GREATER SHEPPARTON 2030

BACKGROUND and ANALYSIS REPORT NO. 5: ECONOMIC DEVELOPMENT

Adopted by Council at Ordinary Council Meeting on 3 October 2006

coomes consulting

Contents

List of Figures

List of Tables

Abbreviations / Acronyms

ABS	Australian Bureau of Statistics
CBD	Central Business District - Shepparton city centre
GSCC	Greater Shepparton City Council
CMA	Catchment Management Authority
DPI	Department of Primary Industries
DSE	Department of Sustainability and Environment
GB-CMA	Goulburn-Broken Catchment Management Authority
G-MW	Goulburn-Murray Water
Greater Shepparton	Refers to the whole municipality of Greater Shepparton
MSS	Municipal Strategic Statement
Shepparton	Refers to the urban areas of Shepparton
SIR	Shepparton Irrigation Region
VPPs	Victorian Planning Provisions
WFP	Whole Farm Plan

1 Introduction

1.1 Greater Shepparton 2030 – Process and Outcomes

The Greater Shepparton City Council and the Department of Sustainability and Environment have prepared ***Greater Shepparton 2030***, a blueprint for building sustainable economic activity and maximising the quality of life in the municipality over the next 30 years.

This plan will update the previous City of Greater Shepparton Strategy Plan 1996 which formed the basis for the current Municipal Strategic Statement (MSS). The MSS is the local strategy component of the Greater Shepparton Planning Scheme.

A key element of the preparation of this plan was the integrated planning approach, and the process and extent of community engagement involving all stakeholders. This engagement was achieved from a number of initiatives to obtain a depth of understanding of issues from both technical and personal perspectives. The feedback from the community consultation assisted in the development of visions for the municipality.

The methods of community engagement included an open invitation for community representatives to attend a number of advisory groups. These workshops covered the specialist topics of:

- Environment
- Heritage and culture
- Community services
- Infrastructure
- Transport
- Business and tourism
- Agriculture
- Recreation and open space
- Youth

In addition, specific workshops were held to discuss the towns of:

- Congupna
- Dookie
- Katandra West
- Merrigum
- Mooroopna
- Murchison
- Shepparton
- Tallygaroopna
- Tatura
- Toolamba
- Undera

Specialist input was also received from single purpose workshops with Councillors, Council officers and Regional Development agencies.

A number of individual interviews were held with representatives of key statutory agencies. In addition to community engagement, the preparation of the strategy involved detailed research and investigation of the main issues.

Current and emerging issues are considered, ranging from global issues such as world economics, global warming, energy sources and population migration.

Domestic issues are considered, including changes to the horticultural and dairy industries, potential for new rural enterprises, water distribution, the highway bypass, changes to road and rail freight patterns, and community development and settlement patterns.

This report also provides a profile of the city and the forecast population projections.

The key land use and development principles that together form the basis of a functioning city are:
- People (Demographic Profile)
- Settlement and Housing
- Community Life
- Environment
- Economic development
- Infrastructure

This grouping generally reflects the land use and development principles embodied in State and local documents including the Victorian Planning Provisions (VPPs), the Greater Shepparton City Council Plan and Melbourne 2030.

Attachment 1 contains a complete list of topics, a key direction for each topic, and a list of themes within each topic, that together comprise the policy coverage of ***Greater Shepparton 2030.***

There is a background and analysis report for each of the above topics. This grouping is for ease of description of related sub-topics and for implementation by various public and private agencies. It is recognised that, in practice, these principles are intrinsically interrelated in a holistic view of the municipality.

Greater Shepparton 2030 contains objectives, strategies, and implementation suggestions for each of these topics. These were derived from a set of overarching sustainability principles, which have also driven Greater Shepparton's Council Plan.

In addition, some of the topics will contain framework plans. A framework plan will spatially map the preferred form of future use and development.

In line with the sustainability outcomes sought for the long term, the plan will contain triple bottom line assessments of opportunities and challenges for land use planning, social planning and economic analysis. This analysis will identify priority projects which will be included in Greater Shepparton 2030: In Summary, a summary document for the Greater Shepparton City Council.

The outputs of this Strategy will consist of a number of corporate and strategic planning documents for the municipality, including the Municipal Strategic Statement. The implementation of the Actions listed in the Strategy Plan will be undertaken in the context of the constraints of the Strategic Resources Plan as contained in the Council Plan 2004-2008.

The total package of documents comprising the ***Greater Shepparton 2030*** is shown in Figure 1.

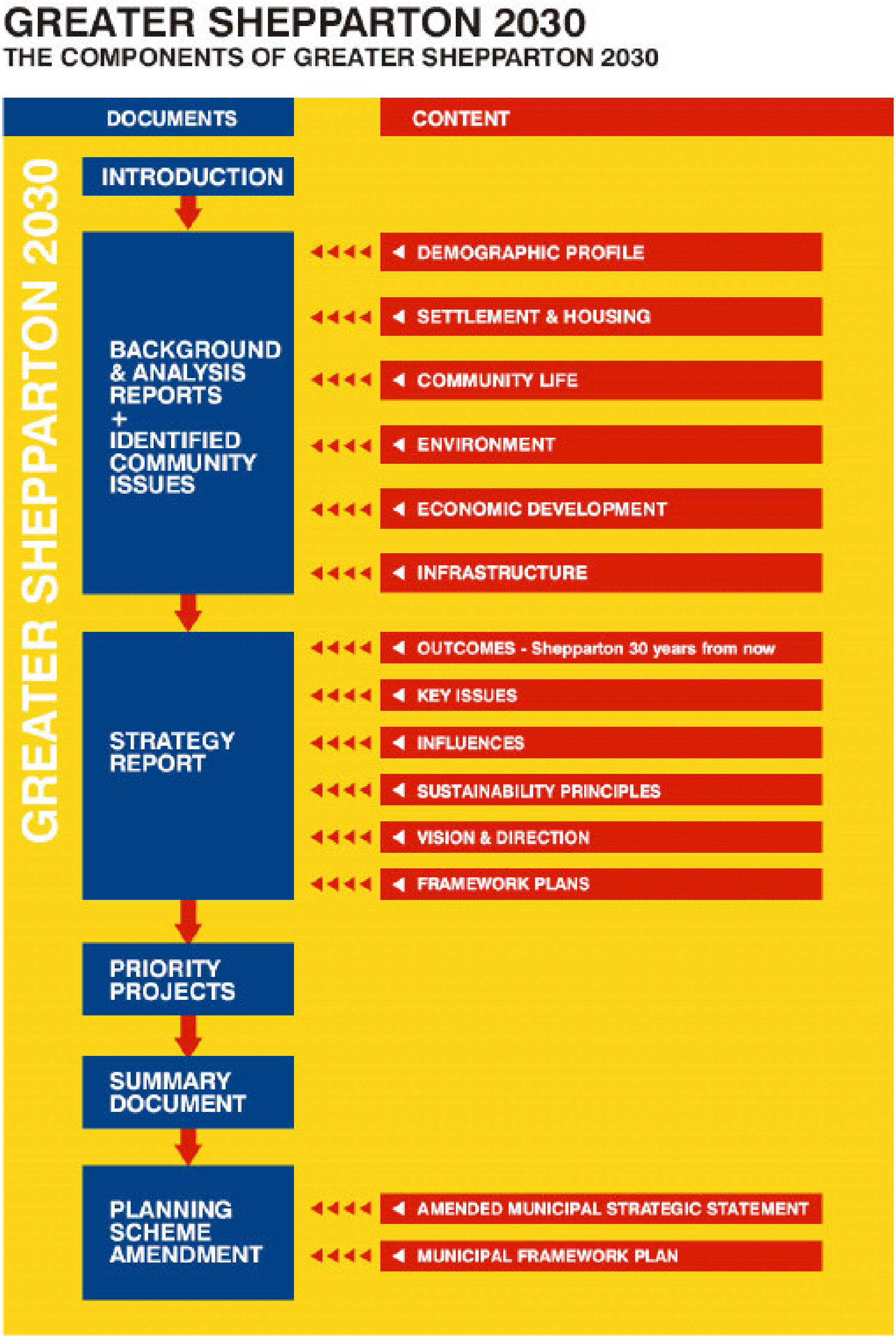

Figure 1: The components of Greater Shepparton 2003

1.2 This Report – Economic Development

This report provides commentary on the economic development aspect of the strategy plan for Greater Shepparton City Council (GSCC).

The economic development component of the strategy plan is inclusive of a wide range of sub-topics regarding land-use and economic activity that are interrelated and often interdependent. Sub-topics related to economic development that are discussed in this report are:

- Agriculture and Rural Land (Section 5)
- Commercial Activity Centres (Section 6)
- Industry Sectors (Section 7)
- Tourism (Section 8)

In summary, this report demonstrates that the economic performance of Greater Shepparton is largely dependent on the strong rural sector and the associated value adding industries, represented predominantly by the food processors. It is the size and scope of this agricultural sector that makes the municipality a major contributor to the economic wealth of Victoria and Australia.

The farming sector is vigorous and strong, based on irrigated and dry land farming. Of special note are the following statistics (at 2003):

- there are approximately 7,300 irrigated farms in the municipality comprising dairy, horticultural and mixed farming
- there are approximately 22 food processing factories
- annual farm gate production value reached $1 billion in 2000
- processing value reached $1.7 billion in 2000

Changes in climate and water resources, from the broadest global level to the individual farm level, are likely to have an impact on this economic base. In turn, the strength of this economic base directly impacts the stability of the social frameworks in the region.

An important part of the economic base of municipality is the manufacturing industry, which is closely linked to the agricultural sector through many international and national food processing and packaging companies which are located in the municipality. It is through this diverse range of integrated industries that Greater Shepparton is known as the "Food Bowl of Australia".

The strategic location of Shepparton and Mooroopna on the junction of the Midland and Goulburn Valley Highways makes it an important freight collection and distribution centre, which contributes to the competitiveness of the agricultural and manufacturing industries.

Moreover, Shepparton is the fourth largest regional urban centre in Victoria and serves as a key commercial, service and support centre for the surrounding region. Shepparton/Mooroopna is also an important shopping destination and provider of higher order services to residents in the region, including health, education, professional services and the like. The City's commercial/retailing centres of varying sizes fulfil both local shopping and discretionary shopping needs, and provide services at a regional level.

Another important industry is tourism, which is mainly focused on shopping for locally manufactured products (particularly canned foodstuffs), the meetings and business events market, and people visiting friends and relatives. Tourism is making an increasingly important contribution to regional wealth.

1.3 Structure of this Report

This report is divided into 10 sections:

Section 1 contains an introduction to the strategy plan, an outline of subtopics addressed in this report, and a list of sustainability principles.

Section 2 provides an overview of the topic, with the major issues identified in the 1996 plan and comments about where the future focus should be in this current strategy plan. This section concludes with a singular direction for the topic of economic development, which will drive the detailed strategies.

Section 3 contains a summary of comments from the community engagement process: firstly the comments regarding the major issues of employment and economic development; and secondly, ideas and visions for the potential achievements in 20 years time. These comments are displayed graphically to show linkages and common themes.

Section 4 provides an overview of the local employment profile.

Sections 5 to 8 address each of the subtopics in detail and may include all or a number of these items:

- Key Issues, including major structural changes and key initiatives undertaken.
- Any reports or studies relevant to the study area, published since the 1996 plan.
- A broader strategy framework, indicating where local strategies fit into regional, state, national and international strategy frameworks.
- A list of objectives, derived from the community engagement feedback and vision setting plus the above situational analysis. These objectives have been tested against the sustainability principles.
- For each of the objectives, a list of strategies to achieve the objectives.
- For each of these strategies a list of actions to implement the strategies.
- In addition, the role taken by the Council, the priority of the project and an indicative cost are included as part of the implementation process. Council has the following roles:
  - Provider – Council's role is to provide the service
  - Facilitator – Council's role is to provide the service with other providers
  - Advocate – Council's role is to lobby the provider to provide the service
- Where relevant, a framework plan that spatially maps the preferred form of future use and development. This may be an amended version of an existing framework plan from the 1996 strategy plan, or a new plan.

Section 9 contains a summary of strengths, weaknesses, opportunities and threats for this topic.

1.4 Sustainability Principles

There is widespread agreement that solving global problems means the adoption of policies and programmes that lead to sustainable development.

Sustainable development is development that meets the needs of the present generation without compromising the ability of future generations to meet their needs.
Sustainability is not just an environmental consideration it has economic, social and environmental development perspectives and relevance.

The recently released statement of metropolitan planning policy – Melbourne 2030, has advanced a suite of principles as fundamental platforms to the attainment of sustainable development.

These principles, which start with sustainable practice, are equally applicable and relevant to the development of Greater Shepparton and are adopted as principles underpinning the strategy plan.

Principle	Outcome
Sustainability:	Sustainable economic, social and environmental development
Innovation:	Commitment to finding new solutions
Partnership and Inclusiveness:	Collaboration with others and considerations of their needs and aspirations
Leadership:	Leadership and encouragement of/in others
Equity:	Fairer access to benefits of growth and change
Adaptability:	Planning to change and being adaptable when faced with it
Integrated Planning:	Planning and implementation of actions undertaken through an integrated planning process

2 An Overview – Economic Development

2.1 Strategic Context – from the Current MSS to a Future Focus

The current Municipal Strategic Statement (MSS) in the Greater Shepparton Planning Scheme is based on the findings and recommendations contained in the 1996 Strategy Plan.

This section firstly summarises the key strategic focus of the current MSS as it relates to the economic development of the municipality. Secondly, this section provides an overview of the preferred future focus, which ultimately will be incorporated as the strategic directions in the revised MSS.

2.1.1 Development of the Agricultural Economy

Current Municipal Strategic Statement

The primary strategic thrust of the 1996 Strategy Plan was to preserve high quality agricultural land through the promotion of sustainable land use, the management of inappropriate rural subdivision and by recognition of the importance of floodplain management.

The emphasis was to build on the existing traditional economic base of irrigated agriculture, in particular horticulture and dairying, with the goal of becoming internationally competitive in the agricultural and food products sectors.

Land was classified based on the suitability for crop and pasture production, which, combined with salinity data, formed a suitable basis for identifying areas of high quality land.

Future Focus

The central goal of protecting and growing the regional agricultural economy is restated in this report, with greater emphasis on the need to protect the scarce resource – the productive land. Equally significant is the need to address long term agricultural viability and value adding/diversification of agricultural activity.

In this report, the term ‘productive’ agricultural land has been used in preference to the previous term of ‘high quality’ agricultural land. This recognises that some land may not have a high quality rating in a comparative sense, but may nevertheless be capable of substantial contribution to production outputs. This has become more evident with the application of new technologies and farm management systems to improve and increase capacities and productivity.

This report also acknowledges that a major difficulty in designating rural land for long term agricultural use, or rural land with marginal long term agricultural potential, is the lack of detailed land capability mapping at a local level. Such mapping data will be essential to justify future rezoning or new growth boundaries to the towns in the future, or minimum lot sizes for subdivision.

It is clear that reliance on a relatively narrow (agricultural) industrial base makes the region vulnerable to external influences, as has occurred with the prolonged drought. The future strategy will be to diversify within the agricultural sectors, increase the number of larger operations with high technology infrastructure, and increase vertical integration in rural industries.

Such a structural change is more likely to deliver the desired competitive advantage in the international food production and processing industry. In addition the Greater Shepparton region is strategically placed to take advantage of the demand for uncontaminated land for food products, including organic produce.

A major issue that persists in rural areas is fragmentation of rural land holdings by rural house lot excisions. This is a critical and emotive issue as farmers have found it necessary to raise revenue to continue operations during the drought.

2.1.2 Development of Manufacturing and the Freight Industry

Current Municipal Strategic Statement
The current MSS refers to a strong industrial base centred on food processing and transport. The main industrial areas are located east of Shepparton (north of Midland Highway), north of Shepparton, Mooroopna, Mooroopna North and Tatura.

Land designated for future industrial purposes has been identified in Shepparton and in Mooroopna.

Future Focus
Development of the manufacturing industry will depend on a number of important factors including the type and extent of farm resources which can be developed and produce that can be processed locally, the availability of a suitably skilled and experienced workforce, the availability of industrial land, the ability to transport produce efficiently to markets, the extent and quality of supporting professional and commercial services, and encouragement/incentives for manufacturing diversification and innovation.

Coomes Consulting Group has undertaken a preliminary analysis of existing stock and future demand for industrial land (as at 2004). Based on this analysis, sites designated to cater for future industrial growth are considered to be sufficient in the short to medium term. However, a more detailed analysis will be required to review existing industrial zonings and consider the effects of the proposed location of the bypass and the characteristics of land demand for future emerging industries.

The Goulburn Valley Freight Logistics Centre will also impact on the demand for industrial land (apart from the site itself). However, it is not definite whether freight consolidation will result in industrial land being made available for other uses, or whether the increase in activity will expand the overall demand for industrial land. It is likely that both outcomes will prevail.

The availability of skilled labour is emerging as a recurring issue across all components of the Greater Shepparton 2030 project. There is a local demand for skilled labour for emerging enterprises, many of which are based on high technology infrastructure.

2.1.3 Development of Commercial Activity Centres

Current Municipal Strategic Statement
The importance of the Shepparton Central Business District (CBD) for retailing purposes and commercial activity is emphasised in the current MSS which identifies Shepparton CBD as the principal shopping centre in the region.

The MSS recognises there is a need for a more active and vibrant CBD, integrating shopping, leisure and entertainment, and a improvement in the appearance and urban design of the core retail area.

There is increasing demand for big box retailing, and this is typically provided at the periphery of the centres along the major highways.

An important issue of free standing shopping centres potentially undermining the viability of a dominant CBD is discussed in the current MSS. New centres are encouraged where they meet the needs of growing communities to the south in Shepparton and to the west in Mooroopna, and in small townships where growth occurs. Tatura and Mooroopna have capacity to accommodate further development in existing commercial centres. The Marketplace in Shepparton has approval for approximately 1,000m² additional retail floorspace.

Future Focus
The major strategic direction of this report is to reassess the hierarchy of roles and function of the commercial centres across the municipality.

The CBD must continue to evolve and update to provide a unique experience with a welcoming and safe ambiance for both residents and visitors, and across all age groups. As part of the process, a new emphasis in the mix of uses will be paramount to the CBD's success as a vibrant centre serving the surrounding region.

The CBD should be the focus for a vibrant area of speciality shops, tourist attractions and leisure facilities. This should be based around a restaurant precinct, which capitalises on the sunny weather of Shepparton.

In terms of development and urban design, GSCC should promote innovative modern architecture to create a sense of place and to overcome the fact that the CBD does not contain icon buildings or a historic precinct. These initiatives to enhance the CBD should help Shepparton capture a greater share of regional spending.

Emphasis on the CBD will require rigorous centre place management, and the co-operation of landowners and businesses to attract key anchor tenants to drive the process.

A number of redevelopment sites in the CBD have already been identified in the current MSS. However, there is now an increased potential for old and disused commercial sites to be re-developed for mixed use development including contemporary housing which may appeal to students and other niche market segments.

Free-standing centres should be limited to the urban growth corridors and in locations which also meet the requirements of the dynamic retail sector (as discussed later in relation to bulky goods retailing).

A further additional convenience local shopping centre or mixed use precinct may be developed on the airfield site, when the airport is relocated and this location is re-developed for residential purposes.

Peripheral sales (or bulky goods) uses are directed to existing highway locations. When the future population reaches a critical mass, these peripheral sales outlets are likely to form thematic clusters, for example a homemakers centre, or trades supplies centre.

2.1.4 Development of Tourism

Current Municipal Strategic Statement
In the current MSS, tourism is identified as an expanding industry with a major retail component, although from a small visitor base. Tourism is identified as having the potential to be a significant employer in smaller settlements.

The MSS identifies the importance of visitor spending in Shepparton in order to support visitor services, and identifies the need for visitor services for travellers north and south of the city bypass so that the spending of bypassing visitors can be captured locally.

Future Focus
Aggressive and effective marketing of tourist destinations and activities can be achieved with the co-operation of tourism operators, local businesses and the GSCC, leading to an increase in visitation and visitor spending in Greater Shepparton.

The focus on the convention market and special events should be continued and strengthened. These segments are year-round and are able to capitalise on the region’s attractive weather conditions. Major events can be accommodated at the showgrounds site on the Midland Highway.

There are a number of key assets and experiences linked to the agricultural sector and the food industry that can be further developed as attractive components in Greater Shepparton’s tourism sector.

The future bypass will require the allocation of land for visitor services such as petrol filling station, toilets, take away food and truck-stop facilities. However the total concept of tourism must not be limited to meeting the needs of those travellers who are merely ‘travelling through’ the city.

2.2 The Direction for Economic Development

To achieve the overall vision and outcomes of Greater Shepparton 2030 (as outlined in the Strategy Plan report) a major direction has been developed for each topic. These directions are complimented by a series of objectives and strategies and an implementation plan for each topic.

The direction for the topic of economic development is:

Promote economic growth, business development and diversification, with a focus on strengthening the agricultural industry.

3 Community Engagement

The figures on the following pages provide a summary of the feedback from the community consultation sessions.

The discussion was focussed on two main topics:

- Current issues in the topic areas of economic development; and
- Visions for the economic achievements in 20 years time in Greater Shepparton.

The responses are shown diagrammatically to indicate the common themes from the discussion and also to show the inter-linkages between the themes.

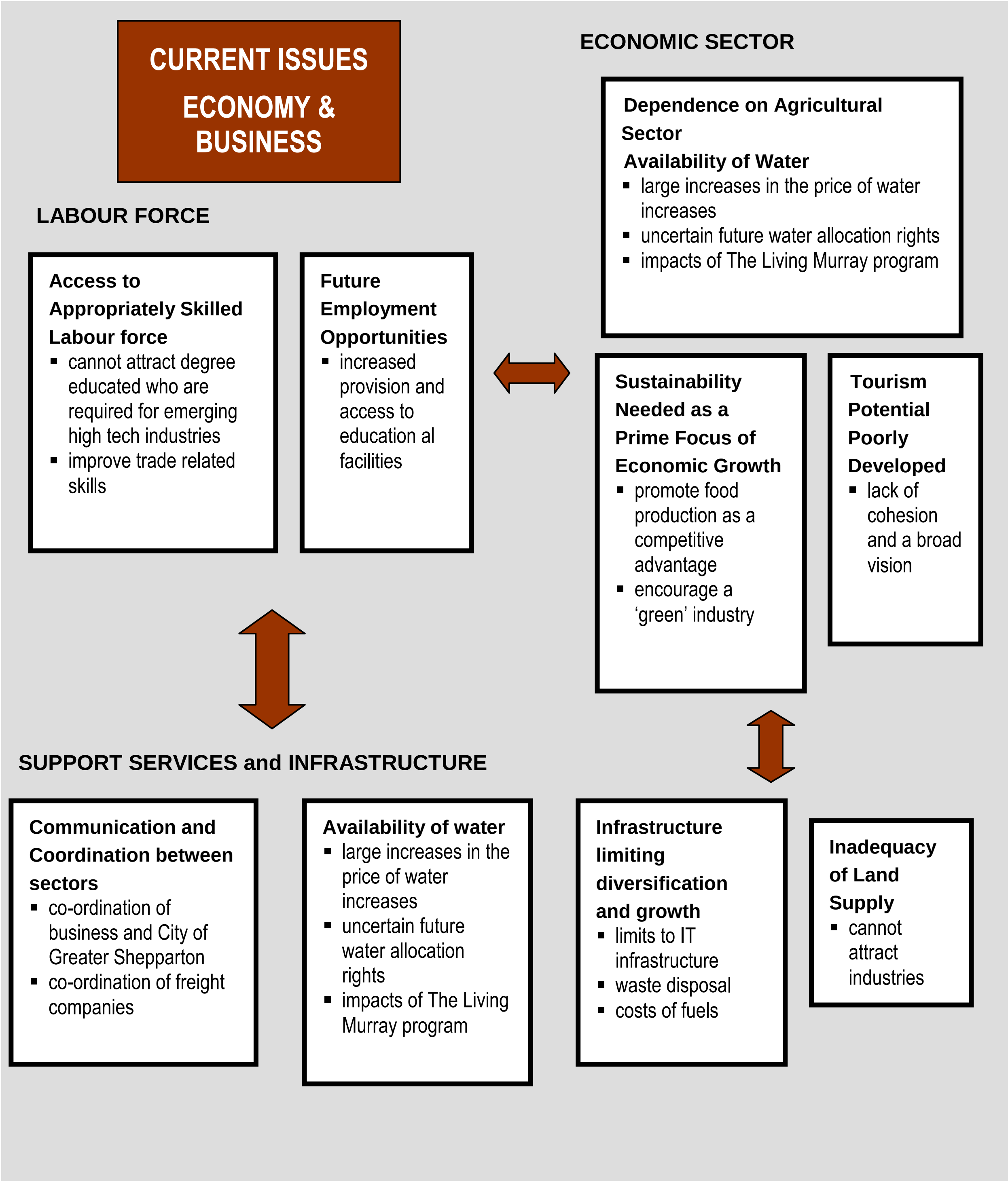

Figure 2: Community Consultation on the Economy, Employment and Business - Current Issues

**CURRENT ISSUES:
ACTIVITY CENTRES**

Stature of Shepparton
- size and critical mass
- competition in regional Victoria

Under performing CBD
- uncertain roles for CBD and peripheral centres
- parking issue with meters
- some vacant shops
- traffic management
- perceptions of unsafe CBD at night
- vandalism and gangs of youths

Figure 3: Community Consultation on Activity Centres- Current Issues

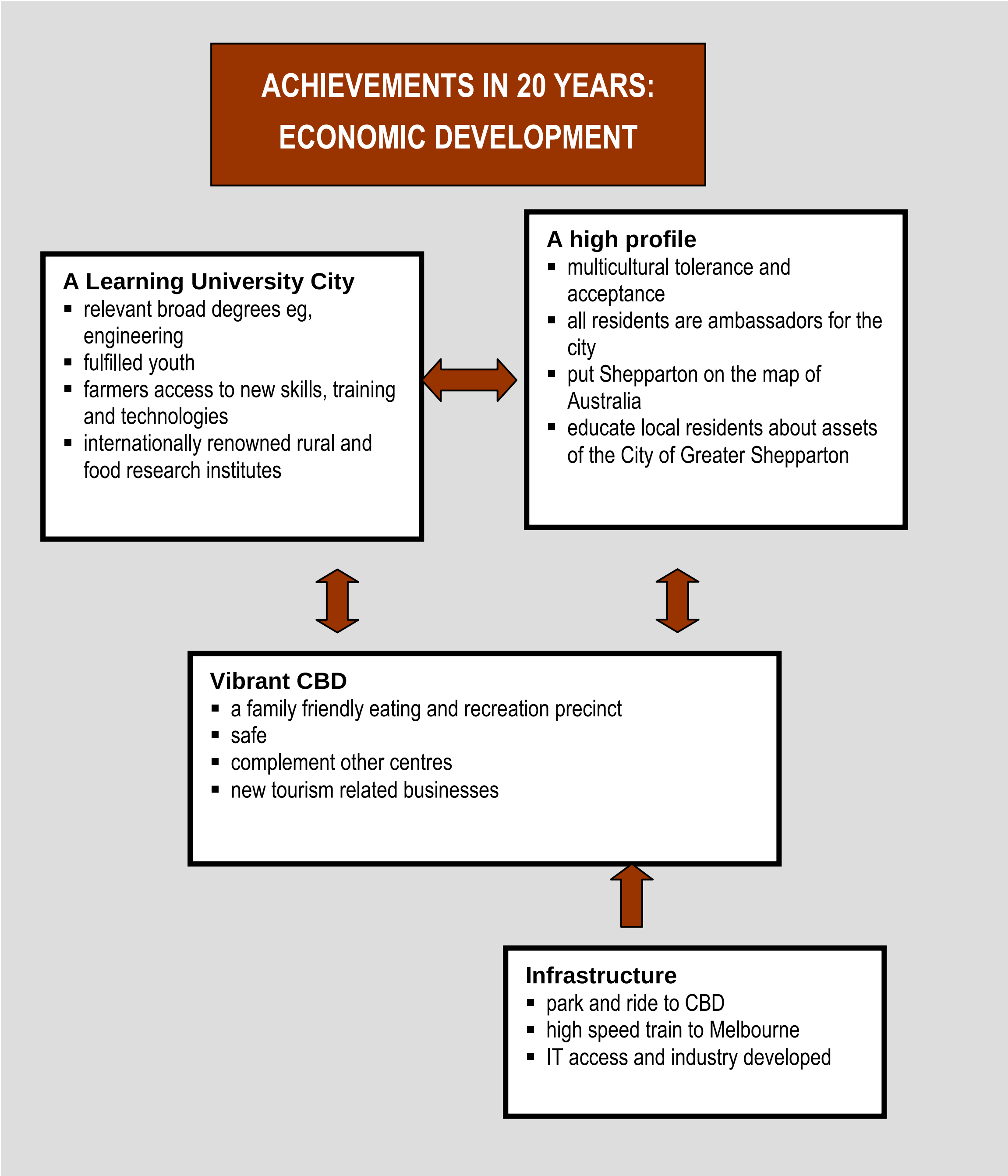

Figure 4: Community Consultation on Economy and Commerce - Achievements in 20 years

4 Profile - Local Employment by Industry

Information on the overall population statistics and labour-force profiles, including the industries of employment of the resident labour-force, has been provided in Commentary No. 1: Demographic Profile (refer Sections 2 and 3).

This section provides a more detailed breakdown of the number of people who are employed in each industry for each Statistical Local Area (SLA) and for Greater Shepparton. This data is presented in Table 1 and is drawn from the ABS Population Census 2001.

As indicated in the Table, Greater Shepparton has a diverse range of industries. While historically the economy has been based on the agricultural and manufacturing industries, as Greater Shepparton has expanded as a regional centre its role as a retail focus and provider of higher-order services in health care, education, professional services and community facilities has become increasingly important.

The four main economic sectors in Greater Shepparton are agriculture, manufacturing, retailing, and health and community services, as shown in Table 1. Details for the first three sectors are contained in the following sections of this report, while a description of the Health and Community Service sector is contained in Background and Analysis Report No. 3: Community Life.

In addition to the above four main industries, two other important industries have been identified and these are Transport and Storage, and Tourism. The Business and Property services Sector is also important in terms of employment, particularly for Shepparton.

Table 1 provides a detailed breakdown of employment in each industry for each SLA and for Greater Shepparton. A map of the municipality, showing the boundaries of the three relevant SLAs, is provided in Attachment 1.

- Greater Shepparton Part A generally contains the centres of Shepparton and Mooroopna and the immediate rural surrounds.
- Greater Shepparton Part B (East) generally contains the rural eastern half of the municipality, including the townships of Dookie, Tallygaroopna and Katandra West.
- Greater Shepparton Part B (West) generally contains the rural western half of the municipality, including the townships of Tatura, Murchison, and Merrigum.

The data has been obtained from ABS Journey to Work data and it covers the destination and type of industry of the employed person. For example, 1,026 people travel to Greater Shepparton Part A (destination) to work in the Agriculture, Forestry and Fishing industry (type of industry).

Table 1: Journey to Work by Destination and Industry, 2001

	Gr. Shepp Part A	Gr. Shepp Part B - East	Gr. Shepp Part B - West	Gr. Shepparton No.	Gr. Shepparton %
Agriculture, Forestry and Fishing	1,026	715	1,205	2,946	12.2%
Mining	8	7	3	18	0.1%
Manufacturing	3,087	42	677	3,806	15.8%
Electricity, Gas and Water Supply	194	3	254	451	1.9%
Construction	996	36	120	1,152	4.8%
Wholesale Trade	1,204	45	150	1,399	5.8%
Retail Trade	3,909	36	254	4,199	17.4%
Accommodation, Cafes and Restaurants	728	5	59	792	3.3%
Transport and Storage	831	23	80	934	3.9%
Communication Services	255	5	16	276	1.1%
Finance and Insurance	517	6	26	549	2.3%
Property and Business Services	1,263	19	267	1,549	6.4%
Government Admin and Defence	422	3	38	463	1.9%
Education	1,449	120	116	1,685	7.0%
Health and Community Services	2,522	10	153	2,685	11.1%
Cultural and Recreational Services	278	5	38	321	1.3%
Personal and Other Services	621	6	88	715	3.0%
Non-Classifiable Economic Units	76	5	13	94	0.4%
Not stated	46	11	11	68	0.3%
All Industries	**19,432**	**1,102**	**3,568**	**24,102**	**100.0%**

Source: ABS Census of Population and Housing, 2001

Note that due to random rounding process by the ABS to protect privacy, any single digit figure must be interpreted with caution.

Comparing districts within Greater Shepparton, the key observations are as follows:

- Greater Shepparton Part A covers the main urban area of Shepparton and provides an extensive and diverse range of employment opportunities. The main sources of employment are Retail trade (20% of jobs in the SLA), Manufacturing (16%), Health and community services (13%), Education (7%) and Finance, insurance, property and business services (9.2%).
- There are 2,522 jobs in the health and community services sector in Shepparton Part A, reflecting the location of the hospital and a number of specialised medical practices in the regional centre.
- Employment in Greater Shepparton Part B East is concentrated in the agriculture, forestry and fishing industry which provides employment for 715 persons and accounts for 65% of all jobs in the district. There are also 120 jobs in the education sector, which are likely to be associated with the Dookie Agricultural College.
- Greater Shepparton Part B West has a more diverse range of employment opportunities than in Greater Shepparton Part B East. The major source of local employment is the agricultural industry (34%) and the manufacturing industry (19%); however the electricity, gas and water supply, retail trade, and property and business services industries are also an important source of employment in the district.
- Clearly, Greater Shepparton Part A is the principal location for non-rural economic activity, and this is to be expected as this SLA represents the main area of urban Shepparton. This SLA accounts for 81% of all jobs in the GSCC.

5 Agriculture and Rural Land

5.1 Key Issues

By way of providing background and context to the key issues relevant to agricultural and rural land within the municipality, a profile of this sector is provided.

Regarded as the "Food Bowl of Australia", the agricultural sector in Greater Shepparton, and the Goulburn Valley region in general, is a vital component of the regional, State and national economies.

Agricultural development patterns in Greater Shepparton are largely determined by climate, available groundwater and soil characteristics of the area. Groundwater availability has been supplemented by extensive irrigation schemes, and areas subject to flooding rendered productive through rural drainage schemes. Irrigated farm land is located mainly in Greater Shepparton West, supporting pastures for dairy cows and horticulture. Dryland farming systems occur in the eastern part of the municipality and include broadacre cropping, wool and prime lamb production.

According to the 2001 Census, around 3,030 people or 12.5% of the resident labour force in Greater Shepparton work in the agriculture, forestry and fishing sector. This is marginally higher than the average for Regional Victoria which is 11.2%.

The agricultural production in Greater Shepparton is dominated by four farm land systems: crop production, horticulture, livestock and dairy, as shown in Table 2. The gross value of production of these four commodities was approximately $612 million per annum, according to the 2001 ABS Agricultural Census. In terms of value per hectare, the dairy and fruit industries are the most lucrative. Although gross value of production of livestock is significant, their earning capacity per hectare is low, being approximately one third of dairying.

Table 2: Gross Value of Production of Main Commodities, Greater Shepparton 2001

Main Commodities	Gross Production Value of Output ($)	Proportion of Value (%)
Crops (w heat, oats, triticale, canola, lucerne and other pastures)	206,964,100	33.8%
Fruits	114,819,430	18.8%
Milk	142,751,250	23.3%
Livestock Products	147,664,720	24.1%
Total gross value of selected commodities	612,199,500	100.0%

Source: ABS Agricultural Census 2001

As shown in Table 2, milk production is a significant industry for Greater Shepparton. According to the Australian Bureau of Agricultural and Resource Economics (ABARE, 2000) the Victorian dairy industry accounts for over 60% of national milk production, with the majority of the State's dairy farmers located in the Northern Irrigation District, Western District and Gippsland. The Northern Irrigation District, which includes Greater Shepparton, accounts for 40% of total Victorian milk production. Most of the State's milk production is exported as milk powders, cheese and butter.

The Victorian dairy industry is very competitive on a national level, with lower production costs arising from pasture based production systems that reduce the need for supplementary feeding. In Victoria it costs around 23c to produce a litre of milk compared to 33 cents in NSW, 34 cents in QLD and 26 cents in SA (ABARE, 2000).

In July 2001, the deregulation process of the dairy industry was completed, and the price of milk is now set by the market. The two most significant changes were the removal of the Domestic Marketing Support scheme, and the removal of the dual price system for fresh milk and manufactured milk. Deregulation, through the removal of quotas, has facilitated interstate transactions between co-operatives and suppliers. According to forecasts by ABARE, in the medium to long term, Victoria will tend to drive pricing and supply in the fresh milk area, benefiting dairy farmers in Greater Shepparton through improved market share.

Australian dairy exports account for half of raw milk production and are dominated by cheese, powdered milk and butter. According to the 2002 Australian Commodity Statistics, Japan is Australia's largest importer of dairy products. Furthermore, the majority of Australia's dairy exports are mainly to countries in South East Asia and East Asia, namely Malaysia, Philippines, Singapore, Thailand and China. With the demand for dairy products in Asia expected to increase, this will place companies such as Murray Goulburn Co-operative in a strong position to take advantage of the growing market.

The fruit industry is another significant sector, in terms of economic value. Although the fruit industry is relatively small in area, the farm-gate production value is approximately $118 million (refer Table 3). The product mix is heavily weighted to apples (90% of fruit value output), then pears, cherries, nectarines and grapes. Grapes for wine production represent a small but increasing component of the sector. Exposure to the global market has provided opportunities for the fruit industry to develop high quality, price competitive fruit for the South East Asian market.

5.1.1 Security of Irrigation Water Supply

The Shepparton Irrigation Area (SIA) is an intensively irrigated farming area, with approximately 186,000 ha (60%) of the farmland under irrigation. The principal rural industries based on irrigation farming are dairying, horticulture (stone and pome fruit and tomatoes) with some mixed grazing (sheep and beef) on irrigated and rainfall pastures as well as some irrigated and rain fed cropping. The Shepparton Irrigation Area also contains a concentration of dairy and horticulture food processing plants.

The supply of water is critical to the ongoing successful development of the agricultural economy in the municipality. The variables affecting security of water supply include reliability of rainfall and stream flow, capacity of head works and level of distribution of demand in relation to available supplies.

Water resources, where most of the major systems are located, have been developed to the stage where a high proportion of usable flows is now committed and utilised each year. In general, the potential water demand exceeds the available supply and therefore careful management of resources is critical.
The Goulburn System was designed and operated to provide security of supplies during a prolonged series of drought years. For this reason, the main water storages are managed on a "carryover" basis, with water stored in years of high river flows held for use in drier years.

The degree of security of supply that should be built into an irrigation system of this type is not simple to assess. If large volumes of water are made available to irrigators in the early years of a drought, the average annual supply will be maximised, although the available water supply, when a prolonged drought does eventuate, will be decreased. If a more conservative policy is adopted and restrictions are applied early in every drought sequence, the water supply in the worst year of the drought will be greater, but the total volume delivered over the period will be less.

The Victorian Rural Water Commission have consulted with representatives from the irrigation community, and developed a policy for the irrigation area. The policy allowed for 100% of water right to be supplied in any repeat of the worst drought recorded in some ninety years of records, and that 130% or more of water right, to be supplied in all normal or near-normal years. In many years, much higher allocations (up to 200% of water right) can be made available.

Following the extremely dry conditions that prevailed in Victoria during the past three years of the 1999 / 2003 season, and the consequent heavy demand for irrigation water, the major water storages have been reduced to the lowest recorded levels.

Historically, the Goulburn system has been a reliable source with 100% to 130% of water rights allocated in each irrigation season. However, the allocations of the past two seasons were reduced to only 57% due to the drought and depleted water storages.

Impacts on the dairy sector

The effects of this drought period have forced dairy farmers to consider strategies for coping with reduced water supply. To retain herds and continue production, dairy farmers have hand fed cows and also fed in-the-bale to compensate for pasture shortfalls. During extreme periods of the drought, farmers relocated stock to dairy farms in Western Victoria or South Australia where feed was plentiful.

Dairy farmers are still experiencing the effects of the drought, including reduced water allocations, higher cost of hay and grain, resulting in less profitable milk production.

Most dairy farmers either broke-even or experienced substantial losses as a result of the drought and approximately 10% to 15% of dairy farmers in the area have now decided to leave the industry. An emerging trend is to separate the water rights from the property's land and sell one or both separately, as this increases the overall revenue to the owner from the sale. If the farmer is not planning to exit the industry permanently, the water rights can be sold on a temporary basis, with re-entry to the industry at a later stage.

The future of the dairy industry depends on seasons returning to normal with good winter and spring rains, and good snow falls to replenish water storages.
This return to what has been previously experienced as normal seasons will ensure the major water storages are in a position to supply 100% of the water allocation, possibly even supply additional water where farmers have developed their properties to receive at least 130% water allocation.

As a result of the drought, dairy farmers are adopting Whole Farm Plans (WFP) and are developing their properties to use water more efficiently and to harvest drainage run-off and recycle the water within their properties.

Many farmers are investigating and assessing low volume application of water using centre pivot or lateral move irrigators which require very little labour input and can be driven by either electricity or diesel powered motors. This type of equipment would benefit farms located on light soils where considerable water savings could be achieved.

Impacts on the horticulture sector
Horticulturists considered their options particularly early in the season, following low water allocation announcements and a very dry spring.

The demand for water is extremely high at budburst and with fruit set. Horticulturists had to be selective, and only irrigate the fruit varieties that provide better returns, and not irrigate older fruit trees that were earmarked for future removal.

Fruit growers paid high prices for temporary water allocations to keep the trees alive as any tree loss represents 3 to 5 years of financial setback.

Orchardists are now re-examining their irrigation application. While at least 70% of the Shepparton area is under micro irrigation, the remaining 30% still apply water using flood irrigation techniques. This remaining 30% must be encouraged to change to a more efficient irrigation method. Flood irrigation is a particularly inefficient practice on the lighter, more freely draining, soil types where fruit trees are generally located, as at least 50% of the water drains into the groundwater.

Goulburn Murray Water Infrastructure
Goulburn Murray Water (G-MW) revenue comprises charges for irrigation water, which earns the majority of revenue, and sales charges. Sales charges are dependent on the volume of water used in excess of the water right volume.

In the Goulburn Valley, the sales volume normally represents 20% to 30% of total water delivered, with some irrigators' sales volume being as high as 50%.

G-MW relies on revenue to maintain the supply system and associated structures. The supply system requires high maintenance because of the age of the infrastructure and the losses through seepage, water leaks and surplus water outfall into drains or rivers and streams.

The long term operational challenge for G-MW is to continue to deliver water as efficiently as possible with the minimum amount of loss. Continued rationalisation of G-MW assets may slow the ongoing increases in water charges, which are required to cover the maintenance costs of the assets.

Shepparton Irrigation Region Infrastructure
The Shepparton Irrigation Region (SIR) was developed for irrigation in the 1930's and has operated with the same supply channel system to this date. These structures now require rehabilitation, rationalisation or replacement. The cost is high for the maintenance of the channel and drainage schemes and the associated structures.

Salinity
A more detailed description of the impacts of salinity in rural land is contained in Background & Analysis Report No. 4: Environment.

The Shepparton Irrigation Region Management Plan addresses the high water table that introduces salinity into the topsoil profile.

Salinity is still a threat to the farming community particularly following extremely wet periods followed up by inefficient irrigation practices.

Joint efforts by Department of Primary Industry and G-MW have seen research and assistance to the farming community to help manage the water table levels through out the region.

5.1.2 Structural Change and Innovation in Farming Methods

The farming community has experienced rapid change in the last 20 years with major improvements made to on-farm irrigation and drainage layouts.
Farmers have continually re-invested in their enterprises to ensure maximum gains are made in irrigation efficiency, drainage water re-use, improved pasture and environmental benefits incorporating tree belts.

Landholders who operate dairy farms and beef and sheep enterprises continually need to monitor their farming operations and implement changes to improve the rate of return. More efficient animal husbandry and dairy operations have been adopted to ensure maximum returns.

Horticulturists have traditionally harvested apples, pears, peaches and apricots in the Shepparton area for the food processing industry. Orchardists have now made changes to the varieties and the growing configuration; trellising has been adopted to yield more fruit of better quality.

Orchardists are moving into larger holdings and are growing a fruit salad variety for fresh fruit export to Asia. Significant inroads have been made for export to the UK and Asia. However, entry into these markets is complicated by the high standards set for fruit to be received, in terms of consistency of size, colour, freshness and flavour.

There are many options for orchardists to add value to their fruit. For example, the fruit that is not normally accepted in the market due to slight marking or indentation, but is quite sound to eat. This fruit can be used either for juice or sold as downgraded fruit or pressure packed and sold in a niche market, and receive good returns for the end product.

Horticulturists are continually exploring new varieties that have proven popular in America and other countries.

Farming practices have continued to improve with automation and improved transportation both by road and sea with controlled environment for fresh fruit and vegetables.

The ability to adopt automation in many areas of the farming practice is relatively new and with further modifications to the automated mechanical approach will provide benefits to the farming community.

Communications and access to information has been simplified by the internet facility that allows farmers to purchase, order items or equipment, seek information, pay accounts and staff labour by direct debit. This system of communication saves time and money.

5.1.3 Employment in Primary Production and Value-Adding Industries

Employment in the municipality totals approximately 24,100 jobs. Growth is forecast over the next ten years or so to 2010. Over this period, employment on farms is expected to remain fairly constant at around 3,000 jobs.

Some rural industry rationalization of resources may continue to follow historic trends but this will be tempered by the introduction of some intensive new industries, including new horticultural developments (examples are wine grapes, olives, vegetables and green house production grown hydroponically).

Direct employment in the value-adding industries (dairy horticulture, meat, stock feed, and fibre) represented some 5,200 jobs in 1996 and this is expected to expand to 5,515 jobs by 2005. New processing plants are usually very labour efficient and, once constructed, require limited additional labour. Large increases in employment will mostly occur when new industries emerge in the region.

Services to farming and value-adding provide the greatest potential for employment growth in the area, in response to the increased farm and value-adding output. This will tend to focus on regional centres like Shepparton. The other townships will be dependent on employment growth from more closer-settlement and the emergence of new value-adding industries settlement.

5.1.4 Identification of Productive Agricultural Land

GSCC will be required to implement a Rural Strategy, comprising a traditional assessment of landforms depending on soil type, contours and climate, a classification into land systems, an indication of the types of use preferred, and minimum land sizes for viable sustainable farming in the future.

5.1.5 A More Efficient Dairy Industry

Dairy processors will continue to invest in new infrastructure to increase processing capacity and enable them to respond to future economic growth in Asia (and elsewhere). The export markets for cheese, powdered milk and butter in Asia and Japan are predicted to grow. Another potential growth market is China, as cheese and western food is being introduced prior to the Olympics.

Dairy deregulation resulted in the removal of quotas to allow interstate movement, and the price of milk is now set by the market. This compels producers to contain the costs of production, although Victoria already has a competitive advantage with the lowest cost per litre.

There is likely to be a continuation of rationalisation of the dairy industry with the numbers of farms/operations decreasing, however the size of the farms/operations, and even production, increasing.

5.1.6 Research and Development in Food Processing

The food processing industry, and in particular the fruit and vegetable processors, are investing in the development of new lines and packaging to meet changing consumer preferences in both domestic and export markets. The meat processing sector is also developing new value added products.

Continued research and development will also be required in the businesses supporting the food processing industries. Innovation in canning practices, packaging, refrigeration systems and manufacture of agricultural machinery will support product development and competitiveness.

Value-adding opportunities emerge through innovative segregation of traditional bulk commodities and processing to meet specific needs of emerging boutique markets - new processes, product differentiation, special packaging and targeted marketing. Hence, product development and marketing skills are in high demand.

5.1.7 Investment in Large-Scale Orchards

Major changes are occurring in the horticultural sector. The ownership profile is changing as the major producers / investors buy up small farms. The smaller holdings contain inefficiencies in terms of duplication of equipment, tractors, cool stores and the like. These inefficiencies provide the rationale for amalgamation.

There is significant new investment in new, large-scale orchard developments and associated cool stores, and in export packing sheds with strong marketing links to premium export markets worldwide.

Productivity in the fruit industry is increasing with the replacement of freestanding trees with trellised trees, which produce higher yields. In addition, high technology scanning enables improved distribution.

5.1.8 Dry Land Farming

The dry-land region contains land comprising dry-land riverine plains and hill country. The principal activities in the dry-land area are grazing for beef, sheep, meat and wool production on native and improved pastures, and rain fed cropping on arable land. The dry-land areas have traditionally large wool and beef enterprises but many of the individual properties are relatively small, creating a potential interest in higher value farm enterprises to make them more viable.

The economy of the dry land areas is being insured against the effects of variable seasonal conditions and commodity prices for bulk commodities (meat, wool, timber) by the investment in new industries and by implementing best management practices in the traditional industries to keep them competitive.

The Prime Development Zones within the irrigation area are likely to be developed for viticulture, olive groves and other forms of horticulture.

The capacity to develop high value alternatives (especially intensive horticulture such as wine grapes) to the bulk commodities of cereal cropping, wool and beef, will depend on the capacity of individuals to access reliable water resources.

Many of the future profitable developments in the dry land areas differ markedly from the traditional agriculture/ horticulture commodity enterprises. Access to irrigation water will enhance opportunities for enterprises such as specialist horticulture, herbs, hydroponics, mushrooms, pigs, poultry and thoroughbred horses.

Strong competition exists between the existing irrigation areas and the dry land areas for the investment dollars for high value horticulture development, whether for fruit, wine grapes, olives, nuts or any other enterprise. In this regard, the irrigation area is already well serviced. It has the water, the irrigation infrastructure and many of the supporting services to enable new development to occur.

There is potential to create intensive niche sectors, provided their location is appropriately distanced from urban areas. A number of operators have relocated to Shepparton from areas that have been blighted by population and urban development constraints, for example the Mornington Peninsula.

5.1.9 Goulburn Valley Logistics and Freight Centre

The agricultural and processing industries rely on direct and integrated road and rail transport services, and would prefer a bulk handling facility to be operated from a freight logistics centre.

5.1.10 Vocational Education and Training

The increased profile of Shepparton as a regional service and business centre will require continued investments in vocational education and training facilities that support food production and processing, related services, rural health and a broad range of community services.

5.1.11 Re-Use of Waste Products

Environmental and sustainability goals can be achieved through new opportunities to value-add to waste products by converting them to an input for another industry. Examples of waste products are milk by-products, horticultural processing waste, piggery waste and timber by-products.

5.1.12 Strategic Alliances

Opportunities exist to form or enhance strategic alliances and provide the volume, scale and competition of vertical integration between industries and sectors. The nature of the main agribusiness participants has changed, for example, the food processing industry is now represented by a system of linked businesses that include transport, food processing and packaging.

5.1.13 Business Savvy of Farmers

Investors in agricultural enterprises need to be fully aware of all production, marketing and institutional rules that affect their potential investments.

Farmers should avail themselves of support services to create Whole Farm Plans, with the likelihood that Whole Farm Plans as a management, regulatory and environment protection tool will increase in use.

5.1.14 Fragmentation of Rural Land

Rural landowners wish to excise small house lots. These excisions have a cumulative negative impact on the viability of remaining farmland. GSCC must control this phenomenon through assessment criteria for genuine restructuring purposes.

The replacement of smaller orchards with rural residential development creates potential rural/residential interface issues of spray drift, heavy traffic, noise etc.

5.2 An Update on Relevant Strategies/Reports

5.2.1 Rural Zones Review, Department Sustainability and Environment 2003

The new format planning schemes applied a singular rural zone to a wide range of land in regional Victoria. This approach has resulted in criticisms of the one-size-fits-all zone in terms of lot sizes and permitted uses and development for different land types, capability and uses.

It is suggested that the existing rural zone be replaced with the following zones:

- Farming Zone – a dwelling will be a section 2 use, to protect the business side of farming. This zone replaces the Rural Zone.
- Rural Activity Zone – a new zone to provide flexibility for agriculture and other land uses to co-exist
- Rural Living Zone – Updates the existing zone. The main zone for rural residential areas.
- Rural Conservation Zone – replaces the Environmental Rural Zone. This is the main zone for areas with significant environmental considerations.

Prior to implementing any new rural zones Councils should be required to prepare a rural strategy for their municipality. This rural strategy should contain a land capability and productivity analysis, and designate areas for:

- land that should be earmarked for farming as a business;
- land for environmental protection; and
- land for mixed uses

The rural zones review also raises the issue of Whole Farm Plans to achieve environmental and agricultural goals, and questions the zoning basis for decisions. This raises another key issue regarding the most appropriate decision maker with respect to Whole Farms Plan – either Council, the local CMA, or the DPI.

5.2.2 Identification of Likely Prime Development Zones in the SIR, Goulburn Broken Catchment Management Authority, 2000

The CMA prepared a report “Identification of Likely Prime Development Zones in the SIR,” November 2000, to provide certainty to large scale investors in the region. The report assessed a number of criteria for agricultural productivity: soil type, water supply, drainage, flooding and hydrogeology. This was analysed with respect to known constraints of water supply, capacity constraints of the East Shepparton main channel

The report concludes that there are eight likely prime development zones having a total area of 10,700 ha. Of this, approximately 4,250 ha are suitable for development.

This information can be incorporated into a more rigorous land capability analysis to determine location for future productive agricultural land, land for conservation, and marginally productive land that could be earmarked for future urban growth.

5.3 Achieving the Strategic Objective

The key objectives for Agriculture are as follows:

Objective 1: To protect the productive agricultural land base and the valuable regional resource of irrigated land.

Objective 2: To support developing and emerging agribusinesses and their increasing requirement for high technical infrastructure.

Objective 3: To develop and promote the municipality as a regional centre for food and primary industry research and development.

Objective 4: To ensure the sustainable development of business in strategic locations and to minimise conflicts at the urban fringe/agricultural land interface.

The following table provides the detailed strategies and an implementation plan

Table 3: Agriculture and Rural Industries – Achieving the Strategic Objectives

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Agriculture and Rural Land**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
1 To protect the productive agricultural land base and the valuable regional resource of irrigated land.	1.1 Support the growth and expansion of primary industries in irrigated and dry land farming in appropriate areas. 1.2 Support an efficient water supply and distribution system throughout the rural areas in accordance with the Regional Catchment Strategy. 1.3 Discourage subdivision, including subdivision for house excisions, and fragmentation of productive agricultural land to retain viable farm. 1.4 Discourage housing on old and inappropriate lots and where amenity may be negatively impacted by farming and related activities, or where housing may inhibit rural activities. 1.5 Prevent the inappropriate use and development of rural land for the establishment of industrial activities	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Apply the policies for housing and subdivision in rural areas. ▪ Apply the GS 2030 Framework Plan, Shepparton, Mooroopna & Kialla Urban Growth Boundaries. ▪ Apply the GS 2030 Residential Framework Plan, Shepparton, Mooroopna & Kialla. ▪ Apply the GS 2030 Township Framework Plans ▪ Refer to the Regional Catchment Strategy.	Provider	H
		Applying Zones and Overlays ▪ Apply the Farming Zone. ▪ Apply the Environmental Rural Zone to rural land with identified environmental significance. ▪ Investigate the application of the Rural Activity Zone.	Provider	H
		Undertaking further strategic work ▪ Prepare a Rural Land Strategy.	Provider	H $80,000

Topic: **ECONOMIC DEVELOPMENT**
***Theme*: Agriculture and Rural Land**

Objectives	*Strategies*	*Action*	*Council Role*	*Priority*
2 To support developing and emerging agribusinesses and their increasing requirement for high technical infrastructure.	2.1 Support food related industries and value adding opportunities 2.2 Encourage new value adding industries to locate in existing serviced industrial areas.	These strategies will be implemented by:		
		Using Policy and the exercise of discretion		
		▪ Apply the GS 2030 Industrial Framework Plan.	Provider	H
		▪ Prepare a local policy on commercial and industrial developments in rural areas.		
		Undertaking further strategic work		
		▪ Develop an Economic Development Strategy that Incorporates trends in the agribusiness sector.	Provider	H $80,000
		Other actions		
		▪ Develop an information kit for new agri-businesses, with information and links to referral agencies and approval processes.	Provider/ Facilitator	M $40,000
		▪ Explore the potential for a tourism / sales component of the food production and processing sector, and providing guidelines to ensure that these uses do not conflict with agricultural operations or the rural landscape amenity.	Provider/ Facilitator	L-M

Topic: **ECONOMIC DEVELOPMENT** ***Theme*****: Agriculture and Rural Land**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
3 To develop and promote the municipality as a regional centre for food and primary industry research and development.	3.1 Provide for new opportunities for emerging farming practices. 3.2 Protect the existing agricultural areas 3.3 Encourage value adding and new enterprises for agricultural production.	These strategies will be implemented by:		
		Using Policy and the exercise of discretion		
		▪ Prepare a local policy on commercial and industrial developments in rural areas	Provider	H
		Applying zones and overlays		
		▪ Apply the Farming Zone to rural areas, and following Rural land Strategy investigation application of Rural Activity Zone;	Provider	H
		Undertaking further strategic work		
		▪ Develop an Economic Development Strategy and consider a marketing strategy for agribusiness.	Provider	H $80,000
		▪ Prepare Rural Land Strategy	Provider	H $80,000
		Other actions		
		▪ GSCC to publish local economic indicators.	Provider/ Facilitator	L-M
		▪ Develop a promotions program that includes local economic indicators, for existing landowners and potential industry entrants, to create an awareness of the industrial markets and the economic climate.	Provider	L-M

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Agriculture and Rural Land**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
4 To ensure the sustainable development of business in strategic locations and to minimise conflicts at the urban fringe/agricultural land interface.	4.1 Protect productive agricultural land from inappropriate agricultural practices. 4.2 Encourage the preparation and certification of Whole Farm Plans to show sites for ancillary agricultural buildings and works, such as sheds and freight areas. 4.3 Protect rural industries from encroaching non-agricultural uses. 4.4 Encourage sustainable farming methods for increased production. 4.5 Reduce the impacts of farm practices, including spray drift, on adjoining land particularly when the adjoining land contains a sensitive land use. 4.6 Cluster preferred uses in the rural zone with similar access requirements and off site impacts.	These strategies will be implemented by:		
		Using Policy and the exercise of discretion		
		▪ Prepare a local policy on commercial and industrial developments in rural areas	Provider	H
		Applying zones and overlays		
		▪ Apply the GS 2030 Framework Plan, Shepparton, Mooroopna & Kialla Urban Growth Boundaries		
		▪ Apply the GS 2030 Township Framework Plans	Provider	H
		▪ Apply the Farming Zone to rural areas, and following Rural land Strategy investigation application of Rural Activity Zone		
		Undertaking further strategic work		
		▪ Prepare a Rural Land Strategy	Provider	H $80,000
		Other actions		
		▪ Provide a list of initiatives for the development of WFP.	Provider/ Facilitator	L-M

6 Commercial/Retail Centres

6.1 Key Issues

By way of providing background and context to the key issues relevant to commercial/retail centres within the municipality, a profile of this sector is provided.

The retail industry is an important component of the local economy, with approximately 4,000 residents or approximately 17% of the resident labour force employed in the industry in 2001 (ABS Census for Population and Housing). This industry is also important for its role in delivering goods and services to households and businesses.

Shepparton CBD is the principal retail centre in the municipality and plays an important regional role. The main trade area served by Shepparton CBD comprises Greater Shepparton, plus the surrounding municipalities of Moira and Strathbogie and the southern and eastern parts of Campaspe Shire. Shoppers are also drawn from the wider Goulburn Valley, Benalla, Seymour and Wangaratta, and as far north as Deniliquin in NSW.

There has been considerable expansion in Shepparton's retail role over recent years. For example, in 1996 total retail floorspace in the municipality was estimated at 143,500 m², with approximately 80,000 m² or 56% located in the Shepparton CBD. Since then, approximately 35,600 m² retail floorspace has been added.

New retail development trends in Shepparton include redevelopment of existing sites and significant expansion at the 'Shepparton Marketplace' in Benalla Road in east Shepparton (designated as a community centre in the current MSS). This expansion has provided additional retail floorspace in the order of 14,000 m², with another 1,000m² still to be constructed.

Shepparton/Mooroopna's retail role is anchored by Target, Kmart and Big W discount department stores, plus supermarkets including two Safeway stores, Coles, Aldi (to open late 2005) and two IGAs, and a wide variety of specialty higher-order shops and retail services.

6.1.1 The Hierarchy and Capacity of Shopping Centres in the Current MSS

Table 4 provides a description of the shopping centres in the municipality according to a hierarchy of centres; this hierarchy comprises regional retailing, community centres, township and neighbourhood centres.

This table was developed in the 1996 Strategy Plan and appears in the MSS.

Table 4: Shopping Centre Hierarchy in the Current MSS

Level in retail hierarchy	Centre (in descending size)	Features	Catchment	Competing Centres
Regional Centre	Shepparton CBD	Regional centre with a mall; two discount department stores; many speciality shops, especially fashion; bulky goods sales on the periphery; cinema and other entertainment; regional offices and large commercial sector.	Goulburn Valley and part of the Riverina.	Bendigo Albury-Wodonga Melbourne
Community Centres	Mooroopna CBD	Strip shopping centre on the north side of the Midland Highway with supermarket; concentrates on food retailing but has some comparison goods and services.	Mooroopna, western part of municipality.	Shepparton CBD Bi-Lo (Mooroopna) Tatura
	Shepparton Marketplace (Benalla Road)	Freestanding supermarket and discount department store on the outskirts of Shepparton with large parking area.	East Shepparton and eastern part of the municipality	Shepparton CBD Shepparton Plaza (High St)
	Shepparton Plaza (High Street)	Freestanding supermarket and speciality shops on the eastern side of Shepparton.	East Shepparton	Shepparton CBD Marketplace
Neighbourhood Centres	Tatura	Town centre strip shopping, with a wide range of shops but limited choice; two small supermarkets; variety of commercial and public offices.	Tatura, south western part of the municipality.	Mooroopna CBD Shepparton CBD
	Fairleys (Goulburn Valley Highway)	Supermarket centre on the northern edge of Shepparton.	North Shepparton	Shepparton CBD Shepparton Plaza
	Bi Lo (Mooroopna)	Supermarket centre on the northern edge of Mooroopna.	Mooroopna	Mooroopna CBD

Level in retail hierarchy	Centre (in descending size)	Features	Catchment	Competing Centres
Town Centres	Murchison	Town centre with tourism role (bakery, river frontage, gift shops, take-away food etc)	Murchison and travellers	Tatura Stanhope
	Merrigum	Town centre with general stores; streetscape improvements completed.	Merrigum and surrounds	Kyabram Tatura
	Dookie	Town centre with general store.	Dookie and dry land areas to the east	Shepparton

Reference: Henshall Hansen Associates and team (1996)

There are a number of issues associated with the retail hierarchy classification used in the current MSS.

- The Shepparton Marketplace (on Benalla Road), containing Big W and Safeway serves a greater role than that envisaged in the 1996 strategy and the centre serves a wider catchment than the eastern parts of the municipality due to its discount store, range of speciality shops, and climate controlled building.
- The difference between the designation of community centres and township / neighbourhood centres is not apparent.
- The hierarchy provides no recognition of the emerging role of bulky goods convenience precincts in the retail hierarchy.

There have been no new approvals for major free standing shopping centres since the approval of the Shepparton Marketplace.

6.1.2 Maintaining and Enhancing Shepparton CBD's Role as a Regional Centre

The Shepparton CBD has a well-established role as the major regional centre for retailing and other activities, but there is increasing competition from the Shepparton Marketplace, particularly in convenience-type retailing.

If the Shepparton CBD is to maintain its primary regional role, there is a need to emphasise the CBD's opportunities as a location for entertainment, tourism and specialty retailing, and as the location for higher-order professional and community services, etc. The provision of an appropriate range of retail and entertainment facilities, as well as other higher-order services (such as health, legal, accounting, etc) has the potential to generate increased spending by residents and visitors.

6.1.3 Future Demand

There is a need to plan for new retail provision, especially in locations where such retailing will serve expanding residential areas.

In this regard, the existing drive-in site is well located to serve the retail needs of the southern growth corridor as this locality develops with residential activity.

The possible re-location of the aerodrome (in the long term) would provide an opportunity to redevelop the site for residential purposes, particularly as the site is located along the Goulburn Valley Highway in the southern growth corridor of Shepparton. Such a development may require a small retail component (possibly local or neighbourhood centre).

6.1.4 Future Roles and Function of Centres

A re-assessment of the existing shopping centre hierarchy is required in order to highlight the preferred future role and hierarchy of all the centres.

- The Shepparton CBD will continue to be the primary regional centre and provide a range of high order shops, speciality retail, tourist shops and higher-order services. A vibrant centre would also include a range of entertainment venues such as cinemas, clubs, cafes and restaurants.
- Self-sustaining townships in terms of weekly convenience shops.
- Highway commercial area(s) for bulky goods retailing.

- Neighbourhood centres for weekly goods in the suburban areas of Shepparton and Mooroopna.
- Smaller townships for everyday convenience goods.
- A new neighbourhood centre to cater for the southern residential growth corridor. A preferred site is the drive-in site on the Goulburn Valley Highway.
- An expanded neighbourhood centre to cater for the northern residential growth areas. A potential site is the Fairly's IGA site on the Goulburn Valley Highway
- The location of convenience shops in the Kialla Lakes residential area south of Shepparton.

6.1.5 Bulky Goods and Highway Businesses

Bulky goods is a growing retail market, and there is a need to plan for the provision and location of bulky goods retail in Shepparton. This form of retailing typically serves a large regional catchment.

Bulky goods tenants typically seek high profile sites with highway frontages; these sites are often located outside the established centres as large areas for display purposes and extensive on-site parking are required. The issue for the strategy plan is to identify suitable locations for this expanding form of retailing.

6.1.6 Visitor Services

The construction of the Shepparton Bypass will create opportunities for highway retailing and visitor services to be located in high profile sites.

6.1.7 A Network of Activity Centres

This report has reviewed the existing hierarchy of commercial/retail centres and presents a new network of activity centres.

Importantly, the focus has shifted from shopping to activity centres, in recognition of the diverse roles the centres play in the shopping, employment, commercial and recreational lives of the people who visit these centres.

Table 5 below estimates the likely retail floor area demand to 2030, in the absence of an updated inventory of actual additional floor space provided, both occupied and vacant.

The estimate is based on the premise that the current floorspace supply and demand is in balance and that future demand from floorspace will flow from population growth in the main trade area and from tourist and visitors in the area.

Table 5: Estimate of likely demand for retail floor space in Shepparton Main Trade Area by 2030

	2002	2011	2030
Population of main trade area	112,200	120,400	136,500
Population growth in main trade area		2002-2011 +8,200	2011-2030 +16,100
Existing floorspace in 2002	257,700 m^2	257,700 m^2	257,700 m^2
Floorspace growth @ 2.1 m^2 per capita plus 20% from visitors etc outside of trade area		+20,660 m^2	+40,570 m^2
Total forecast retail floorspace in main trade area – Cumulative	257,700 m^2	278,360 m^2	318,930 m^2

***Source:* Consultant team**

Additional retail floorspace of 42,700 m^2 (and this includes permits for 7,100 m^2) has been added from 1996 to 2002.

Key observations from Table 5 are as follows:

- Based on the requirement for the average provision of 2.1m^2 per capita, there will be demand for 20,660 m^2 additional retail floorspace by 2011, with another 40,570 m^2 supported by the forecast population growth from 2011 to 2030. In total, by 2030 the main catchment is expected to have to accommodate an additional 61,000 m^2 in new retail floorspace. The majority of this new retail floorspace would be required in the municipality in view of the CBD's dominant role as the regional centre and in view of forecast population growth in the municipality over the next 30 years or so.
- This forecast demand for retail floorspace may not accurately account for future changes in household spending or in retail industry requirements. Changes in the age distribution in the population (especially the trend for an ageing population) is also likely to change the spending habits of residents, for example towards holidays rather than furniture.
- There is no foreseeable demand in the long term for new major freestanding centres, other than in the north and south growth corridors, and for suitably accommodating bulky goods retail activities.

There is a need to define an appropriate hierarchy of retail centres in order to assist in the good planning for retail development. An updated hierarchy, including proposed developments, is set out in Table 6.

Table 6: Proposed hierarchy of activity centres

Level in retail hierarchy	Centre (in descending size order)	Role
Regional Centre	Shepparton CBD	Regional centre with a mall. The focus of specialty retail, tourist shops and venues, entertainment (cinemas, clubs, cafés and restaurants). Serves the Goulburn Valley and part of Riverina. In competition with regional centres at Bendigo, Albury-Wodonga, Benalla, Wangaratta, Melbourne
Sub-regional Centres	Shepparton Marketplace Mooroopna CBD Shepparton Plaza	Important commercial areas, particularly for a range of convenience shopping and for non food and specialty retailing
Townships / Neighbourhood Centres	Shepparton east (proposed) Shepparton south (proposed) Fairleys IGA (Numurkah Road) Bi Lo (Mooroopna) Tatura	Self-sustaining centres in terms convenience shops for weekly shopping
Town/Local Centres	Murchison Merrigum Dookie Local shops in Shepparton	Townships and small local shops for everyday convenience goods
Bulky Goods	Benalla Road Melbourne Road Numurkah Road	Serves retail needs for bulky goods shopping, homemaker and building supplies/hardware etc.

An additional neighbourhood shopping centre may be needed to serve the residents in the southern growth corridor. The former drive-in site along the Goulburn Valley Highway is an option for such a shopping centre, subject to a retail/floorspace economic impact study and rezoning of part/all of the land.

As demand for bulky goods increases there is a need to identify additional highway sites. Bulky goods retailing can be located in connection with a shopping centre, as it would benefit from the high volume of traffic at the shopping centre, but this is not a necessity for bulky goods retailers who seek sites that are typically much larger than can be accommodated in enclosed shopping centres or in traditional shopping strips.

6.2 Achieving the Strategic Objective

The key objectives for Activity Centres are as follows:

Objective 1: To provide increased opportunities for local job creation.

Objective 2: To develop the Shepparton CBD as the regional centre for commerce and entertainment.

Objective 3: To revitalise the CBD and improve the urban design and architectural standards of retail/commercial areas.

Objective 4: To develop and maintain a hierarchy of viable activity centres by retaining local and visitor spending in the municipality

Objective 5: To encourage and promote the location of bulky goods / peripheral sales and highway services in locations which are accessible and appropriately serviced.

Objective 6: To revitalise and sustain the centres of Mooroopna and Tatura for a range of commercial and business functions.

The following Table provides the detailed strategies and an implementation plan

Table 7: Retail/Commercial Centres- Achieving the Strategic Objectives

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Retail/Commercial Centres**				
Objectives	***Strategies***	***Actions***	***Council Role***	***Priority***
1 To provide increased opportunities for local job creation.	1.1 Facilitate opportunities for economic development to retain and build the employment base. 1.2 Support the small business sector and businesses operating from a flexible range of locations, including home offices.	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Apply the GS 2030 Business Framework Plan. ▪ Apply the GS 2030 Township Framework Plans	Provider	H
		Applying Zones and Overlays ▪ Apply the Business 1 Zone to the primary retailing centres. ▪ Use the schedule to the Business 1 Zone to identify floor space limits for the expansion of retail/commercial centres. ▪ Investigate the application of the Business 2 and Business 5 Zones to the office and business areas around the central CBD of Shepparton.	Provider	H
		Undertaking further strategic work ▪ Develop an Economic Development Strategy.	Provider	H $80,000
		Other actions ▪ The Economic Development Unit to continue to offer support and liaison to traders associations and the home based business sector.	Provider	M

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Retail/Commercial Centres**				
Objectives	***Strategies***	***Actions***	***Council Role***	***Priority***
2 To develop the Shepparton CBD as a regional centre for commerce and entertainment.	2.1 Provide for the continued growth of the Shepparton CBD as a multi-purpose retail, business, commercial, community, entertainment and tourism centre. 2.2 Encourage the integration of retail and tourist services, especially in respect to ease of access, security arrangements and opening hours.	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Use the hierarchy of activity centres in the MSS to guide the location and expansion of retail development. ▪ Apply the GS 2030 Shepparton CBD Framework Plan to guide development into identified precincts.	Provider	H
		Undertaking further strategic work ▪ Develop an Economic Development Strategy to review the tourism strategy.	Provider	H $80,000

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Retail/Commercial Centres**				
Objectives	***Strategies***	***Actions***	***Council Role***	***Priority***
3 To revitalise the CBD of Shepparton and improve the urban design and architectural standards of retail/commercial areas.	3.1 Encourage the renewal of the mall and the main commercial heart of the Shepparton CBD. 3.2 Facilitate the creation of a dynamic entertainment centre that is attractive to a mix of patrons. 3.3 Ensure personal safety is addressed in the urban design of the public areas and linkages, to attract a range of users including families, youth, elderly, people with a disability, tourists and staff. 3.4 Encourage examples of landmark architecture for the Shepparton CBD. 3.5 Oppose adult entertainment venues in the central mixed-use activities area of the Shepparton CBD. 3.6 Encourage the redevelopment of peripheral areas of the Shepparton CBD (including expansion to Sobroan Street). 3.7 Encourage cafes, restaurants and the like in a dining and entertainment precinct in Fryers Street.	These strategies will be implemented by: ***Using Policy and the exercise of discretion***		
		▪ Apply the GS 2030 Shepparton CBD Framework Plan.	Provider	H
		▪ Apply the Advertising Signs and Streetscape, Landscape and Urban Design local policies.	Provider	H
		Applying Zones and Overlays		
		▪ Apply the Design and Development Overlay to main roads and key precincts to improve urban design, landscaping and to control advertising.	Provider	H
		Other actions		
		▪ Apply for state government funding under the Pride of Place urban design program.	Provider	H
		▪ Implement the urban design framework for the CBD of Shepparton.	Provider	H
		▪ Pursue innovative and interesting urban design and architecture in the CBD by applying the urban design framework for Shepparton.	Provider	H
		▪ Prepare an overall plan for the renewal of the mall, and support for a management body with representatives from owners, traders, Council and the community.	Provider	M $40,000
		▪ Coordinate an application for state funding for urban design and renewal of the Shepparton city centre.	Provider/ Facilitator	H

Topic: **ECONOMIC DEVELOPMENT**
***Theme*: Retail/Commercial Centres**

Objectives	***Strategies***	***Actions***	***Council Role***	***Priority***
4 To have a hierarchy of viable commercial/retail centres by retaining local and visitor spending within the municipality.	4.1 Support a hierarchy of retail centres that promotes the primacy of the Shepparton CBD as a multi-functional centre, complemented by a range of local centres for convenience shopping and activities. 4.2 Carefully consider any proposed expansion of the Shepparton Marketplace if such expansion would adversely impact on the relative role of this centre and the CBD. 4.3 Provide for planned local centres in growth areas, and facilitate the expansion of the neighbourhood centre in the north at the Fairely's supermarket site, and establish a new neighbourhood centre at the former drive –in site to service the southern growth corridor. 4.4 Encourage a suitable mix of businesses within each centre to ensure viability. 4.5 Provide neighbourhood commercial/retail centres that are accessible to the local community, especially by public transport and bicycle, and that also have adequate car parking provisions.	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Apply the GS 2030 Framework Plan. ▪ Use the retail hierarchy in the MSS to guide the location and expansion of retail development.	Provider	H
		Applying Zones and Overlays ▪ Use the schedule to the Business 1 Zone to identify floor space limits for the expansion of the Shepparton Marketplace shopping centre. ▪ Use the schedule to the Business 1 Zone to identify floor space limits for existing and future neighbourhood centres.	Provider	H
		Other actions ▪ Undertake a Retail/Commercial Floorspace Strategy to investigate the potential additional floor space with an economic impact assessment on the expansion of the centres relative to population projections.	Provider	H $80,000
		▪ Any application for new or expanded neighbourhood shopping centres must demonstrate net community benefit in an economic impact assessment, and including justification for additional floorspace.	Provider/ Facilitator	H

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Retail/Commercial Centres**				
Objectives	***Strategies***	***Actions***	***Council Role***	***Priority***
5 To agglomerate peripheral sales and highway services nodes in accessible and appropriately serviced locations.	5.1 Encourage and promote the location of peripheral sales, bulky goods and restricted retail as shown on the Framework Plan.	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Apply the GS 2030 Business Framework Plan. ▪ Apply the Advertising Signs and Streetscape, Landscape and Urban Design local policies. ▪ Use the retail hierarchy in the MSS to guide the location and expansion of retail development.	Provider	H
		Other actions ▪ Undertake a Retail/Commercial Floorspace Strategy to investigate the possible areas for additional peripheral sales and bulky goods outlets.	Provider	H $80,000

6.3 Business Framework Plan

This framework plan for the Shepparton, Mooroopna & Kialla business area is characterised by:

- The major city centre based on the Shepparton CBD, with a mix of retail, commercial, entertainment, tourism, civic, and institutional uses.
- The establishment of a preferred precinct for the development of post secondary and tertiary educational facilities to the north of the CBD.
- The identification of a medical service precinct around the existing hospital.
- Neighbourhood shopping centres to service local shopping needs, at locations of existing freestanding supermarket, and potential locations where residential growth is planned.
- A potential local centre in the southern growth corridors on the site of the existing airport, in the event of the re-location on the airport.
- Existing areas to be consolidated for highway sales / peripheral sales developments, along arterial and main roads.

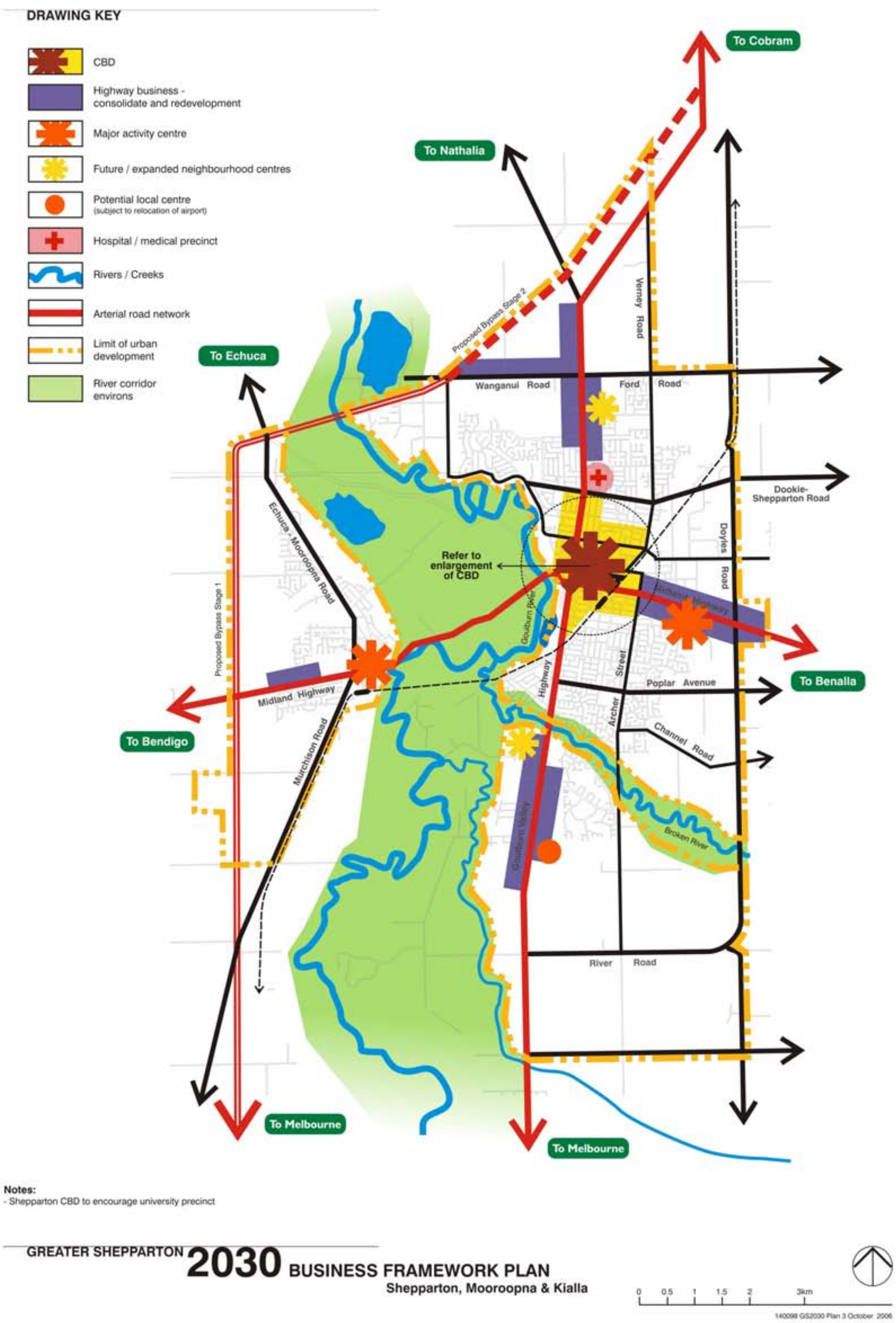

Figure 5a: Greater Shepparton 2030 Business Framework Plan - Shepparton, Mooroopna & Kialla

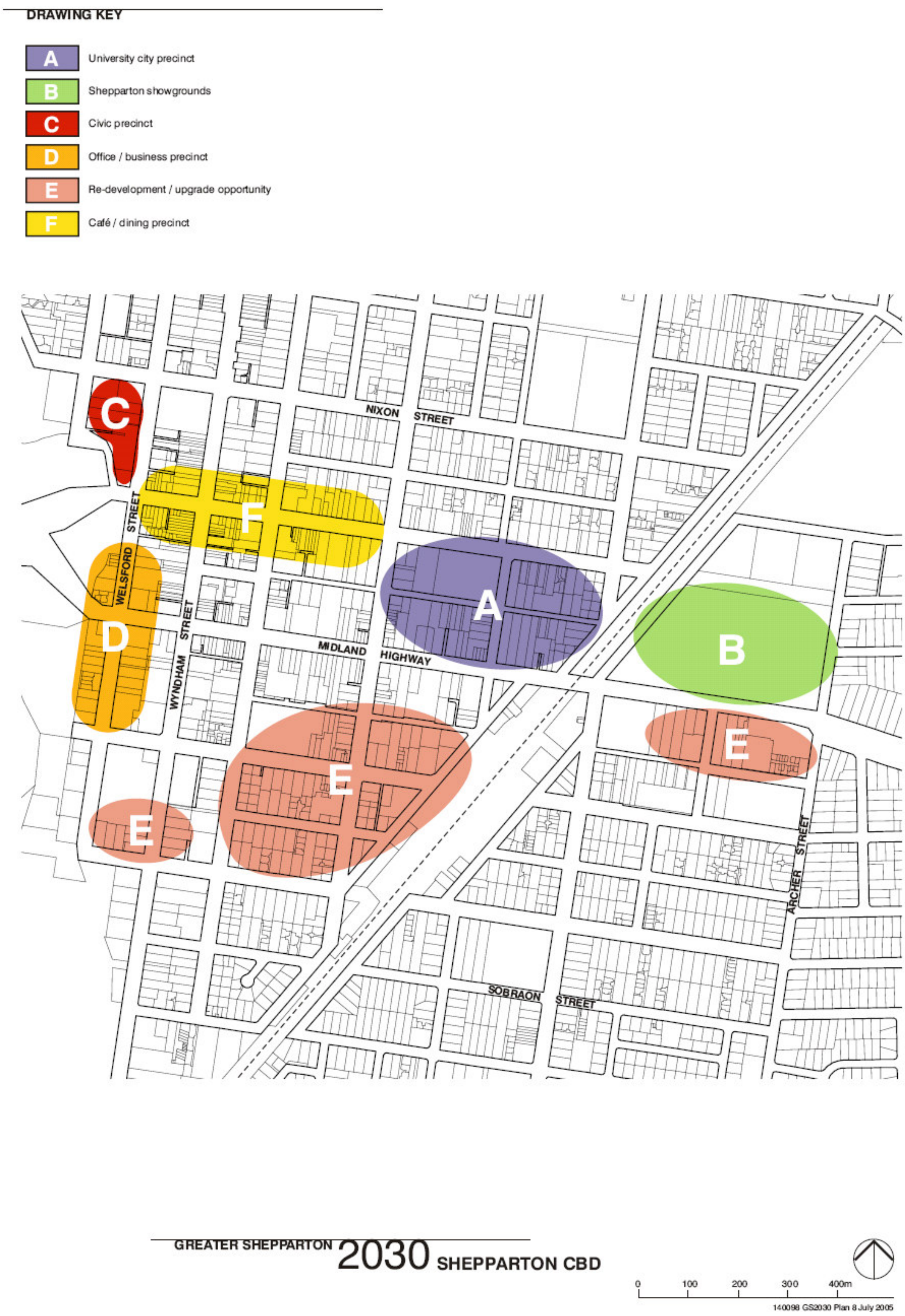

Figure 5b: Greater Shepparton 2030 Shepparton CBD Framework Plan

7 Industrial

7.1 Key Issues

By way of providing background and context to the key issues relevant to industrial development within the municipality, a profile of this sector is provided.

The current MSS designates areas for future industrial use. There are approximately 100 hectares of vacant land zoned for industrial use. There is no detailed evidence of a shortage in demand due to slow take up of areas already zoned for industrial use.

Further rezoning for industrial purposes will need to be justified by an industrial land supply and demand study, particularly for Tatura.

The municipality has a number of supply constraints for large areas of industrial land, namely, lack of access to main roads, existence of floodway zones, locations of agricultural enterprises and potential conflict with residential areas.

In the future it is possible that there may be demand for smaller lots in a variety of locations and which can co-exist more with some of these other land uses (refer section 7.2)

A number of the original large companies in Shepparton have outgrown their city centre location (eg SPC Ardmona) and have made major purchases to consolidate holdings rather than move the whole operation. This suggests that there are benefits to remaining in the established industrial areas.

The Goulburn Valley Freight Logistics Centre will be a necessary component to facilitate growth in the agricultural and manufacturing industry in the area. It will have both road and rail transport access and facilities.

As road transport businesses find it more difficult to attract young people to the industry, a more capital intensive means of transport will have to replace some of the road freight. Rail transport will provide such an option; labour will be required to up-load and un-load, but not the same amount of long-haul drivers will be needed. In summary whilst there will be proportional shifts towards rail from road, both are expected to increase in capacity in the future.

The construction of the Shepparton/Mooroopna bypass and entry/exits onto major arterial roads may change the focus for some rural land adjacent to the bypass, and that are not subject to flooding constraints. One such area is located on the northern side of Wanganui Road, which could be designated for long term future industrial.

7.1.1 Manufacturing

Greater Shepparton has a strong manufacturing industry base that largely focuses on value adding to agricultural produce. National and international canneries and food processing companies, which use agricultural output from the area, have major facilities in the area and include SPC Ardmona and Ducat's Food Products.

In total, the manufacturing industry provides some 3,800 jobs in Greater Shepparton as shown in Table 3, with 52% of these jobs in food and beverage manufacturing. Other important manufacturing sub-sectors include metal product manufacturing, and printing and publishing.

Table 8: Local Employment by Manufacturing Sub-Industry, 2001

Manufacturing	Greater Shepparton Part A		Greater Shepparton Part B - East		Greater Shepparton Part B - West		Greater Shepparton	
Food, Beverage and Tobacco Manufacturing	1429	46.3%	11	26.2%	525	77.5%	1965	51.6%
Textile, Clothing, Footwear and Leather Manu	167	5.4%	0	0.0%	14	2.1%	181	4.8%
Wood and Paper Product Manufacturing	110	3.6%	0	0.0%	7	1.0%	117	3.1%
Printing, Publishing and Recorded Media	288	9.3%	0	0.0%	8	1.2%	296	7.8%
Petroleum, Coal, Chemical and Assoc. Product	132	4.3%	7	16.7%	7	1.0%	146	3.8%
Non-Metallic Mineral Product Manufacturing	86	2.8%	14	33.3%	10	1.5%	110	2.9%
Metal Product Manufacturing	324	10.5%	0	0.0%	61	9.0%	385	10.1%
Machinery and Equipment Manufacturing	221	7.2%	6	14.3%	18	2.7%	245	6.4%
Other Manufacturing	130	4.2%	0	0.0%	10	1.5%	140	3.7%
Manufacturing, undefined	200	6.5%	4	9.5%	17	2.5%	221	5.8%
Total	**3087**	**100.0%**	**42**	**100.0%**	**677**	**100.0%**	**3806**	**100.0%**

Source: Journey to Work Data, ABS Census of Population and Housing, 2001

Note that due to random rounding process by the ABS to protect privacy, any single digit figure must be interpreted with caution.

Approximately 16% of the resident labour force is employed in the manufacturing sector, according to the ABS Population Census 2001. The Manufacturing sector is the third-largest sector in the Shepparton region, behind Agriculture, forestry and fishing and Retail trade. In 1998, the value of manufacturing output in Greater Shepparton was estimated to be $788 million (PPK, Environment and Infrastructure, 1998), and the figure would be higher today in view of the continuing strength of this sector in the Shepparton economy.

A number of companies which supply the main food processing companies, such as manufacturers of canning and packing machinery, are located in the municipality. There are also a significant number of companies that manufacture agricultural machinery and ancillary products, such as refrigeration systems that support the dairy and fruit farmers.

The majority of manufacturing companies are concentrated in the industrial areas of Shepparton and Mooroopna. There are also a number of manufacturing companies in Tatura including Unilever Australasia, Snow Brand Australia and Tatura Milk.

7.1.2 Transport and Freight

Greater Shepparton is a strategically important road freight collection and redistribution centre, as well as being an intermediate destination in the Melbourne-Brisbane corridor.

Although it employs a small proportion of the labour force (3.9% according to the 2001 ABS Census for Population and Housing), the industry provides a vital support service to the agricultural and manufacturing sector. Local transport operators supply the bulk of transport services used by local manufacturers. There are numerous refrigerated transport services and transport services for livestock. As shown in Table 5, road transport is the major employing sub-industry, accounting for 77% of employment in this sub-sector.

Table 9: Journey to Work by Destinations and Transport and Storage Sub-Industry, 2001

Transport and Storage	Greater Shepparton Part A		Greater Shepparton Part B - East		Greater Shepparton Part B - West		Greater Shepparton	
Road Transport	636	76.5%	23	100%	59	73.8%	718	76.9%
Rail Transport	20	2.4%	0	0%	0	0.0%	20	2.1%
Water Transport	0	0.0%	0	0%	3	3.8%	3	0.3%
Air and Space Transport	5	0.6%	0	0%	0	0.0%	5	0.5%
Other Transport	3	0.4%	0	0%	0	0.0%	3	0.3%
Services to Transport	43	5.2%	0	0%	0	0.0%	43	4.6%
Storage	45	5.4%	0	0%	4	5.0%	49	5.2%
Transport and Storage, undefined	79	9.5%	0	0%	14	17.5%	93	10.0%
Total	**831**	**100.0%**	**23**	**100%**	**80**	**100.0%**	**934**	**100.0%**

Source: ABC Census of Population and Housing, 2001

Note that due to random rounding process by the ABS to protect privacy, any single digit figure must be interpreted with caution.

Most transport and storage companies are located in Shepparton / Mooroopna, and this area serves as a transport hub for the region. Shepparton is an intermediate destination and a stop-over for long-haul freight, which benefits its retail and mechanical services sectors. Tatura also has a number of transport companies mainly serving local industries.

A high volume of transport activity assists in containing transport overheads for local industries, and also helps to attract investment in manufacturing through lower transport costs and a high level of service.

Another factor is the rail transport link to Melbourne which provides local manufacturers with a direct export link through the Melbourne docks, particularly for canned products and other non-time sensitive products.

7.2 Update on Relevant Strategies/ Reports

7.2.1 Shepparton Industrial Development Plan

This report contains an analysis of industrial planning applications from 1996-2000. The number of applications for alterations/additions to existing industrial premises outnumbered the number of applications for new industrial development. The highest levels of investment were in warehousing and manufacturing.

There were no new developments in the food processing sector however some existing companies invested in significant building programs, for example:

- SPC Ardmona $100m for 5 years to 2005
- Campbells Soup $30m
- Tatura Milk $4.2m in 2000
- Geoffrey Thompson Fruit Packing Co. $5m in 1999
- Ardmona $2.1m in 1996

This report also provided the strategic justification to rezone appropriately serviced land bounded by Florence, Old Dookie and Doyles Roads due to an increase in demand for industrial land.

7.2.2 Goulburn Valley Freight Logistics Centre (GVFLC) Feasibility 2003

The GSCC has been involved in an amendment to rezone land at 250 Toolamba Road, Mooroopna to the Industrial 1 Zone to accommodate the Goulburn Valley Freight Logistics Centre to serve the municipality and the wider Goulburn Valley region.

Council previously undertook a number of feasibility studies to test its opinion that a commercially sustainable facility might be established in the Shepparton region. The results of the feasibility studies that have been conducted in conjunction with major industries in the region have demonstrated that the economies of scale, trade and savings would justify the proposed initiative.

The rationale for the provision and chosen location for such substantial capital investment is summarised in the planning report for the rezoning:

"A freight hub located within the Goulburn Valley would provide an important opportunity to consolidate freight handling, modal change and distribution tasks for the region within the context of an integrated land use and transport strategy.
It is acknowledged that a unique opportunity exists to take advantage of recent decisions concerning land use, specifically along the route of the Goulburn Valley Highway Bypass of Shepparton. Further, the adoption of a western route for the bypass provides significant opportunities for development of an intermodal freight facility incorporating best practice operations for enhanced use of rail for freight with high-standard road access."

7.3 Achieving the Strategic Objective

The key objectives for Industry are as follows:

Objective 1:	To sustain a growing and diverse industrial base.
Objective 2:	To locate industrial uses effectively, by utilising existing and planned infrastructure, and consolidating the existing main industrial areas.
Objective 3:	To improve the urban design and architectural standards of industrial areas.
Objective 4:	To realise an integrated freight logistics centre to link the major freight corridors through the municipality.

The following Table provides the detailed strategies and an implementation plan.

Table 10: Industry - Achieving the Strategic Objectives

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Industry**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
1 To sustain a growing and diverse industrial base.	1.1 Provide for and support the expansion of the industrial base of Greater Shepparton in appropriate locations. 1.2 Encourage major industries to locate in Greater Shepparton. 1.3 Provide for the improvement of employee skills in industry sectors.	These strategies will be implemented by:		
		Using Policy and the exercise of discretion		
		▪ Apply the GS 2030 Industrial Framework Plan ▪ Apply the GS 2030 Township Framework Plans	Provider	H
		Applying Zones and Overlays		
		▪ Apply the industrial zones to the existing and identified future industrial areas.	Provider	H
		Undertaking further strategic work		
		▪ Develop an Economic Development Strategy, incorporating an Industrial Land and supply analysis.	Provider	H $80,000
		Other actions		
		▪ The Economic Development Unit to continue to provide business assistance to existing and potential local industries.	Provider	H
		▪ The Economic Development Unit to coordinate an industrial land monitor service.	Provider	M
		▪ Promote the "clean food and wellness" image through initiatives in the Economic Development Strategy.	Provider/ Advocate	H
		▪ Provide tertiary training relevant to local employers, under programs developed from the University City Strategy.	Provider/ Advocate/ Facilitator	M
		▪ The Economic Development Unit to work with other stakeholders in addressing skills shortage, including participation in training and skilled migration programs.	Provider/ Advocate/ Facilitator	H

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Industry**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
2 To locate industrial developments effectively, by utilising existing and planned infrastructure, and consolidating the existing main industrial areas.	2.1 Support new industries in established industrial zones, with access to infrastructure and constructed roads. 2.2 Support complementary new industries at the Goulburn Valley Freight Logistics Centre, when developed. 2.3 Protect the supply of future industrial land from encroachment of non industrial uses. 2.4 Allow limited light industry in the township zone subject to amenity, servicing and environmental constraints. 2.5 Prevent the inappropriate use and development of rural land for industry, other than rural based industry.	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Apply the GS 2030 Industrial Framework Plan. ▪ Apply the GS 2030 Township Framework Plans. ▪ Apply the GS 2030 Urban Growth Boundary Plan for Shepparton/Mooroopna/Kialla. ***Applying Zones and Overlays*** ▪ Apply the Development Plan Overlay to large areas of vacant industrial land to ensure co-ordinated development and timely provisions of infrastructure. ***Undertaking further strategic work*** ▪ Develop an Economic Development Strategy, incorporating an Industrial Land and supply analysis, especially for Tatura.	Provider Provider Provider	H H H $80,000
3 To improve the urban design and architectural standards of industrial areas.	3.1 Encourage industrial developments that incorporate high quality architectural design elements, create visual interest and incorporate landscaping and/or urban art. 3.2 Support the location of buildings in industrial areas that provide convenient and safe access for staff.	These strategies will be implemented by: ***Using Policy and the exercise of discretion*** ▪ Apply the local policies on Streetscape, Landscaping and Urban Design, Advertising Signs, Building Lines and Industrial and Commercial Uses in Rural Areas.	Provider	H

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Industry**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
4 To realise an integrated freight logistics centre to link the major freight corridors through the municipality and beyond.	4.1 Encourage and facilitate the development of the freight logistics centre south of Mooroopna. 4.2 Support an agglomeration of freight companies, food processing companies and associated service businesses in the freight logistics centre.	These strategies will be implemented by:		
		Using Policy and the exercise of discretion		
		▪ Apply the GS 2030 Industrial Framework Plan.	Provider	H
		Applying Zones and Overlays		
		▪ Apply the Industrial 1 Zone and Design and Development Overlay to the site of the Goulburn Valley Freight Logistics Centre.	Provider	H
		Other actions		
		▪ Continue to facilitate the establishment of the Goulburn Valley Freight Logistics Centre.	Provider/ Facilitator	H

7.4 Industrial Framework Plan

This framework plan for the Shepparton, Mooroopna & Kialla area is characterised by:

- Consolidation of existing major industrial zones within the new urban growth boundaries.
- Designation of industrial land at the Goulburn Valley Freight Logistics Centre south of Mooroopna, for the location of industries that complement the purpose of that centre, for example, transport companies, automotive servicing, food storage, food distribution companies.
- A future long term industrial area on the northern side of Wanganui Road, on a wedge of land that will be created when the proposed bypass stage 2 is completed. This area can be utilized should increased demand occur in later decades, as the land is bound by major transport routes.

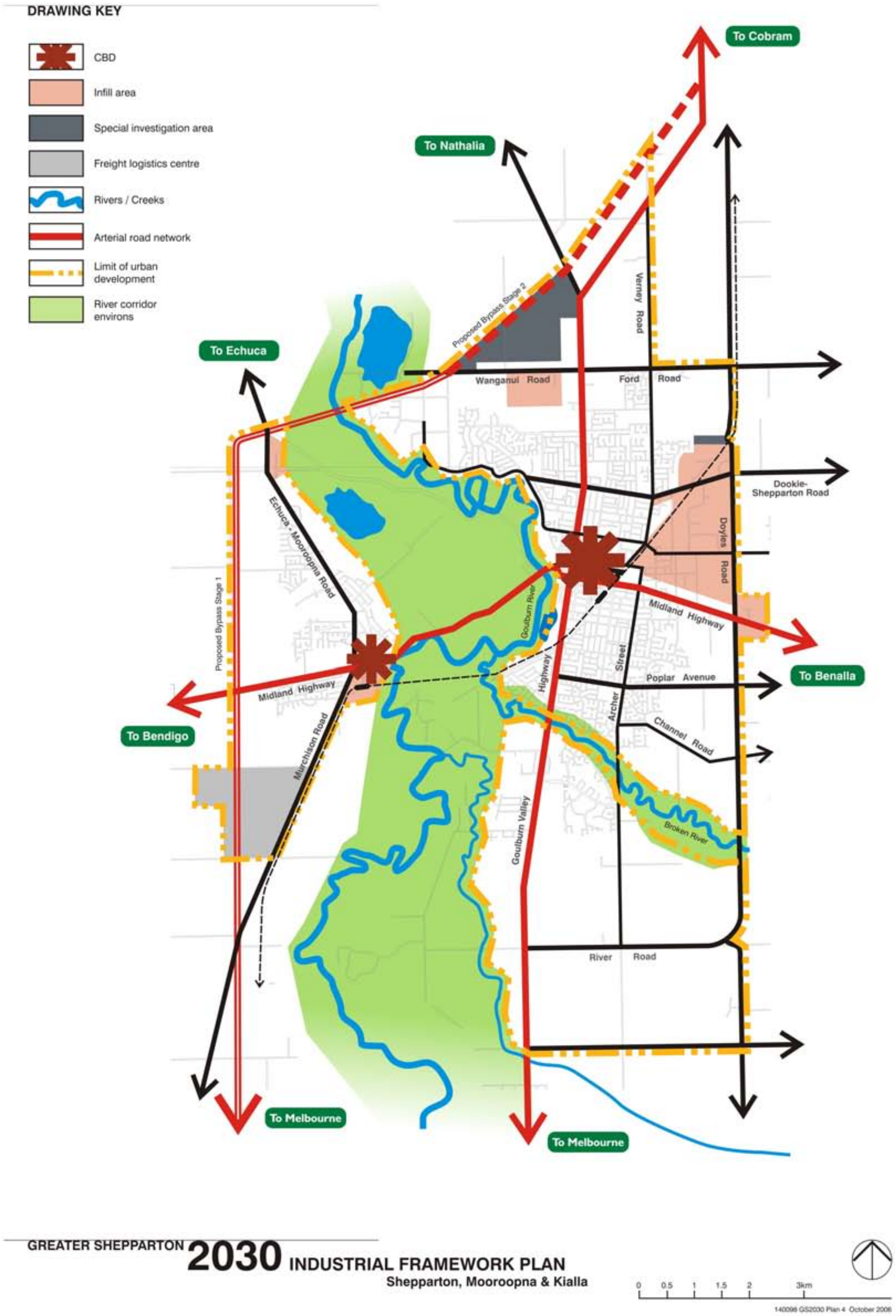

Figure 6: Greater Shepparton 2030 Industrial Framework Plan- Shepparton, Mooroopna & Kialla

8 Tourism

8.1 Key Issues

By way of providing background and context to the key issues relevant to tourism development within the municipality, a profile of this sector is provided.

Tourism in Greater Shepparton builds on the region's reputation as the "Food Bowl of Australia" and comprises a range of activities and attractions which include tours (as requested and organised) of the agri-businesses, special events such as International Dairy Week, wineries, public art relating to the agricultural industry such as the Moo-ving Cows display, recreation activities linked to the Goulburn and Broken Rivers, and shopping including at the factory outlets of the major food processing companies.

The municipality, particularly the town of Shepparton is also a destination for business seminars and conferences with many of the hotels pertaining conference facilities and business packages.

Greater Shepparton is part of the Goulburn Murray Waters tourism region, which also comprises the towns of Kerang, Echuca, Cobram and Yarrawonga. Visitors to the tourism region in the 12-month period to March 2003 comprise 2.5 million day trip visitors and 1.5 million overnight visitors, staying an average of 2.4 nights. Only 23,000 international visitors came to the region during the period, compared with 1.2 million international visitors to Melbourne.

The Report of Tourist Monitoring Program for the City of Greater Shepparton (Foster, 2000) highlights the key characteristics of visitors to the municipality based on information obtained through visitor surveys.

The key points are:

- The majority of visitors to Greater Shepparton live in Victoria (84%) and southern NSW (9%), and a small proportion of visitors are from overseas
- The majority of visitors stay for one day (45%). Approximately 24% of visitors stay over-night
- Popular activities include visiting the fruit/cannery outlets (49%), attending festivals or sporting events (46%), visiting friends and relatives (33%), and shopping for non-necessities (33%)
- The main reasons for visiting Greater Shepparton were; special events, visiting friends and relatives, shopping, and business

According to a Greater Shepparton Council report, The Economic Monitor 2002, visitors to the Shepparton Visitor Information Centre (VIC) have steadily increased since it was established in 1996. From September 2001 to September 2002 numbers to the VIC increased by 22%.

The report also shows that tourist accommodation takings in Greater Shepparton continue to rise with each quarter. In this regard, the total value of takings in the Goulburn Region in the 2001/2 financial year was 8.3% higher than the previous year. This growth contrasted with the total Victorian tourist accommodation sector which experienced a decline in takings of -0.1%. These findings are based on the 2001 ABS data for gross income in Tourist Accommodation establishments.

The ABS data also shows that there is less seasonal variation in the Greater Shepparton tourist sector compared with the average occupancy rates for Victoria. This reflects the strong convention and business market and the many special events throughout the year which help to ensure a regular flow of tourists to Greater Shepparton, regardless of seasonal influences.

8.1.1 Meetings and Convention Sector

The meetings and convention sector is important to the tourism base of Greater Shepparton. Examples of some of the major events are Dairy Week, United Dairy Farmers of Victoria, Assemblies of God, Association of School Councils, and the MG car conference. Special advantages of this sector are that it is trans-seasonal, and it has a high volume of group bookings.

Tourism has considerable potential and can benefit from cooperative development of 'theme' trails that link the major regional features and industries across adjacent areas.

GSCC can assist in the establishment and coordination of networks of tourism operators, local businesses and marketers. Word-of-mouth promotions would be a very important tool, due to the high number of visitors coming to Shepparton to visit relatives/ friends or on business trips.

Promotional strategies can also create or enhance the improved marketing of the region's unique assets such as:

- The blossom season of the fruit trees.
- Food production and processing tours for school children from urban areas.
- Educational tours of the life of the wetlands.
- Irrigation channels and the history of irrigation.

8.1.2 Initiatives Promoting Local Business

Shepparton 'Show Me' Panel (GSCC)

The Shepparton 'Show Me' Panel was initiated by the GSCC with the charter to integrate and support events and promotions that assist the retail and business sectors.

The long-term plan of the Panel is to:
- To develop Shepparton's retail and business precinct as the most recognized provider of goods and services in regional Victoria and southern New South Wales; and
- To have Shepparton widely recognized for its events and festivals.

Goulburn Valley Business Expo 2004

In 2004 Shepparton held the third Goulburn Valley Business Expo 2004. The expo provided an opportunity to showcase companies in the region and also provided information to local businesses on marketing, finance, human resources, technology and business planning.

8.2 Update on relevant strategies/ reports

8.2.1 Report of Tourist Monitoring Program Jan – Dec 1999

The study was undertaken by RMIT and resulted in a report on a number of key tourism indicators for GSCC. Some of the key findings were:

- The majority of visitors were from Victoria and NSW but there were visitors from every state.
- International visitors generally came for Dairy Week, on business or visiting relatives.
- The majority of visitors were couples and singles, and not families with children.
- Younger age groups are underrepresented.
- The length of stay is short, with half the visitors only staying one night.
- The main entry route into Shepparton is from the south along the Goulburn Valley Highway.
- The main purposes for the visit were: day trippers for special events, visiting friends or family, and business.
- Accommodation choice is split between motels (47%) friends / relatives (37%) and caravan parks (8%).
- The majority of visitors' perceptions of Shepparton relate to fruit, agriculture, sunny weather and shopping.

The study recommendations are:

- Use the competitive advantage such as events in winter for Melbourne visitors.
- Target markets in regional Victoria, Melbourne and southern NSW.
- Emphasise the benefits for elderly visitors, including the leisurely pace and reasonable rates.
- Promote marketing avenues through family and friends.
- Provide visitor information displays on major routes.
- Provide 24-hour trading.
- Promote shopping extensively as a more convenient alternative to Melbourne.
- Target the "breaking the journey" visitor segment.

8.2.2 Shepparton Tourism Plan - Victoria's Taste Sensation 1997 by Calkin & Assoc

Key comments in this plan:

- Tourism will not prosper in the region without the support and commitment from the Council.
- The public perception of Shepparton is "nice but not exciting" .
- Shepparton should create a distinctive competitive edge and not try to provide something for everyone.
- The competitive edge should focus on food and food production.
- Targeted marketing should also focus on food markets.

8.3 Achieving the Strategic Objectives

The key objectives for this subtopic are:

Objective 1: To ensure a sustained level of growth in tourism, including promotion of the unique tourism opportunities of the irrigated rural landscape and the food growing and processing industries.

Objective 2: To provide tourist services which suitably meet the needs of visitors to the municipality.

The following Table provides the detailed strategies and an implementation plan

Table 11: Tourism- Achieving the Strategic Objective

Topic: **ECONOMIC DEVELOPMENT** ***Theme*: Tourism**				
Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
1 To encourage tourism growth and in particular promote the tourism opportunities of the irrigated rural landscape and the food growing and processing industries.	1.1 Support new tourist based enterprises to achieve an increase in bed stays and visits to the municipality. 1.2 Promote the natural features of Greater Shepparton. 1.3 Encourage the integration of tourism with heritage, recreation and activity centres. 1.4 Encourage the integration of tourist and agricultural activities where there are no adverse impacts on the operation of rural industries. 1.5 Support public art displays which showcase the area's strengths and reputation, such as the Moo-ving Cows display.	These strategies will be implemented by:		
		Using Policy and the exercise of discretion		
		▪ Apply the local policy on commercial and industrial development in rural areas.	Provider	H
		Undertaking further strategic work		
		▪ Update the Tourism Strategy	Provider	M $40,000
		▪ Assist in tourism marketing by circulating an information brochure to residents and businesses to distribute to visitors.	Provider/ Advocate	L
		▪ Create a reputation for hosting major events for both community and industrial purposes, by initiatives included in the Tourism Strategy Review.	Provider/ Advocate/ Facilitator	H

Topic: **ECONOMIC DEVELOPMENT**
***Theme*: Tourism**

Objectives	***Strategies***	***Action***	***Council Role***	***Priority***
2 To provide adequate tourist services which suitably meet the needs of visitors to the municipality.	2.1 Encourage tourist developments to adequately cater for the differing needs of tourists. 2.2 Provide for tourist developments that are visually interesting and reflect the character of the municipality.	These strategies will be implemented by: ***Using Policy and the exercise of discretion***		
		▪ Apply the local policies on advertising signs, streetscape, landscaping and urban design and industrial and commercial development in rural areas.	Provider	H
		Other actions		
		▪ Provide effective signage in appropriate locations for tourism purposes.	Provider	H
		▪ Provide effective highway visitor services in appropriate locations.	Provider	H

9 A SWOT Summary

STRENGTHS	WEAKNESSES
▪ An established base of agriculture and food products – history and knowledge. ▪ Critical mass reached for demand for service industries. ▪ Skills and competency level have increased in last 20 years employment in new job areas eg service industry. ▪ Tourism - Shepparton has less seasonal fluctuations in occupancy rates – this reflects a strong convention and events business. ▪ Competitive advantage for business – a transport and freight network, large areas of industrial land, home of large food processing companies and research institutes. ▪ The human scale of shopping centres. ▪ Dairy farming and fruit growing are the most lucrative activities in terms of value per hectare. ▪ The price of fruit is competitive in SE Asian markets. ▪ Milk – Victoria has the lowest cost of production compared with NSW QLD and SA. ▪ Trend to year-round production of vegetables and flowers using climate control and hydroponics with a high input per yield eg tomatoes, herbs, capsicum. ▪ New product areas eg walnuts and berries.	▪ Dependence on agricultural economic base. ▪ Numerous small farms with unnecessary duplication eg tractors and cool stores. ▪ Female participation has increased in the service sector of townships to provide a steady income for cash poor drought affected family farms – the productive capacity of the women is then removed from the farm. ▪ Unclear role of CBD in retail entertainment hierarchy. ▪ Decline in CBD – lower order shops, vandalism. ▪ Youth prefer other regional centres for employment eg Bendigo, Albury, Ballarat. ▪ Shepparton is not a significant international destination for leisure. ▪ No icon buildings, or icon natural assets to attract visitors.

OPPORTUNITIES	THREATS
▪ Future for food demand centres around concept of 'wellness' eg chemical free beef, organic milk. ▪ Use of scarred fruit – vacuum packed. ▪ Increase demand for services to meet growing population needs eg health education entertainment. ▪ Build on value of word of mouth in homes and local businesses. ▪ Industries can market together, eg farmers markets ▪ Diversity of ethnic restaurants. ▪ Strengthen the local economy by diversifying economic bas.e ▪ Size of markets from SE Asia and China. ▪ Potential to attract industries re-locating from urban areas.	▪ Reduction in water rights from 120% to 57% in 2003. ▪ Need to provide own energy sources eg back up generators. ▪ Larger farms 250-400 ha not 40 ha (productivity ratio 30 people for 2500 cows). ▪ Use and extent of spraying and impacts in nearby populations , eg, cancer and asthma. ▪ Skilled future source of skilled labour – aging population and youth leaving. ▪ Exposure to devastation by pest. ▪ Impact of generically modified crops.

Attachment 1 – *Greater Shepparton 2030*- topics, directions and themes

Greater Shepparton 2030 Strategy Framework

Topic: **SETTLEMENT**	
Direction: Commitment to growth within a consolidated and sustainable development framework	***Themes***: ▪ Growth ▪ Housing ▪ Sustainable Design
Topic: **COMMUNITY LIFE**	
Direction: Enhance social connectedness, physical and mental health and well being, education and participatory opportunities in order to improve liveability and a greater range of community services	***Themes***: ▪ Health and social services ▪ Education and learning ▪ Recreation and open space ▪ Safe and accessible environments
Topic: **ENVIRONMENT**	
Direction: Conservation and enhancement of significant natural environments and cultural heritage	***Themes***: ▪ The natural environment ▪ Floodplain management ▪ Sustainable / Best practice land management ▪ Cultural heritage ▪ Built heritage
Topic: **ECONOMIC DEVELOPMENT**	
Direction: Further economic growth, business development and diversification, with a primary focus upon the regional agricultural strengths	***Themes***: ▪ Agriculture and rural land ▪ Commercial activity centres ▪ Industry ▪ Tourism
Topic: **INFRASTRUCTURE**	
Direction: The provision and re-structure of urban and rural infrastructure to enhance the performance of the municipality and facilitate growth	***Themes***: ▪ Traffic and transport systems ▪ Urban services