to the economy of the Colac Otway Shire.
- The proclamation of the Great Otway National Park will result in reduced harvesting of native timber and a significant impact on local processors and employment is forecast.
- Timber plantation expansion through lease arrangements can provide an alternative source of farm income, which for small farms on lower agricultural capability land, may ensure that the farm continues to be used for primary production.
- The expansion in the establishment of plantation forestry on private land has caused concern within the broader community relating to:
 - Loss of farming families from local communities;
 - Decline in rural services with reduced population;
 - Loss of “prime” agricultural land;
 - Perceived conflicts between land uses; and
 - Water yields in water supply catchments.
- A significant expansion in the area of timber plantations on farmland of strategic significance could be of concern due to the impacts of higher land prices on farm viability and reduction of area of land available for food production.
- Barwon Water and Wannon Water have both advised that their preference is to limit timber plantations in declared water supply catchments to protect water quality and water yields. Applying a planning permit trigger will enable an assessment of applications against issues such as water quality and yield and the cumulative impact of plantations in water supply catchments to be considered by the relevant water corporation and potentially provide for planning permit conditions above and beyond the requirements of the Code of Forest Practice.

- A Land Use Determination for the Gellibrand River notes the importance of consideration of plantation forestry on sub catchment hydrology.
- The Great Ocean Road Region Landscape Assessment Study identifies the potential for timber plantations to have a negative impact on the nationally significant Great Ocean Road Region landscape. Landscape is an issue that is not addressed to a significant degree by the Code of Forest Practice.

Objectives

- To ensure that timber plantations are located in areas best suited in terms of environmental, social, economic and land capability impacts.
- To have regard to adjoining land uses when considering applications for timber production.
- To minimise the visual impact of clear felling of plantation trees adjacent to main road corridors and tourist routes which leave large and often highly visible areas of the landscape scarred, detracting from the landscape character of the Region.

Strategies

- Continue to encourage the forestry industry within the Shire due to its significant contribution to the Shire economy and employment.
- Ensure that timber production does not negatively impact on the viability of traditional agricultural activities in areas identified as being ‘farmland of strategic significance’, also taking into consideration the cumulative impact of timber production on traditional agricultural activities in these areas.
- Ensure that timber production does not negatively impact upon water quality and water yield in Declared Water Supply Catchments, also taking into account the cumulative impact of timber production on water quality and yield in these areas.
- Utilise vegetation buffers of appropriate width (minimum 20 metres) to screen the clear felling of large areas of the landscape that are adjacent to and visible from main road corridors and tourist routes. It may be appropriate to harvest buffers when the clear felled areas of the landscape protected by the buffer have regrown adequately.
- Discourage timber plantations in the Rural Conservation Zone on land identified for its scenic and landscape qualities in the Great Ocean Road region.

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Manufacturing

Overview

- There are approximately 60 major manufacturing industries in the Shire and they are closely linked to the agricultural and forestry resource base of the region. Manufactured products include powdered milk, cheese and ice-cream, packaged meat, sawn timber and timber by-products. The Shire also sustains a large number of highly competitive, small industry-service firms.
- Over 20% of the Shire’s labour force is employed in the manufacturing, construction and transport sectors.
- The meat processing and saleyard facilities in Colac employ over 200 people processing cattle, sheep and pigs. These major producers are supplemented by a range of smaller employers of businesses serving the primary producers and the transport industries.

- Although the harbour at Apollo Bay is small by Victorian standards it does provide a sheltered haven for fishing boats and there has been an increase in the catch of shellfish such as crayfish and abalone. The harbour's importance to recreational boating adds a further feature to the attractiveness of Apollo Bay for longer stay visitors.

Objectives

- To develop synergies between existing industries, businesses and the education sector to facilitate developments that will help diversify the employment base of the region.
- To support the development of industries that introduce diversity to the economy and contribute to value adding industries.

Strategies

- Promote Colac as a location for industry.
- Assist industries within the main urban area of Colac to develop while minimising off-site effects.
- Facilitate the diversification and expansion of employment opportunities by encouraging the clustering of related industries and services and the development of niche markets.
- Encourage the establishment of industries and businesses that seek to add value to existing primary producers of the region.

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Tourism

Overview

- The tourism industry is a very important contributor to employment in the Shire and has demonstrated consistent growth over the past two decades.
- The Shire contains some of Victoria's most significant tourist attractions. The Great Ocean Road with internationally acclaimed beaches and cliff scenery is backed by the diverse beauties of the Otway Ranges, while in the north of the Shire, is an extremely interesting area of old volcanic plugs, craters and lakes.
- The tourist industry has an increasing emphasis on eco-tourism, cultural tourism and experiential tourism. These sectors and the Shire's close proximity to Geelong and Melbourne have consequent demands for backpacker accommodation and facilities for people interested in short-stay visits.
- The Shire is well placed to capture a large proportion of Victoria's key tourism growth market - short-stay visits and day trips. Colac is within a 2-hour drive of Melbourne and can provide the base for a well-varied day visit.
- The range of attractions in the Shire and surrounding region also provide Colac Otway the opportunity to attract longer stay and out-of season tourists, market segments which contribute more to the economy.
- While tourism activity is seasonal, there are opportunities to add variety to the Shire's attractions that would encourage the development of more all-year round activities.
- The increase in tourism has the potential to create conflicts through environmental damage, pressure on attractive and sensitive areas for development to meet accommodation demands and potential dangers to residents and visitors in areas sensitive to landslip and bushfires.

- Protecting those resources and assets on which tourism depends is vitally important. They include the natural environmental and cultural features, heritage, infrastructure, settlements and townscape design and presentation.
- There is potential for further development in the Johanna area for low intensity tourism activity based on its outstanding natural attributes.
- With tourism as a major growth sector it will be necessary to recognise more closely the ways in which other industries and business can add to the tourist appreciation of the region both through improvements to the quality of the visual landscape and in the introduction of new experiences.
- The Rural Land Strategy has identified some demands for tourism and accommodation in an area to the west of Apollo Bay that has been included within the Rural Activity Zone.
- The identification of this area to the west of Apollo Bay does not aim to increase rural living opportunities, but aims to facilitate commercial, tourism or recreation development that will complement and benefit the particular agricultural pursuits, landscape features or natural attractions of the area.
- The Rural Land Strategy has also identified demand for tourism and accommodation in the Otway Ranges that is not adequately catered for in the Farming Zone.
- It is recognised that within the Rural Activity Zone there is the potential for both farm based activities on relatively cleared land, and nature based activities on partly vegetated land to occur.
- The Forrest Structure Plan has identified opportunities for expanded tourism accommodation, cafes, eateries and rural produce and recreation-based commercial enterprises along Grant Street.
- The Forrest Structure Plan has also identified an area at the northern entrance to the Forrest Township suitable for rural and eco-tourism enterprises.
- The redevelopment of the Apollo Bay Harbour will be based on a Development Plan that will enhance the tourism appeal of the area and provide another attraction that will encourage longer stays along the coast.

Objectives

- To encourage growth in tourism in a way that assists diversification in the economy and ensures the protection of key environmental features.
- To encourage investment in tourism that has close linkages with local industries and the environment.
- To protect key visual and environmental features which are of major significance and contribute to the tourism assets of the Shire.
- To provide a range of accommodation and related activities which encourages tourist visitation.
- To provide for a preferred mix of uses in the Rural Activity Zone to the west of Apollo Bay.
- To provide for a preferred mix of uses in the Otway Ranges.
- To encourage economic development in towns in the Otway Ranges through tourism uses and development which acknowledge and respond to environmental constraints and protect landscape values.

Strategies

- Encourage the development of activities such as eco-tourism, which can demonstrate sensitivity to the environment with economic benefit to the locality.
- Encourage the development of small-scale activities, which are related to locally produced arts, crafts or products as a diversification of the economy.
- Encourage the development of tourism trails based on the cultural heritage features of the Shire, the environmental assets of the Shire and link those to wider regional trails.
- Encourage the development of agriculture based tourism industry as a means of assisting and diversifying the agricultural economy.
- Promote heritage related businesses and the private and public gardens in towns and rural properties.
- Support high quality tourist and recreation developments that clearly provide linkages to other regional features such as the coast, the natural environment, the built and cultural heritage and specific local experiences.
- Protect and enhance those natural, physical and amenity features which contribute to providing a 'tourism experience' including the natural environment, heritage elements, landscape features and cultural activities.
- Protect the visual and amenity qualities of the Great Ocean Road and its adjoining coastal and rural landscapes.
- Consolidate larger scale tourism use and development into identified activity nodes along, or located off, the Great Ocean Road that is subservient to the landscape so as not to detract from the quality of the landscape; of high quality design and style relevant to the surrounding land uses and is capable of net gain environmental outcomes.
- Ensure tourist developments are compatible with the immediate area.
- Consider proposals for application of the Rural Activity Zone to provide for tourism facilities in the Otways on a case-by-case basis.
- Facilitate the development of a diverse range of accommodation to meet changing visitor needs.
- To encourage the establishment of equipment hire and tour groups to support tourist recreational needs within Forrest.
- Consider tourism accommodation proposals and compatible developments in Forrest along Grant Street and outside the northern boundary of the town on land in the Rural Activity Zone.
- Ensure new development in the Apollo Bay Harbour is consistent with a Development Plan to be prepared for the Harbour.

Specific Implementation

Policy guidance

Assess proposals for use and development in any Rural Activity Zone west of Apollo Bay or in the Otway Ranges against the following criteria:

- Use and development for equestrian supplies, helicopter land site, landscape gardening supplies, motor racing track, tavern, and other similar uses should be avoided.
- The scale of development and use should relate to the land size and surrounding uses.
- Development should be subservient to the landscape and not detract from the landscape quality.

- Development should be of high design quality and the style should respect surrounding development.
- Support compatible tourism and recreation related land uses and development within the Rural Activity Zone located on the northern approach to the Forrest Township.
- Development should provide a net environmental gain.
- Development should be self sufficient in, or meet all the relevant costs of, infrastructure provision.

Rezoning guidance

Support the Rural Activity Zone on land west of Apollo Bay and in the Otway Ranges to provide for a mix of uses including agriculture; tourist and recreational activities; group accommodation with tourist or recreational activities (including backpacker accommodations, camping and caravan park, cabins, etc); and restaurant in association with a tourist facility or recreational activity.