

Southern Grampians Shire Community Vision Framework 2041

Discussion Paper

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KJA 
an ERM Group company

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We acknowledge the Gunditjmara, Tjap Wurrung and Bunganditj people, the traditional custodians of the lands where we live and work. We pay our respects to ancestors and Elders, past and present. Southern Grampians Shire Council is committed to honouring Australian Aboriginal and Torres Strait Islander people's unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

Project timeline

The following is a simplified timeline for the CVF 2041 project.



Executive Summary

Southern Grampians Shire is located in the south west of Victoria, 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide. While the Shire is fortunate to have natural resources, climatic conditions conducive to support agriculture and renewable energy and a stable population base. However, the large distances to capital cities and major employment and economic opportunities, poor public transport and funding challenges are driving Council to take stock of current initiatives and re-evaluate what the future could hold for this Shire.

Council recognises that community and industry' wants and needs have changed significantly over time and will continue to change at a rapid rate, and that technology and climate change may deliver a range of both opportunities and challenges. Council is cognisant of the potential scale of the changes that are facing the Shire and that there are finite financial resources to capitalise on the potential opportunities and to mitigate impacts.

CVF2041 is a Council led initiative that seeks to create excitement and optimism within the Council and the community about the future of the Southern Grampians Shire and the opportunities that could be realised. It seeks to encourage innovation by industry and the delivery of community led initiatives that reinforce the unique attributes of Shire's towns and communities. It seeks to build dynamic partnerships for the future of the Shire.

CVF 2041 is the first opportunity for a broad conversation with the community about matters beyond the traditional responsibilities for local government of "roads, rates and rubbish". It is the first such conversation in the Shire's history and its strategic importance is therefore high.

This Discussion Paper (Paper) is the foundation of that conversation. It has been developed to build a shared understanding of the known challenges and opportunities for the Shire and to support an informed conversation about the future. It also seeks to clearly define themes / areas that are important.

The articulation of the Shire's opportunities and constraints within the Discussion Paper can support a broader conversation about pursuing new, strategic initiatives, retaining the assets, projects or services that are valuable to the community and also identifying and retiring those which no longer benefit the community or are a financial drain.

Opportunities and constraints for Southern Grampians

SGS is fortunate to have significant natural resources within the Shire boundaries and on the doorstep. These assets have supported the Shire's strongest traditional employment base, agriculture, for more than 100 years. The climate change forecasts to 2050 for this Shire indicate that agriculture will remain a key industry into the future, with some transition to address higher temperatures and reduced rainfall expected.

How then should the Council and community balance the demands to convert traditional agricultural land and open space into wind farms or geothermal energy projects occur and what is the role of mining and minerals exploration within this context? Can we leverage further off existing water resources including groundwater for value-added intensive agriculture? How does SW Victoria benefit from being a wind hub of national significance if the distribution infrastructure is not resolved and national policy on renewables is politically contested?

The challenge for Council and the community is to balance the competing interests of emerging industries and agricultural use of land and resources, against the protection of the natural environment which is unarguably one of the area's greatest strengths and will remain a key point of difference as many regional centres in Victoria (including Bendigo, Ballarat, Geelong) dramatically increase their resident populations by 2040.

In contrast with fast growing population centres in Victoria, SGS has a stable population base of 16,140 residents. The population is projected to decline to around 15,000 people by 2036 representing an average annual decline of 0.5% p.a between 2016 and 2036. However, residents enjoy great amenity and liveability within the Shire.

The Socio-Economic Indexes for Areas (SEIFA) scores for the five local Shires revealed that Southern Grampians was the second highest scoring shire in terms of advantage (Council. ID. 2019). Housing is affordable and rates of ownership are eight percent higher than those for Regional Victoria. Socio-Economic Indexes for Areas (SEIFA) is a product developed by the ABS that ranks areas in Australia according to relative socio-economic advantage and disadvantage.

Shire unemployment is low, resulting in poaching of staff and limited competition for roles. Additionally there are a range of skills shortages in critical industries and at senior levels. This is reflected in the education standards of residents within the Shire. Many have a traditional agriculture background not requiring tertiary education and those who do pursue further studies, do so in lower percentages than those for Regional Victoria. The challenge is for the Shire to attract and retain skilled residents to fill vital roles and provide competitive tension for roles.

The Discussion Paper poses the question: can the Shire capitalize on the potential benefits of digital transformation? The benefits of connectivity are well recognized, on average across Victoria, businesses in areas connected to the NBN have seen a 14% increase in productivity due to its installation. Transition to a digital economy also changes the nature of some jobs, creates new jobs in creative, technical and support industries and can support access to broader and international markets for businesses. Furthermore, how can agribusinesses such as Waltanna farms (near Hamilton), a local pioneer in hemp oil and flax seed production and processing utilise this technology to create and strengthen their economic growth?

Public transport is a key deficit for SGS. The Shire is isolated from neighbouring population centres and is currently serviced by relatively inefficient modes of public transport. The Shire previously had commercial passenger flights and a passenger train service. The absence of these efficient modes of transport render the Shire geographically isolated and not suitable for commuting to major employment centres. The resumption of efficient public and passenger services is a key priority of SGSC, with the resumption of air passenger services through Hamilton a possibility in 2020.

The Shire sits on the doorstep of many of the country's great tourism wonders including the Great Ocean Road, Twelve Apostles, Grampians National Park and the UNESCO recognised Budj Bim cultural landscape and area and South Australia's Coonawarra Wine region, Naracoorte Caves and Mount Gambier's Blue Lake. By proximity the Shire is rich in tourism potential. In the five years to 2015, tourism expenditure over rose from \$29 million to \$73 million. However, is this a key competitive strength for the Shire? Does the Shire have a unique selling point to attract tourism? Or is the offer related to the strong tourism product in the region?

Community assets and services are important foundations to the function of communities. Council provides more than 70 services and a diverse range of assets that compare favourably with many other larger population centres. A local cinema, a significant art gallery, library, multiple aquatic facilities, ovals and halls are some examples of the facilities provided. Unfortunately, the impacts of a loss of revenue resulting from population decline, and the constraints on revenue associated with the

State Government's Rate Capping policy introduced in 2015 have reduced Council's ability to fund maintenance of new and expanded infrastructure. Divestment of poorly performing assets, services or projects is a likely discussion needed, framed within a new conversation of the future needs of all settlements across the Shire – an issue currently being explored in the community Infrastructure Framework project (in preparation).

Additional imposts on Council's finances are driven by shared services and cost shifting by other levels of Government onto local government. This financial position of Council and the expectation by community of traditional services are also key drivers of this CVF2041 project.



1. Background

Southern Grampians Shire is fortunate to have natural resources, good climatic conditions to support agriculture and renewable energy and a generally stable population base. The current opportunities and constraints faced are as a result of the legacy of the cumulative decisions of the past. Those decisions have influenced present debate and community expectations for services and facilities, and opportunities for residents to remain in the Shire or for others to relocate to the Shire.

The past, however, does not necessarily define the future course for the Shire and its communities. Southern Grampians Shire Council recognises that community and industry' wants and needs have changed over time and will continue to change and that technology and climate change will have the potential to deliver a range of both opportunities and challenges. Council is cognisant of the potential scale of the changes that are facing the Shire and that there are finite financial resources to capitalise on the potential opportunities and to mitigate impacts.

In this climate of significant change, Council is embarking on a process with the community and industry to examine what we have (assets); our capacities (skills), what we want (desire or need, or both) and what we are willing to forego (abandon) to capitalise on new opportunities over the next 20 years. This strategy will be based on the premise that there are opportunities before us that warrant focused and co-ordinated effort to bring them to fruition.

Council has a strategic framework which is designed to identify opportunities and challenges and to support collaboration with State and Federal Government, neighbouring Shires, industry and the private sector, community groups and not-for-profit organisations and the wider community. Figure 1 illustrates the hierarchy of strategies and legislation that Council operates under.

CVF2041 is an opportunity to create better linkages between these plans and strategies. It is important to note that influence is driven from top down as well as from bottom up.

Council is using this opportunity to create a more cohesive vision for the Shire, with existing strategic and community plans interconnecting with the 2041 vision. The development of a more strategic and collaborative approach to community planning and a shared vision for the Shire and communities is the subject of this project. It will inform a more comprehensive list of advocacy priorities and better connect the needs of communities with the roles and responsibilities of Council.

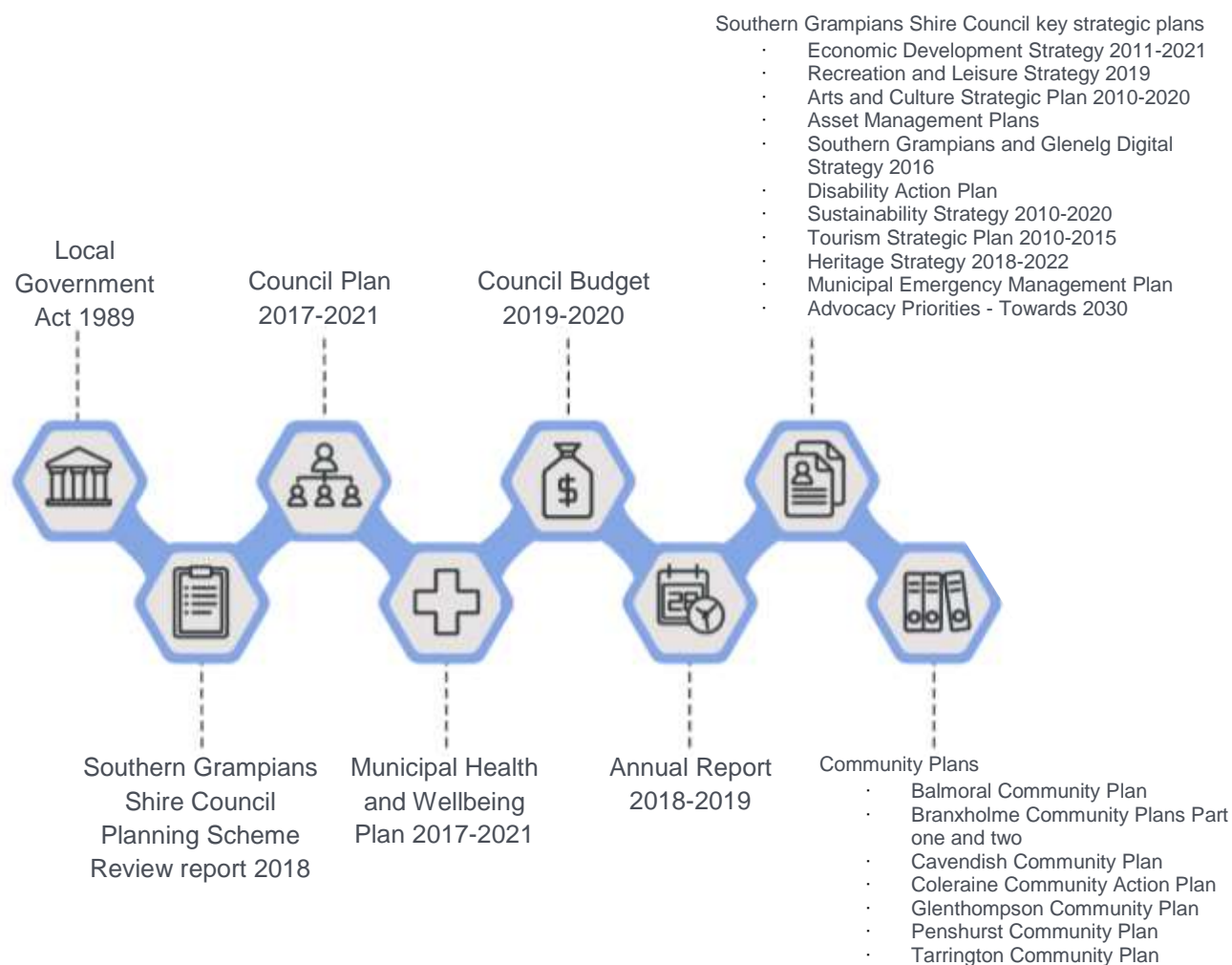


Figure 1 - Strategic Framework for Southern Grampians (source http://www.sthgrampians.vic.gov.au/Page/Page.aspx?Page_Id=153)

1.1 Community Vision Framework Development

Council has a strong desire to improve the long term sustainability of the Shire's towns, businesses, community groups and services and is driving efforts to sustain the population base of the Shire and develop new and innovative local industries. To support this objective, Council has commenced the development of a Community Vision Framework (CVF 2041) to help shape strategic community planning within the Shire through to 2041.

CVF 2041 will support Council's focus and will consider existing priorities and commitments, in some cases likely identifying new opportunities and priorities for the years ahead. Key documents that inform the development of CVF 2041 include the Council Plan, budget documents, the Health and Wellbeing Plan, advocacy strategies and the planning scheme local policy framework.

CVF 2041 will support integrated planning for Southern Grampians Shire on a longer term basis. It will enable Council and communities to prioritise services and projects and will leave a lasting legacy for future generations.

While the Shire has a strong sense of community and ample natural resources to support agriculture and tourism, the Shire faces a number of challenges, such as:

- A capped revenue base;
- Changing community aspirations for infrastructure and expected standards of service;
- A static or slowly declining population that is also ageing;
- Ageing assets (recreational facilities, halls, cultural arts facilities);
- Evolving community aspirations;
- Requirement for new assets and services; and
- Requirement to support a geographically dispersed community.

Council has worked with communities on many occasions to better understand their aspirations and needs, and also the degree of support for the projects. However, to date there has not been a comprehensive shared vision for the future which can inform strategic decisions. Council notes the effect of this reflected in behaviours such as vandalism to property such as corporate signage designed to promote the Southern Grampians region and its assets. It has also been seen in the challenge faced by Council in making difficult decisions in relation to management of ageing assets such as public pools in Hamilton, the existing art gallery in Hamilton, Melville Oval and many other assets

To date, an element of 'visioning' for the future of places and settlements exists in structure plans as well as multiple individual strategies. But clearly an integrated service planning approach across is needed, with resourced short, medium and longer term priorities identifying how proposed actions are delivered. Given the constraints faced, communities themselves will be pivotal key actors, not only to identify needs but assist in delivering agreed priority outcomes.

A review of the engagement that has occurred in local communities (through community plans, structure plans, UDFs and other strategies) over recent years will be completed as part of the CVF 2041.

Council's service planning presently operates on a three (3) pillar focus of safe, open and reliable. CVF 2041 will embed a broader range of principles into processes in areas such as developing new Council strategies, building assets or delivering a services. The new principles for CVF 2041 are the five A's - aspirational, affordable, adaptable, aligned, accountable, as shown in Figure 2.

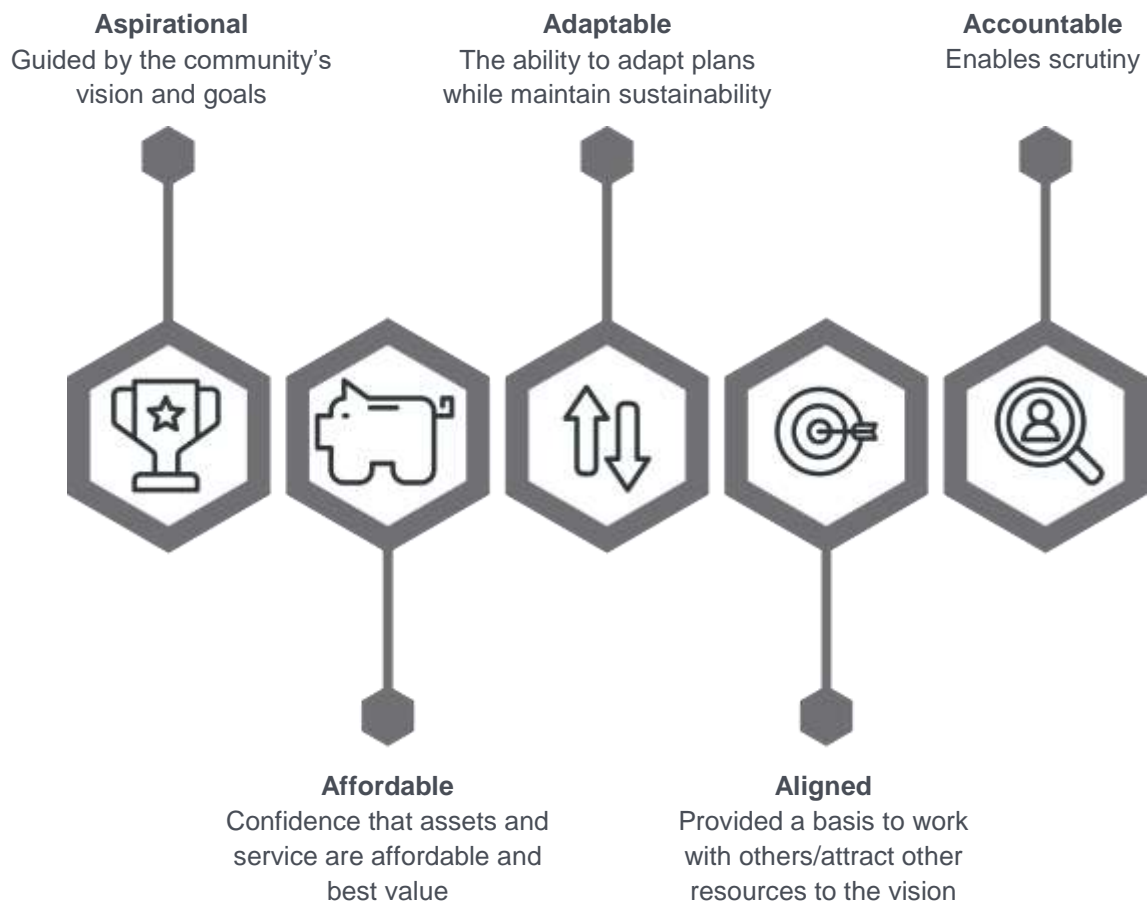


Figure 2 – The five pillars proposed to underpin 2041 mirror those used in Western Australia for integrated planning and reporting (source: Shire of York, 2018)

1.2 Purpose of this discussion paper

CVF 2041 is the first opportunity for a broad conversation with the community about matters beyond the traditional responsibilities for local government of “roads, rates and rubbish”. It is the first such conversation in the Shire’s history and its strategic importance is therefore high. CVF 2041 will itself frame and inform the 4 year Council Plans required under the *Local Government Act 1989*.¹

Other key questions to be considered in the process include:

- What should Council seek to deliver for its community?
- How should it be judged by its customers - the ratepayers?
- What chances need to be taken?
- What are the risks and the opportunities?

Opportunities exist internally within Council which can be further addressed in CVF 2041. For instance, to what degree does integration occur between strategies to achieve a common purpose? For example, a new road is built but there is not sufficient budget for a co-located cycle path. Council promotes the transition to digital infrastructure (e.g. DISA annual conference, e.g. smart lighting) but might rely on manual systems for ticketing at say local pools, which in turn leads to free access due to costs incurred. Delivering facilities rather than investing in systems has to be carefully balanced. Communities needs change over time. A clear understanding of community aspirations and priorities would enable Council to make better aligned decisions for the community and perhaps delay a road slightly to afford the addition of the cycle lane or invest in digital systems that provide equitable and efficient service delivery for all.

This Discussion Paper (Paper) is the foundation of that conversation. It has been developed to build a shared understanding of the known challenges and opportunities for the Shire and to support an informed conversation about the future. It also seeks to clearly define themes / areas that are important to consider when developing a long term framework.

Council recognises that before engaging with the community through a series of consultation events, it is important to provide some clear information to help support discussion and build peoples’ understanding of the various factors that influence strategic planning and ultimately the delivery of services across the Shire.

The structure of the Paper is as follows:

- Section two provides an outline of the profile of the Shire, the social context and economic strengths.
- Section three considers the opportunities and constraints facing the Southern Grampians Shire. The section examines these in the following themes of overarching which relate to the broader region or country, those related to Southern Grampians Shire, community facing opportunities and constraints and others that relate to Council’s operations and governance.
- Section four summarises the findings from community plans, structure plans and other relevant planning documentation on each of the Shire settlements.

¹ The Local Government Act 1989 is expected to be shortly replaced under the Local Government Bill 2019. A key feature of this is community vision which extends to upwards of 10 years.

Each topic contains key questions to stimulate discussion and encourage courageous and out-of-the-box thinking

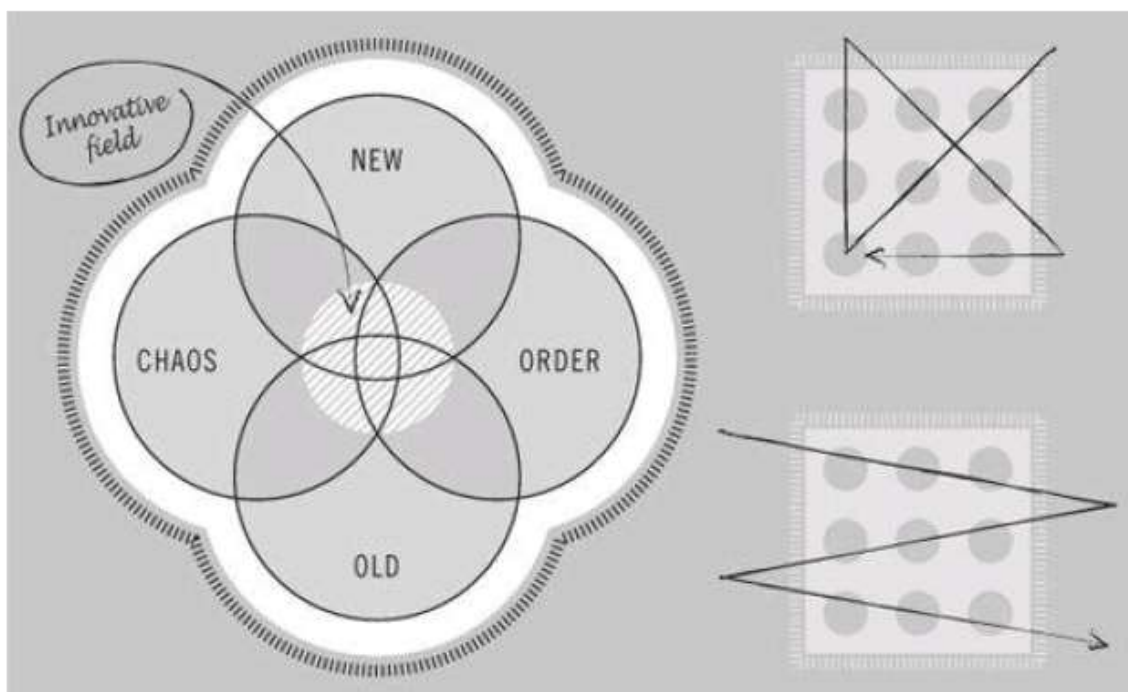


Figure 3 – Thinking outside the box. A 20 year plan requires a decision of whether to pursue – business as usual’ or contemplate new challenges (source: Krogerus and Tschappeler, 2011)

1.3 Process for developing the Community Vision Framework 2041

Council will develop CVF 2041 in three key phases:

- Phase 1: Develop Discussion Paper and methodology including information about key factors that drive the approach to planning and development;
- Phase 2: Undertake community and stakeholder engagement; and
- Phase 3: Develop draft Framework prior to endorsement by Council.

It is anticipated that the draft framework will be made available for the broader community to provide comment prior to finalisation.

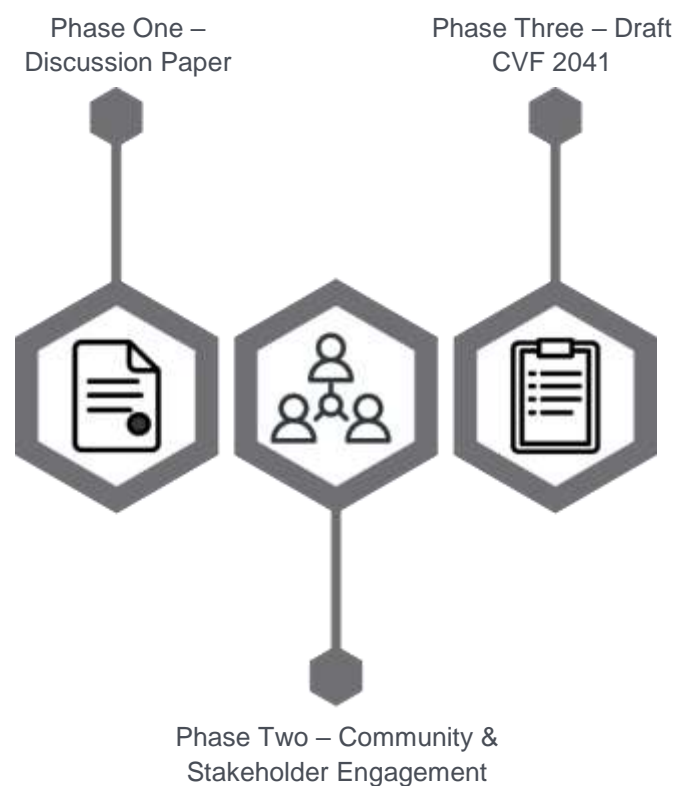


Figure 4 - Three phases in the development of CVF 2041

The Paper has been informed by a broad range of documents, not limited to the following:

- Southern Grampians Shire Council Plan 2017-2021;
- Community Plans for Balmoral, Bransholme, Cavendish, Coleraine, Glenthompson, Penshurst, and Tarrington;
- Structure plans for Hamilton, Tarrington and Dunkeld;
- Southern Grampians Planning Scheme (i.e. the Local Planning Policy Framework);
- Southern Grampians Shire Council Municipal Health and Wellbeing Plan, 2017 to 2021;
- Towards 2030. Advocacy Priorities 2018 to 2030;

- Southern Grampians Shire. Draft Heritage Strategy, June 2018;
- Southern Grampians Shire Climate Change Adaption Plan 2017-2027;
- The Great South Coast Regional Growth Plan, 2014; and
- The Great South Coast Regional Priorities, 2017.

As part of the assessment and direction setting for CVF 2041 the United Nations Sustainable Development Goals (UNSDG) will also be considered. The Sustainable Development Goals are a universally applicable framework to measure development within communities. The UNSDGs have been adopted and applied by a range of Government and non-government organisations including Plan Melbourne 2017-2051, City of Melbourne, City of Port Phillip, Sustainability Victoria, Melbourne Water, Yarra Valley Water and Deakin University.

The UNSDGs are equally applicable to regional communities, providing the ability to benchmark improvements in local circumstances against global standards and in doing so, raise the bar for regional communities.

Council also sought early input from a range of regulatory and Government stakeholders as part of the preparation of the Paper. This includes:

- Southern Grampians Shire Council staff
- Representatives from the neighbouring shires of Horsham, Glenelg, Moyne, Warrnambool, and Ararat
- Public Transport Victoria
- Catchments management authorities (GHCMA)
- Country Fire Authority (CFA)
- Department of Health and Human Services
- Department of Environment, Land, Water and Planning (Environmental and Planning)
- Department of Justice and Community Safety
- Parks Victoria
- Department of Education and Training
- Victorian Planning Authority
- Department of Jobs, Precincts and Regions
- Regional Roads Victoria
- V-Line Corporation
- State Emergency Service
- Sustainability Victoria
- Regional Development Victoria
- Victorian Planning Authority
- Ambulance Victoria
- South West TAFE

1.4 Methodology for consultation

In 2020, Council will deliver a comprehensive program of engagement with residents and key stakeholders. The objective of the engagement campaign is to obtain detailed input into the CVF 2041 and vision for the Shire. The campaign will include online engagement and workshop activities including:

Community workshops	Five community workshops across the Shire to meet with a broad range of communities and seek their input into CVF 2041. Workshops will be held in Dunkeld, Peshurst, Hamilton, Balmoral and Coleraine. Discussions and themes at the workshops will be informed by the Discussion Paper.
Stakeholder engagement	The Paper will be shared with Council's key stakeholders to seek their input and advice on future priorities and projects.
Citizens Panel	<p>Council will also invite members of the community to join a Citizen's Panel that will meet on three separate occasions to provide input into CVF 2041 and develop the draft vision for the Shire. The Citizen's Panel will be a deep dive into the challenges and opportunities and their deliberations will be guided by expert and local presenters. The Panel will provide a draft vision and recommendations for CVF 2041 for Council to consider.</p> <p>The expression of interest process for the Citizen's Panel will be advertised in local media, by direct mail to 5,000 households and via Council's communication channels. The panel will aim to be representative of the Shire population and individuals will be selected to participate on the panel on a random basis.</p>
Engagement on draft CVF 2041	The outcomes of the workshops and Citizen's Panel will be reported in a Community and Engagement Report and will inform the draft CVF 2041. It is expected that the community will be asked to comment on the draft CVF 2041.



2. Profiles

2.1 Southern Grampians Shire Profile

Southern Grampians Shire is located in the south west of Victoria, 290 kilometres west of Melbourne and 500 kilometres south east of Adelaide. The Shire covers an area of 6,655 square kilometres and comprises three per cent of the Victoria's total land mass (Geosciences Australia).

The Shire encompasses the traditional lands of the Gunditjmara, TjapWurrung and Bunganditj people. The Eastern Maar Aboriginal Corporation (EMAC), Barengi Gadjin Land Council Aboriginal Corporation, Gunditj Mirring Traditional Owners Aboriginal Corporation and Martang Pty Ltd are the Registered Aboriginal Parties for Southern Grampians Shire.

Surviving archaeological sites, includes rock paintings, stone arrangements, quarries, fish and eel traps, scarred trees and burial grounds, reveal an Aboriginal occupation dating back 40,000 years (Heritage Strategy 2018-2022).

The arrival of European settlers from the late 1830s resulted in the forced removal of Aboriginal peoples from their land and a range of incidents that are still within cultural memory (mission relocations, armed skirmishes and conflict). The fertile grasslands of the 'Western District' were claimed by squatters who established vast pastoral leaseholds for grazing stock.

Hamilton, is the Shire's principal retail and service centre. It was established on high ground above the Grange Burn from 1839. The township was set-out in a grid layout in 1850 and formally gazetted in May 1851, with the first land sales occurring in October 1851.

Hamilton grew steadily and experienced economic and agricultural 'boom' periods from the mid nineteenth to the late twentieth century resulting in significant heritage places today including churches, Victoria and Edwardian villas, Art Deco commercial buildings, inter war bungalows and the William Guilfoyle designed Botanic Gardens.

Hamilton is the main retail and service centre supported by the smaller towns of Balmoral, Branhholme, Byaduk, Cavendish, Coleraine, Dunkeld, Glenthompson, Peshurst and Tarrington – shown in Figure 6.

The nearest regional centres are Portland, Warrnambool, Mount Gambier and Ararat each within 60-80 minutes' drive distance.²

² Horsham is approximately 1.5 hrs drive time north.

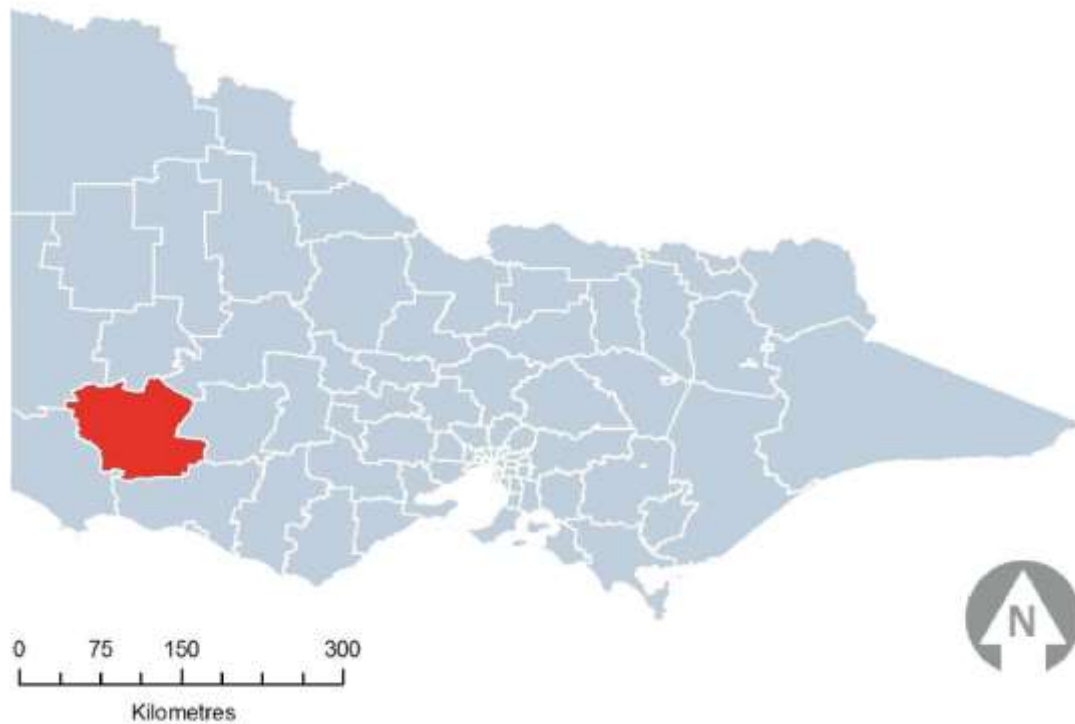


Figure 5 – Southern Grampians Shire (source: Geografia, 2011)



Figure 6 – Southern Grampians Shire with key settlements highlighted (source: SGSC Annual Report. 2018).

The natural landscape of the Shire has significant environmental and heritage value. The Grampian Ranges is identified on the National Heritage List. Other features of renown include ancient volcanoes and lava flows, waterways and waterfalls and undulating pastoral land dotted with ancient River Red Gum (*Eucalyptus camaldulensis*).

The rich fertile soils and reliable water availability provide opportunities for industry diversification. More intensive use of land where sustainable, enhanced land management and enterprises like horticulture, viticulture and plantation timber have the potential to boost the Shire's economy and the availability of jobs and business enterprises.

Secure water supplies in the settlements provide opportunities for further industry development. The Shire receives an average of 703mm (27.6 inches) of rainfall per annum.

Temperatures are temperate with the average minimum temperature at 7.5C (45.5F) and the average maximum temperature at 19.1C (66.5F). Projected temperature changes for the region under climate change range from 0.6 °C to 1.2 °C for 2030 to 1.8 °C to 2.9 °C for 2070 under high emissions scenarios (SGS Climate Change Adaption Plan 2017-2027).

2.2 Social Profile

The following is a snap shot of the population of the Southern Grampians Shire.

Residents	In 2018, the Shire had an estimated population of 16,135 residents (Council, ID data_2018). The 2016 Census figures reveal that of these, 49.0% were male and 51.0% were female. Aboriginal and Torres Strait Islander people made up 1.5% of the population (2016 Census QuickStats).
Median Age	The median age of people in Southern Grampians was 44 years. Children aged 0-14 years made up 18.6% of the population and people aged 65 years and over made up 19.9% of the population. In 2016, Southern Grampians Shire had lower proportion of children (under 18) and a higher proportion of persons aged 60 or older than Regional VIC (Council, ID data_2018).
Country Of Birth	In Southern Grampians, 92.6% of people were born in Australia. The most common countries of birth outside Australia were the United Kingdom 2.4%, New Zealand 1.3%, the Netherlands 0.4%, India 0.4% and South Africa 0.3%
Language Spoken At Home	In Southern Grampians, 97.4% of people only spoke English at home. Other languages spoken at home included Filipino / Tagalog 0.2%, Mandarin 0.2%, Malayalam 0.2%, Afrikaans 0.2%, German 0.2%, Dutch 0.1%, Punjabi 0.1% and Thai 0.1%(Council, ID data_2018).
Education	In Southern Grampians, 21.5% of the population aged more than 15 years of age had completed a tertiary qualification in 2016. At the same time, 36% of residents had completed Year 12. This is slightly lower than the regional average at 38.9% (Council, ID data_2018).
Health	In 2016, 5.6% of residents reported requiring assistance with core activities. This is lower than the average for regional Victoria at 6% (Council, ID data_2018).
Households	<p>The average size of households was 2.3 persons with families comprising 65.8% of household compositions and single person households at 31.96%.</p> <p>The average weekly household income was \$1,043. Median personal income has increased by 14.9% since 2011. Increasing disposable income through higher paying jobs i.e. manufacturing, engineering, health, education, mining etc. could be a critical factor in driving the financial sustainability in the Shire.</p> <p>The average weekly rental payment was \$175. The average monthly household mortgage payment was \$1,082 (2016 Census QuickStats). The average number of vehicles owned was 2 per household.</p>
Dwellings	<p>There were 7,965 residential dwellings in Southern Grampians Shire in 2016. Detached separate houses accounted for 7,369 (92.5%), with medium density dwellings comprising 5.4%, caravans / cabins of houseboats were 0.4% and other or not indicated comprised 1.7% (Council, ID data_2018).</p> <p>Dwellings that were fully owned comprised 43% of the properties which was higher than the regional Victorian average at 35.7%. Dwellings with mortgages comprised 27.9% and renting accounted for 21.2%. Social housing accounted for 3.3% of properties (Council, ID data_2018).</p>

2.3 Economic Profile

Southern Grampians Shire's Gross Regional Product for 2017/18 was estimated at \$0.92 billion, which represents 0.2% of the State's Gross State Product (GSP). The Shire's contribution to GSP has increased by 0.63% since 2000/2001 (Great South Coast Futures, June 2019).

The Shire supports 7,781 jobs with 8,061 of the resident population over 15 years of age in employment. An analysis of the employment status in the Shire in 2016 compared to the regional Victorian average shows that there was a higher proportion of working population in employment, and a lower proportion unemployed (anecdotally believed to be due to people who cannot find work leaving the Shire). Overall, 95.6% of the labour force was employed, and 4.4% unemployed, compared with 94.0% and 6.0% respectively for the regional Victorian average.

The Agriculture sector is the largest employer in the Shire, supporting 1,373 jobs and producing 15% of Australia's wool clip. Other important employers include Health and Social Assistance (1,162 jobs) and Retail (734 jobs). Together, the top three industries employ around 3,285 people in total representing 45.3% of the total employed resident population.

Education and Training (683 jobs), Accommodation and Food (441 jobs), Public Administration and Safety (433 jobs) and Construction (369 jobs) are also strong employers (Council, ID data_2018).

The largest industry by gross regional product has been mining, which generated \$244 million in revenue in 2017. To date, mining has played an important role in the region, primarily through mineral sands processing and export. With the closure of Iluka Mineral Sands processing in Hamilton in early 2017, currently in a care and maintenance programme, it is expected that this economic contribution is presently more limited. But the sector has the potential to expand over time, with strong technological improvements in pre-competitive ground surveys showing the region to host prospective levels of gold, copper, rare earths and other minerals (Great South Coast Futures, June 2019). Stavely to the east of Glenhompson is considered a prime candidate for future mining of copper and gold with active prospecting regularly occurring to prove resources

The alternative energy sector is growing with wind, geothermal, natural gas and wave energy projects all underway across the region. Whilst few wind farms presently exist within the Shire, the Great South Coast Economic Futures report identifies SW Victoria as one of the top 20 windfarm opportunities in the country (Juturna, 2019).

The region also presents a tourism economy thanks principally to its spectacular and world-renowned landscapes, such as the Grampians National Park and regional attractors including the Twelve Apostles on the Great Ocean Road. The cultural and economic significance of the region's rich indigenous history, which includes sites of global significance such as the recently World Heritage listed 6,600-year old indigenous stone buildings and fish traps of Budj Bim, who resided just outside of Southern Grampians Shire, is only now being properly understood and recognised globally.

Hamilton is the Shire's largest economic and population centre with 10,092 residents. The remaining smaller towns reflect the region's strong heritage in wool and meat production in particular. There is very little of the formerly strong dairy industry remaining in Southern Grampians Shire, with dairying limited to the common boundary with Moyne Shire south of Penshurst. Dunkeld is now emerging as a key tourism asset and base for exploring the Grampians National Park as well as a logical travel sweep for tourists coming north off Great Ocean Road before returning to Melbourne.

Building activity in the 12 months to July 2019 shows there were 284 building permits issued, with an average of 147 issued every six months since January 2015 (Southern Grampians Shire Council, MyVictoria).



3. Current Opportunities and Constraints

This section of the report provides an overview of the current opportunities and constraints with respect to the economic, social and environmental characteristics of the Southern Grampians Shire.

Information in this section has been sourced from the Victorian State Government's Victoria in Future³ series (VIF2019). Other information relating to life in the Shire has been sourced from .id Population Experts (.id) who provide analysis of the economic, social and community attributes of the Southern Grampians Shire based on historic data. This information is based on analysis of data sourced from the Australian Bureau of Statistics (the ABS).

The section considers challenges and opportunities in four key groups:

- Overarching – those that apply to the broader region;
- Southern Grampians Shire – those that relate specifically to the Shire and residents;
- Community based – those that relate to the services and facilities that residents use and require; and
- Council – those related to Council including processes, financial position and governance.

3.1 Overarching opportunities and constraints:

3.1.1 Capitalising on the natural assets

Southern Grampians is host to significant **environmental and landscape assets** that in addition to their intrinsic value, are important to the liveability of Southern Grampians and tourism attraction. The rich fertile soils and access to reliable water sources provide great opportunities for developing greater diversification of industry and employment sectors in the Shire.

There are fifteen Ecological Vegetation Classes within Southern Grampians which fall into one of two bioregions, the Dundas Tablelands and Victorian Volcanic Plains (VVP). Greater Grampians Natural Temperate Grassland and the Grassy Eucalypt Woodland of the VVP are listed as critically endangered ecological communities under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

Temperate grasslands and grassy woodlands are among the most under-represented ecosystems in Australia's conservation estate and are recognised nationally as among the most threatened vegetation types. Remnants of both these vegetation communities are present along roadsides and isolated locations in the Southern Grampians Shire.

The Natural Temperate Grassland and Grassy Eucalypt Woodland of the VVP represent some of Victoria's most threatened and fragmented ecosystems. Both ecological communities were formerly extensive on the Victorian volcanic plain but now comprise mostly small, highly fragmented remnants in a landscape that has been largely cleared for agriculture. Less than five per cent of the original

³ VIF2019 covers the period 2016 to 2056 for Victoria and the major regions, however, for Local Government Areas (LGA), Small Areas (VIFSAs) and Australian Statistical Geography Standard Areas Level 2 (SA2) and above, it covers the period to 2036.

extent of both communities remains, although patches in good condition are likely to constitute less than one per cent.

There are a number of fauna species in the Shire with significant conservation status, key species include:

Extinct	Critically Endangered	Endangered
<ul style="list-style-type: none"> • Eastern Barred Bandicoot (in the wild) <p>The Eastern Barred Bandicoot is one of Victoria's most endangered animals and is listed as a threatened species under the <i>Flora and Fauna Guarantee Act 1988</i>, the Hamilton Parklands Reserve is an important breeding site in the National Recovery Strategies and located on Crown Land under Councils Committee of Management.</p>	<ul style="list-style-type: none"> • Regent Honeyeater • Brush-tailed Rock-Wallaby • Common Bent-wing Bat • Golden Sun Moth 	<ul style="list-style-type: none"> • Australian Bittern • Barking Owl • Blue-billed Duck • Mallee owl • Red tailed Black Cockatoo • Swift Parrot • Dwarf Galaxias • Macquarie Perch • Brown Toadlet • Growling Grass Frog • Striped Legless Lizard

Figure 7 – Fauna Conservation Status (source: RMCG, 2018)

Grampians (Gariwerd) National Park, Dundas Range State Reserve, Mount Napier State Park, Lake Linlithgow, Byaduk Caves and Bryan Swamp are significant reserves in the Southern Grampians area managed by Parks Victoria and where the highest quality remnant vegetation is found (Figure 8). Department of Environment, Land, Water and Planning are land managers of several State Forests and river frontages throughout the Shire area. Southern Grampians Shire manages several reserves of environmental quality including Wannon Falls and Flora reserves, Nigretta Falls, Hamilton Parklands and Mount Rouse.

Southern Grampians Shire benefits from significant access to water sources that are capable of supporting a range of industries. The Shire lies almost entirely within the catchment of the Glenelg River. The river is the largest in south west Victoria and the Glenelg Basin contains more than 150 threatened to near-threatened species and ecological communities. The region is one of 15 listed 'biodiversity hotspots' in Australia, and one of only two in Victoria. Significant tributaries of the Glenelg River in Southern Grampians include the Wannon, Chetwynd, Grange Burn and Wando rivers.

The region also has access to groundwater with the Dilwyn aquifer located under much of south west Victoria and south east South Australia. Its depth varies from one kilometre in the Portland area to outcrops in the Gellibrand River Valley, the Merino-Casterton-Coleraine area and the valley of the Crawford River. The use of the aquifer is managed by water authorities with licences issued to users. The Dilwyn aquifer is accessed by 10,000 customers who utilise 2,481 ML per annum.

The Greater Hamilton region is among just five percent of the Australian continent to receive above average rainfall at 680mm per annum⁴.

Plantation timber production has been an important industry in the Shire for the past two decades and is a significant employer (Schirmer et al, 2017: <https://www.hvp.com.au/wp-content/uploads/2018/08/Green-Triangle-Socio-Economic-Report-Dec2017.pdf>). At present there are

⁴ <http://www.growinggreaterhamilton.com.au/climate>

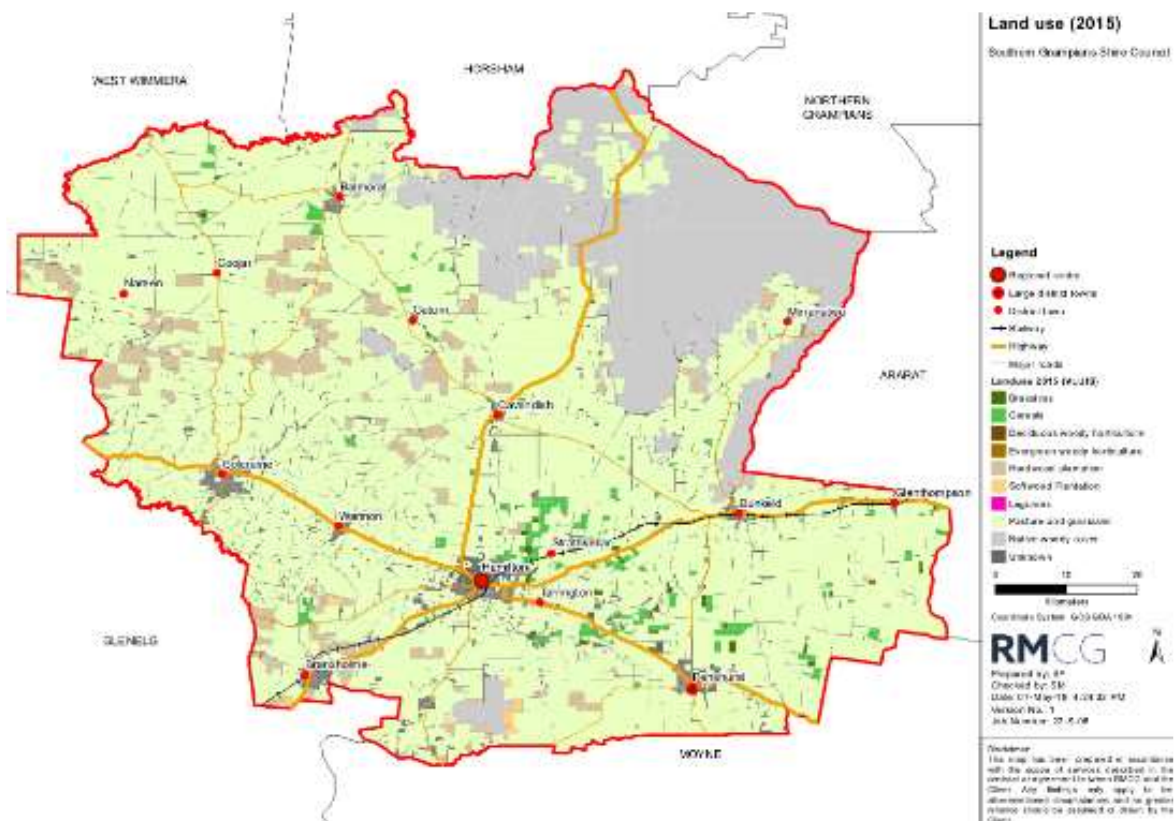
12,727 hectares of plantation forestry in the Southern Grampians Shire. It is estimated that the sector creates direct employment for somewhere around 220 FTE in the Southern Grampians Shire alone.

3.1.2 Agriculture

Agriculture, with its associated industries, is the Shire's largest employment sector and one which contributes significantly to the Victorian and Australian economies. The 2016 gross value of agriculture in Southern Grampians was \$474 million and comprised mainly meat and wool. Gross value tripled between 1996 and 2016 with growth in meat and wool the main contributors. This growth was attributed mostly to the improved prices of both commodities as sheep numbers have reduced over the last ten years and cattle numbers were unchanged. The value of grain production tripled over the last 20 years while hay has decreased in the last 10 years.

Mapping of agricultural land use (Figure 8) shows that most rural land is used for grazing and cropping. The region contains three main land systems; The Dundas Tablelands, The Victorian Volcanic Plains and The Grampians. Nearly half a million hectares of land is under production, and each hectare returns a net operating profit of around \$210, compared to an average of \$121/ha for the State of Victoria.

The Shire's agriculture sector is worth approximately \$220 million per annum. However there is often limited local value added processes occurring, with labour intensive meat processing located at Warrnambool, Naracoorte, Edenhope and Camperdown operated by five large multi-national companies⁵). Whether a boutique meat processor would establish within the Shire is unclear. The likelihood that a large multi-national would establish in the Shire given the surrounding processing capacity is also not confirmed, with market evidence suggesting no present appetite for such a project.



5 See Geografia (2013). Hamilton Meat Processing Supply Chain Report, prepared for Southern Grampians Shire Council, unpublished.

Figure 8 – Land Use across the Shire (source: RMCG, 2018)

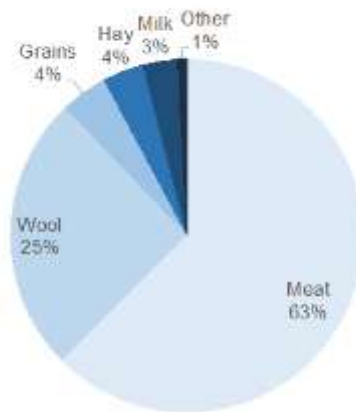


Figure 9 – Gross value of agricultural production 2016, Southern Grampians (source: RMCG, 2018)

Most agricultural businesses within the Shire range between 100ha and 500ha (250 to 1,250 acres) in area and have an estimated value of agricultural operations (EVAO) of less than \$200,000.



Figure 10 – Trends in property size, gross value of agricultural product and business size (source: RMCG, 2018)

Changing weather patterns in the last 20 years has altered agricultural land use particularly with cropping occurring further south of traditional growing areas. Work undertaken by Council confirms nonetheless, that the region is well suited to agricultural production, now and into the future (see www.growinggreaterhamilton.com.au/interactive-map.) Broadly speaking, more intensive use of land (where sustainable), enhanced land management and new enterprises like mining and processing in the Glenthompson area and mineral sands north of Balmoral, along with horticulture and viticulture have the potential to boost the Shire's economy and the availability of jobs. The Shire takes in part of the Henty Wine Region which has become nationally renowned for the high quality of table wine

produced here. See: <https://www.wineaustralia.com/labelling/register-of-protected-gis-and-other-terms/geographical-indications/henty>

To further confirm opportunities, Council has completed a research project which aims to encourage greater diversification of the agricultural land and to explore the long term capabilities and suitability of land in the region. The project mapped and modelled a total of 24 agricultural commodities⁶ deemed suitable for growing in the Greater Hamilton region based on soil, water and topography using the current and projected climatic conditions of 2050 in the Southern Grampians Shire. It found the rich soils in the region offered growers the capacity to further develop production in the area, which can accommodate large and small-scale developments within close proximity to markets and a labour force container. Council is currently developing an Integrated Water Management Plan (IWMP) for Hamilton which will further investigate opportunities to use recycled water for horticulture.

Additionally, an intermodal facility, which has the capacity to handle containers, may open in Hamilton, pending resolution of State grants for road versus rail subsidies in the timber sector. A suitable site has been identified with all relevant planning undertaken, near the existing railway station.

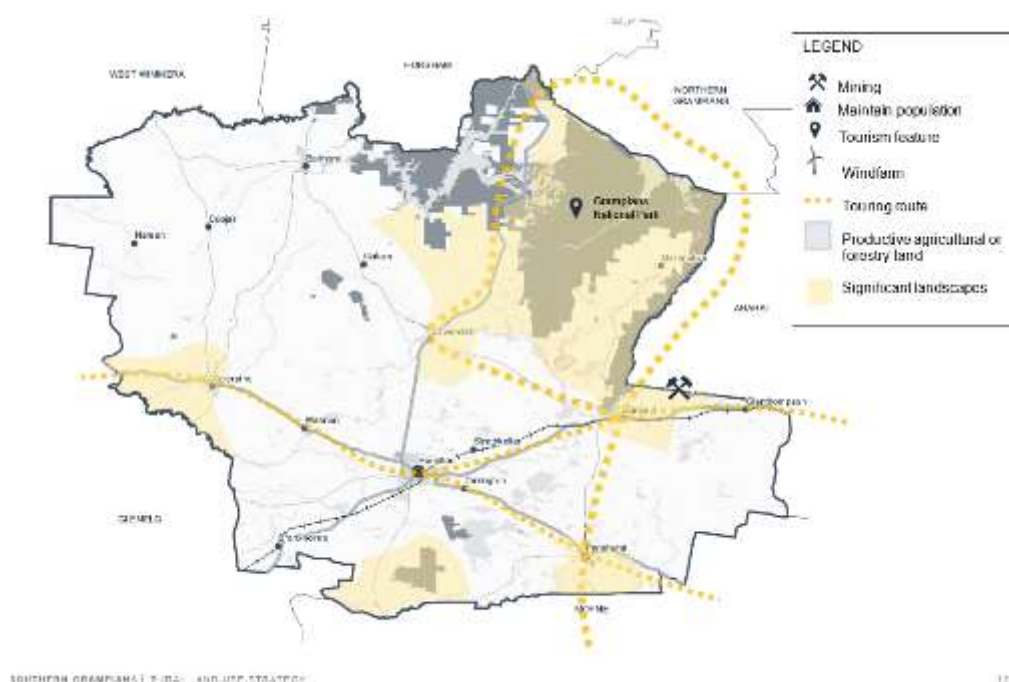


Figure 11 – Rural Strategic Framework (source: RMCG, 2018)

3.1.3 New and emerging economic sectors

The Shire economy contracted in gross regional product from \$945m in 2016 to \$883M in 2019. Jobs growth was also slow at 0.6% annual growth. The closure of Iluka Resources mineral deposits separation operations in 2017 and the general decline of manufacturing is believed to have played a role in the slowing of jobs growth in the region (SBG Advisory, 2019).

⁶ In stage 1 eight agricultural commodities were modelled: cropping (wheat, canola and flaxseed); pastures (phalaris and perennial ryegrass) and vegetables (brassica oleracea, lettuce and onions). In Stage 2 a further 16 commodities were modelled: broad acre crops, fruit and pastures.

The Greater Hamilton region has the critical infrastructure, amenity and location to support growth and as a service centre, a range of skills demands exist. These range from technical trade skills – diesel mechanics and electricians through to jobs that directly relate to the demographic shape of the town, taxi drivers for instance who are well utilised by many less mobile user groups, work in aged care and allied health eg physiotherapists, chiropractors etc. Ongoing demand also exists in key sectors including education, local government roles (town planning, building surveying, and recreational planners). However, the population of Hamilton and the Shire is relatively static and ageing, with low unemployment, ‘thin’ labour markets and low diversity of employment within industry sectors which makes filling key roles more challenging.

The Shire is part of a regional economy and, as such, co-operative efforts that cross municipal boundaries should be part of the strategic response. In simple terms, policies and interventions need to target the critical issues affecting the vitality of the Shire’s economy, being in competition with the regional economy.

Looking to the future, what will be the drivers of growth for the Shire and surrounds? The following are likely drivers of economic stimulus:

- Economic development and industrial expansion, rather than population increase. This may include expanded opportunities in dairying, forestry, mining, mineral sands processing, waste and resource recovery, energy and tourism. These opportunities are considered further under section 3.1.2.
- Increased demand for food from a growing Victorian and global population base that enhances the region’s potential to increase its contribution to nation’s food production and export economy. This may be supported by changes in climate that open new opportunities from changed growing conditions for the agriculture sector. See section 3.1.6 for more detail.
- The requirement for a sustainable population base and skilled regional workforce to ensure economic activity is not constrained, and to support local communities. See sections 3.1.3 and 3.2.4 for more detail.
- Maximising economic opportunities from improved education and training, and supporting infrastructure. See section 3.2.4 for more detail.
- Development of the digital economy and its growing influence on business, education, health and social inclusion. See section 3.1.4 for more detail.
- The continuing growth of Warrnambool, as the regional city, increases access to retail, healthcare, education and professional services and is a major attractor of new residents, accounting for over half the region’s population expansion over the past five years. The offset of this can be seen where Warrnambool’s facilities are labelled regional when the benefit does not disperse throughout the region into rural townships.
- Sustainably developing and managing the region’s environmental and cultural heritage assets, contributing to future prosperity and liveability– these assets (soils, water resources, biodiversity landscapes and cultural heritage) constitute major competitive advantages and supply a wide range of environmental and cultural values. See section 3.1.1 for more detail.
- An abundance of energy assets, including natural gas and renewable energy resources for wind, geothermal and marine energy technologies– building on these opportunities could make the region Australia’s alternative energy capital. See section 3.1.7 for more detail.
- The Port of Portland, an asset of national significance with its all-weather deep port, retains great potential for expansion and growth to service existing and new export markets. See section 3.1.5 for more detail.

- Impacts of climatic conditions such as long-term droughts, widespread floods and an increase in the number of days of extreme heat and fire danger. See section 3.4.4 for more detail.
- Growth in sectors including renewable energy, mining and processing and the Shire's location near to the Port of Portland may create strong opportunities in the transport sector including truck servicing, and freight.
- Major industries across the Great South Coast exhibit potential for growth. Current and anticipated international and international export demand for dairy, meat, seafood and forestry products should support the region's agriculture, aquaculture, food manufacturing and forestry industries. In 2016-17, these industries constituted almost 20 percent of the region's total gross value add. This is underpinned by several large employers that employ significant portions of the population in local areas, particularly in the secondary processing sector.
- Close linkages across these sectors are likely to see demand for enabling industries such as transport, automotive, port operations, construction and heavy manufacturing follow closely. Likewise, the region's unique geographic location means it is well placed to support demand for aquaculture, wind generation and tourism. Demand for these major and enabling industries is likely to flow into local service industries via households and the workforce.

The Shire forms part of the "Green Triangle", a region covering south-west Victoria and south-east South Australia which has exceptional biomass opportunities. The Green Triangle Region is a biomass hotspot with large volumes of agricultural and forestry biomass documented. This waste biomass is not being recovered and utilised at its highest value, meaning economic opportunity is being lost as waste is directed to landfill or used for low value purposes.

There is opportunity for Government, Agency and Industry groups to collaborate to create and implement a Biomass Strategy to mobilise biomass across the region's public and private sectors to return its highest value for the greatest benefit to the entire region in terms of job creation, economic growth, industry and market development, research and development and importantly sustainability. The benefit of bioenergy over other modes of renewable energy generation is that they are more jobs-intensive in terms of ongoing employment than most other modes of generation such as solar or wind.

Key questions:

- How can we diversify our employment opportunities beyond traditional agricultural opportunities?
- What is the agricultural future beyond sheep and cattle?
- Why is industry not locating in the area to leverage off the high levels of agricultural production?
- What is the economic role of tourism in the local economy, sustainable energy, niche agriculture (horticulture especially). How can and should these sectors shape the economy and what can Council do to assist?

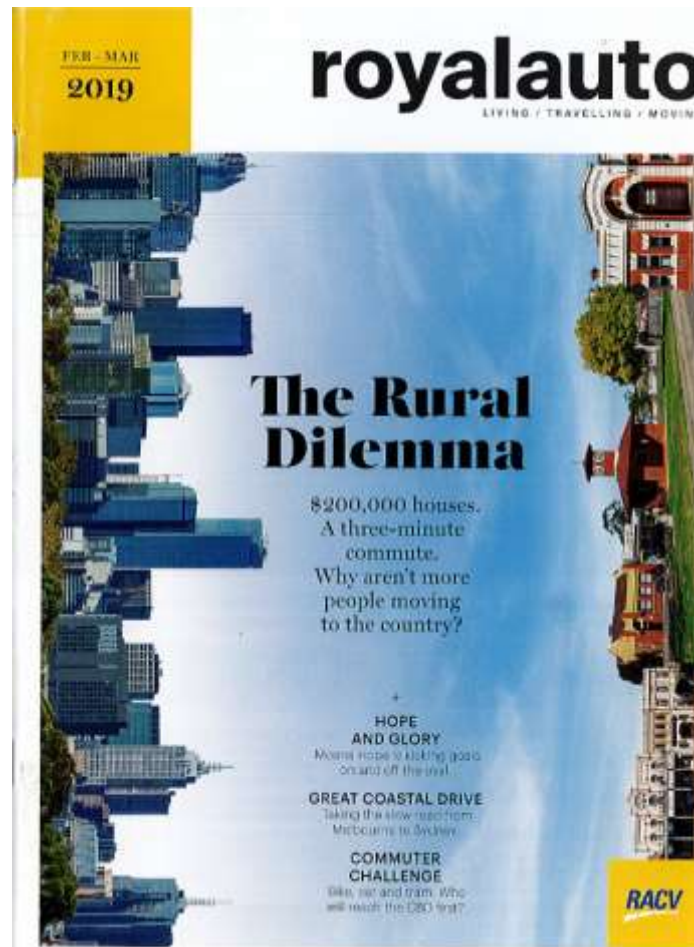


Figure 12 – If regional Victoria has so many opportunities why are they not being taken up? (Source: RACV, 2019)

3.1.4 Workforce development and regional employment

The 2018 Regional Skills Demand Profile for the Great South Coast (Victorian Skills Commissioner, 2018) reviewed employment and skills demands across all sectors within the Great South Coast group of councils (Warrnambool, Moyne, Glenelg, Corangamite and Southern Grampians). It found that:

- 11,200 business in area, 98% of which had less than 20 workers.
- Unemployment rates were relatively low (4.8%), at the time around 2% lower than the State average. Youth unemployment was 9.5% reflecting that youth were generally leaving the area to find work or undertaken further study. Demand for youth as entry level employees exceeded supply.
- Ageing population with share of persons aged over 55 8% higher than State average.

SED Consulting (2019) analysed economic indicators for the Great South Coast and found the following with regard to employment and skills demand:

- The region has the lowest unemployment rate in Victoria (3.6%) with a low workforce participation rate.

- Ageing workforce with the average age of a farmer in the region of 55 years of age and 30% of workers in agriculture aged more than 60 years. The challenge is the inability to attract a younger cohort of workers to these industries.
- Small pool of younger potential employees with just 650 school leavers per annum.
- Requirement for regional workforce attraction and strategies and industry attraction strategies for new workforce entrants.
- Requirement for ongoing upskilling of workforce.

The following table reveals the identified skills shortage for the Great South Coast Region which includes Southern Grampians Shire:

Professionals	
<ul style="list-style-type: none"> • General Practitioners • Mechanical engineers • Civic Engineers • Urban and Regional Planner • Retail Pharmacist • Graphic artists and designers 	<ul style="list-style-type: none"> • Miscellaneous Health Professionals (i.e. Occupational Therapists, Physiotherapists and podiatrists) • Specialist nursing staff • Accountants • Lawyers • Information Technology System Administrators
Other Occupations	
<ul style="list-style-type: none"> • Agriculture and Primary Production • Truck Drivers • General Clerks 	<ul style="list-style-type: none"> • Chefs • Hospitality staff
Trades	
<ul style="list-style-type: none"> • Metal Fitters and Machinists • Carpentry and Joinery Tradespersons • Bricklayers • Electricians 	<ul style="list-style-type: none"> • Plumbers • Motor Mechanics • Structural steel and welding tradespersons • Plasterers

Figure 13 – Identified skills shortages in Great South Coast Region have existed for over a decade (source: Genr8, 2006)

Trends in the Shire's labour market reveal important characteristics, namely:

1. The employment-population ratio is showing a healthy relationship between the number of people of working age and the number of jobs. That is, there is no significant surplus labour pool (i.e. low unemployment), meaning labour market growth must come from inflow to the Shire.
2. The Shire's dependency ratio (the ratio of non-working age residents to working age residents) is projected to increase over the next 10 years. This means that increasing the replenishment rate of 25-44 year olds to the Shire is essential.

3. Over the last few census periods, only the agriculture sector has been a consistently propulsive industry. This time frame does not, however, cover the period during which major projects have had a positive impact on population and job growth.
4. While industry-scale employment diversity is reasonably balanced (that is, unlike some other municipalities, the Shire is no longer overly reliant on one sector), within each sector this diversity breaks down. There are a large number of positions that do not exist in the Shire, which means there are thin markets and limited career pathways in the local economy.
5. Decreasing opportunities for employment. Between 2011 and 2016, the number of people employed in the Shire decreased by 490, and the number unemployed people increased by 29. In the same period, the number of people in the labour decreased by 461 or 5.7%. The largest changes in the occupations of residents during that period were for those employed as:
 - Managers (-111 persons)
 - Technicians and Trades Workers (-110 persons)
 - Clerical and Administrative Workers (-74 persons)
 - Professionals (-61 persons)
6. Within the region the Shire's economy has a place of work connectivity with Glenelg.

These characteristics are the result of a systemic feature of the Shire economy: a small population and labour force within a largely self-contained economy. The best way to address the issue is to focus on this underlying structure and seek to increase the population and labour force size, preferably through encouraging the establishment of more small and medium sized enterprises.

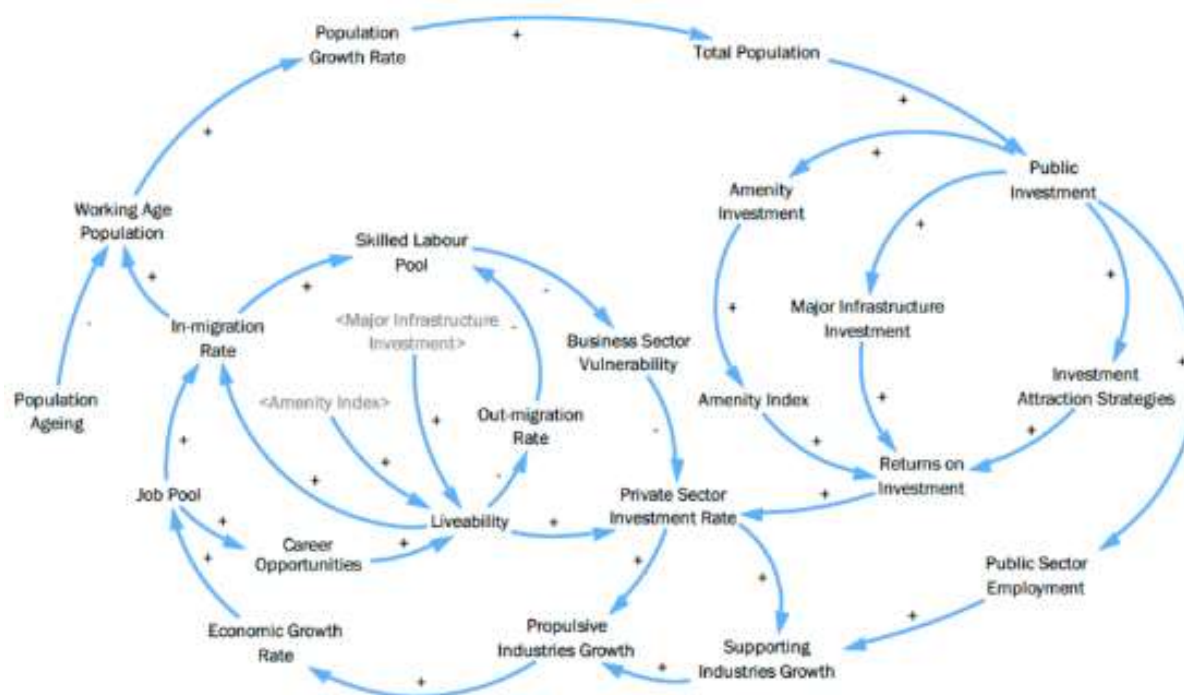


Figure 14 – Economic Interactions in Southern Grampians (source: Geografia and Nott, 2011)

The combination of these factors impedes real progress and new ventures in the economy.

The critical consequence of the population and labour market characteristics is the lack of appropriately skilled labour. The workforce is small, lacks depth, which can lead to excessive staff poaching, does not have a substantial surplus pool to draw from and is facing an ageing problem. In fact, it is more accurate to say that there is a skilled labour shortage, rather than a skills shortage within the Shire. While many of these shortages confront much of Australia, there are distinctive local aspects to this: including the lack of agribusiness and health workers and the challenge of retaining staff with partners requiring work. The diversity of affects also necessitates a tailor-made approach to supporting different industry sectors and individual enterprises.

The proposed solution identified was to fund a marketing and promotion executive to co-ordinate activities and drive proposed initiatives; greater focus on marketing and communication of the opportunities that exist; and development of a skills and pathway matrix. Initiatives include:

- Great South Coast Food and Fibre Council commissioned a report titled “Food and Fibre Careers Promotion and Pathways, Business Case’ (2019).
- SWTAFE intends to apply for a Workforce Training Innovation Fund grant to attempt to address some of the challenges discussed at the workshop and in this report.

3.1.5 Connectivity to support a digital economy

The Glenelg and Southern Grampians Digital Strategy (2016), highlights that increasing the quality, and therefore the adoption, of digital technologies is a priority for Southern Grampians Shire Council. In particular, access to high speed broadband will drive productivity growth.

On average across Victoria, businesses in areas connected to the NBN have seen a 14% increase in productivity due to its installation.

Transition to a digital economy has a range of demonstrated economic impacts, including:

- Automation of jobs, especially manual and repetitive labour
- Creation of jobs, especially in creative, technical and support industries
- Changes to jobs, such as locations and ways of working, as well as productivity increases, and
- Access to broader and international markets for businesses

Additionally, it may benefit service providers such by:

- Encouraging online participation and deliberative democracy
- Efficiently providing information to the community
- Reducing overhead, emissions and risk with decentralised and responsive tools
- Responding to issues and faults efficiently, and
- Reducing the costs of customer service transactions.

In the public sector, education is a particular target for government investment in digital improvement. As part of the Department of Education and Training’s targets to boost learning outcomes and student retention, the education sector has recently received a major \$59.9m investment from the Victorian

State Government in order to boost internet speeds, particularly targeted at regional government schools.

Similarly, the quality of health services is predicted to benefit from investment in technology such as big data analysis, and synchronous databases like My Health Record, that will enable clinicians to access patient information, support earlier diagnoses and better manage disease. Given appropriate investment in digital transformation, it is likely that local and regional clinics will have access to the same high standards of medical information as major city hospitals.

Culturally, the creation of local digital ecosystems is a product of both the infrastructure available and cultural penetration. The latter will be addressed as uptake increases and the benefits of digital technologies are shown to those with less familiarity with them, such as older or more remote residents. These benefits may include:

- Increased social connections and opportunities
- Increased inclusion and social mobility
- Increased ease of living at home, such as via smart appliances and sensors , and
- Increased sense of independence

Key questions:

- How can the Shire capitalise on the potential benefits of digital transformation?
- Is connectivity via high speed broadband a higher priority than some other infrastructure?

3.1.6 Transport

Transport infrastructure is a key component of the functionality of the Shire in terms of the value it brings to the economy and society, through connections to others and access to employment.

Air transport – The nearest commercially operating passenger airport is in Mount Gambier, South Australia which is around 75-90 minutes' drive time west of Hamilton. Commercial passenger airline Rex runs a regular service into Mount Gambier that connects with Adelaide and Tullamarine (Melbourne).

Sharp Airlines ran a service to Tullamarine out of Portland Airport and Warrnambool Airport which are one hour and ten minutes from Hamilton, but closed operations at those terminals on 30 June 2019 due to cost pressures.

Council owns and maintains a CASA registered airport directly north of Hamilton and a charter service run by Sharp Airlines operated at Hamilton airport until 2014. In 2016, Council completed \$5.2 million in upgrades including an upgrade to the terminal, strengthening and resealing of the apron and taxiways, a new LED apron and runway lighting system including floodlighting of the apron, new office buildings, expansion of the car park and installation of a Precision Approach Path Indicator System (PAPI). The upgrade also included the extension of the existing North/South runway to a length of 1700m. The runway extension allows for larger aircraft to land, bringing a wide range of benefits to the region including increased employment and investment, as well as improved social and community opportunities.

The airport is currently used as an air firefighting base with fire bombers and airborne command based there as a strategic resource for western Victoria. This recent but firmly established aircraft arrangement needs to move from current interim facilities to those that meet established standards. Future developments may include night fire suppression aviation and larger multi- engine fire bombers. Participation in these developments relies on having facilities that meet required standards, adequate water supplies and suitable runways and taxiways. Fuel supplies are beneficial.

Flight training at Hamilton is also likely to shortly recommence via a business established in Horsham.

Council continues to actively search for a replacement service to provide business access to Melbourne for day trips, especially for business trips. However, in the absence of any passenger service presently the Airport is under-utilised and represents an opportunity for further service delivery. At time of writing a new commercial operator running services through Hamilton, Portland and Warrnambool appears promising for a 3 times a week return service to Essendon.

Rail services – There are presently no passenger rail services into Hamilton or Southern Grampians Shire. The rail network between Ararat to the north and Portland to the south (with Hamilton in the middle) remains intact. The passenger train services into Hamilton ceased in 1981.

Hamilton's historic train station opened in 1877 and remains in place, along with the standard gauge track linkages to the Melbourne – Adelaide line at Maroona. The station is currently used as a bus interchange hub, connecting with Ararat, Warrnambool, Ballarat and Mount Gambier.

Council continues to advocate for a return of passenger rail services and in 2017 prepared a business case with other neighbouring councils to further this goal. Such a service would require critical investment in gauge standardisation, noting that the Ararat to Ballarat/Melbourne line is broad gauge and runs different rolling stock to what is currently achievable on the Portland to Ararat standard gauge line. Nonetheless, there are significant, unmet needs for better public transport in the region (as well as fundamental questions of equity e.g. Swan Hill with a similar population has 2 services a day and is 50km more distant from Melbourne than Hamilton – see Figure 15).

The 2017 Study found that that regional residents, young people, the aged, those in need of medical specialists and those requiring choices in work and education had inadequate public transport access to major centres including Ballarat, Geelong or Melbourne. Furthermore, the Study found that the public passenger services (road coach) that are being provided beyond Ararat are sub-standard, being little improved from 30 years ago.

Stage 1 of the rail reconnection proposals (those for early implementation) - are costed at \$1.6m; Stage 2, including new trains and standardisation of the Ballarat to Ararat railway and associated train stabling, maintenance and signalling, has an estimated capital cost of \$369m and an additional annual operating cost of \$6.1 million. Such an investments would be spread over several years.

VLine Long Distance Route	Towns on the line	Population (Towns directly serviced)	Trains per day (weekdays)
Ararat to Portland	Ararat (8,297) Maroona (110) Hamilton (9,986) Heywood (1,726) Portland (10,800)	30,919	None beyond Ararat
Bendigo to Swan Hill	Pyramid (419) Kerang (2,490) Lake Bogo (719) Swan Hill (9,894)	13,522	Two trains plus three coach/train services
Geelong to Warrnambool	Colac (8,696) Terang (2,348) Camperdown (3,462) Warrnambool (28,413)	42,919	Four per day plus one daily coach via Ballarat

Figure 15 – Comparison of population on the Portland rail corridor with other corridors that are currently provided with VLine long distance train services (source: Hearsh Consulting, 2017)

Regional public transport services are extremely limited and include:

- Ararat
- Passenger rail services from Ararat via Ballarat, seven times per day (week days) and lesser services on weekends.
- Ararat has a single evening bus link to Hamilton on Tuesdays and Fridays and a single service on Sunday.
- Warrnambool
- Four rail services per day (week days) to Melbourne via Geelong and a lesser service on weekends.
- There is no bus service between Horsham and Hamilton.
- There is no connecting bus service at Mount Gambier for the Adelaide service, the bus misses departure by 50-90 minutes. Melbourne to Adelaide by rail operates twice a week through Ararat and Horsham. This service is underutilised and the service is being supported by a temporary Victorian Government Subsidy. Currently for those residents or visitors wishing to travel to Adelaide it is a 14 hour overnight bus journey Hamilton – Ballarat – Horsham – Adelaide (more than double the time required by private vehicle).
- Passenger bus services are provided by VLine between Ballarat and Hamilton, as well as Hamilton to Warrnambool and Hamilton to Ararat. The services are however limited. The outbound service from Warrnambool to Hamilton occurs three times a day during the week, but there is no service on weekends. There are two bus service connections between Ballarat and Hamilton daily. The service between Ararat and Hamilton is infrequent (3 days/week).

Service is limited between the Shire and all regional connecting public transport services, effectively forcing residents to use private vehicles to access regional centres.

Journey	Travel time (Minutes)
Hamilton to Melbourne via existing road coach to Ballarat	224 to 243 minutes
Hamilton to Ararat via road coach – estimated running time	125 minutes
Ararat to Melbourne – current train	128 to 158 minutes
Hamilton to Melbourne via Ararat – road and rail journey	257 minutes
Ararat to Melbourne via rail - after track upgrades to be completed by 2026	144 minutes
Hamilton to Ararat rail journey if track upgraded	75 minutes
Hamilton to Melbourne via rail following track upgrades (2026)	212 to 236 minutes
Improvement over current coach/ rail service between Hamilton and Melbourne	8%

Figure 16 – comparative journey times between Melbourne and Hamilton (source: Hearsh Consulting, 2017)

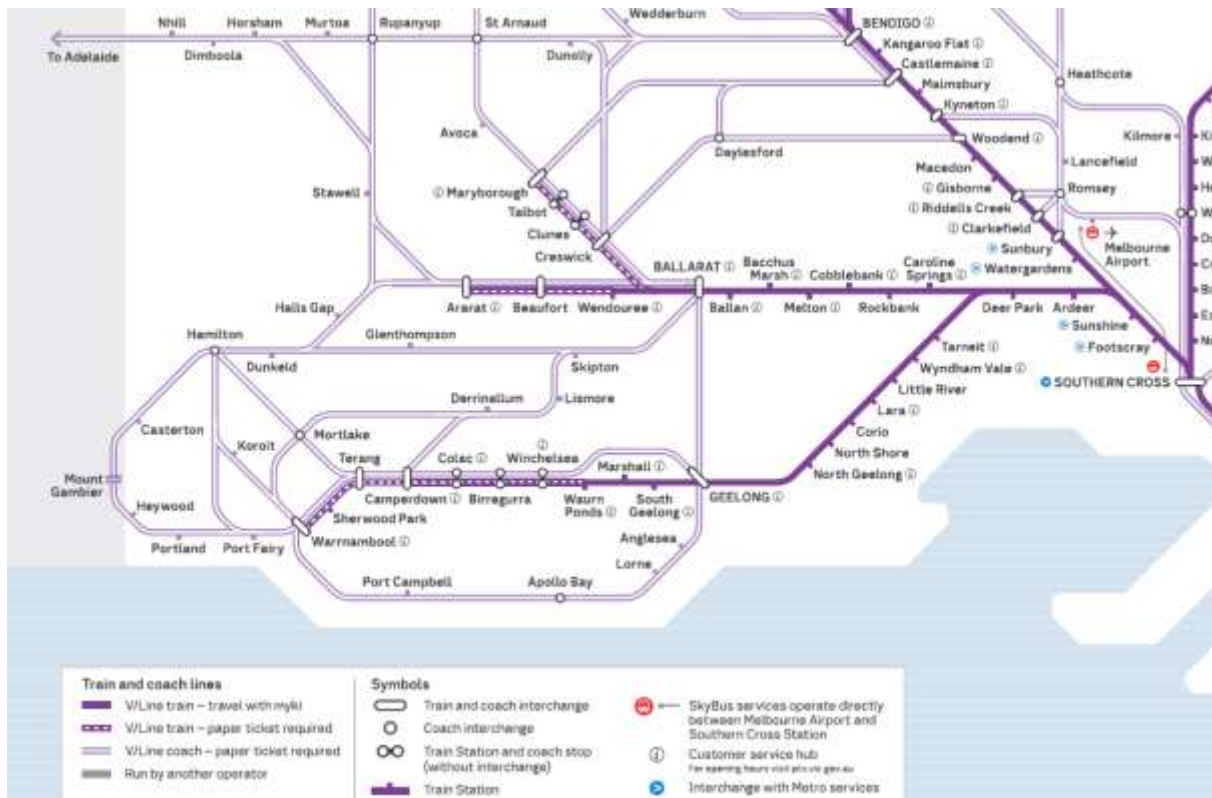


Figure 17 – Vline passenger service network (source: VLine, 2020)

Freight rail provides other opportunities. Track monitoring is currently underway in preparation for the resumption of grain transport. Presently there are no regular rail freight movements within the Shire. In a freight logistics context the opportunities available are significant to utilise existing rail corridors removing freight off the road system. The freight links to Portland especially are highly significant, as are the timber movements out of the green triangle in the south west of the Shire extending into Glenelg and the Limestone Coast.

Mining and agriculture provide significant opportunities for use of rail freight. A proposed freight logistics hub has been identified at the present rail yards in Hamilton and work is ongoing to finalise a suitable balance of incoming and outgoing freight to achieve a viable service. This is another example of the criticality of regional context in decisions on transport infrastructure.

The key role of Hamilton as a hub for the movement of commodities is shown in Figure 18. Note it doesn't include movements of freight from South East of South Australia which are substantial.

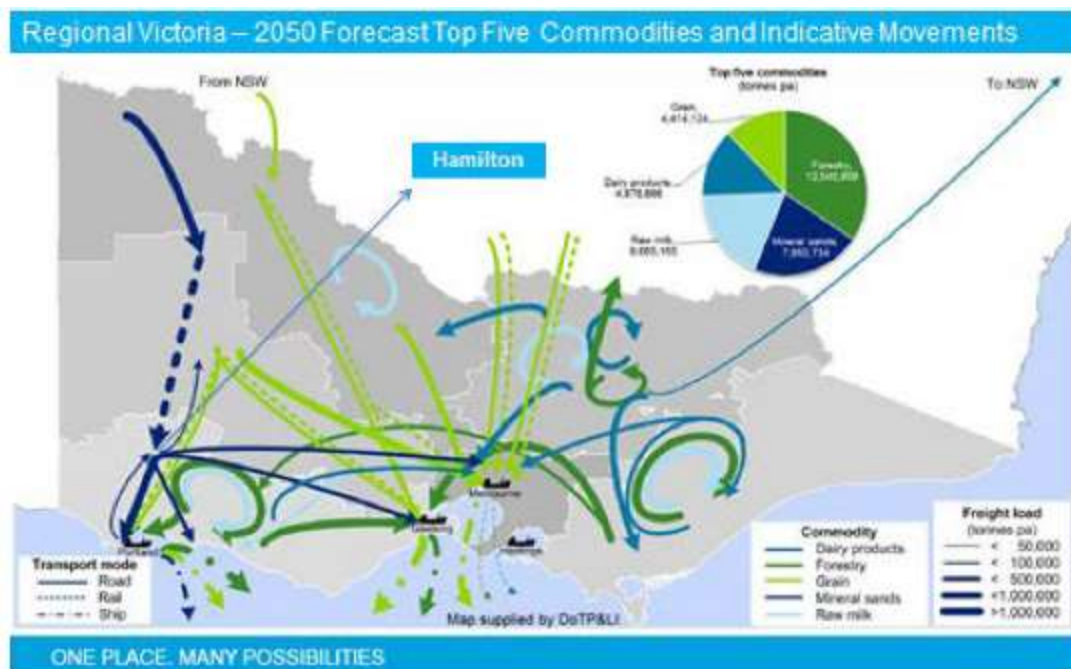


Figure 18 – The 2050 top commodities and indicative movements in Victoria (source: SGSC, 2018).

Road access – Whilst Hamilton does not benefit from dual lane separated highways connecting to other regional centres (such as say Horsham), the road linkages provided are well established between Hamilton and Horsham, Warrnambool, Portland and Ballarat. Typically a journey between Hamilton and Melbourne takes around 3 hrs 30 minutes. Typically a journey between Hamilton and Adelaide takes around 5 hrs 30 minutes.

3.1.7 Climate Change

Council's draft Rural Land Use Strategy (RMCG, 2018) indicates annual rainfall in Southern Grampians averages 690mm with most rainfall recorded between May to October, with a growing season of 8-9 months. But the situation is changing.

According to Council's Climate Change Adaptation Plan 2017-2027 the climate has been changing to a measurable degree within human time scales. Since 1950, average temperatures in the Barwon SW region are over 1 degree higher and average annual rainfall has dropped by over 100 mm. Over this time the region has also experienced a number of extreme weather events. Recent examples include the 2016 Wye River bushfire, the Millennium Drought, flash flooding in Geelong in February 2016 and in Coleraine in August 2016.

The key changes forecast to the Southern Grampians climate under the International Panel for Climate Change A1FI7 scenario includes an increase in the temperature (maximum and minimum temperatures) and reduction in the amount of rainfall. These changes however are mild compared to other parts of the State, particularly the northern regions.

In general, the region can expect more hot days and warm spells, with fewer frosts, less rainfall in winter and spring with harsher fire weather and longer fire seasons. Although rainfall is predicted to decline on average, an increase in intense rainfall events is likely to result in more flooding. Figure 19 summarises the projected regional impacts.

7 A future world of very rapid economic growth, low population growth and rapid introduction of new and more efficient technology.



Figure 19 – Projected impacts across region of climate change (source: SGSC, 2017)

Changing weather patterns will alter land use patterns and local economies. Modelling indicates a likely shift of the traditional cropping zone from the northeast corner of the SGSC catchment further south and west, following the projected rainfall decline. Such a shift may increase suitability in the south, specifically for winter cropping commodities sensitive to waterlogging, but the equivalent decrease of rain may cause water shortages and subsequent suitability decline in the traditional cropping zone around Ararat, Tatyoon, Lake Bolac and Streatham. The southward spread of cropping and changes to cropped commodities has already been observed.

From a landscape bushfire risk perspective, the changes to temperature and rainfall are likely to increase the frequency and severity of bushfires and to extend the fire season at both ends. The region has a history of the fastest grass fires in the world and is already seeing longer fire seasons. All of the Shire has significant bushfire risk.

Increased volatility and extremes in weather will result in flood events that are more severe and more frequent. Flood studies already incorporate variability from climate change in models used. The most significant flood risks are likely to be in Hamilton, Coleraine and Dunkeld. There are rural flood risks including Victoria Valley, Buckley Swamp and the Glenelg River, Wannon River and Grangeburn floodplains. Rainfall events can contribute to dam safety emergencies. The volatility in rainfall and flood events is likely to increase landslide risks, particularly on road and bridge infrastructure. Landslide risks are generally low risk occurrences within the Shire outside of the Grampians National Park.

Storm events including high winds and thunderstorms are likely to continue to increase in frequency and severity. Aside from the associated flood risk, the most common impacts are to communities and organisations are trees over roads and damage to buildings and infrastructure, both private and public.

Climate changes will likely have human impacts focussed on the more vulnerable in our community including the increasing number of elderly. Heat health issues are more pronounced in the elderly, the unwell and young children. Heat stress is already the number one natural hazard in the country.

More than double as many people (432) died from heat related stress as actual bushfires (173) in the 2009 heatwave events.⁸

A reduction in the human health resilience resulting from factors including climate change has the potential to increase risks to community of the impacts of epidemics and pandemics with subsequent downstream impacts on the economy and services.

Climate change may alter the distribution and population of insects, mice, bacteria and other pests. One third of the endangered flying fox died in 2019 in eastern Victoria due to extreme heat stress.

⁹Pest plague events may change in frequency and severity with impact on the important agricultural sector. Animal disease exposure may be increased by higher temperature although this is not a dominant factor in risks such as foot and mouth disease. Less severe disease outbreaks could have broader low-level impact on the livestock and cropping industries, increasing costs to the sector.

The need for recovery services led by local government will be greater and potentially ongoing in the event of an increase in severity and frequency of emergencies. Being prepared and having the capacity for implementing recovery arrangements in a timely, responsive and thorough manner will become increasingly important rather than the traditionally reactive approach to recovery. The nature of recovery may fundamentally change from mostly dealing with the aftermath of fires and floods to having a broader focus including human health, animal disease and pest plagues. This is in addition to the increased focus in wellbeing with physical recovery already broadly in place. Much of this recovery activity would need to be part of business as usual in the community rather than individual event response.

In 2017 Council prepared a ten-year Climate Change Adaptation Plan that considered risks affecting its own operations. The major risks identified include:

- Resilience of the community, particularly vulnerable members of our society;
- Water supplies – reliability, alternative water sources, water use efficiency, septic tank management;
- Climate resilience of Shire infrastructure (roads, buildings);
- Open space and vegetation management in a harsher, hotter climate;
- Land use implications of climate change – zoning, infrastructure provision, weed management; and
- Tourism risks and opportunities.

The plan provides a range of actions that will mitigate against what we expect the major impacts of climate change are going to be.

Other responses that will likely be needed include tree planting and urban design solutions to address climatic conditions in public places and urban spaces to reduce heat island effects, as well as warning systems for residents prior to extreme weather events occurring.

⁸ <https://www.abc.net.au/news/2018-01-18/heatwaves-australias-deadliest-hazard-why-you-need-plan/9338918>

⁹ <https://www.abc.net.au/news/2019-01-29/flying-foxes-die-from-heat-stress-eastern-victoria/10756426>

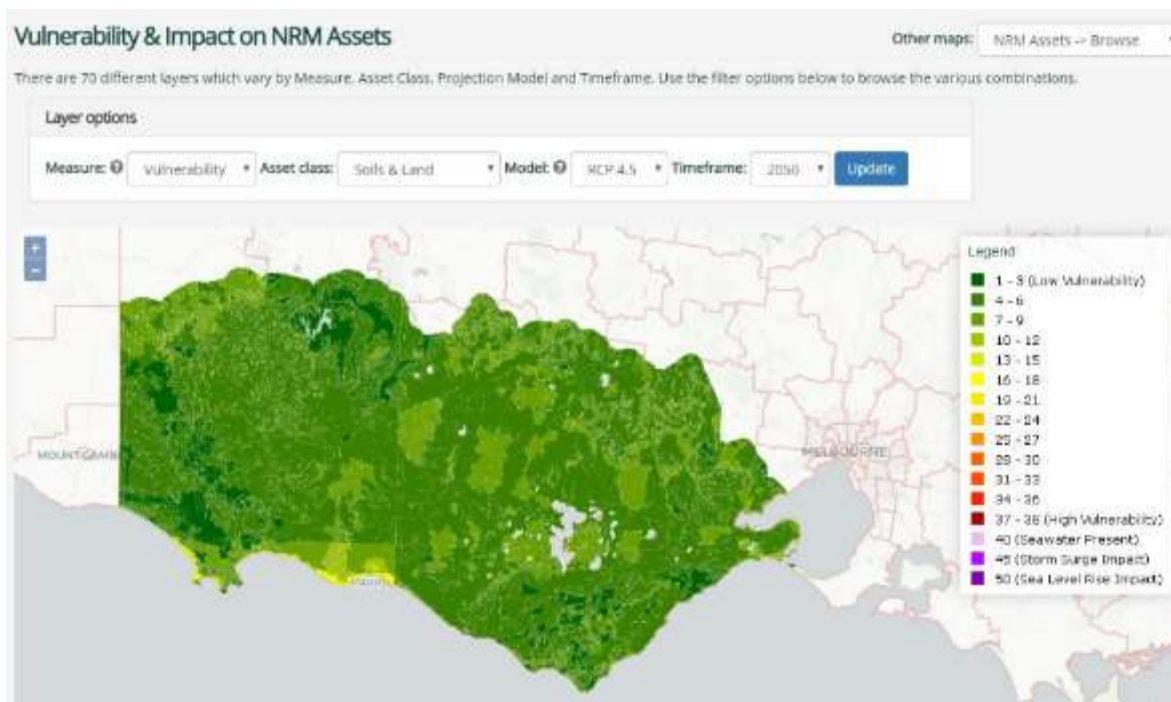


Figure 20 – Useful sites such as the South West Climate Change Portal suggest climate change to 2050 will not dramatically impact soil and land conditions in the Shire (source: <http://www.swclimatechange.com.au/>)

Southern Grampians Glenelg Primary Care Partnership work on community resilience connected with climate change has produce the below representation (Figure 21) of linkages from climate change to community impact with grouped intermediate impacts and factors. This is intended to assist organisations to identify opportunities for them to increase community resilience in the face of climate change.

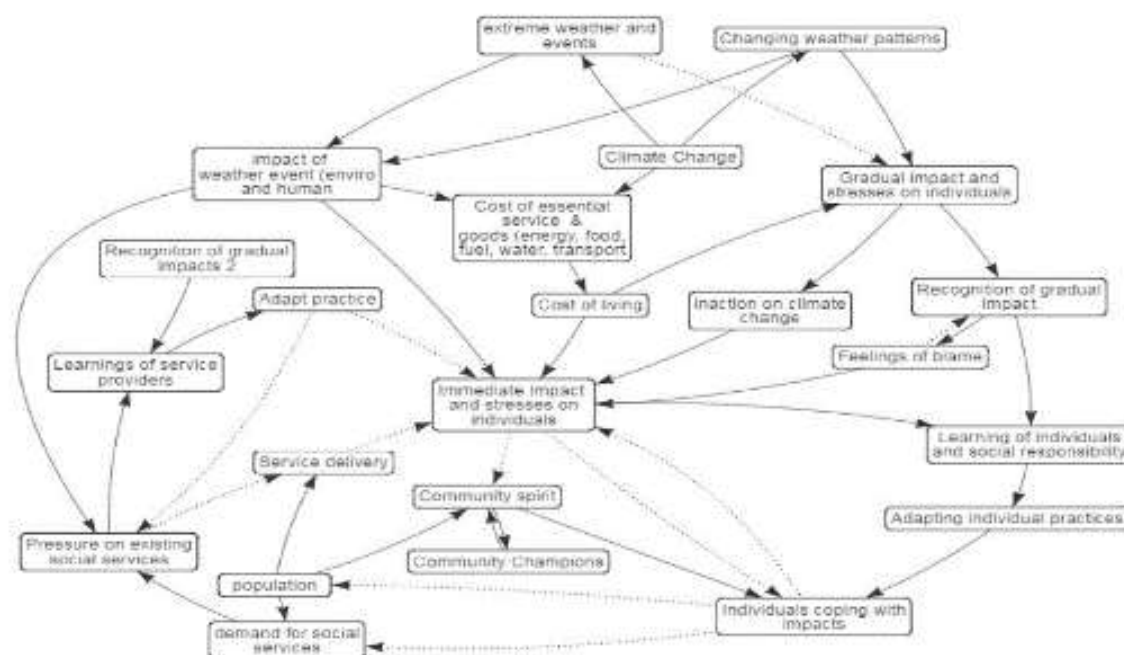


Figure 21 – Effects of climate change (source: <http://www.swclimatechange.com.au/>)

Key considerations with climate change will include clear policy and direction on:

- Priority irrigation projects and water security for surface waters within the region.
- Significant investment in science and research behind sustainable use of groundwater resources for agriculture.
- Adaptability of crops to climate change where higher temperatures and lower rainfall become normal (a similar conversation is occurring in NSW on wine crops).
- Heat health response policies in key settlements.

Given the changes forecasted, it will be important to harness the region's under-utilised water resource sustainably so as to generate more value in modest-scale, fully water-secure precincts employing modern approaches to water use, high-value food production, research and innovation. This will be particularly the case if annual rainfall drops or becomes more variable in intensity with higher ambient air temperatures.

3.1.8 Renewable energy production

Southern Grampians Shire is part of the Great South Coast Region and is included in the Great South Coast Regional Growth Plan (GSCRGP). The GSCRGP highlights that the area is already a hub for alternative energy production with established geothermal, natural gas, wave and wind energy projects either in operation or with planning approvals. These natural resources and the presence of a 500 kilovolt transmission line that operates at around 25 per cent capacity, underpin the competitive advantages of the region. These resources provide the basis for much of the region's economic success and present diversification opportunities.

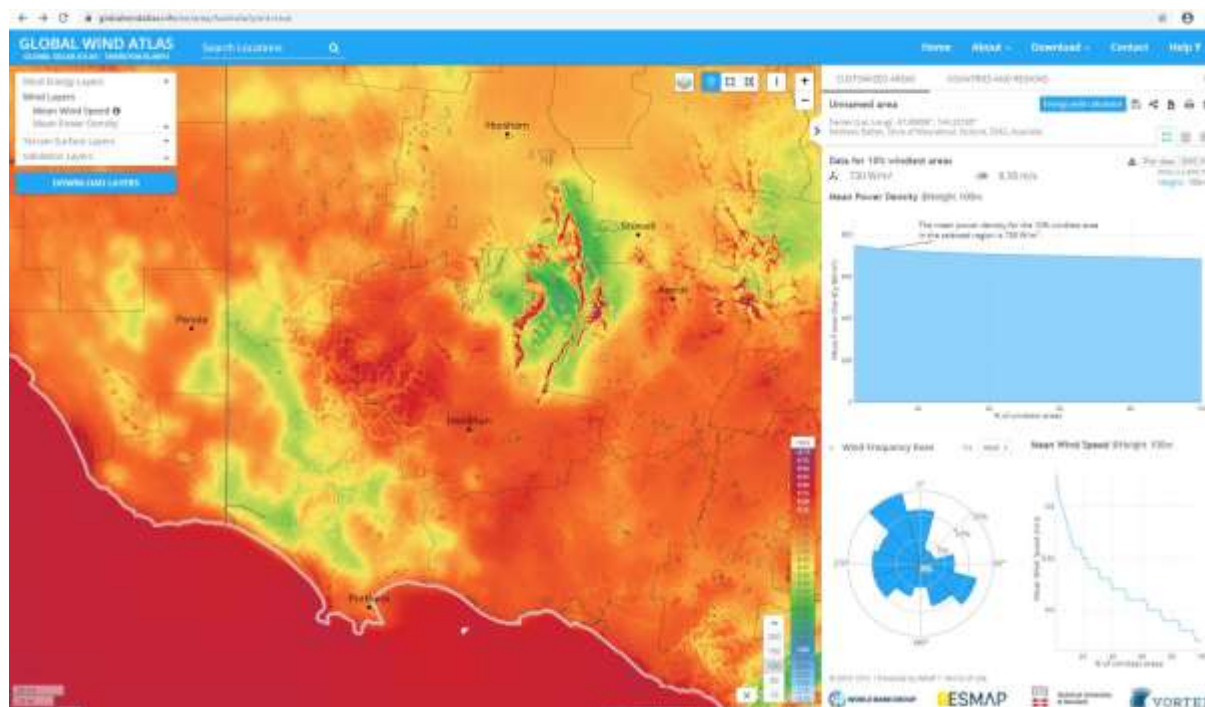


Figure 22 - Global Wind Atlas showing wind speed for Southern Grampians - <https://globalwindatlas.info/>.

The GSCRGP further notes that land use planning must achieve a balance between utilising these resources to support economic development while ensuring they are sustainably managed.

The Australian Energy Market Operator's modelling indicates that more than 6,000 MW of existing electricity generation is expected to close and be replaced by approximately 22,000 MW of renewable generation and 6,000MW of storage across Australia by 2030. This presents opportunities for the Southern Grampians economy. The Shire is currently home to two wind farms that are capable of producing 82 MW of electricity. The Shire has strong wind opportunities and is located within proximity to currently identified renewable energy zones at Moyne Shire and the Western Victorian Region, as shown in Figure 23.

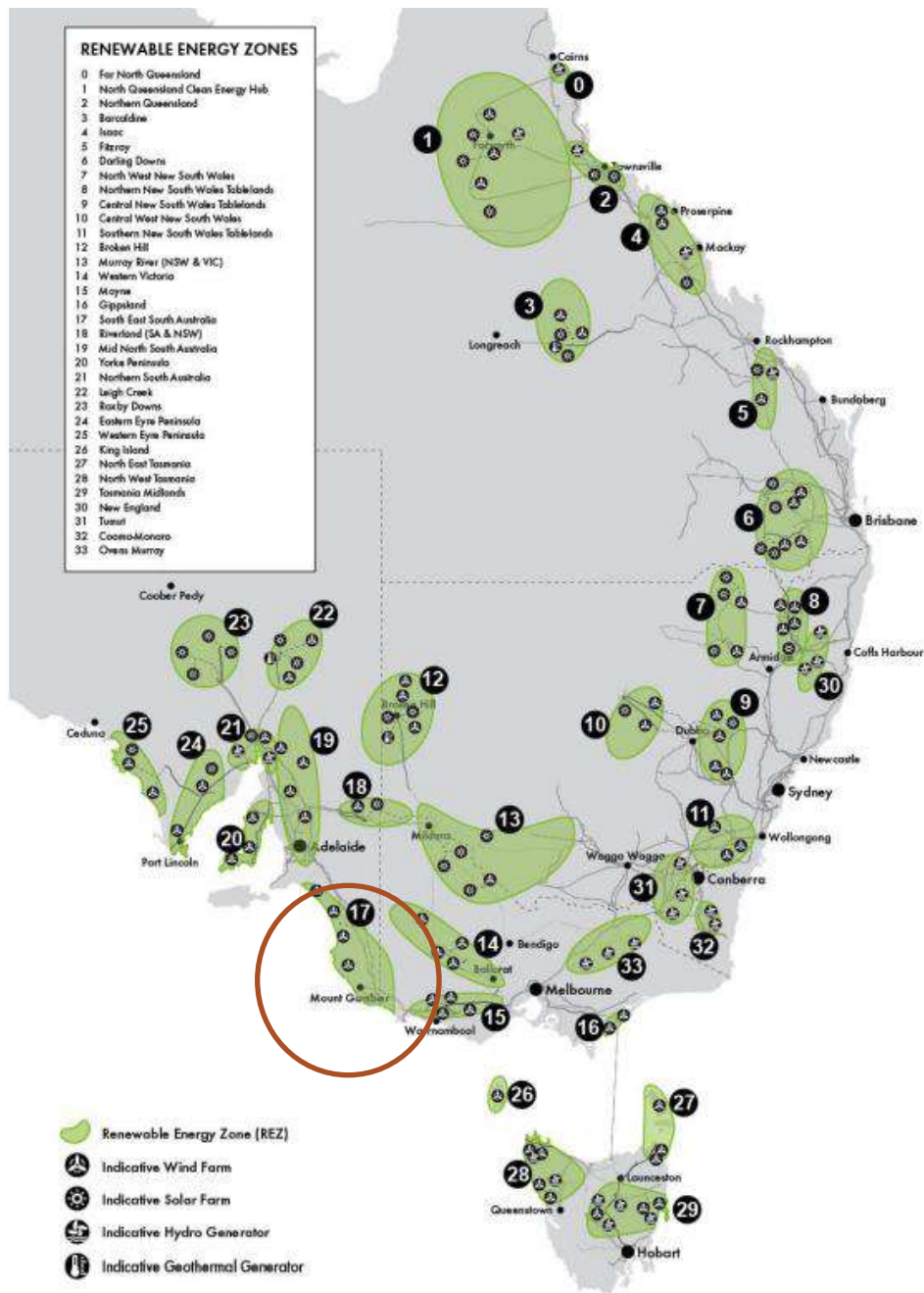


Figure 23 - Identified Renewable Energy Zones. AEMO retrieved from https://www.aemo.com.au/-/media/Files/Electricity/NEM/Planning_and_Forecasting/ISP/2019/Draft-2020-Integrated-System-Plan.pdf

Additionally, the Shire is close to areas capable of supporting geothermal energy production near Hamilton. In Victoria, the *Geothermal Energy Resources Act 2005* regulates the exploration and extraction of geothermal energy resources. The use of geothermal heat is regulated by Southern

Rural Water in this region. Warm or hot groundwater (30°C to 120°C) is used to heat buildings near Portland in the South West. Warrnambool has hotels with hot spring spas.

Similarly, the Grampians New Energy Taskforce (GNet) has been formed to support renewable energy production within the Grampians region. GNet has been engaging with the Australian Energy Market Operator (AEMO) to have the region recognised as one of Australia's key renewable energy zones. AEMO anticipates that 5,000 MW of wind and solar renewable energy could be supplied to the national electricity grid from this part of Western Victoria by 2025. GNet reports that there is approximately \$3 billion worth of wind and solar construction projects in planning or under construction in the Grampians region that could create more than 2,000 construction jobs within the three years to 2023.

While renewable energy is critical for the regions and Australia's transition to a low carbon economy, parts of the sector are not large long-term employers. Many large scale renewable energy projects are labour intensive during construction with workforces of up to 700 people for very large projects. This drops to a handful during operation phases. In April 2019, the Australian Bureau of Statistics identified that the annual direct FTE employment in Australia's total renewable energy sector was estimated at 17,740 jobs in 2017-18. This was an increase of 3,890 FTE jobs (28%) from the previous year (2016-17) and the highest level since 2011-21.

There are opportunities for economic development and employment opportunities that are ancillary to the construction of wind and solar farms. The region is home to a wind turbine blade manufacturing facility at nearby Portland. Established in August 2005 by Vestas, the Keppel Prince plant doubled its wind tower workforce from 100 to 200 workers in late 2018, after securing the contract to supply all 15 towers for Tilt Renewables' Salt Creek Wind Farm at Woorndoo¹⁰. The Oaklands Hill wind farm (owned by AGL) near Glenthompson is a training facility for that company bringing in a number of staff each year for on-site field work.

Scope also likely exists for use of battery technology to stabilise the demand and generation curve of electricity from renewables entering the national power grid as has occurred in recent years in South Australia (Jamestown battery, 100 MW; and Dalrymple battery, 30MW).¹¹

In a low carbon economy, emphasis will also need to be given to the transformation of transport to electric, hydrogen or other sustainable power source. A hydrogen project is currently being delivered in Warrnambool by Deakin University with Federal support, as part of a broader goal to make Warrnambool carbon neutral by 2040.¹²

Onshore gas extraction, or fracking, is not a renewable energy source and is outside the scope of has been the subject of much political and community debate in Victoria. Council will need to consider the potential consequences of onshore gas extraction and how that could impact on the landscape values and agricultural productivity of the shire and region. To date Council has not been supportive of onshore gas extraction and it remains a controversial activity within the community.

Key questions:

- Should renewable energy be actively pursued and supported within Southern Grampians Shire?
- If so, how should Council and industry approach the transition to renewable energy? Are there specific matters that need to be addressed in taking this path eg noise and permit monitoring of windfarms by State Government (as the permit authority), better policy

¹⁰ In March 2017, the Labor Government supported a \$2 million expansion of Keppel Prince Engineering's wind tower fabrication facility creating 50 new jobs and retaining 80 staff.

¹¹ <https://www.abc.net.au/news/2019-01-16/improved-power-security-for-sa-with-new-battery-completed/10718772>

¹² <https://www.warrnambool.vic.gov.au/news/2-million-deakins-warrnambool-hydrogen-project>

direction on supporting infrastructure including transmission infrastructure and allied facilities (eg battery storage options).

- Is Council's advocacy sufficiently clear within the renewables sector?
- Are there aligned value add employment opportunities that can be pursued by Council, Government and industry, similar to what Warrnambool is doing with hydrogen research and development?
- Within the broader question of energy supplies (fossil and renewables), is there a clear view with respect to onshore gas extraction and are there any conditions or situations where this position may change?

3.1.9 Tourism

The Shire is proximate to some of Victoria's major domestic and international tourism attractors including the Great Ocean Road, Twelve Apostles, Grampians National Park and the UNESCO recognised Budj Bim cultural landscape and area. It is also close to many of the major visitor attractors of South Australia including Coonawarra Wine region, Naracoorte Caves and Mount Gambier's Blue Lake. Tourism represents a major opportunity for the local economy.

Analysis undertaken as part of the business case for the new Hamilton Gallery confirmed that in 2017/18 a tourist population of 3.5 million domestic and international tourists stayed a total of 4.6 million nights within a 101km radius of Hamilton. Just seven per cent or 230,000 of these visitors ventured to Hamilton, a likely reflection of the limited tourist attractions or activities perceived to exist outside Great Ocean Road and Grampians National Park.

The following are some key trends in tourism activity in the Shire over the last five years:

- Domestic and international overnight visitation to Southern Grampians Shire increased over the last seven years from 104,133 visitors in 2011 to 230,000 visitors in 2017.
- Tourism expenditure over the five years to 2015 rose consistently from \$29 million in 2010-11 to \$73 million (estimate) in 2014-15 million, a result that almost matched the value of wool to the Shire's economy and indicated that yield from tourism per person was increasing.
- Visitation to the Shire's Visitor Information Centres declined very slightly during the same period, from 67,588 in 2011 to 64,156 in 2015, suggesting visitors are pre-planning activities through a range of mechanisms including on-line media
- A major proportion of the domestic overnight visitor market continues to be motivated by 'Visiting Friends and Relatives' at 50% of visitors, indicating that continuing to keep residents aware of local attractions and activities could have positive benefits for tourism visitation.
- Tourism industries including accommodation, food services, transport, arts and recreation support 815 jobs or 10.6% of all jobs in the Shire. Other tourism-connected industries support 1,409 jobs or 18.4% of all jobs in the Shire.
- A total of 2,224 jobs or 29% have some level of dependence on tourist visitation.
- Estimated direct and indirect value of tourism to the Shire: \$67.95 million (2014) and \$100.01 million (2015).

Anecdotally, the evidence is that for many, Hamilton is a mid-way point on a journey that begins in Melbourne and concludes along the Limestone Coast in South Australia (often Robe and Kingston SE). But this situation is changing. The visible increase in street activity and accommodation

bookings in Hamilton is strongly linked to travellers visiting the Great Ocean Road, visitors to the Grampians National Park and travellers accessing the area. The announcement of Budj Bim as a world heritage cultural site brings unique opportunities to develop an indigenous trail that includes the volcanic landscapes of the Shire as well as local Aboriginal Australian storytelling¹³. The CBD revitalisation of Hamilton, a current project of Council, will enable visitors to better enjoy the built heritage and retail stores on offer.

Framing a narrative around the role of targeted Council investment for regionally significant cultural tourism infrastructure (new Hamilton gallery); volcanic landscapes with their indigenous story (Nigretta Falls, Wannon Falls, Byaduk Caves, the Tumuli and Mount Rouse (Penshurst) alongside the Budj Bim project (MacArthur) may provide a unique selling point for the Shire and the region. In so doing, a clearer cultural story of settlement can emerge alongside the benefits to the local and regional economy.

Strategic Considerations for Visitor Investment

A focus on product development in the Shire is crucial to increase its competitiveness in a marketplace where visitors are becoming more demanding and the quality of visitor experiences is increasing across the State. This is likely to include major initiatives such as attracting investment to support trail linkages between Dunkeld and the Grampians Peaks Trail, as well as the development of the Hamilton Art Gallery and the city's cultural precinct. A tourism product development focus could include attracting private sector investment in services that support / complement visitation to public assets.

Opportunity also exists in building the appeal and 'richness' of the visitor experiences in the Shire's smaller towns through the community planning process. This may help achieve the dual objective of generating tourism activity and resident attraction to rural areas. Product development could improve experiences involving the Shire's nature-based assets, in particular its volcanic attractions, as well as arts, culture and heritage.

Sporting, recreational and business events are likely to continue to be significant generators of tourism activity in the Shire, requiring continued support from Council where possible. The regional cricket hub being presently built on the Monivae College campus site is a case in point of the significance and value of sport to the Shire.

Digital technology provides opportunities to create new experiences that encourage visitors to explore the Shire, as well as to communicate stories about destinations, activities and local people.

Arts and culture tourism may be further stimulated through the redevelopment of the \$62M Hamilton Art Gallery which was resolved by Council to progress to funding stage in late 2019.

The following are the key regional tourism attractors:

Great Ocean Road and Twelve Apostles

The Great Ocean Road Master Plan Regional Visitor Economy 2015-2025 (GOR Plan) has set ambitious targets for the growth of the tourism market for the Great Ocean Road and Twelve Apostles.

Through the implementation of the GOR Plan, total visitor spending in the Great Ocean Road region is forecast to increase by 3.5% per annum the six years from 2014 to 2021. This is well above the alternative 'business as usual' forecast of 1.0% per annum growth.

Under the GOR Plan, the Great Ocean Road region's visitor economy is expected to support 7,660 jobs from the direct impacts of visitor expenditure, plus over 5,000 jobs from the indirect impacts of

¹³ Subject to further work with local indigenous groups such as Gundij Mirring.

visitor expenditure. This would position the visitor economy as the dominant industry sector for employment in the region, with the total impacts of visitor spending representing 17% of the region's expected employment and 21% of its Gross Regional Product.

Limited growth dispersal has occurred to date. There is a heavy concentration of visitation along the coast and to the east of the region, closer to source markets in Melbourne and surrounds. This poses a challenge to increase dispersal to hinterland areas and the west of the region to spread the economic benefits of tourism and reduce visitation pressures along the coast. Some 2.45 million or more visitors are predicted to have visited the Great Ocean Road over the year of 2018/19.

The Grampians

In 2013-14, the tourism industry directly and indirectly contributed an estimated \$1.0 billion to the Grampians regional economy representing 21.2% of gross regional product and employing approximately 9,200 people (both directly and indirectly), which is 20.1 per cent of the region's total employment (Grampians Tourism Strategic Plan 2016-20).

For the Shire, tourism was estimated to have generated \$66 million in revenue and supported 329 jobs.

The key characteristics of the Grampians tourism economy are as follows:

- Retirees are the largest travelling demographic to the region. The current financial climate and low returns from retirement savings is encouraging domestic travel for retired people rather than international travel.
- The key market for visitors is from Melbourne. More than 60 per cent of overnight visitors are from Melbourne.
- Nine out of ten Melbourne residents are unaware of the Grampians as a holiday destination; this did not improve between 2009 and 2019.
- Consumers did not realise the breadth of experience and activities on offer in the Grampians region.

Food and Wine

Southern Grampians, Glenelg, Moyne and Warrnambool Council areas are in the Henty Wine Region, a region noted for its high quality and long-lived wines. As climate change impacts on the warmer wine growing regions via water shortages and extreme temperature effects, the Henty wine region could provide producers with a cooler location for production of particular wine styles. The Henty region has the important advantage of being certified phylloxera-free.

The Mixed Dozen concept was derived from a meeting of like-minded wine and tourism industry enthusiasts, acknowledging that as a broad region there is a depth of wine and wine experiences, along with the location of the region sitting neatly between two of Australia's world-renowned regions, Kangaroo Island and the Great Ocean Road. This position provides great opportunity. The region needed something that would help attract visitors, encourage them to stay longer and refer them onto the other wine experiences within the region. This led to the development of the Mixed Dozen Project concept and momentum quickly built in the Limestone Coast and across the border to Victoria.

The Project aims to connect and build on the wine tourism offering across the project region. One of the core outputs of the project is the development of a digital itinerary planning tool that will inform, entice and disperse visitors across the region. This will ultimately increase visitor numbers, length of stay, spend in the region and depth of meaningful experience. The Mixed Dozen Project is bringing together wine associations, three levels of government, tourism bodies and other cooperative organisations to build the region's capabilities and confidence. This will enable the region to better

target, attract and host international wine visitors, with a focus on the growing Chinese and US markets.

The Limestone Coast wine region is a highly successful tourism region, attracting more than 600,000 visitors per annum and generating around \$340M p.a in tourism revenue. The Limestone Coast is home to some of South Australia's most spectacular natural wonders including the World Heritage Naracoorte Caves, safe and pristine beaches, Blue Lake, the underground oasis and Umpherston Sinkhole along with more than 40 cellar doors for wine sales. This area compares favourably with competitors such as the iconic Barossa which attracts around 200,000 visitors with a tourism value of around \$200M per annum.

According to the South Australian Tourism Commission, the region generates:

- 1,900 jobs for people employed directly by the tourism industry, 800 indirect jobs and a total employment impact of 2,800 people.
- \$219 million and \$271 million in direct and indirect tourism output, and \$490 million in total tourism output.
- 717,000 Domestic Day Trips.
- 617,000 Overnight Visitors.

Cultural Tourism

Located just outside of the Southern Grampians Shire, Budj Bim is the only Australian World Heritage property listed exclusively for its Aboriginal cultural values. The Budj Bim Cultural Landscape features the earliest living example of aquaculture in the world, with a history of eel farming dating back over 6,000 years. The listing of Budj Bim provides opportunities for the development of other cultural tourism offerings and the creation of employment opportunities for the Gunditjmara peoples.

As work progresses at Budj Bim the opportunity will arise to better connect the stories being told in that precinct with a regional story of indigenous land management practices, cultural practices (including art) and connection to land against a timely conversation of environmental custodianship, fire and water management.

Key questions:

- Does the Shire have a unique selling point to attract tourism? Or is the offer related to the existing strong tourism product in the region?
- How can Council work with the private sector and Government to grow the visitor economy for the Shire?
- How can cultural tourism be respectfully embedded within the Shire through such avenues as cultural arts programming, volcanic landscapes marketing and destination experience to leverage off Budj Bim? What resources and strategies are needed to make this a reality?
- Is there an opportunity for the development of unique tourism opportunities in the smaller towns? To what degree could this be then used to clarify the branding of each key settlement?

3.2 Southern Grampians Shire opportunities and constraints

3.2.1 Population Growth

Throughout regional Victoria population, decline is a sustained trend affecting many small and mid-sized regional towns and centres, often ironically as large regional cities (Bendigo, Ballarat, Geelong) and Melbourne itself continue to grow rapidly. The population of Southern Grampians Shire is 16,140 (2018) and is projected to decline to around 15,000 people by 2036 representing an average annual decline of 0.5% p.a between 2016 and 2036.

The movement in and out of the Shire of different age groups is heavily influenced by the role and function of the area and drives demand for the provision of services. Understanding the motive behind the movements is important for informed future for infrastructure, employment opportunities and facilities that ultimately help to attract and retain different age groups.

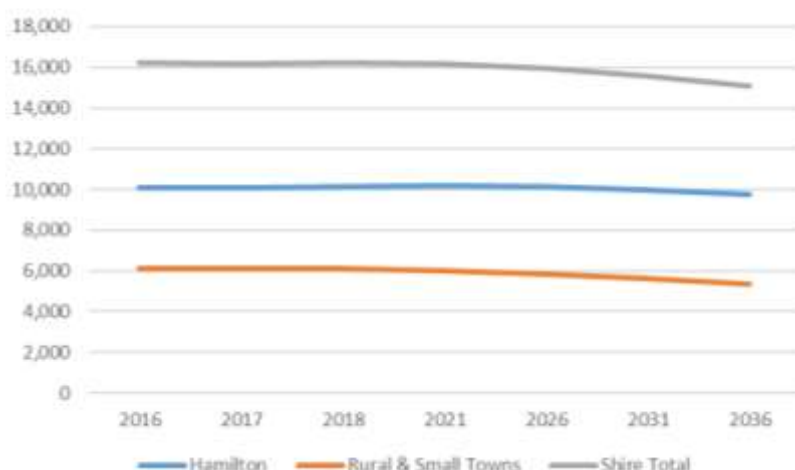


Figure 24 - Population trends for Southern Grampians Shire. (Source ID Forecast)

Lack of population growth is a concern as it plays a key role in economic activity and efficient service delivery. Across the five Local Government Areas (LGAs) of Ararat, Horsham, Pyrenees, Northern Grampians and Southern Grampians, the population has grown by only 1.56% between the 10 years from 2006 to 2016 (ABS Census Data). By comparison, the population in Victoria has grown by 20.16% in the same decade – the lion's share being taken by Melbourne itself.¹⁴ This lack of population growth equates to a loss of approx. \$79m of gross regional product for the region since 2006. Compounding matters, the total labour force has shrunk.

Increasing the local population is a key way of growing the economy, providing skills needed to meet job needs and better utilise infrastructure (hospitals, schools, facilities) across the region. There are a number of initiatives either underway or imminent to address population attraction to the region from the small to the more ambitious. The question, however, will be whether separately or collectively these will be sufficient.

¹⁴ <https://www.smh.com.au/politics/federal/booming-melbourne-to-become-nation-s-largest-city-by-2026-20190327-p5186v.html>

Within the region, Warrnambool is registered as a Designated Area Migration Agreement (DAMA) with the Federal Government, offering permanent citizenship to skilled migrants in key areas of employee shortages (including dairy, abattoirs and electricians). The programme began in mid-2019 with an initial goal of filling 100 job vacancies. More intakes will follow. DAMA provides a pathway to citizenship and is therefore highly regulated, with significant administrative burdens and high upfront costs for applicant employers, which act as sponsors.

At a more modest scale, Council is a member of the Great South Coast Economic Migration Project (commenced in 2017) with the Mayor as the Project Chair. It is a partnership with Leadership Great South Coast, iGen Foundation. Great Lakes Agency for Peace and Development International, Southern Grampians Shire Council and from 2018, Glenelg Shire Council. Brokering agreements between potential employers and families interested in moving into regional Victoria has been a key component of the programme. A number of African families have moved into the Shire (5 families, 34 people in total). That programme ends in mid-2020. One of the challenges faced has been achieving suitable matching of candidate families to jobs (which can often be casual or contract employment), along with meeting the social needs of new residents with often English as a second language. Such support requires significant investment.

Separately, a number of councils within the region, notably Glenelg and Southern Grampians run promotional advertisements in regional media, involving television to attract residents based on lifestyle amenity and job opportunities. These advertisements feature local community figures, the key settlements, landscapes and local opportunities. Evidence of success of such programmes is often anecdotal.

In 2019, Grampians Tourism on behalf of member councils began to co-ordinate a Grampians New Resident and Workforce Attraction Strategy and Action Plan. That work involved each of the LGAs and Grampians Tourism pooling allocated funding to deliver the project, with the marketing plan targeting the factors that will attract and retain new residents to the Grampians region, and aligned with the unique needs of each of the LGAs. The expected outcomes of this project are: Population growth of greater than the current 1.56% (from 2006 to 2016) across the 5 LGAs; growth in the labour force of greater than 0% (was -1.63% from 2006 to 2016); increased Gross Regional Product per annum and 10 year Average Annual GRP Growth Rate within the 5 LGAs. Consultants have been appointed and are presently working through the project deliverables. It is too early to determine the prospects of success/

Meanwhile Council in late 2019 began engaging at the Federal level on a new population attraction strategy involving AMES Australia, SWTAFE and Council. Subject to funding, this 2 year programme will deliver a more comprehensive pilot project focusing on key migrant groups new to Melbourne, job opportunities, training and learning – similar to programmes successfully rolled out at Nhill and Bendigo.

As can be seen from above, there are multiple initiatives and projects underway on population attraction within the region as well as the Shire. Rural Councils Victoria through the work of RMCG (2017) provides a useful summary of population initiatives being rolled out across Victoria (Figure 25).

Projects	Overview	Attraction Factor Supported		
		Economic Opportunities	Liveability	Promotion
Rural Population Growth Policy	Advocacy platform to Government/Opposition re support for growing the population of rural Victoria	●	●	●
Rural Investment Attraction Program	Identify, collate and promote significant private sector investment opportunities – and the identification and engagement of potential investors	●		●
Rural Workforce Development Plan	Identify current/future workforce needs in rural Victoria – both numbers of workers and the skills that are required. Includes identifying potential sources of workers	●		●
Older Persons Services & Accommodation Program	Opportunities for NFP/private sector investment in services, facilities and housing stock relevant to the needs of older people residing in rural Victoria	●	●	●
Alternate Service Delivery	Identify/promote effective alternate service delivery models that improve access to services in rural Victoria	●	●	
Community Planning Update	Identify and collate common themes and needs across the range of community plan and analyse how these support the needs of the target markets for population attraction		●	●
Rural Promotion Program	Development of a digital platform that provides relevant and contemporary content and that support the work of RCV Councils to promote opportunities and advantages of living in rural Victoria			●

Figure 25 – Population policy initiatives in Regional Victoria (source: RMCG, 2017)

The challenge for local government is matching the LGA specific economic initiatives with population attraction policies (new jobs, new investment opportunities) and the private market that can deliver much of it. Some programmes suffer from lack of funding, limited capacity to support families that move into the Shire and a lack of on-job training and education. The fundamental question is tailoring cost-effective programmes that deliver measurable structural change to the population of towns and settlements as well as the matching of new population needs to existing infrastructure and support.

Other solutions which warrant further evaluation include (but are not limited to):

- Using advocacy to promote other benefits for regional settlement, whether it be in schooling - bonus ATAR scores for students (already offered to some degree- Hamilton scores an extra 2.8 for instance), health care internships or other fields;
- Taxation benefits for industry to relocate to regional Victoria. This would require State and Federal Government support eg differential company tax rates;
- Re-location or establishment of key State or Federal agencies in regional Australia eg ATO move to Albury, NDIS and WorkCover moves to Geelong etc.
- Stronger Federal guidance on regional settlement for new Australian citizens.

- An infrastructure first approach to accessibility at a State and Federal Government level, whereby facilities are provided to regional areas (eg fast passenger rail, improved road networks) specifically to overcome perceptions of distance from regional centres to larger metropolitan areas as well as for social equity reasons.¹⁵

3.2.1.1 An Ageing Population

Analysis of VIF2019 shows that the working age population (years 15-64) of the Shire is forecast to decline from around 60% in 2016 to 53% in 2036. The proportion of infants and school-aged children is also expected to decline from approximately 18% to 15%.

The impact of the decline in the proportion of younger and working age cohorts is in contrast to the increase in the proportion of older residents. The proportion of those aged 65 and over is projected to increase by almost 10% throughout the Shire. In the rural areas of the Shire (i.e. small towns and areas outside Hamilton) it is noted that those aged over 65 will make up approximately 33% of the population.

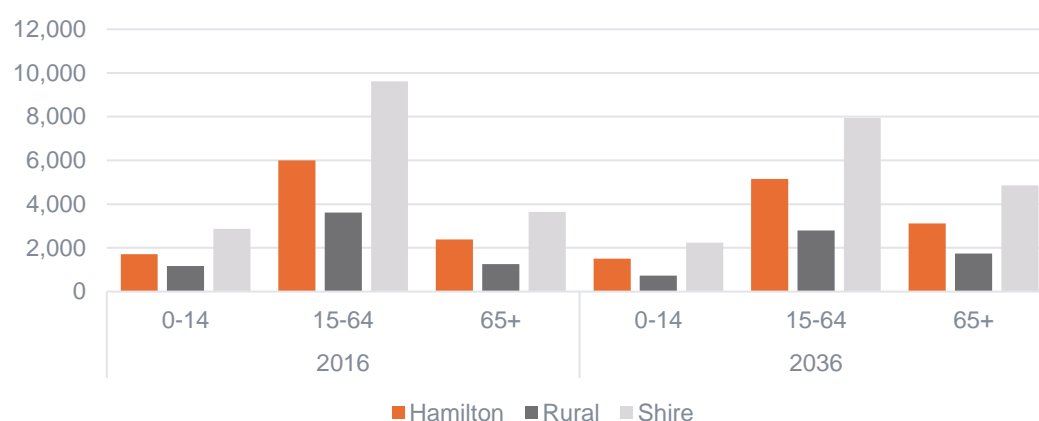


Figure 26 - Southern Grampians Shire: Age Cohort as a Proportion of Population 2016-2036 (Source: VIF2019)

VIF2019 forecasts that the average household size will decline from 2.21 persons per household in 2016 to 2.06 in 2036. The fall in household size is consistent with the changes projected to occur in household structure which shows both a decline in Family with Children households (-4.3%) and an increase in Lone Person households (4.0%). This suggests that between 2016 and 2036, there will be a greater number of older single person households throughout the Shire.

This change in household structure is more strongly indicated to occur in rural areas and small towns suggesting that the Shire will have challenges in managing issues associated with social isolation and access to services for ageing residents.

However, it is important to note that an ageing population can also be seen as providing an opportunity in terms of boosting the health and care services workforce

¹⁵ These are often questions of context. The return of passenger rail from Portland and Hamilton through Ararat to Ballarat was costed at \$369m in 2017. According to some reports, 50 crossing removals in Melbourne will cost \$166m each. <https://www.theage.com.au/national/victoria/level-crossing-removal-program-poor-value-for-money-auditorgeneral-andrew-greaves-20171214-h04ed0.html>

Key questions:

- What is the appropriate model for Council to facilitate population attraction to fill vacant jobs and market the amenity of the area?
- Are these initiatives scalable to provide a measurable difference to bridge the gap between job opportunities and the employment pool?
- What can Council learn from comparable LGAs across Victoria/Australia/overseas?
- What is the role of cultural arts, if any, in attracting new populations to live in the Shire?

3.2.2 Housing Affordability:

Compared to regional Victoria averages, there is a larger proportion of households who own their dwelling, a smaller proportion purchasing their dwelling and a smaller proportion of renters. Overall, 43.0% of the population owned their dwelling, 27.9% were purchasing and 21.2% were renting, compared with 35.7%, 31.2% and 23.9% respectively for Regional Victoria.

Analysis of the distribution of households by rental payment quartiles in Southern Grampians Shire compared to regional Victoria shows that there was a smaller proportion of households in the highest payment quartile, and a larger proportion in the lowest payment quartile. If an area has a higher concentration of private renters it may indicate a more transient area attractive to young singles and couples, whereas a concentration of home owners indicates a more settled area with mature families and empty-nesters.

Most stakeholders argue there is now an inadequate supply of accommodation (especially rental stock to support seasonal and cyclical workforces) and that this is acting as a brake on population growth. At the time of writing, a study funded by the Victorian Planning Authority is examining this issue with a core issue being the match between housing supply and attracting professionals into core sectors, whether it be local government or health (Hamilton focus), specialists in the wind farm sector (Moynes), or in other fields.

3.2.3 Liveability

In 2011 a study by the University of Ballarat (now Federation University) developed a series of sustainability indicators that described ecosystem and human wellbeing measures. The indicators were calculated for the municipalities of the Great South Coast and Southern Grampians Shire was found to be the highest ranking area.

Similarly, the SEIFA Index of Disadvantage is another measure of human wellbeing showing the relative level of socio-economic disadvantage. The SEIFA scores for the five Shires revealed that Southern Grampians was the second highest scoring shire in terms of advantage (Council. ID. 2019). The .id analysis indicated that, compared to the Southern Grampians Shire, approximately 41% of areas in Australia have a lower SEIFA score (i.e. more disadvantage) and 59% of areas in Australia have a higher (i.e. less disadvantage). Those areas of disadvantage prevalent in the Shire are likely to be associated with the smaller townships experiencing the combination of an ageing and declining population. The impacts of disadvantage are most likely to be felt in terms of social isolation, access to transport and services, unemployment/under employment and welfare dependency.

Southern Grampians Shire has a high proportion of workers living and working in the Shire and a much smaller proportion of workers travelling to the Shire from neighbouring local government areas. This suggests a high degree of self-containment in employment opportunities as shown in Figure 27.

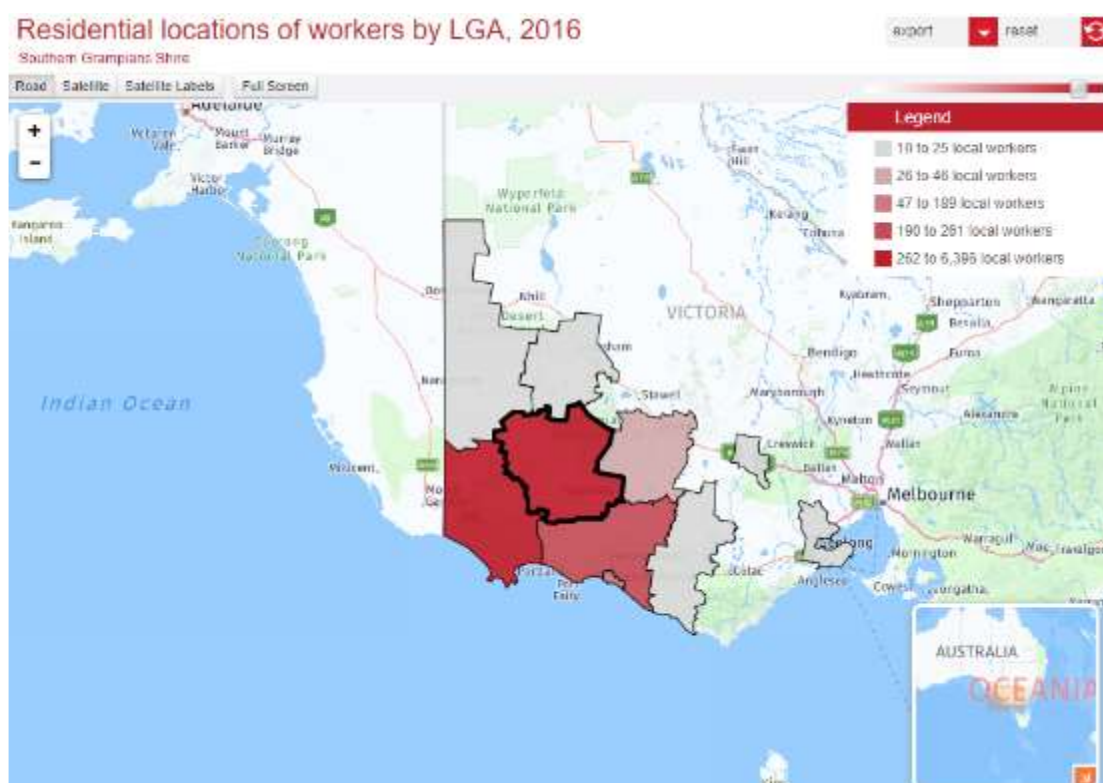


Figure 27 – Residential Location of Workers in 2016 (source: SGSC, 2019)

Where employees working within the Shire live outside the Shire, the key settlements are Portland, Warrnambool and Port Fairy. According to the ABS 2016 Census data and analysis prepared by .id, 89.9% of workers in the Shire live in the Shire, or 6,396 of the 7,113 workers. The remaining 10.1% of workers travel from Glenelg Shire (262 workers 3.7%), Moyne (190 workers 2.7%) and Warrnambool (47 workers 0.7%). Only limited interconnection exists between employees within the Shire and place of residence in Ararat, Horsham and the Wimmera.

This same pattern is reproduced with respect to residents of Hamilton for instance owning and occupying second homes along the south coast (Moyne, Warrnambool, Limestone Coast), especially during the hotter summer months.

3.2.4 Education:

Analysis of the qualifications of the population in Southern Grampians Shire in 2016 compared to Regional Victoria shows that there was marginally lower proportion of people holding formal higher education qualifications¹⁶, and a slightly higher proportion of people with no formal qualifications. Overall, 44.0% of the population aged 15 and over held educational qualifications, and 44.7% had no qualifications, compared with 45.0% and 42.8% respectively for Regional Victoria.

The major differences between qualifications held by the population of Southern Grampians Shire and Regional Victoria were:

- A larger percentage of persons with no qualifications in Southern Grampians, possibly reflecting unqualified agricultural work and other careers (44.7% compared to 42.8%).
- A smaller percentage of persons with Bachelor or Higher degrees in Southern Grampians (13.4% compared to 14.5% in Regional Victoria).

¹⁶ Bachelor or higher degree; Advanced Diploma or Diploma; or Vocational qualifications

- 18-24 year-olds remain the largest out-migration age cohort, suggesting that the Shire and more broadly the region lacks education and career opportunities for young people seeking to establish their careers.
- However, the largest changes in the qualifications of the population in Southern Grampians Shire between 2011 and 2016 were in those with:
 - No qualifications (dropped 840 persons over the five year period).
 - Vocational qualifications increased by 257 persons.
 - Bachelor or Higher degrees increased by 188 persons.
 - Advanced Diploma or Diplomas increased by 134 persons.

This suggests the overall level of education or qualifications is increasing at the same time as the proportion of working age population with no qualifications is reducing. In other areas where this has occurred this points to a high level of returning residents whereby typically the younger demographic leave the Shire to seek education and employment opportunities and return to settle and raise a family in familiar surroundings with a higher levels of housing affordability and liveability.

The Shire is serviced by vocational tertiary education facilities, however the closest major university campuses are in Warrnambool (Deakin) and Mount Gambier (Uni SA). There are 16 independent and government primary schools located across the Shire and six independent and government secondary schools. These school offerings provide diversity and are highly rated, cost-effective education solutions to prospective families. The Portland, Casterton and Warrnambool areas are part of the feeder area for highly regarded independent schools located at Hamilton (Monivae College and Hamilton and Alexandra College).

SWTAFE has a campus at Hamilton offering a wide range of courses from trade courses through to early childhood education and care. There are more than 300 students on site.

Hamilton District Skills Centre (HDSC) offers courses that are vocationally oriented, comprising certificate II courses in: building and construction (pre apprenticeship), automotive (pre apprenticeship) and hospitality (both Kitchen operations and Hospitality streams. New courses in land management and conservancy, engineering and plumbing are now being offered. HDSC has a Memorandum of Understanding with SW TAFE and also delivers study opportunities through an outreach programme into the Northern Territory.

Southern Grampians Adult Education (SGAE) is based in Hamilton and provides a range of VCAL, short courses and business training.



Figure 28 – HDSC has an ongoing commitment to training across remote outback Australia (source: HDSC website, 2019)

The absence of university opportunities in the Shire may be partly responsible for the region's educational outcomes being below the State average. In Hamilton and Portland only 67.8% of VCE students in both of those communities apply for tertiary places (compared to a state average of 79.1%). In addition, at a total population level, only 34.9% of residents in Hamilton have completed Year 12 (compared to a state average of 54.4%) and the community has a relatively low proportion of people with post-school qualifications (53.9% in Hamilton, compared to a state average of 60.4%).

With the limited tertiary opportunities and job choices, a large proportion of people within the 18-24 age group are migrating out of Hamilton and Portland to possibly take advantage of better education and employment opportunities in cities such as Ballarat, Warrnambool, Adelaide and Melbourne. Census statistics from 2001 to 2016 show that an average of 26% of young people aged 18 to 24 years of age leave the Shire in the five year period following the census. From 2001 to 2016, this figures has dropped by 28% to 24% at the 2016 Census indicating that this trend may be slowing. (Council ID. 2018)

Whilst the Shire lacks university level opportunities for further education, both UniSA and Deakin have both shown ongoing interest in establishing a presence in Hamilton, pending sufficient student interest being identified. These may take the form of study hubs to support online learning¹⁷. More work is required to establish such facilities and actively encourage improved educational outcomes. Other western Victorian regional centres such as Horsham have an on-site university offer (Fed University) and Portland/Hamilton as a population catchment well exceeds that of Horsham.

Key questions:

- Is the current offer sufficient and why are targets in Health and Wellbeing Plan not being achieved?
- What can be done about it?
- Will regional study hubs assist and are there other initiatives also required? If so what are these and who drives them?

3.2.5 Water and Utility Services

Potable water in the settlements of Hamilton, Tarrington, Dunkeld, Cavendish and Balmoral is provided by Wannon Water (Figure 29). Hamilton, Dunkeld and Coleraine are connected to water and sewerage services, while the remainder of townships in the Shire are reliant on using on-site wastewater management systems to manage wastewater. Council is considering pilot studies in high priority towns including Glenthompson and Penshurst for improved alternatives to wastewater management to support growth.

Lack of reticulated sewer options can limit growth prospects for many towns as significant investment in reticulated sewage is unlikely and therefore purchasers are required to spend capital improving or installing septic systems. Council is responsible for the approval and on-going oversight of on-site wastewater management systems (traditionally referred to as 'Septic Tanks') within the Shire that generate less than 5,000 litres of effluent per day. On-site systems are the traditional methods for managing wastewater on properties that are not connected to a reticulated sewerage system. Council is required to ensure existing on-site systems do not adversely impact on human health or the environment under the *Health and Wellbeing Act* (2008) and State Environment Protection Policy (Waters of Victoria).

¹⁷ Study hubs are an emerging model for improving educational attainment in regional areas, comprising infrastructure that replicates the access of on-campus students via video conferencing, academic support, self-study spaces, high bandwidth connectivity and networking spaces. They can also include visiting tutors.

Funding would involve landowner contribution towards pipeline infrastructure and agreed terms for water purchases, together with funding from GWMWater and State/Federal payments. Presently landowner consultation to gauge interest is occurring and the likelihood of sufficient up-front landowner commitment is promising. Similar schemes for less economic benefit have been supported east of the Grampians.

The expected benefits are:

- Enable existing agricultural enterprises to consolidate and expand knowing they have access to a reliable, high quality water supply 24 hours a day, 7 days a week.
- Encourage new enterprises and investment to the region with the certainty of continued access to water.
- Increase environmental benefits for local waterways and wetlands by removing the reliance on catchment dams, which may enhance inflows into the Glenelg River.
- More reliable water resources for existing towns that suffer with respect to water capacity and quality (Edenhope, Harrow).

Electricity transmission in the region is highly constrained in some areas, with only single phase connection available. The patchy availability of three phase power in the Shire limits the opportunities for expansion of new industries into some areas and restricts the ability of some existing businesses to utilise equipment requiring three phase power. The capacity of the local transmission network may also be a blockage for renewable energy projects seeking to capture the benefits of the Shire's strong wind and geothermal opportunities.

Key questions:

- Is there a requirement for an Integrated Water Management (IWM) plan that is adaptive to changes and considers the needs of the community?
- What is the future for areas that are topographically or geographically unable to be connected to the Wannon Water sewerage and wastewater network?
- What other key water infrastructure is needed to maximise value from existing or planned new assets? For example water storage, irrigation schemes or pipelines.
- What utility infrastructure upgrades are needed for the power grid and when and by whom should this be delivered?

3.3 Community Opportunities and Constraints

3.3.1 Strong sense of community:

The Southern Grampians Shire has a strong sense of community with people working together to achieve common goals and outcomes. This sense of community benefits the entire Municipality and Council will continue to encourage and acknowledge the community interest in the development of the Shire.

Community spirit within the Shire is evident in many ways, whether it be measured by the degree of civic life (activities, events etc.), response to emergency events (such as the Coleraine floods of 2016), and degree of volunteerism or willingness to support refugee relocation.

To illustrate, in 2017 Cavendish and District had a population of 376 residents (2011 ABS) and 171 of those were volunteers. This story is widespread across the Shire. It is also manifest in ongoing interest in community grants to deliver local projects through to construction of key facilities (new Balmoral Recreation Reserve Clubrooms, Cavendish Recreation Reserve Amenity Block, and upgrade to the Dunkeld Community Centre etc.).



Figure 30 - Locals and SES workers sand bagging at Coleraine in 2016 (source: abc.net.au, photo supplied by David Deutscher)

3.3.2 Engaging with young people

Engaging with young people and their needs is a challenge common to most municipalities. The Shire currently does not have a youth strategy but recognises that more can be done to support the needs of young people.

Recent work on the Full House Strategy, a review of performing arts in the Shire and development of a marketing and audience development plan, has identified that current programming does not actively consider younger audiences. More inclusive opportunities are now being scheduled for young people and it has been recognised that cultural arts can be a key opportunity for all members of the community.

Relative isolation has a more pronounced effect on youth than others in the community and likely plays a role in the drain of youth out of area when job opportunities and further education become more critical for post year 12 students.

3.3.3 Aboriginal and Torres Strait Islander people

According to the ABS there are 244 residents of the Shire who identify as Aboriginal or are from the Torres Strait Islands. As a percentage of population, this is twice the Victorian average.

The Municipality encompasses the traditional lands of the Gunditjmarra, TjapWurrung and Bunganditj peoples (Figure 31). The Barengi Gadjin Land Council Aboriginal Corporation, Eastern Maar Aboriginal Corporation, Gunditj Mirring Traditional Owners Aboriginal Corporation and Martang Pty Ltd have Registered Aboriginal Party status within the Southern Grampians Shire. Surviving archaeological sites include rock paintings, stone arrangements, quarries, fish and eel traps, scarred trees and burial grounds, that confirm Aboriginal occupation of the area dating back 40,000 years (SGSC Heritage Strategy). Gariwerd, the Aboriginal name for Grampians, is pivotal to many ancient stories by Aboriginal communities in South-Western Victoria.

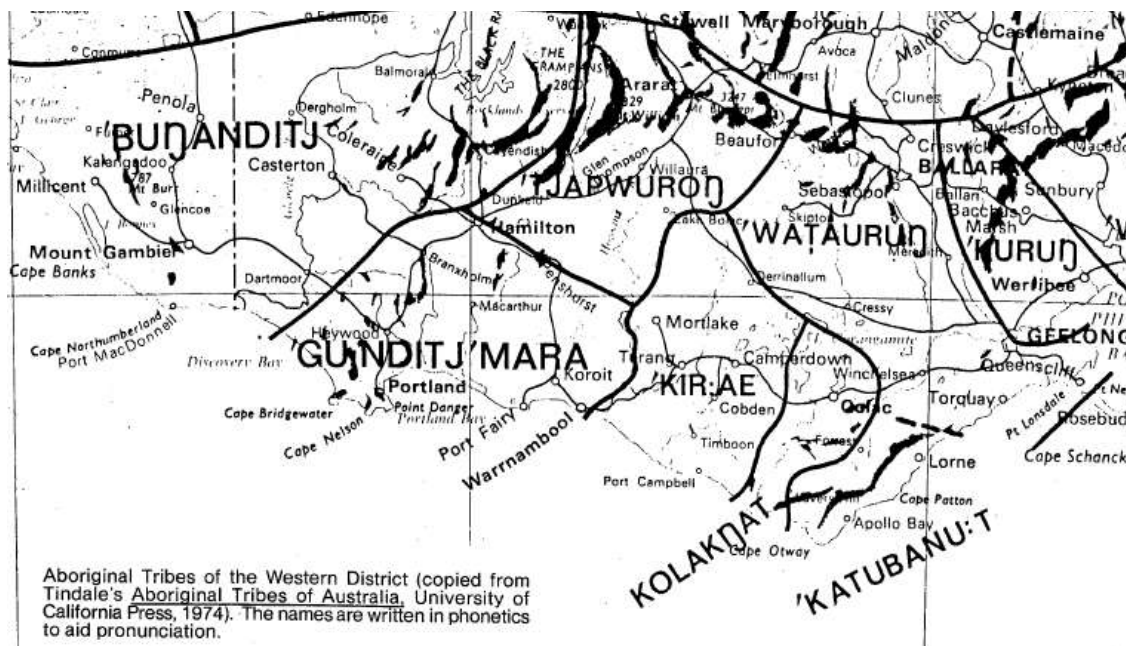


Figure 31 – Aboriginal tribes of Western District. At least three tribal groups have a history in the Shire (source: Critchett, 1980)

The broader Grampians region contains more than 80% of Victoria's rock art sites and six of these are open to the public.

The evidence of their history has created world class heritage sites including Budj Bim, 9km west of the small town of MacArthur (Glenelg Shire), which is immediately south of Byaduk. Budj Bim represents a complex system of weirs, channels, lakes, streams and eel traps that run ultimately to the sea, utilised by the Guandtjama people for millennia (30,000 years). In 2019 the site gained UNESCO world heritage protection and has more recently benefitted from State and Federal support to better explain this history.



Figure 32 – Budj Bim (source: SBG Advisory 2019)

Council has the opportunity through co-ordinated advocacy with Glenelg and surrounding Shires in the west to promote Budj Bim as a tourist attraction and to better tell the story of the relationship of local tribes to the land. In so doing it also raises other issues and key questions:

- How best should Byaduk Caves be managed? To what standard? This area is administered by Parks Victoria as part of the Mt Napier State Park.
- How can the story of the volcanic landscape be told given the extent of this land system from Mount Gambier and the Limestone Coast to Warrnambool (Tower Hill) and the falls west of Hamilton (Nigretta and Wannon)?
- Does Council need to have a clearer vision of advocacy for this natural landscape, noting its ongoing significance not just to the indigenous population but also local farmers, whole communities and tourists alike?
- To what degree does this landscape tell a story about the cultural connectivity of the Shire to the Great South Coast and the Limestone Coast?
- How can Aboriginal culture be better acknowledged, celebrated and shared?
- Is there a role for an Indigenous Reference group within the Shire and if so, how would it be delivered?
- How can we share Indigenous stories of connection to land through the cultural arts programming as well as urban projects for example CBD revitalisation?
- How can we all support opportunities for better economic outcomes for indigenous communities via cadet pathways, education and training, new economic initiatives?

3.3.4 Community Assets and Services

Community assets and services are important foundations to the function of communities. Analysis of local government expenditure in Australia over the period 1961–62 to 1997–98 shows that the composition of services being provided by local government has changed markedly. According to the Commonwealth Parliament's Standing Committee for Economy, Finance and Public Affairs (2003), local government is increasingly providing human services at the expense of traditional property - based services, particularly roads.

Council provides more than 70 services and a diverse range of assets that compare favourably with many other larger population centres, and include a cinema, art gallery, library, aquatic facilities, ovals and halls (Figure 33). The Council's Annual Report for 2018/19 highlights the following investment into services and community assets per \$100 in rate revenue:

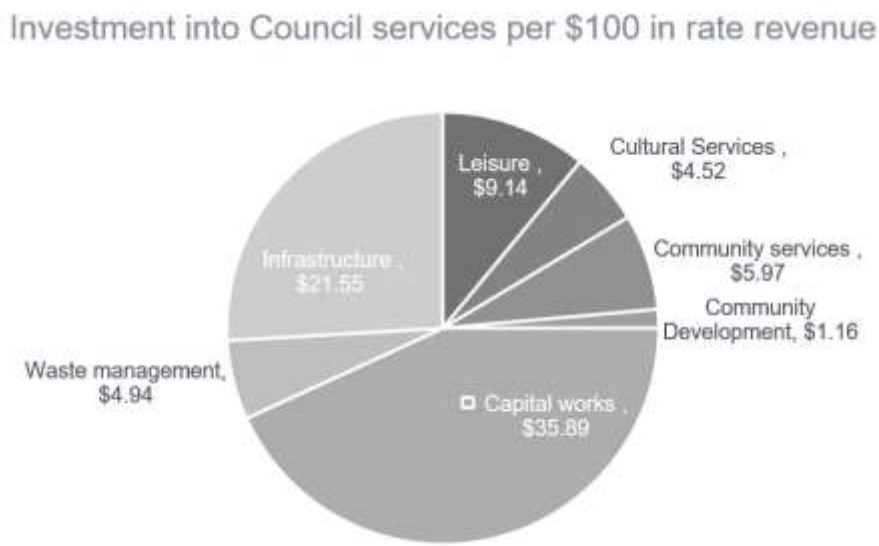


Figure 33 – Investment into Council services per \$100 in rate revenue (source: SGSC Annual Report for 2018/19)

A total of \$83.17 for every \$100 in revenue or 83% of council's expenditure is invested into assets and services.

The following figure highlights the broad range of services and assets that are provided by Council.

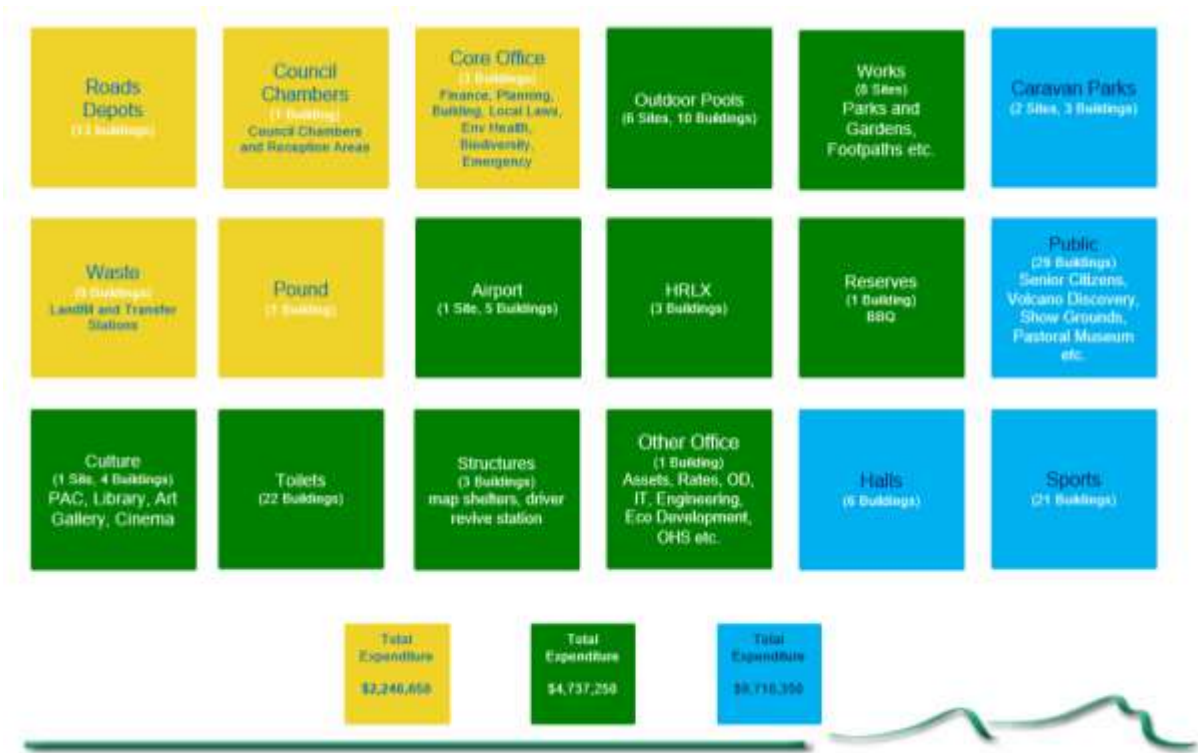


Figure 34 – Existing Buildings Portfolio (source: SGSC, 2019)

Pools are a highly visible aspect of community infrastructure. Council provides and maintains six outdoor pools in Hamilton, Coleraine, Penshurst, Dunkeld, Glenthompson and Balmoral. The pools operate in summer and access is free of charge. Council also runs an aquatic centre in Hamilton providing year round access, with a user fee applied.

In 2018/19 there were more than 150,000 visits to Council pools. These assets are between 43-64 years old and have a finite life. There is a pressing need to consider such matters as all ability access, maintenance and renewal costs, and acceptable cost ratios/per attendee along with existing and future community needs in often ageing communities. Assets can always be maintained or replaced, but at what acceptable cost? In that sense the strategies for managing recreational assets presents a window into a much broader issue of priorities and competing needs for limited resources.



Figure 35 – Hamilton outdoor Olympic pool. One of two pools within the town and five within 30 minute commute time of Hamilton CBD (source: SGSC, 2019)

Council surveyed residents to understand which activities were the most popular in the Shire (Figure 36).

Ranking	Public Survey 2018	Participation rate (% of respondents)	Number of respondents
1	Walking (recreational)	60.1	167
2	Swimming	44.6	124
3	Jogging and running	42.8	119
4	Fitness / gym	33.6	111
5	Bush walking	37.4	104
6	Netball	35.3	98
7	Basketball	29.9	83
8	Cricket	17.6	49
9	Cycling	17.3	48
10	Australian Rules Football	17.3	43

Figure 36 – Activities undertaken by survey group (source: Optium, 2019)

A 2019 report on the standard of current facilities found the most commonly used facility was the Hamilton Indoor Leisure and Aquatic Centre (HILAC), used by 63% of respondents. Lake Hamilton, used by 58% of respondents and Pedrina Park, used by 23% of respondents were the next two most highly used assets.

Almost half of the respondents of the 2019 survey (43.88%) indicated that facilities require some or a lot of improvement (Figure 37), reflecting that the maintenance of assets and facilities let alone delivery of new facilities is a massive challenge within the Shire.

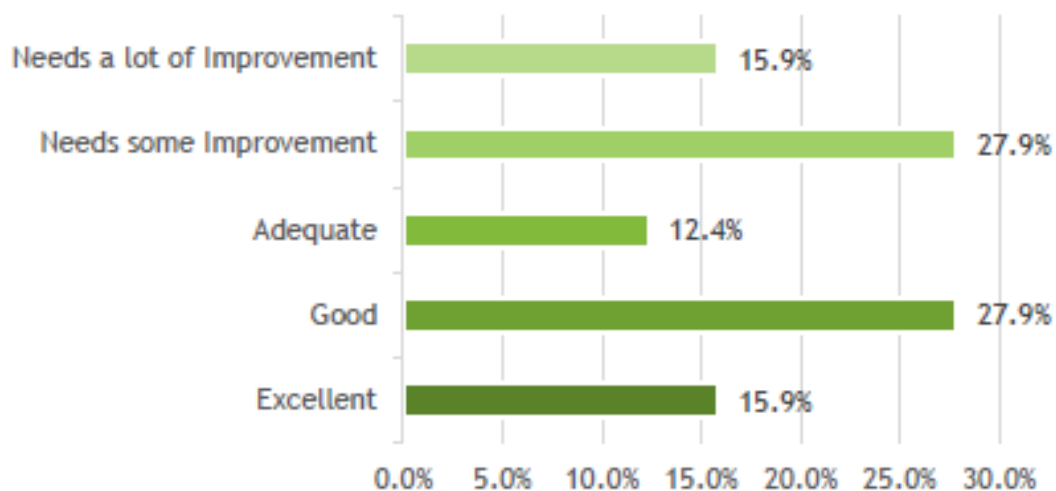


Figure 37 – Club Survey, Report on Standard of Current Facilities (Optium, 2019)

Community needs are dynamic and ever-changing. The predicted decreases in younger age groups within the Shire has the potential to impact on the ongoing viability of some sport competitions and sporting clubs. This could result in club amalgamations and / or the loss of junior teams in some sports competitions which may reduce usage of and demand for some facilities.

Council undertakes condition assessments and fitness for purpose reviews to analyse existing assets and gaps in service delivery. Strategic work is also being completed via service reviews and strategy development including the Recreation and Leisure Strategy and masterplans for the Shire. However there have been a gap in the understanding of the needs and wants of the small towns within a hierarchy of settlements. The absence of agreed principles with the community for prioritising investment in asset renewal, replacement or even where assets should be retired, impedes Council's efforts to make tough, strategic asset decisions for the Shire and smaller towns.

To give an indication of the scale of challenge faced, in 2018/19, Council's overall capital works budget was \$15.3M, by far the largest component of the corporate budget. Much of this was spent on asset maintenance and renewal. Such investments are legacy decisions with construction costs but also operational costs for the life of the asset. In 2018/19 as in previous years, the lion's share of expenditure was on roads and streets.

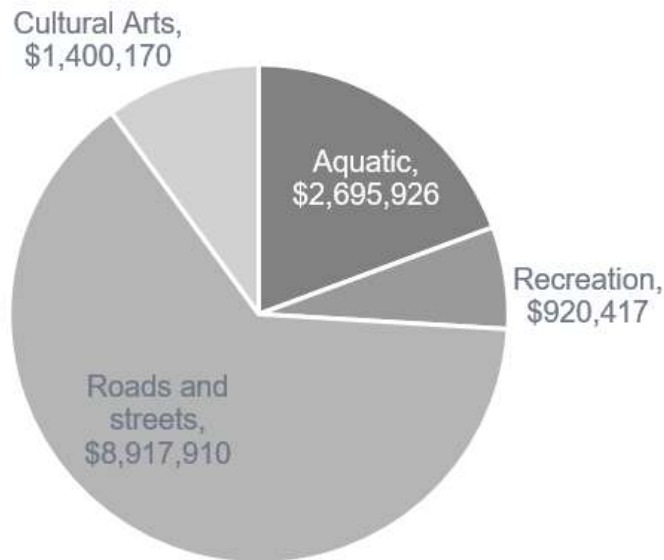


Figure 38 – Council expenditure 2018/19 by key asset category (source: SGSC, 2019)

It is the nature of most assets that maintenance costs are lowest in the initial years but escalate towards the end of life. Therefore, it is not unexpected that with a wide range of geographically distributed assets that were often built several decades ago, that the ten year financial plan shows escalating asset renewal and upgrade costs in coming years (Figure 39), with buildings and halls a major component of that cost (Figure 40).

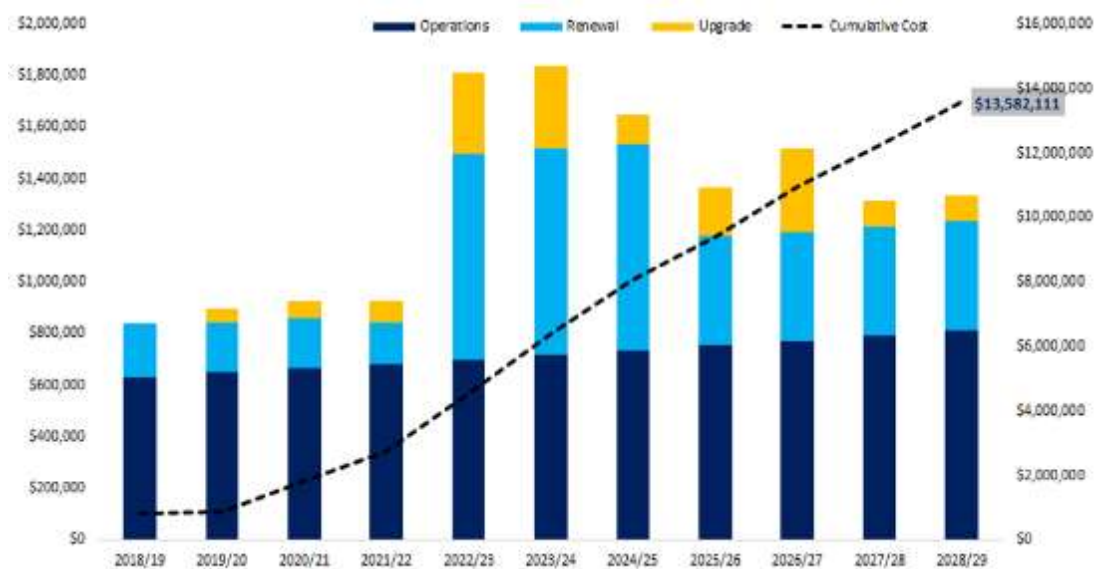


Figure 39 – Asset Renewal and Upgrade costs for next 10 years (source: SGSC, 2019)

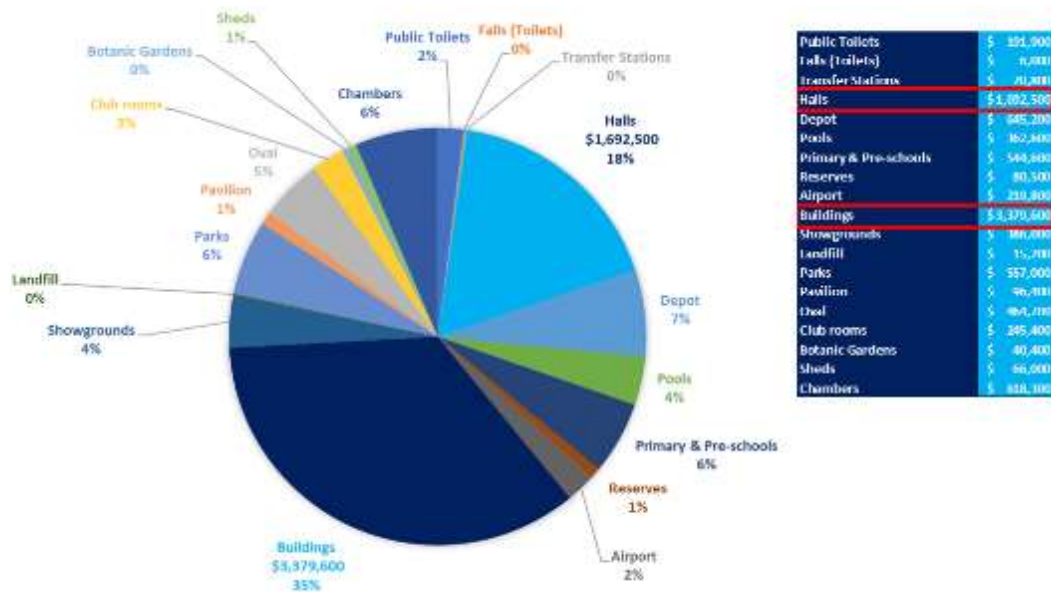


Figure 40 – Expenditure by building type, 10 year renewal expenditure (source: SGSC, 2019)



Figure 41 – Buildings Portfolio Summary (source: SGSC, 2019)

Some of the decisions to be considered in partnership with the community include:

- Do we need all the existing assets? Could some be retired to enable new or different assets to be delivered? What is no longer fit for purpose?

- Should Council's focus be on the services required under legislation?
- What is Council supplying as a consequence of cost-shifting by State Government (non-Council services)? Should we return non-Council used assets? These include State Government assets which are maintained by Council.
- Existing assets have ongoing costs to maintain. What are 'acceptable costs' – do we have appropriate measures for assets (such as usage rates, return on investment (ROI) etc.).
- Where are the priorities and opportunities and what are the changing needs within communities?
- How can and will the community infrastructure framework assist?

3.4 Southern Grampians Shire Council Opportunities and Challenges

3.4.1 Rate revenue and other income

The double impact of a loss of revenue resulting from a shrinking rate base as a result of population decline, and the constraints on revenue associated with the Rate Capping policy introduced in 2015 affects many local government areas throughout Victoria.

Victoria's 79 councils have been operating under rate caps since 1 July 2016. Each year the Minister for Local Government sets a cap on rate increases based on that period's Consumer Price Index (CPI) and advice from the Essential Services Commission (ESC). In the 2018/19 financial year, the allowable rate increase was 3.61% lower than the average rate increase for the previous 10 years. For the 2019-20 financial year, council rate rises have been capped at 2.50% p.a.

Council's ability to adjust rates and increase rate revenue for strategic projects has been reduced since the introduction of the Rate Capping Policy in 2015. Rate revenue has increased slightly each year since 2012/13 however the Council's ability to run surpluses and to invest in larger projects is constrained (Figures 42 and 43).

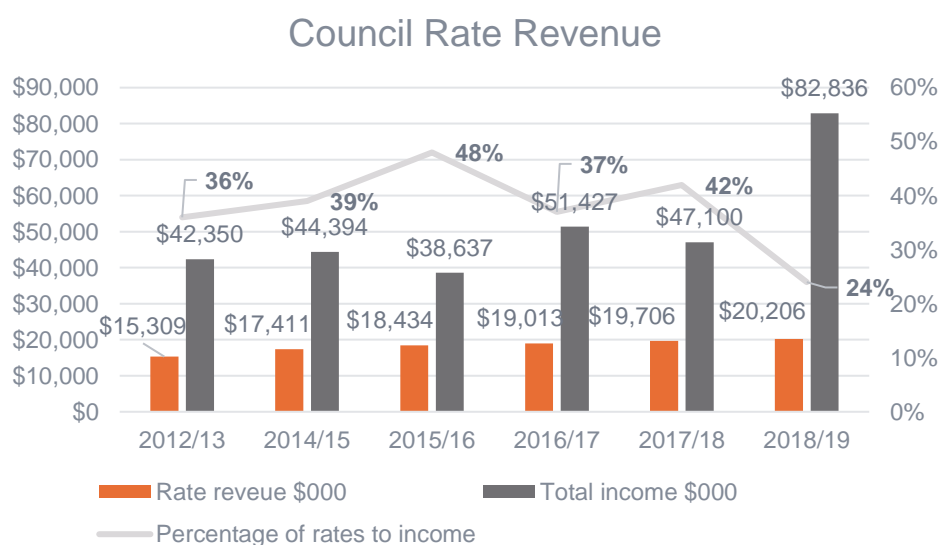


Figure 42 – Rate revenue for Southern Grampians Shire 2012 to 2019 (source: SGSC Annual Reports)

The following figure shows the financial reduced ability to adjust rate revenue to deliver a surplus for Council.

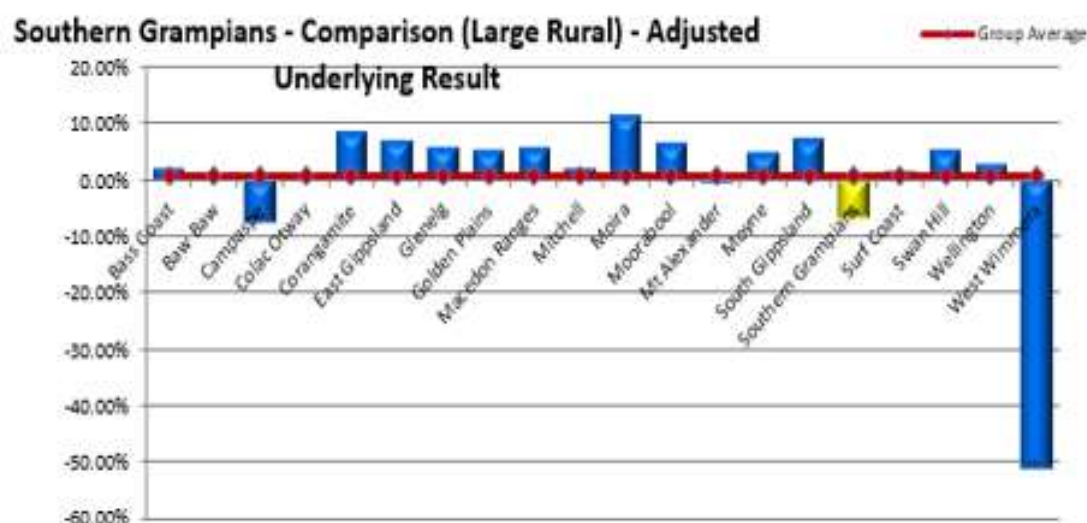


Figure 43 – Adjusted Underlying Surplus as a % of underlying revenue (source: VAGO, 2018)

Key questions:

- What decision making frameworks are needed, what partnerships with other stakeholders to ensure Council is effective in its role to deliver needed infrastructure and services?
- How do we avoid the sunken cost fallacy – that what we have always invested in needs to continue being invested in. How do we judge this, by what measure?

3.4.2 Health and Wellbeing Planning

The Health and Wellbeing Plan 2017-21 (SGSC, 2017) focuses on four key areas, namely mental health (suicide prevention), family violence (alcohol and other drugs), physical health (weight and obesity) and educational attainment. In this sense it is similar to that produced for the period 2013-17. The Plan was evaluated and it is evident that many of the health challenges that existed prior to the last Plan remain issues today. The critical questions concern why this is the case and what, if anything, can be done about it.

Council's Recreation and Leisure Strategic Plan (Optium, 2019) provides a valuable perspective of existing assets as well as user needs. It found that:

- The Shire's population will decrease from 15,657 in 2016 to 15,363 in 2021 and then decrease each period until 2031 with an estimated population of 14,824.
- Age profile changes between 2011 and 2031: Increase in the 65 and over age groups.
- Decreases in those aged between 40 to 59 years and those between 5 years and 19 years.
- All other ages are predicted to decrease with some experiencing only small decreases including the 20 to 24 years.

The key implications of the population trends are: A high concentration of older residents requires core specialist local recreation and leisure facilities and activities to meet the needs and interests of older adults.

3.4.3 Shared services

As local government carry out similar functions and common activities, shared services are one way they can achieve greater efficiency in service delivery, improve service quality and deal with various challenges. Shared services involves councils working together and/or with other organisations to share costs and resources, and may include delivering external services to the community, such as libraries and waste collection, or providing back office functions, such as human resources and payroll, or the procurement of goods and services.

The VAGO report on Shared Services in Local Government (2014) found that the key drivers for councils using shared services were to reduce costs, increase service quality and improve community outcomes. Furthermore, while most activity is currently related to procurement and the delivery of external services, the VAGO report suggested significant projected growth in new shared services for back office functions.

In 2018/19, the Victorian Government provided \$20 million to help improve the operational and financial sustainability of rural councils under the Rural and Regional Councils Sustainability Reform Program (RRCSRP). Council joined Northern Grampians, Ararat and Glenelg Shire Councils in a joint application to deliver shared improvements to administration including a strategic approach to asset management, shared customer relationship Management system and cloud based records management system.

Council currently undertakes a range of shared services including:

- Roadside Weed and Pest Animal Program with the Department of Jobs, Precincts and Regions. This provides funding to manage key weeds along roadsides, supporting the agricultural sector and improving the amenities of the area.
- Flood mapping for the Department of Environment, Land, Water and Planning.
- Provision of school crossing supervisors.
- Delivery of meals on wheels.
- Provision of Home and Community Care (HACC) services. The HACC program provides services for older and frail people with moderate, severe or profound disabilities as well as younger people with moderate, severe or profound disabilities, and their unpaid carers.
- Active involvement in supporting committees of management across the Shire, with assets used by community on Crown land.
- The Animal pound at Hamilton which is operated under a shared services model with Moyne Shire Council.
- Land management and vegetation assessment is undertaken by DELWP, Parks Victoria and Council. This presents challenges in the management of contiguous parcels of land like Grange Burn where restoration activities are being undertaken along the watercourse, primarily on Council managed sections. The absence of a shared approach between land managers creates angst amongst community and frustration with levels of government and responsibility. An example of this is the issue of rabbits around the Digby Road area and the management of these pests in some areas and absence of management in others. Figure 44 illustrates the complex management arrangements for Grange Burn waterway.

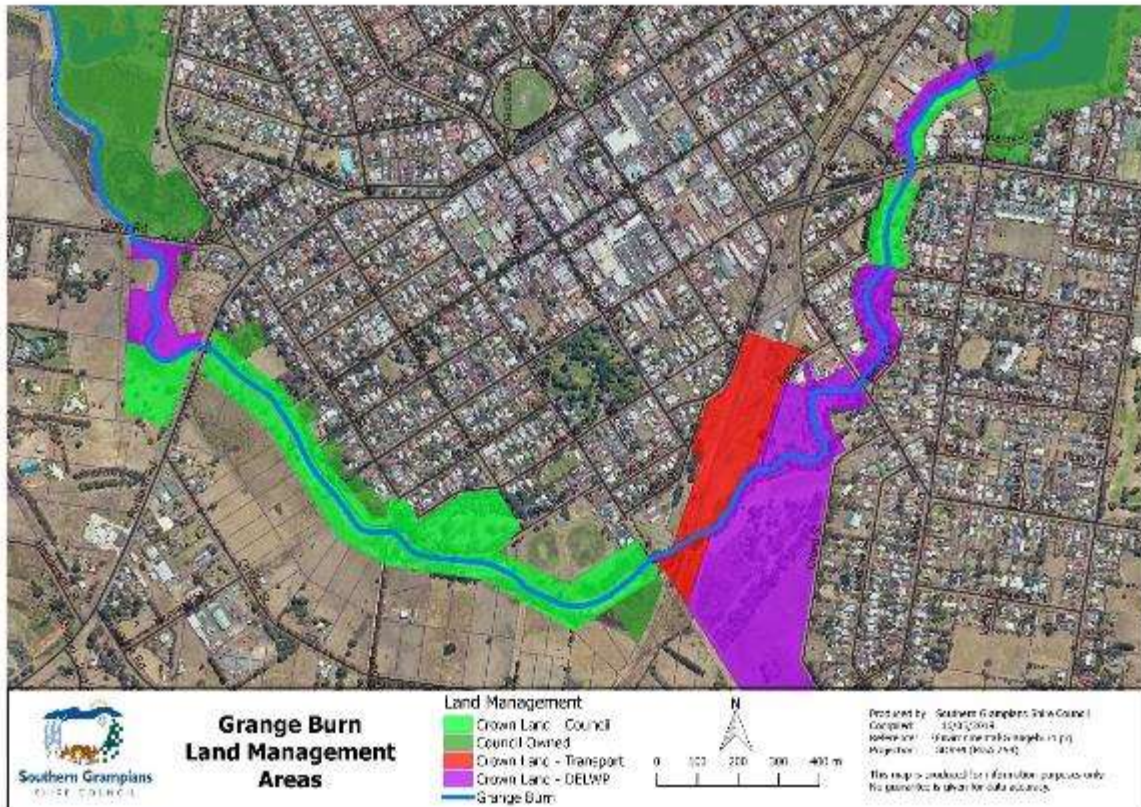


Figure 44 – A range of management responsibilities exist at Grange Burn (source: SGSC, 2019)

Other regional examples provided by neighbouring shires included:

- Warrnambool and Glenelg have arrangements with the RSPCA. Their challenge is to double the size of the pound due to the increase in animal numbers.
- Moyne Shire received a \$4.5 million grant to facilitate shared IT services with Corangamite and Warrnambool.
- Horsham Shire Council is part of a Library Corporation providing shared library services.

3.4.3.1 Cost shifting to Local Government

In 2003, the Municipal Association of Victoria (MAV) estimated the financial impact of cost shifting to Local Government in Victoria to be \$40 million per annum in the recurrent funding of three major specific purpose programs – Home and Community Care (HACC) services, Libraries and Maternal and Child Health. A further \$20 million was estimated to be the impost of cost shifting on a range of other specific programs (Parliament of the Commonwealth of Australia. 2003)

The Standing Committee for Economy, Finance and Public Affairs identified that the major areas of cost shifting reported local government were:

- the withdrawal or reduction of financial support once a program is established, therefore leaving local government with the choice of continuing a program or suffering the public fallout of cancelling the service;
- the transfer of assets without appropriate funding support, the funding of new assets (sports grants) without funding for maintenance, insurance etc.;
- the requirement to provide concessions and rebates without compensation payments;

- increased regulatory and compliance requirements; and
- failure to provide for indexation of fees and charges for services prescribed under state legislation or regulation.

Cost shifting reduces local government's ability to invest in new and different services due to be tied to historic programs, projects and assets.

Key questions:

- When are shared service partnerships needed (in what areas) and how are these best delivered?
- What role will MOUs play in facilitating more integrated service delivery solutions between key stakeholders?
- What service is needed?
- Who should be the service provider? What is the role of Council, other agencies or the private sector?
- What is the best funding model? Who pays for the services?

3.4.4 Emergency Management

Local Government has a statutory role in emergency management and response. Council is responsible for developing a Municipal Emergency Management Plan.

Council supports emergency services including CFA, SES, Police and Department of Health and Human Services to plan cooperatively for prevention of, response to and recovery from emergencies. During emergencies Council works with emergency services to provide resources, local knowledge and community connections.

Council is responsible for coordinating relief and recovery efforts after the initial emergency has passed. This includes establishing relief centres for people who have been affected by disasters and need assistance.

Emergency services organisations within the region include:

- 55 fire brigades closely spaced in the region.
- Three State Emergency Service Units - reflecting a lower demand for storm and flood response.
- Ambulance Services VIC have their core services based in Hamilton and casual / volunteer services in four smaller towns.
- Police are mostly Hamilton based with six smaller stations.

The nature of emergency response and management is likely to continue to be impacted by rural population decline and availability, as well as changes to the risk from community and climate change. These changes are likely to see volunteer based agencies increasingly more closely resemble career based agencies where services are provided more from towns with outlying areas providing a surge capacity.

The emergency management sector is moving away from the tradition of a facility being occupied by a single agency. Shared first responder facilities exist in Dunkeld and Balmoral.

Incident Control Centres (ICCs) were originally used for fire management but now have an all hazards – all agencies approach. This extends beyond the fire / flood / storm / hazardous materials incidents to human health and animal and plant health and plague incidents. Further improvements in coordination

and response are being driven through the co-location of ICC functions with agency administration and management facilities. Co-location opportunities include:

- An emergency services incident management and administrative hub in Hamilton
- Hamilton SES unit with CFA brigade facilities
- Replacing an ageing emergency services complex in Balmoral
- Ambulance locations in the Dunkeld / Glenthompson area, Coleraine and Penshurst.

Community connection to emergency information is rapidly increasing through digital applications, social media and developing practices of emergency services. The expectations by community for timely and accurate advice continues to increase.

Emergency services are increasing users of digital technology from the simple weather measurements to the more cutting edge fuel moisture monitoring to improve the reliability of forecast fire behaviour models. Fire and flood predictions, warnings and advice have the potential to be significantly enhanced by weather and water monitoring sensors.

Key questions:

- What is the role of an emergency management hub for Hamilton?
- What is the future role and opportunities for Hamilton airport as a fire base?

3.4.5 Neighbouring Council Perspective

As indicated previously, any analysis of the opportunities and challenges faced by Southern Grampians community shows a mix of regional structural issues (population growth, ageing etc.) along with unique local concerns. To reflect on these matters further a series of interviews were conducted with senior management in surrounding local government authorities. These were designed to give insight into a range of issues from service sharing to the role of regional partnerships and the 'brand' of each Council.

It should be noted that these responses reflect the views of the staff interviewed only and may or may not reflect current Council positions on the questions asked.

Questions asked	Key themes and issued raised included
Question 1 - In the last 5 years, what are the 3 most important projects/initiatives your Council has undertaken and to what degree does this achieve/facilitate: better customer service; better / more targeted service delivery; superior fiscal responsibility.	<p>The most important projects / initiatives shared by the neighbouring shires were focused on the key areas of infrastructure delivery, economic development, environment including renewable energy and governance and included:</p> <ul style="list-style-type: none"> • Wind farms • Coastal management • Financial sustainability • Digital transformation • Town Hall and CBD redevelopment • Intermodal freight hubs

Question 2 - Shared services will likely be more common in the years ahead. Name 4 examples of a shared service your council delivers (either with another LGA or other) now or would seek to provide over the next 10 years.

Please refer to section 3.5.3

Question 3 - If you had unlimited powers of persuasion what services would you not deliver in the medium or longer term.

The Shires who provided an answer to this question were primarily focused on areas related to cost shift from other agencies / levels of Government and services not typically regarded as core focus for Councils. The common thread running through the responses was a shift to delivering a smaller number of high quality services that are functions of local government, rather than being stretched to deliver many services often at poor standards and at considerable cost to the organisations.

Question 4 - Regional partnerships between local government and state agencies. In your own words what do you think your Council has achieved in your time at Council.

The Shires are all participants of regional partnerships but had varied views on the success and effectiveness of their partnerships.

The Central Highlands partnership is regarded by most respondents as being focused only on Ballarat with little or no focus on the surrounding Shires and their role.

There is a perception that State Government expects Council staff to dedicate significant time to regional partnerships without recognition of the constraints of the staff members and the Councils they work for.

**Question 5 - You are the Head of a Council delegations meeting an 'important' but as yet unidentified person looking at investing in your Shire/LGA:
-what is your compelling brand
-what is your regional perspective**

The councils interviewed were aligned in their support for a regional approach to growth and investment reflecting the relative combined strengths of the region. Some of the key strengths mentioned include livability, employment and investment options.

Individual narratives for Shires were related to positioning in response to future climate change impacts and sustainability and being 'open for business'. A number of the Shires highlighted low levels of community opposition to projects that have been a lightning rod elsewhere e.g. wind farms, mineral sands and corresponding opportunities for such projects to locate in these shires.

Question 6 - You are tasked with drawing up a Venn diagram for a regional land use strategy (say people/environment/economy). What does yours look like?

Regional land use across the region was focused on:

- Achieving sustainable population, noting the high levels of older residents, flight of 18 to 25 year olds and opportunities of people returning to the shire.
- Supporting economic growth including use of centres and relative strengths of the agricultural sector for the region
- Focus on education
- Environmental initiatives
- Infrastructure delivery



4. Strategic planning within the Shire

4.1 Overview

Council delivers planning for services and infrastructure through a range of mechanisms including structure plans, urban design frameworks and issue specific strategies (wastewater management, recreation and leisure strategies).

The community itself identifies priorities through input into community plans, feedback to listening posts conducted by Council (on an annual basis) in small towns and feedback on Council Plans, including the four year Council Plan and annual budget processes. In turn, advocacy lists prepared by Council which reflect community and stakeholder priorities are developed and actioned.

The risk inherent in these processes and systems is the degree of connection with the community, to achieve a clear set of priorities. What do we want to achieve and how do we get there? Are our visions and needs clear and our capacity to deliver realistically achievable? Consultation fatigue is a risk, as is achievement of what might be short term outcomes at the expense of longer term goals (or even a local solution without a regional perspective).

The Planning Scheme has no specific statements on individual towns under Cl. 21.01 but it does provide a map with some notations. More on this will be discussed on a town by town basis in this section.

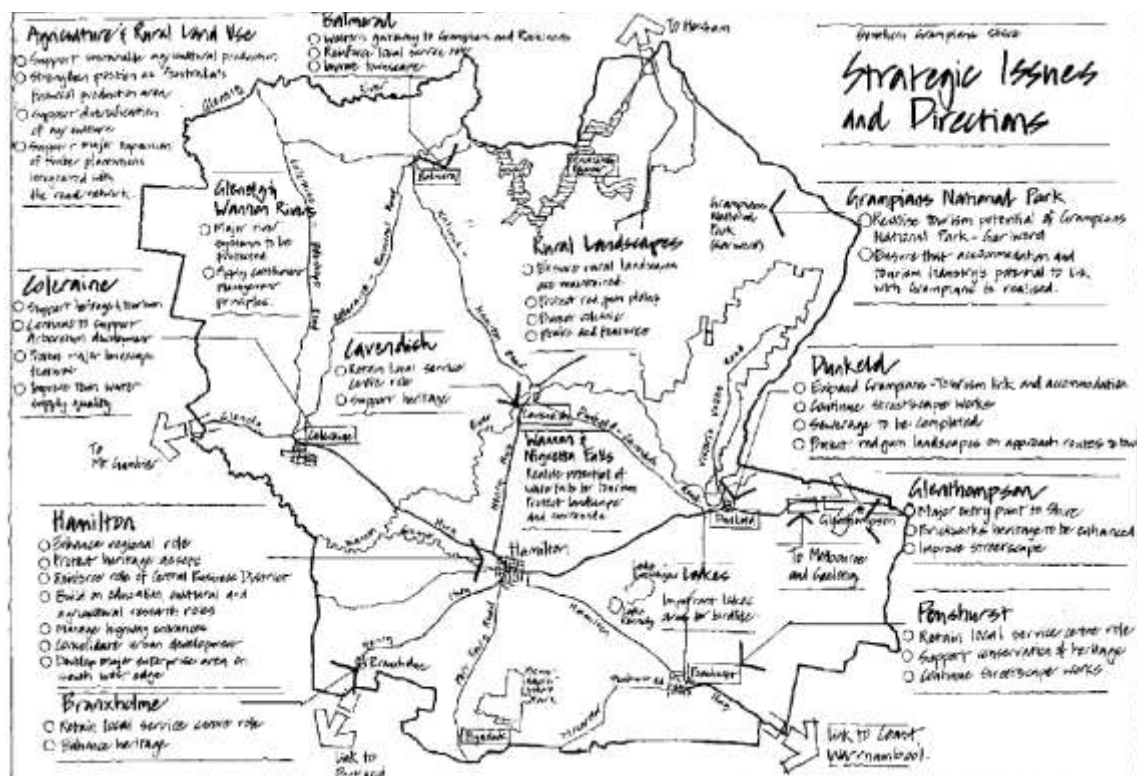


Figure 45 – Strategic Issues and Directions, cl. 21.01 of Planning Scheme (source: DELWP, 2019)

Our communities live in settlements ranging from the small (Byaduk) to the large (Hamilton). So it is logical that we consider some of the strategic planning undertaken on a settlement by settlement basis.

The figure below summarises the work undertaken on structure plans, UDFs and community plans.

Settlement	Structure Plan	Urban Design Framework (UDF)	Community Plan
Balmoral		✓	✓
Branxholme		✓	✓
Byaduk		✓	
Cavendish		✓	✓
Coleraine			✓
Dunkeld	✓		
Glenthompson		✓	✓
Hamilton	✓		
Penshurst		✓	✓
Tarrington	✓	✓	✓
Wannon		✓	

Figure 46 - Strategic planning for Southern Grampians towns

Key questions:

- How best should community plans, structure plans and urban design frameworks be integrated into a coherent framework that ensures local actions are clear, realistic and achievable, with clear champions identified?

4.2 Town Specific Information

4.2.1 Balmoral

Balmoral is a small community of 154 residents (ABS 2016 census) located approximately 70km north of Hamilton and 75 km south of the Rural City of Horsham.

The area was known as 'Darrangurt' by the local Aboriginal peoples before being occupied by Europeans in the 1840's. The town population has been declining gradually over the last 35 years, though it is still by far the largest town in the northern sections of the Shire.

Key community assets and landmarks include the Glenelg River Ford, Old Railway Bridge, Town Hall, and the early settlement buildings including the Post Office, Old Courthouse, Ironstone Gaol and churches. Areas for recreation include the Balmoral Recreation Reserve, Glendinning Camping Area and Homestead, Rocklands Reservoir and Wetlands Walk. The town has a K-12 secondary college (Balmoral Community College) with 118 students enrolled in 2018.

The Balmoral Swimming Pool (outdoor) is a 25m pool in relatively good condition, which provides the community and visitors with a significant recreational resource.

Emergency services (SES, CFA and Ambulance) operate from a facility that does not meet today's standards. A replacement facility with co-located services would provide additional opportunities and efficiencies in emergency management.

Local employment in Balmoral is predominantly in the agriculture, forestry and fishing sectors. Farming in the area consists of animal production, various cropping and timber plantations. Douglas Mine provided mineral sands mining, along with a mineral concentrator until 2012. Health and support services are delivered in Balmoral via the Balmoral Bush Nursing Centre, which provides clinical nursing, childcare support and many other services.¹⁸

The small but historic town centre, located on Glendinning Street, has a mix of convenience retailing, rural supplies and civic infrastructure. Activity floor space in the centre amounts to around 2,600 sqm, of which around 800 sqm is in retailing. The retail offer includes a small community owned supermarket, clothes, toys, second hand goods and cafe. In a retail context Balmoral is considered a rural service centre (SGSC, 2011).

Balmoral does not have a structure plan, however the vision statement contained in the Community Plan does provide a vision statement which, reads as follows:

- Be a resilient, diverse and thriving town with a strong sense of community;
- Be a safe and attractive place to live;
- Be a desirable tourist destination;
- Have a strong supporting infrastructure with quality services and facilities;
- Service a range of existing industries and encourage new commercial activities; and
- Advocate for sustainable water levels in Rocklands Reservoir for recreation, tourism and affordable town water.

The Balmoral UDF includes a range of local issues and priorities including:

- Lowering road speed limits at school crossings

¹⁸ This facility has been under pressure since 2017 due to funding limitations. See http://www.emmakealy.com/bush_nursing_centres_ignored_by_labor.

- Improved walking/cycling track from the bridge up to the school precinct
- Establishing an Avenue of Honour by planting exotic trees in accordance with Council's Street Tree Policy
- Tree planting in Main Street
- Signage to address truck movements
- Preparation of an outline development plan for the former school land is also highlighted.

Balmoral is not seweraged. However the septic limitations are not the primary factor limiting growth opportunities in the town. As a service town supporting an agricultural district it is climate and its variability along with access to water for cropping and stock and the use of technology to substitute for labour which impacts on employment, housing and needs.

Projects such as the West Grampians Water Supply Project (Balmoral is close to the centre of the study area) with its capacity to bring water into the district for more diversified and mixed farming operations will be a key to future agricultural production, employment and value-adding opportunities. Further work on the implications of this project, dependent on timing of State/Federal support is needed.

Council's current work on a business case for a walking and bicycle strategy, potentially to be delivered in 2020/21, beginning with a framework plan (to identify principles and areas of opportunity), should provide greater clarity on opportunities to market walking and cycling for tourists.

The impending delivery of the Grampians Peak Trail, likely to open in spring 2020 is likely to drive more visitor interest in using Balmoral and towns like Cavendish which are conveniently situated to the Park. The strategic proximity to Grampians National Park is a significant opportunity to be further developed in future planning, especially accommodation services.

4.2.2 Branxholme

Branxholme has a population of 351 residents (ABS 2016 census) and is located 30km south west of Hamilton on the Henty Highway. The traditional name for the town is Kurtuk-Kurtuk, which means sisters. Settled in the 1850s, the township was a junction point on the Portland, Hamilton and Casterton railway line.

An obvious feature of Branxholme is the settlement's effective division into two halves. The western section is on higher ground centred on the old railway alignment (where is located also the town hall, local school etc.) and the eastern section on lower ground near Henty Highway (location of post office, recreation reserve, toilets and Settlers Walk).

In a retail context Branxholme would be considered a local centre (SGSC, 2011), similar to many other smaller settlements within the Shire, with a single shop serving multiple roles (post office, fuel etc.), making it not dissimilar to Glenthompson.

Sites of interest include 19th century homesteads Arrandoovong Gardens and Inverary Garden, Byaduk Caves, old churches, and Arrandoovong Creek swimming pool and recreation reserve. Some of the current community assets and services include the park, playground, football and netball grounds, Branxholme & Wallacedale Primary School, Branxholme Kindergarten, Junction Hotel and Post Office. Agriculture is one of the primary industries for work with beef, lamb and wool production.

Branxholme does not have a structure plan, however there is a community plan and a UDF. In the Community Plan, Branxholme's Vision is to be *'A peaceful and attractive place to live, in which people feel safe and secure, valuing its village-like atmosphere, historic beginnings, parks and open space, native flora and fauna; able to offer high quality education and sport and recreational opportunities for children; an attractive place for tourists to stop.'*

Community surveys indicate that most respondents like the community spirit, safety, peace and quiet, views and scenery. Feedback provided on initiatives to improve the town included growth, diversity, improvements to the recreation reserve, improved drainage, secure school and kinder, community gathering space and better infrastructure. In recent grant applications a key project has been the delivery of a boardwalk to enable improved access into the wetland/swamp centred on Arrandoovong Creek.

Strategies from the UDF include:

- Create a flowering pergola (flowering at the same time as the 'open gardens') to incorporate a footpath between the shop, pub and the public toilets, map and information board;
- Lighting the railway bridge;
- Establish a Main Street Beautification Project which provides a coherent landscape strategy for the town. This would incorporate deciduous trees (at closer intervals) at the centre of the village, reflecting the area's European cultural heritage, moving to River Red Gums at the edges to reflect the transition to the bush habitat;
- Create a well-defined shared path link from the recreational reserve (the old path has solid foundations but needs new asphalt), loop past the swimming holes (showing where the creek was crossed at various historic times) along Settlers Walk (how town developed by fresh water), to the café and gaol;
- Investigate the possibility of retro-fitting a pedestrian walkway onto the side of the bridge;
- Additionally, Council and the community to continue pressure on VicRoads to prioritise these works on their agenda; and
- Formalise Settlers Walk and ensure the pathway meets disability (DDA) standards.

With respect to these initiatives many are in early planning phase and require further detailed design and/or funding to be delivered. Main street beautification is yet to be undertaken.

4.2.3 Byaduk

Byaduk is a rural village with a population of 123 residents (ABS 2016 census), located 19km south of Hamilton. The area was occupied by Europeans in the early 1860s, with the name Byaduk originating from an aboriginal word for stone tomahawk.

There are two parts to Byaduk, the main settlement in the south which includes the recreation reserve, town hall, public toilets and a scatter of buildings inside what the planning scheme describes as the Township Zone. Further north, Byaduk North is a soldier settlement from WW1 that comprises multiple small lots, well below a lot size enabling a dwelling to be built upon them.

There is no sewer or reticulated water supply in Byaduk yet there is within this settlement a strong sense of community, well supported sporting teams and active attendances when Council conducts meetings in the area.

Volcanic landscapes define the setting of Byaduk and surrounds. Nearby Byaduk Caves, administered by Parks Victoria, are considered to be the most extensive sets of lava caves in Australia. Unfortunately, Parks Victoria has significant constraints on funds and investment in this asset leading to ongoing visitor complaints about parking, rubbish management, lack of interpretative signage and general upkeep of the caves complex.

Byaduk Caves is part of the Mt Napier State Park, 20 kilometres south of Hamilton. Mt Napier is the youngest volcano in Victoria and the highest volcanic point in the Western District Plains. Volcanic activity in this area occurred less than 10,000 years ago (well within the period of known occupation of

the land by indigenous tribes) when a major eruption of fluid basaltic lava flowed more than 24 kilometres along the valley of Harmans Creek.

West of Byaduk Caves, near the limits of the Harmans Valley flow, are a number of unusual clusters known as Lava Tumuli or blisters. These unusual circular mounds or hummocks of rock, up to 10 metres high and 20 metres in diameter, were caused by the pressure of the liquid lava flow beneath the thin crust of the lava tubes. These lava domes are considered to be unique and most likely rare on a world scale. The Lava Tumuli can be seen along the edge of the Harmans Valley flow at Wallacedale, 13 kilometres west of the Byaduk Caves. If promoting the tumuli is a priority it will need to be supported by better signage, on-ground information and parking.

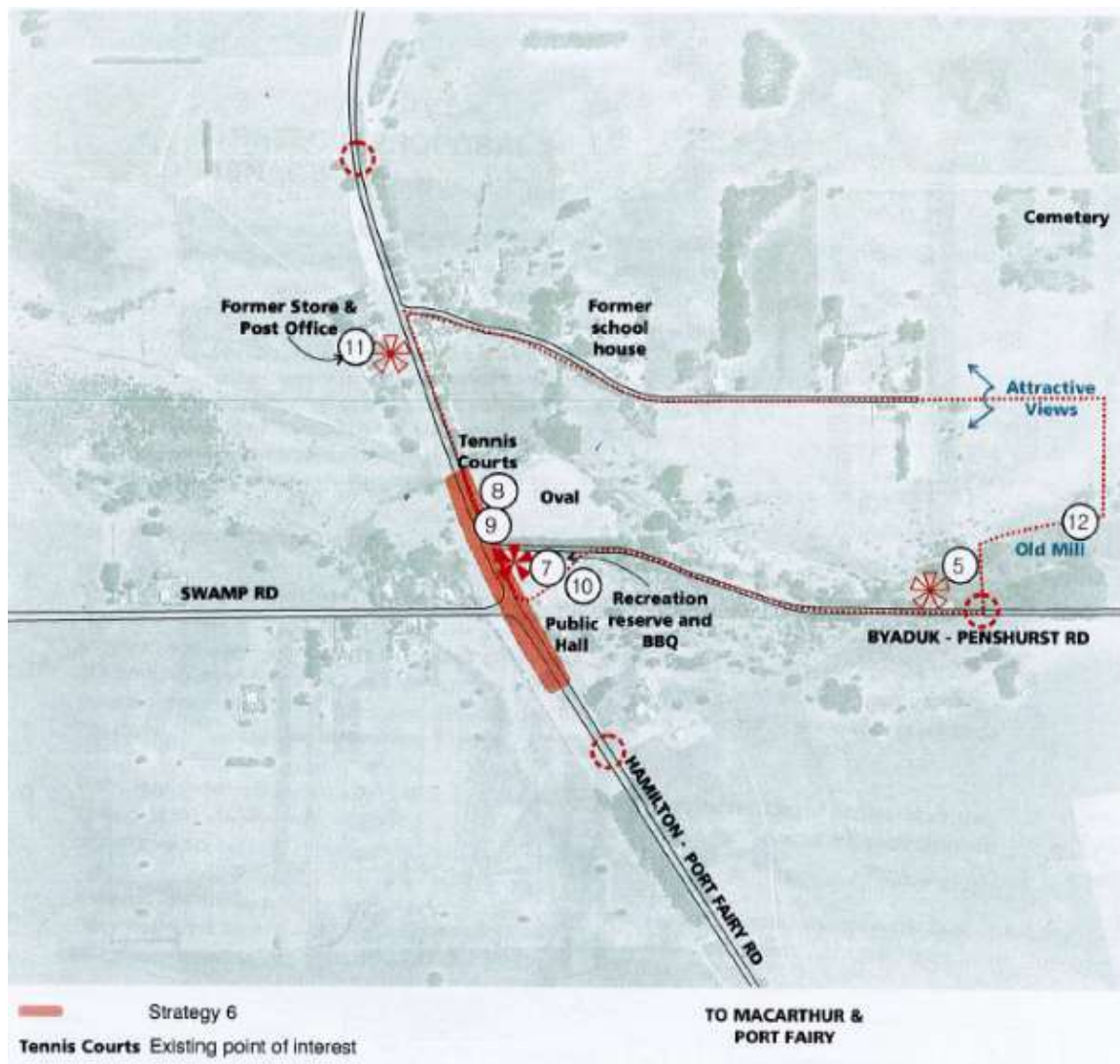


Figure 47 – Byaduk UDF (source: David Lock Associates, 2004)

Notwithstanding the community desire to promote the volcanic landscape to tourists, there is an ongoing need to establish clearer levels of service for management of Byaduk Caves as well as the Tumuli. Whether there is potential for a ‘friends of ...’ group to be established to work with ParksVic needs to be discussed. Alternatively, Council may wish to partner with ParksVic as part of an integrated asset management strategy which examines the role of ParksVic, Council and community volunteers in undertaking works. Beneath these efforts there should be a masterplan established to

identify specific works and outcomes to be achieved. Work on the first stages of this strategy driven by Council will commence in mid-2020.

Whilst there is no structure plan for Byaduk, nor a community plan, a UDF has been prepared setting out local priorities and opportunities. A review of planning controls – zoning and minimum lot sizes is required, as the level of fragmentation and small lot sizes makes commercial farming difficult to envisage. Equally, consolidation of lots to achieve larger rural living holdings of say 10 ha would give some scope for agricultural enterprises, with some certainty that a dwelling could be erected on the consolidated land holdings. These issues require further analysis having regard to (a) land capability; (b) drainage; (c) bushfire risk; (d) housing supply and demand; (e) broader strategic planning across the Shire.



Figure 48 - Tumuli and lava caves at Byaduk (source: Southern Grampians Shire)

The vision contained in the UDF is concerned with increasing the awareness of the region's geological wonders (caves, tumuli etc.), showcasing the popular Annual Flower Show, celebrating local buildings and history and better defining the community hub centred on the intersection of Hamilton-Port Fairy and Byaduk-Penshurst Roads. Such a vision provides a unique point of difference to most other parts of the Shire and region.

Foundations for telling a story about Byaduk or developing a vision include indigenous history, flora and fauna and geological features.

With respect to the initiatives outlined Council has an important role to play, especially in working with ParksVic on the volcanic experience for tourists and how this can be best delivered as a drawcard into the Byaduk area.

4.2.4 Cavendish

Settled in 1840, Cavendish (pop. 334, ABS, 2016 ABS census) is a small, rural community located 27km north of Hamilton. The Cavendish Township is positioned on the slopes of the Wannon River environs and has a rich pastoral legacy dating back to the 1840's, where the township emerged to service the "Kenilworth" and "Mokanger" pastoral runs.

Cavendish, like Balmoral has an important role as a farming town and like Balmoral has seen its population gradually decline for a range of reasons (ageing population, agricultural restructuring etc.). The 2011 population was 374 with a similar number of dwellings, suggesting a reduction in household size (active ageing demographic). On average 2 dwellings a year were built in Cavendish between 2008 and 2019.

Cavendish has a town water supply but no sewer, relying on septic systems.

Community assets include the Kindergarten and Primary School (42 students enrolled), Recreation Reserve, bluestone gaol, old buildings and churches, and Settlers Walk and River Red Gums spotted along the Wannon River.

According to the community plan, the Vision for Cavendish is “I am Cavendish in 2020, a small rural town that values ‘pride of place’ and a sense of belonging for all generations. I treasure my peaceful, natural environment nestled between Mount Dundas and the Grampians Ranges among the red gums. Set on the banks of the Wannon River, flowing with the lifeblood of my living history and the aspirations of my community. I take responsibility for fostering partnerships in support of my built assets, education and essential services for my potential and future growth.”

Feedback from the community during this process comprised the need to improve infrastructure such as toilets, public bins, building and footpath restorations. Services needed include the general store, transport options, child care options, a local library, petrol sales point, handy man and hairdresser. Tourism developments including re-zoning land to allow increased residential, allow accommodation along river, historical walk signposting, lookout platform at top of rail bridge embankment and complete rail bridge, lighting of the rail bridge, audio visual systems at gaol projecting history of indigenous and European settlement and tourism promotion information. Continued effort to maintain, improve and promote Settlers’ Walk was identified as a priority.

There is no structure plan for Cavendish. Notwithstanding, there has been recent work undertaken on a zone review (endorsed by Council in October 2019), examining issues such as land supply and demand, environmental constraints and opportunities. From that work 10 key recommendations were made, that will inform future planning, including (amongst others):

- Protect key views and vistas to the Wannon River and the rural surrounds.
- Ensure a long-term supply of land for a range of residential densities where deemed feasible having regard to physical and policy opportunities and constraints in appropriate locations.
- Preserve and enhance the Wannon River corridor and connected waterways.
- Retain the informal rural and vegetated character of the township.
- Acknowledge the potential bushfire and flood risks and ensure land management responds appropriately.
- Preserve the existing rural/urban interface to ensure agricultural productivity on the edge of the township can intensify into the future.

In any small town, a reduction in population size (as occurred in Cavendish between 2011 and 2016¹⁹) presents challenges in retail and infrastructure delivery. A number of the needs for services expressed to date are a function of population size and a declining population makes them increasingly difficult investments. Likewise suggested investments in early years support services is dependent on identified need. Cavendish more than Balmoral also has a structurally close relationship to Hamilton (due to convenient commute) meaning residents can and do travel to Hamilton for many of the services sought including hairdressing, retail and other activities.

The town has no sewer and is subject to bushfire hazard risk. There is no mappable data on flooding from the Wannon River, though flooding occurred in August 2004, December 2010, January 2011 and September 2016.

¹⁹ The SSC population reduced from 374 to 334 between 2016 and 2011. The 2006 data refers to different SSC boundaries.

Cavendish does however present opportunities. It benefits from its close proximity (like Balmoral) to the Grampians National Park, being only 13km as the crow flies away. According to Grampians Tourism, the Grampians received over 1.167 million domestic overnight visitors - up by 15.3% on YE June 18. Visitors spent over 2.904 million nights in the region - up by 9.8% on YE June 18. The key will be to provide the infrastructure and marketing to capture visitors into the town as a base to explore the Park.

Under the planning scheme, the Township Zone provides considerable flexibility on uses and on-site systems on suitably sized lots can enable development to occur. Some limited rural living opportunities based on appropriate supply and demand analysis as well as on-ground specific environmental assessment may bring some housing opportunities (proponent led). The landscape which poses a fire risk also provides considerable amenity to the town, as do the heritage buildings and waterway. Indigenous values are also significant along the Wannon River.

Investigation areas for some limited rural living or low density housing could be considered in the areas set out in Figure 49. The accessibility of reticulated water along with wider efforts at increasing horticulture and mixed farming, equally provides opportunities for more productive farming outputs and economic opportunities for Cavendish. The specific investigations, however will need to be proponent driven and funded.

With respect to the initiatives outlined, Council will need to further liaise with local residents, especially on the findings of the 2019 zone review. Individual landowners may wish in some cases to explore rural living opportunities whilst for others the priority will be to examine opportunities provided by future water access on larger farming properties (West Grampians Pipeline). Leveraging off the brand of the local Bunyip hotel as fine dining may be a start point for other retail and tourism service offer in the town as this facility is a likely anchor for fine dining and retail experiences in the town.

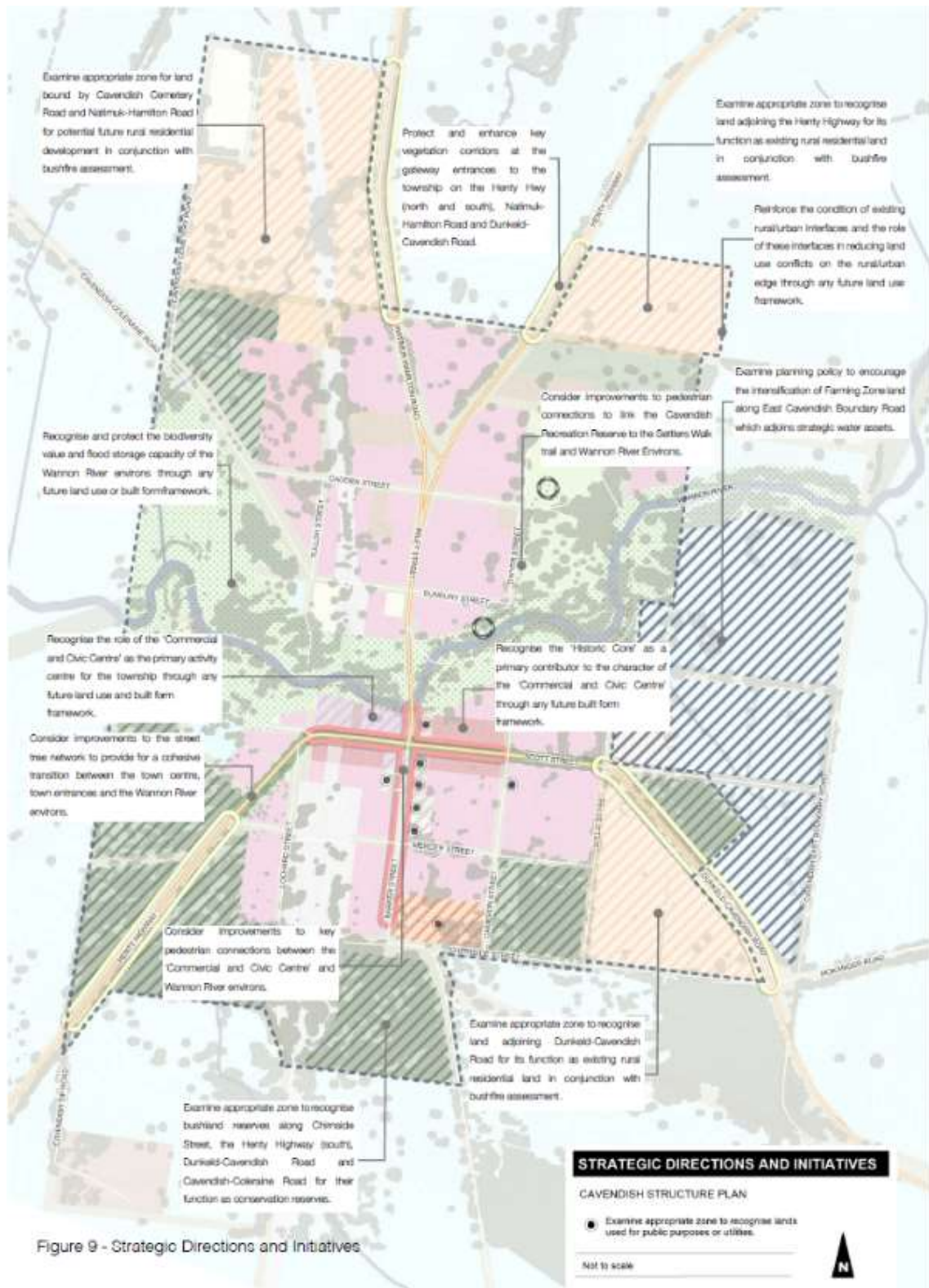


Figure 9 - Strategic Directions and Initiatives

Figure 49 – Strategic directions and initiatives (source: SED Advisory & Myers Group, 2019)

4.2.5 Coleraine

Coleraine (pop. 825, ABS 2016 census) sits on rolling hills on the Glenelg Highway, 35 km north-west of Hamilton.²⁰ Coleraine is the second largest settlement in the Shire.

Community assets include the well-known business Glenelg Chocolates, the native garden, historic railway station (currently used as a Visitor Information Centre) and Francis Points Arboretum with an extensive Eucalypt plantation. Coleraine Classic Cars are valued assets and Wannon and Nigretta Falls is a short drive to the east. There is a well-established commercial main street, including a branch of the Bendigo Bank, large independent supermarket (IGA) and specialty shops. WDHS support a Coleraine Medical Clinic within the town.

In a retail sense, Coleraine is a rural service centre (SGSC, 2011) which probably is driven as much by through traffic as the local population. Challenges include vacancy rates and disinvestment in some building facades.

Coleraine enjoys an Olympic sized outdoor pool, netball courts, tennis courts and ovals. A State primary school along with St Joseph's Catholic Primary School (37 enrolled students) are well established entities. Some of these assets were damaged by floods in 2016 but are now largely back to full working order with Turnbull Street netball courts shortly to be upgraded.

The Community Action Plan identifies the Vision for 2020, as "Coleraine, working together for our future". Amongst the 26 actions identified, the six High Priority Projects of the Community Plan are:

- Acquire the vacant land on the corner of Whyte and Winter Streets and develop it into an attractive park to support activity in the main street.
- Undertake an audit of community buildings. This audit will assist in understanding the number, condition, current and likely future use of community buildings, so that sustainable planning can occur to maximise use and allow for appropriate levels of maintenance. As a minimum the audit will include the current hospital, Mechanics Institute, original Shire Chambers, Railway Station and Court House.
- Undertake a feasibility study of the options for the development of a community centre.
- Undertake a promotional program through a range of media highlighting the benefits and importance of utilising local services for the future of the township. Actively seek on-going community feedback to identify issues that are acting as barriers to the use of local services.
- Main Street Development. Work with business, community and Council towards having all shops either occupied or presented in a way that supports a vibrant main street and encourages shopping and tourism stop overs
- Caravan Park Development Feasibility Study. A feasibility study for the development of the caravan park that addresses expansion and growth opportunities and specifically reviews the most appropriate site location"

The Coleraine community plan (2011) is a detailed 35 page document (Tarrington's is 6 pages long), possibly in part because it includes input from the Coleraine Urban Design Framework (2003). The community is keen to upgrade the plan but has been advised to wait further work on CVF 2041 which will examine a more consistent format for such plans.

There is no structure plan for Coleraine (nor UDF) and, as established, there is a significant and detailed community plan. But it is reasonably argued that a structure plan should be prepared for Coleraine noting the constraints imposed on the town by flood liability, bushfire risk and the economic

²⁰ Approx. 1029 within larger SSC area.

role of Coleraine as the key western settlement of the Shire. Flood recovery has been a significant issue in Coleraine with considerable investment made in asset maintenance for ovals, netball courts and other facilities since the 2016 event. Bushfire is another risk, the 2009 event destroying the Avenue of Honour, only recently replanted.

The optimal future location of the caravan park, which presently suffers from flooding along Paddock Creek and the future location of the Coleraine Visitor Information Centre (presently situated in the former railway station site some distance from Main Street) are just two of the issues to address in any structure plan. The large number of vacant retail premises also needs to be examined, along with any action Council can deliver to assist local business.

Flood mapping and assessment carried out in Coleraine was adopted in 2019 and is presently being implemented via flood overlays into the planning scheme. Future work is still required on whether levee bank funding and design be delivered along Paddock Creek. At the minimum floor levels will be likely set for premises within affected areas and further analysis of early warning systems will be undertaken with key stakeholders.



Figure 50 – The future location of the non-accredited VIC and optimal use of the former train station site is just one of the unresolved issues in Coleraine (source: Coleraine Community Plan, 2011).



Figure 51 – Coleraine Floods 2016 (source: ABC News)

With respect to the initiatives outlined Council should likely prioritise actions 2, 4, 5 and 6 of the community plan and schedule and fund a future structure plan for Coleraine.

4.2.6 Dunkeld

The third largest town in the Shire, Dunkeld (pop. 508, ABS 2016 ABS census) and the town most visibly benefitting from increased tourism visitations is situated on the Glenelg Highway approximately 30 km east of Hamilton at the foot of Mount Sturgeon. Being the southern tip of the Grampians National Park, Dunkeld is the most accessible town in the southern corridor to the entire national park and its commercial growth as witnessed by CBD investment is largely due to its tourist role.

Key interests in Dunkeld include the Royal Mail Hotel (a boutique hotel and restaurant), local cafes, bakeries and other shops. The Dunkeld Visitor Information Centre attracts some 25,000 visitors per year. Nearby is the Ros McArthur Art Studio in the Victoria Valley on the scenic country route from Dunkeld to Halls Gap.

Dunkeld is classified as a rural service and tourist centre under the retail strategy (SGSC, 2011) with a retail floor area not dissimilar to Coleraine, limited if any vacancies and strong passing trade.

Dunkeld Arboretum provides a series of small lakes that are crossed by several bridges. A wide range of accommodation is provided from the local caravan park (on DELWP land) through to the higher end offer provided by Royal Mail. There is a State primary school in Dunkeld with 108 enrolled students (2018). The biggest event in the calendar is the Dunkeld Races, held in November each year where some 12,000 visitors from as far as Geelong and Mt Gambier descend.

The population of Dunkeld increased from 461 in 2011 to 508 in 2016 (ABS data) setting the town distinctly from many others as a growth town and a core element of tourism marketing within the Shire (Grampians National Park).

Dunkeld does not have a community plan or a UDF, however there is a comprehensive structure plan for the settlement, prepared by Hansen partnership (2014). That work built upon the Dunkeld Urban Design Framework (2002), which was reviewed as part of the Dunkeld Built Form and Landscape Assessment (2011). Issued raised in the Structure Plan included:

- Drainage matters, primarily relating to the current functionality regarding the swale drains present in much of the town.
- The need to generate employment opportunities and lack of vacant commercial floor space and opportunities provided for businesses in the township.
- Potential conflicts between land uses allowed under the Township Zone and the management of these conflicts.
- The need to protect views and vistas throughout the town, but most particularly to the north of the town.
- Need for larger lot and 'rural lifestyle' residential opportunities.
- Management of development within the town in relation to the threat of wildfire from the Grampians and also the threshold to the Wannon River floodplain.
- Opportunities to capitalise on tourism potential and 'chicken and egg' issues regarding the need to provide services to attract tourists and the need to have tourists to make services viable.
- Issues of character and the need to retain both the rural character but also the dominant landscape character as the town develops.
- Cost of sewerage connections in the north of the town and the balance of development potential with the requirements of servicing authorities.
- Invasion of weed species.
- Threats to native vegetation, most specifically the existing red gums.

- Need for community spaces, which were acknowledged as being met by the proposed Dunkeld Community Hub.
- Restricted areas where the Salt Creek can be crossed and connectivity issues when these are compromised.
- Provision of pedestrian pathways and connections through the town, particularly with any increase of aged residents and younger families.
- Heavy vehicle traffic and the difficulties associated with crossing Parker Street due to the road width.

From this, key initiatives identified included ongoing diversification of accommodation offer, increasing the diversity of employment opportunities and upgrading Main Street. Since this time, the community has driven the planning and construction of a community civic hub in Dunkeld which appears well used for a range of purposes. Ongoing interest exists for retail in and around the CBD and Council is working closely with interested parties to facilitate such investments.

Promotion of Dunkeld has been a key aspect of Council's ongoing commitment to Grampians Tourism, with a range of local television shows and other features in the media, often centred on Royal Mail Hotel but also the wider amenity of Dunkeld and the nearby National Park. It is expected that the work by ParksVic on the Grampians Peak Trail (to open in spring 2020) will see a further 35,000 visitors access Dunkeld each year.

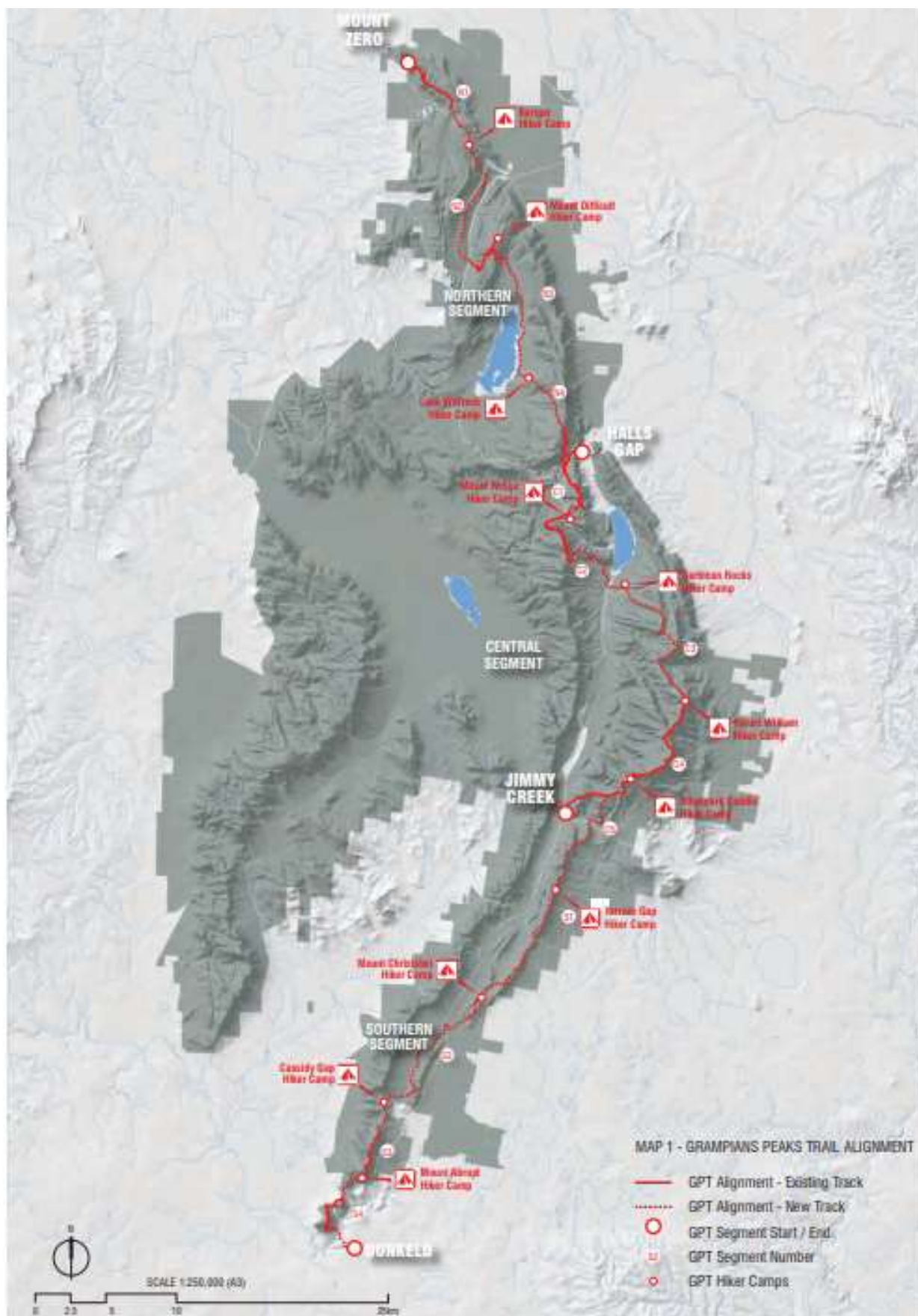


Figure 52 – Grampians Peak Trail (source: https://grampianstourism.com.au/wp-content/uploads/sites/4/2014/05/2014_04_17_GPT-Master-Plan-Revision-J-LOW-RES.pdf)

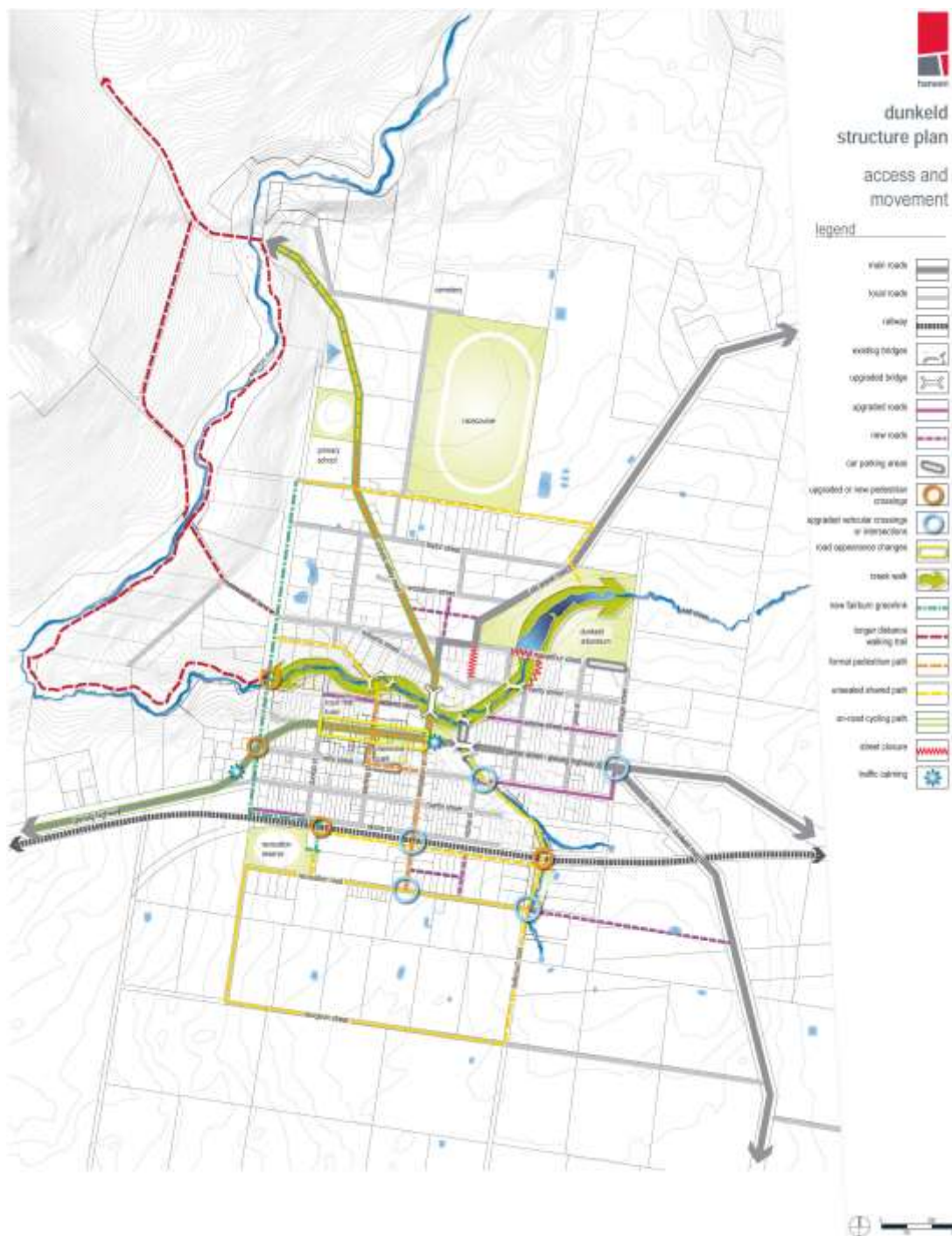


Figure 53 – Access and movement, Dunkeld (source: Hansen Partnership, 2012)

With respect to the initiatives outlined, some achievements are noteworthy. The community hub has been built for instance, providing clear example of the role local communities can play in delivering key assets. But there remain unknowns such as the tourism needs to be generated by the opening of Grampians Peak Trail, infrastructure to be delivered, general retail needs not yet met (operational service station, larger independent supermarket). There is ongoing demand for the caravan park spaces but limited capacity for expansion. The VIC centre provides a significant asset to the town but there is also opportunity for ParksVic to have staff stationed within Dunkeld.

A more detailed audit of the actions set out in the structure plan, updated to examine tourism needs and how best to accommodate the effects of increased tourism into the region is a likely priority.

4.2.7 Glenthompson

The town of Glenthompson (pop. 232, ABS 2016 census), the easternmost town in the Shire was originally built approximately five kilometres from the current site and known by the custodial name for the town, Yuppekiar after the creek. The town was moved when a rail line linking Hamilton and Ballarat was opened in 1878. In 2011 the population was 264, the decline from 2016 being a reverse of the trend in nearby Dunkeld 15 minutes' drive to the near west which has grown measurably during the same period.

Community assets include Robson's Lookout to the Grampians, the old Brickworks and pit (now closed), local church and community-led projects such as the Lion's Park Development. There is an outdoor pool facility and a local convenience store which also serves as post office and fuel station.

The local school closed in 2012 with the nearest primary school now being in Dunkeld. There is no sewer in Glenthompson but there is town water supply. A Vline bus service connects Ballarat to Hamilton with a stop in Glenthompson. There is also a toilet block/ablution facility opposite the local store.

The Vision for Glenthompson as set out in the community plan is, "Glenthompson is a community where people of all ages are welcome and accepted and where the residents have a sense of pride in all environmental, historical, social and physical assets."

The goals and strategies as set with the community in the Community Action Plan include advocating for improved internet and mobile phone service; development of the former school into a community space for a range of activities and activating and revitalising old shops. Improved transport options and more activities for young people are also identified priorities.

There is no structure plan for Glenthompson. The UDF identified a range of issues for the settlement from inadequate signage, to landscaping and the need for a CBD upgrade. Since the writing of the UDF the brickworks on the eastern side of town has closed.

Strategically, Glenthompson is well located to benefit from three economic opportunities, namely:

- Ongoing commercial interest in wind farming investment. A substantial wind farm exists south of Glenthompson with further interest flagged by other companies to establish in the area in recent years.
- Mineral exploration in nearby Stavely. In recent years there has been active exploration occurring in the area by potential interests (copper/gold deposits).
- Tourism opportunities associated with access into Grampians National Park.

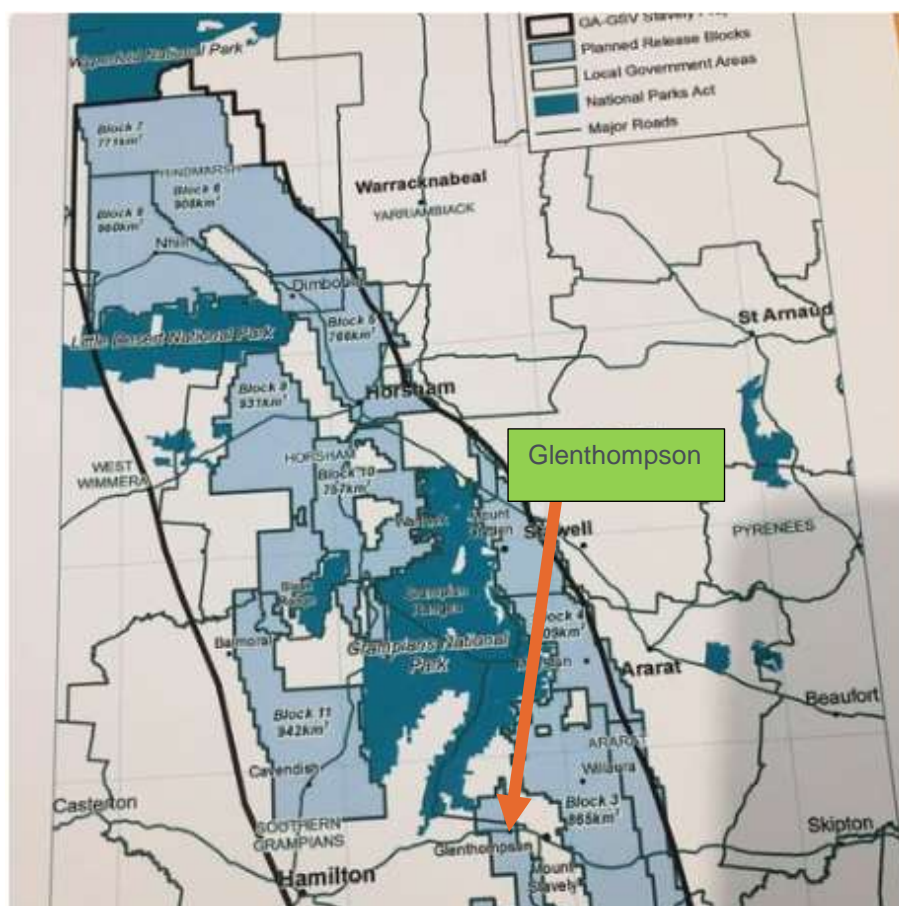


Figure 54 – Stavelly Arc, a gold copper field that runs from south of Glenthompson up through Horsham (source: Ararat Advertiser, June 22, 2018).

With respect to the initiatives outlined, Council has an opportunity to work with the local community and test priorities and revisit what the brand of the town comprises. If the brickworks site is re-purposed what is that use? If the pool has a limited life remaining what are the future investment priorities, especially with an ageing population? Sustainable energy and mining provide likely new opportunities and whether a community hub has benefit warrants consideration, especially with closure of the local primary school and the ageing profile of the community. Signage and landscape opportunities continue to warrant further attention.

4.2.8 Hamilton

Hamilton (pop 8,888, ABS 2016 census) is the regional centre, providing the majority of higher order retail, health, education, recreation and administrative services within the Shire. Hamilton is situated about 290km west of Melbourne, locating the city in the centre of the 'Western District', significantly closer to the South Australian border and the Limestone Coast than it is to Melbourne.

Hamilton was recently designated a 'Regional City' within the State Planning Policy Framework (Clause 11.05: Regional Development). As with many regional centres, the city plays a role in the community much greater than suggested by population figures, with the central business district (CBD) providing services from a neighbourhood to regional level. Locally, HRBA²¹ provide a business forum to support and develop local business within the Shire, giving retail operators a significant opportunity to work together – a major asset for Hamilton.

²¹ Hamilton Retail Business Association.

Hamilton continues to function primarily as a service centre and is already home to the majority of Southern Grampians residents. There is a strong impetus for residential growth, and a wealth of services and facilities available to future residents.

The Retail Strategy (SGSC, 2011) notes that Hamilton as a number of key tenants in the CBD including a Country Target, Woolworths, Coles and Aldi supermarkets as well as a wide mix of other local retail outlets. Whilst a number of tenancies are vacant, these frontline retail offers continue to be provided.

Key infrastructure includes the Hamilton Base Hospital which provides a range of day to day and emergency services, the Hamilton Regional Livestock Exchange (currently being upgraded²²) and the Hamilton Regional Art Gallery with one of the most valuable regional collections/per capita in Victoria. The main Council offices are based in Hamilton along with the works depot and pound facilities. Lake Hamilton provides a significant recreational focus with other notable recreational facilities including the indoor aquatic and sports centre (HILAC, opened 2006). Hamilton also has an outdoor Olympic sized pool (nearing end of its usable life). To the north of Hamilton there is a fully CASA accredited airport (see earlier analysis). Within the town there are multiple State and private schools to year 12 level.

Despite the excellent services and facilities on offer in Hamilton, there has been little population growth over previous decades. As such, the exceptional services and exciting opportunities available have not been fully utilised.

Figure 55 – Towns in Time, Hamilton 1981-2016 (source: <https://discover.data.vic.gov.au/dataset/towns-in-time-hamilton>)

Strategically, Hamilton is well connected by roads, being at the confluence of the Henty, Hamilton and Glenelg Highways, all of which run through the city, ensuring excellent road connections with all major centres in the west of Victoria and the east of South Australia. The city also has close ties to the deep water port of Portland, where the freight rail line which runs through Hamilton terminates. However, it is Warrnambool which exerts the greatest pull for Hamilton residents and is the major centre used by Hamilton residents to supplement the city's services and retail offerings. The central position that Hamilton enjoys between coastal towns such as Warrnambool and Portland, and the interior cities such as Ararat and Horsham to the north, has influenced the development of Hamilton, with Horsham offering an alternative retail destination for those in the north of the Shire. In addition, Hamilton, Ararat and Horsham all play a role in tourism opportunities offered around Grampians National Park.

Southern Grampians Shire, and by extension, Hamilton, is part of the 'Great South Coast Region', along with the municipalities of Colac Otway, Corangamite, Glenelg, Moyne and Warrnambool. It is notable that Southern Grampians is the sole inland municipality within this grouping.

²² Upgrade includes significant new roofed areas for animal welfare management. This facility typically processes some 1 million sheep and up to 50,000 cattle annually.





Figure 57 – Laneway activation being developed as part of CBD revitalisation project (source: SGSC)

Council are currently delivering a range of key projects, including the Hamilton CBD Revitalisation Project; HRLX (livestock exchange) Roof and upgrade as well as progressing Pedrina Park Masterplan and planning for a New Hamilton Gallery. The key challenges will be delivering efficiently these commitments, noting the costs involved, the likely staging needs and dependence on external funding support.

Recent announcements such as Federal Minister Tehan's \$2.8M support in December 2019 for upgraded sporting facilities (netball and change facilities) at Melville Oval represent an opportunity for renewal but also a challenge due to the likely costs for such works being in the realm of \$6m.



Figure 58 – New Hamilton Gallery concept design (source: Denton Corker Marshall, 2019)

The new Hamilton Gallery will require significant external agency support, including philanthropic support via a dedicated foundation. Planning of such projects from resolution to proceed to build typically take 5-7 years. There has been no significant funding by Council at the existing gallery for 46 years.



Figure 59 – Hamilton CBD Renewal (source: SGSC, 2019)

4.2.9 Penshurst

The historic settlement of Penshurst (pop. 439, ABS, 2016 census) is located 32km south of Hamilton at the foot of the dormant volcano Mount Rouse. Penshurst is historically known for rich volcanic soils and quarries that supplied bluestone to the State Parliament and Treasury buildings in Melbourne. It is also strategically located on the main touring route connecting with Warrnambool and Great Ocean Road. The town centre of Penshurst is lined with old Elm trees and buildings from early settlement.

Penshurst's population has declined slightly in recent years but typically has been in the range of 430-470 (460 in 2006, ABS 2006 census).

The area has a strong history as an agricultural settlement and is the seat of the former Mount Rouse Council (amalgamated into Southern Grampians Shire in 1994). There are a number of assets and key facilities within Penshurst include the local Council owned caravan park, 25m outdoor pool (an aged asset), recreation reserve, public hall, gardens and Emergency services training facility. A hotel and a number of local shops are also provided and there has been some interest in new businesses establishing in the town. Other key assets include the Penshurst Primary School (8 students enrolled) and Penshurst Hospital.

The town has no sewer but does have town water supply. Groundwater in the area along with soils and smaller lots has posed some challenges and has been actively studied to find more effective future solutions under Council's wastewater management strategy (recently adopted).

The community plan identifies community values as including include Mount Rouse sunset views and wetlands walk near the caravan park. Priorities include:

- Ensure that our schools and kindergarten are well supported
- Establish and maintain a banking service for Penshurst
- Support and maintain our Emergency Services
- Improve cycling/walking tracks
- Expand our Community Recreation Hub and Maintain our Recreation Facilities
- Revitalise our Streetscape
- Explore sewerage options for Penshurst
- Increase access to public transport
- Revitalise our botanic gardens

- Understand our aquifers
- Pilot sustainable energy projects
- Educate for change
- Improve the Mount Rouse Reserve

There are 93 separate actions in the community plan with a lack of clarity as to resource capacity to deliver or who the designated champions will be tasked with delivery. There is no structure plan for Penshurst. The UDF identified issues including consultation fatigue, youth unemployment, vacant shops and inadequate signage as concerns.

Council supports a community run Volcanoes Discovery Centre at 23 Martin Street, which also serves as a non-accredited visitor information centre (similar to Coleraine). But beyond this Council has no administrative presence in Penshurst. However Council does operate the outdoor pool, a pool nearing the end of its operational life.

Recently Council invested significant resources in new steps and enhanced access to Mount Rouse, which is now completed.

In a planning context there has been only limited interest in new housing in Penshurst (relative to say Tarrington) but there are a number of shops, including a hotel and ongoing interest in establishing small businesses in the area. The UNESCO listing of nearby Budj Bim (Macarthur) as a world heritage rated indigenous site is likely to bring significant new tourist opportunities to the area, allowing for increased demand in accommodation and local services.

Penshurst also benefits from being on the Great Southern Touring Route which ensures the town has significant through traffic from tourists travelling north out of Warrnambool (Figure 60).



Figure 60 – Penshurst UDF (source: David Lock Associates, 2004)

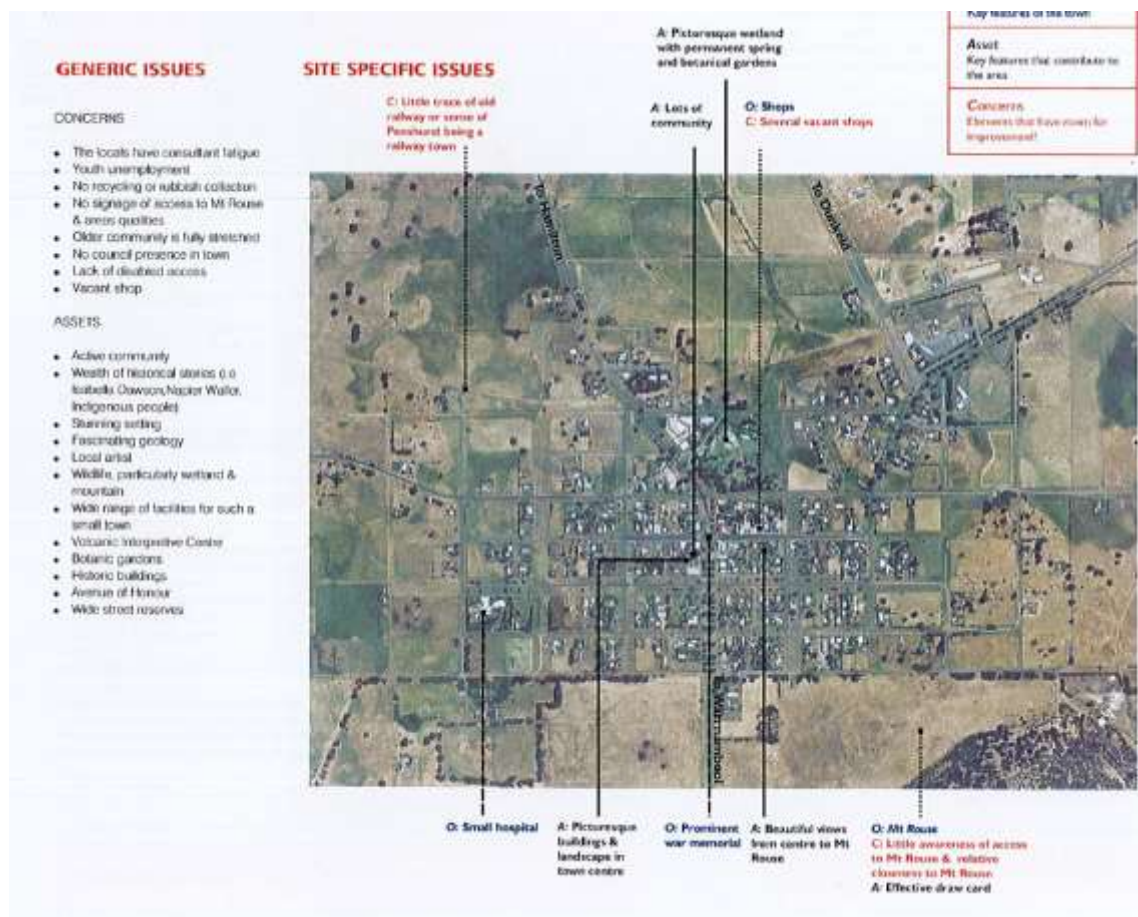


Figure 61 – Penshurst UDF (source: David Lock Associates, 2004)

A structure plan for Penshurst, like for Coleraine would have value given the built form heritage, environmental constraints (septic) and the wide ranging issues concerning asset maintenance and renewal.

Whilst there may be some local criticism that Council can deliver more, Penshurst has benefitted from a range of significant investments (hospital, primary school, pool, botanical gardens). These assets provide scope to enable population growth in appropriate areas, something which should be explored in a structure plan. But such investigations need to be paired with a clear understanding of the economic conditions needed to achieve local jobs which support such growth. Otherwise Penshurst will be a commuter town relying on opportunities provided elsewhere.

4.2.10 Tarrington

Tarrington is a small community (pop. 301, ABS 2016 census²³) situated 2km east of Hamilton. It is in many respects a vibrant town with significant assets (Tarrington Lutheran School, 115 enrolled students) and cultural life (e.g. Lantern festival) and ongoing interest by new residents for housing growth.

The Tarrington Community Action Plan 2015 - 2021 explored community values, needs and a vision for the future as detailed below. Assets and values in the town include the German history, St.

²³ SSC level is larger than town level. Actual urban settlement is smaller.

Michaels Lutheran School, a bluestone enclave at Tabor, 10km cycle track to Hamilton with pastoral views. The vision set out in the Community Plan is as follows:

‘Tarrington will be a place that makes the most of its existing and improved recreational and natural landscape features. By providing a range of housing options including heritage cottages and houses and low density rural lots, it will be a lifestyle choice for a diversity of people. Through community gatherings and events, we will recognize and celebrate our past and our community values. We will retain the village atmosphere of our community whilst supporting the growth and attraction of appropriate business and cultural activities.’

Strategies include:

- Develop a community facility;
- Footpaths, playground, Recreation Reserve and Tennis Courts;
- Develop a Community Garden;
- Develop bike and motor track;
- Develop water tower;
- Day stop area for campers and caravans;
- Develop Mt. Pierrepont walking track with seating and lookout;
- Lighting under trees to highlight natural beauty; and
- Tree planting, land care / weed control.



Figure 62 – Hay Bale Art competition in Tarrington (source: SED, 2013)

Tarrington was the subject of a structure plan in 2013 prepared by SED Advisory. Key outcomes of this project included seeking to diversify the tourism offer, investigate equine activity (horse breeding), focus on landscape and streetscape beautification and other actions that lead to new business and services. Some of these ideas have been tested and found not to deliver significant new opportunities (equine) whilst others have greater potential, especially with growing tourism interest e.g. accommodation, niche retail and so forth.

Today Tarrington continues to deliver 'quirky' events (Lantern fest, Hay Bale Art event). The local school has an ongoing place as a civic heart to the town as well as its largest building. Business growth has been limited though the opportunity for new residential development has occurred both within and near the town.

As for many settlements, there is a need to reconcile the structure plan, urban design frameworks and community plans to determine what remains important and how best to resource project delivery.



Figure 63 – Tarrington Structure Plan (source: SED, 2013)



5. Advocacy and key projects

An important consideration prior to developing a new 20 year vision is to revisit the existing vision as laid out in advocacy documents. It is these documents that set out what Council consider important and give insight into the commitments made to the community. Equally, what is important to a community is never static and CVF 2041 will explore this further in phase 2 of the project.

5.1 Current Council advocacy

Council advocates for a range of projects across the Shire. In Towards 2030, a list of priorities for 2018-2020 summarises these initiatives.

Issue	Type of Project	Stakeholder support needed	Comments/Analysis
Heavy vehicle bypass	Capital works project - Roads infrastructure	RDV, Regional Roads Victoria	A key project if Council is to facilitate CBD revitalisation and make Hamilton more pedestrian friendly.
Additional regional bus routes and services	Public transport services	PTV (DOT), VLine	Current focus is Ballarat. Role of bus services to Warrnambool and other settlements and level of service needs to be further resolved.
Smart Cities	Digital infrastructure (public wifi, smart lighting etc.)	State Government	Digital technology facilitates commerce and enhances community liveability.
Hamilton Emergency Services Airbase	Capital works project – emergency services	State Government	Utilises an existing and under-utilised asset – the airport.
Economic Migration Project	Population attraction	Federal Government	A modest scale project built on idea of community and matching community needs with migrant demand. Project is likely to be replaced by new, more comprehensive programmes.
Hamilton CBD Revitalisation Stage Two Delivery	Urban Renewal – CBD activation	VPA/State Government	An ambitious project important to attract investment in Hamilton and renew key streetscapes.

Hamilton CBD Revitalisation Stage Three Delivery	Urban Renewal – Melville Oval upgrade	VPA/State Government	An ambitious project important to renew a key sporting asset.
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Figure 64 – Advocacy Priorities for Council to 2030

Other priorities listed include upgrading the Hamilton Base Hospital, upgrading the Hamilton and Coleraine police stations (no longer fit for purpose); upgrading the Hamilton Livestock exchange and upgrading Bambridge College.



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7. Appendix A – LGA Engagement (summary of feedback)

Question	Key Issue
Question 1	In the last 5 years, what are the 3 most important projects/initiatives your Council has undertaken and to what degree does this achieve/facilitate: better customer service; better / more targeted service delivery; superior fiscal responsibility.
Question 2	Shared services will likely be more common in the years ahead. Name 4 examples of a shared service your council delivers (either with another LGA or other) now or would seek to provide over the next 10 years.
Question 3	If you had unlimited powers of persuasion and your elected members would unquestionably act on your advice what services would you <u>not</u> deliver in the medium or longer term.
Question 4	Regional partnerships between local government and state agencies. In your own words what do you think your Council has achieved in your time at Council.
Question 5	You are the Head of a Council delegations meeting an 'important' but as yet unidentified person looking at investing in your Shire/LGA: -what is your compelling brand -what is your regional perspective
Question 6	You are tasked with drawing up a Venn diagram for a regional land use strategy (say people/environment/economy). What does yours look like?

Table A1

Question 1

Moyne's 3 key issues were: (1) Windfarms and the Shire's response to them has an impact on the Municipality. Clearly the most intense and polarizing (politically) issue. There are different stages and they are major construction projects. Council has gone from fully supportive of wind energy to now being opposed to any further windfarms on the basis that State government hasn't helped to implement the changes to the process. Some have been done poorly (cabling, roads, etc.). (2) Response to coastal matters have been really important – particularly around the work that has been done on East Beach. 92 kms of coast line. Very conscious of coastal impacts. A lot of environmental advocacy has been occurring. Representation on the Australian Coastal Council. (3) Approach to financial sustainability has been a substantial change. MSC will be debt free in the next 12 months. This has been an aim of Council. Culture of current Council is to be effective but frugal. This then allows for the opportunity to look at major strategic projects.

For Ararat digital transformation has been a priority. There has been no emphasis on connecting the organization with modern ways of doing business over the last 15 years, resulting in good people being buried under piles of senior management. Organisational transformation has occurred. Previous structure was CEO, Chief Information Officer, three senior managers, 13 managers – seemed to be overkill. Has been pared back to CEO and 3 key managers. Now trying to be an organization that faces the community. For a long time the customer had been internal staff. Restructuring of the financial position has been a priority, turning around in 12 months. Council has employed CEO to be radically different and he has been supported in bringing this change into effect.

In **Horsham** a key project has been the Town hall redevelopment at a cost of \$20 million project. Range of shows now provided have led to an economic benefit (overnight stays for instance). Local high schools also

attracting people into area with range of increased drama programs which can be linked to a more dynamic cultural arts sector. There has been an increase in community based performing arts. A strong relationship with the community is evident. The intermodal freight terminal (on Council owned land) is another important initiative. Ongoing for a long period of time but now looking to open the facility. Private sector are waiting for it to be ready. The third key project is the City to river project. Strategic plan to look at the future of the CBD and Wimmera River precinct, representing a longer term vision.

Economic Imperatives are a big focus for Glenelg. The Shire is reliant on the local smelter, Alcoa as a key element of the rate base. It has an uncertain future.²⁵ Diversification is needed. An internal restructure has occurred with a renewed focus on economic development initiatives.

A one stop shop for planning has been instigated, with a more efficient approvals process. Now easier for applicants to get permits. The customer service focus has expanded. Tourism and events are one of the key pillars.

Question 2

For Moyne shared services are provided with the animal pound at Hamilton (within Southern Grampians Shire). If you are looking for a regional solution, look at that sort of service. Warrnambool and Glenelg currently have arrangements with the RSPCA which are quite costly. Issue is finding the money to double the size of the pound due to the increase in animal numbers.

Moyne are facilitating shared IT services with Corangamite and Warrnambool. \$4.5 million grant to do that. Shared system with 3 entities. No data sharing. Business plan needs to be submitted by March to State Government. Moyne stands to be the biggest beneficiary as they have the poorest system at the moment (most vulnerable). Will open up possibilities for front of house shared opportunities. Real scope for statutory services sharing. Discussions with Southern Grampians Shire on shared Municipal building surveyor services. Almost need to pay a Director salary to get an MBS due to the shortage in the region, however market seems to be swinging back based on insurance requirements.

When discussed with Ararat it was felt that theoretically shared services are a good idea. But people find it hard to point towards really successful shared service arrangements in local government. We are collaborative yet competitive organizations. Animal/local laws resource sharing makes sense. Planning – need to share some resources in some way. Discussions in human services area with external agencies (HACC and Maternal and Child Health). Don't feel it's a core business and if it's not, we don't deliver it well. Building services – decided not to proceed with building certification services. Just providing MBS service. Best advice is to go to New Zealand. Following earthquake in Christchurch there were about 70 MBS on staff. International is the only option.

Horsham staff referred to the Library Corporation as a shared service of note. Currently going through change. Has been a stable shared service model however 2 councils currently likely to leave arrangement. Will still be viable. The Wimmera Development Association looks at economic development opportunities but has lost direction recently. A new Executive Officer recently appointed to the role and a review of the mandate will be undertaken to establish where they sit in relation economic development units of other councils. Looking at closer relationship with the regional tourism board (Grampians Tourism). The model works well for Horsham with scope for collateral to be driven by GT and not Horsham City. Emergency Incident management program – 2 staff members in Horsham. Funding via state government. Works well but under threat due to funding uncertainty.

²⁵ According to the Alcoa website (<https://www.alcoa.com/australia/en/pdf/smelting-portland-aluminum-smelter-fact-sheet.pdf>), Portland Aluminium is the largest employer in the region, with approximately 460 direct employees and about 120 contractors. The majority of employees live in the local Portland community. • Annually it contributes approximately AU\$60 million in salaries and wages, and around AU\$92 million in local supply contracts. In 2017 approximately AU\$6 million was paid to Victoria's local and state governments through the payment of taxes, rates and charges. • The smelter produces approximately 13 per cent of Australia's total aluminium production <https://www.afr.com/companies/mining/portland-smelter-losses-spiral-amid-bailout-talks-20190823-p52k0o>

For **Glenelg** shared services is tough to address. Rural transformation on digital is one initiative tried. Not equal partners in collaboration however. Glenelg is more aligned with certain LGA's than others. Shared building services presents an opportunity across Moyne, COUNCIL and Glenelg. Have already moved out of meals on wheels service. Pools and maintenance could be shared across LGA's. Don't want to share library services. Heavy plant may be an area for shared services.

Question 3

For **Moyne** enforcement and compliance in relation to noise around windfarms is a challenge. No idea why the EPA is responsible for noise enforcement for everything except windfarms. Coordinated approach on coastal management is required. Moyne has declared a climate emergency through a notice of motion. A deeper level of understanding about VicRoads and local roads and how they interact and how priorities are determined.

Ararat identified human service delivery as an area to be reviewed. Would maintain voice in the advocacy area, but get out of service delivery. Don't think we can provide the level of service required. School crossings.

In **Horsham's** case they are currently reviewing aged and disability services. Council need to make a decision and is currently well advanced. A visitor information centre (VIC) review is being done currently.

Glenelg staff identified aquatic facilities as an area of aged infrastructure. The wider challenge is over servicing on recreation infrastructure. Need to convince clubs of needs to rationalize. Portland pool to be replaced would cost in the order of \$20million. MCH and some aged care services along with building services should all be investigated for either shared arrangements or moving out of the service altogether.

Question 4

Regional partnerships are valuable for **Moyne Shire** and desirable at a high level but could work better. The amount of time the State expects of local government staff to on work on regional partnerships, (Great Ocean Road Authority, State matters, planning scheme matters). Every week, at least a day working on State business. High level expectation that isn't recognized. Meetings in Geelong at short notice. No practical view to be organized enough to arrange meetings.

There is a view of Ballarat/Bendigo/Geelong getting the focus from Melbourne. Tunnels, roads, train stations and people moving to Melbourne. The role of RDV is unclear. Key word is transformation. No clear agenda.

Ararat has different but similar issues. Achievement overall has not been much. Central Highlands Regional Partnership – not representative of the constituency especially with community representative. Involved in a number of sub committees. Too centered on Ballarat. Regional partnerships can be powerful, but membership of Central Highlands is a concern. Ararat CEO is the only member that lives and works in a rural community. 2 staff work in rural, but live in Ballarat. All community reps are Ballarat people.

Horsham see good value out of regional partnerships. In the areas of Health care and education Horsham has achieved good results – post year 12. Federation University presence is an advantage in Horsham. Challenge remains to get rural and regional issues in the spotlight however.

In the case of **Glenelg**, regional partnerships don't work. Poor for region. No support or presence of agencies. Need to better look at regions and how local government fits with across Barwon west.

Question 5

Moyne has a sustainable future. Climate change and anywhere south of Horsham is a beneficiary under current circumstances relative to the north. Very bright futures as far as water, land availability, lifestyle etc. Seeing this currently with dairy industry.

Group of councils in Great South Coast have a good partnership focus. If investment is taking place in any of those municipalities there will be support from others. We see ourselves on an upward trend. Not an area

or region that has a problem and is looking for investment to fix things. If investment coincides with population attraction we can make that happen. Different role to Warrnambool. 20,000 population versus 35,000 in Warrnambool. Amalgamation with Warrnambool would see Warrnambool viewed similarly to Ballarat.

When it comes to brand, **Ararat** is totally open for business. Community welcomes business and this is becoming apparent to developers. Ararat is a town that has suffered economic downturn and seen the closure of businesses. In the 80s and early 90s mental hospital (psychiatric ward), rail works and government business closed. Population dropped by 1/3rd. Number of shops closed, never fully recovered. Population has recovered somewhat, businesses at around 2/3rds, so really in favor of any development.

Biggest problem is a lack of quality housing. As to whether Council is looking at addressing that market failure, the CEO has some issues with Council working in the private sector space, but sees some opportunities for joint ventures.

The Regional perspective is a collaboration message. We have to collaborate at a regional level, but have to acknowledge competitive issue so can only collaborate up to a point otherwise KPIs may not be achieved.

With respect to tourism and relations with Grampians Tourism (GT) and ParksVIC – GT is the best way to move forward around tourism offer. Like the idea of building iconic brand that can be promoted. ParksVIC has some good people, but organisational culture is defensive.

Horsham is very accepting of investment, an example being mineral sands projects with only limited concern expressed. There was also only limited opposition to solar farms and other renewable energy projects. Stawell some 60km away is an example of the interconnected nature of towns within a region – we do get shoppers from there. Horsham has an important service industry role for a large catchment.

According to **Glenelg**, we need to sell the regional brand, South West Victoria. Liveability, job options, investment ready is the brand. Great South Coast work supports this. Don't play off against other LGA's

The compelling brand is not clear.

Question 6

For **Moyne** two issues are identified: demographic breakup of population and raw numbers of people of a working age. Most in Moyne are aged 55-65 years. The area cohorts losing most people are in the 18-25 age group. That's why Deakin University is critical. The opportunity is around people returning to the Shire. Services, opportunities, career, a lot of benefits to the region.

When reflecting on these issues, **Ararat's** CEO noted that the natural inclination is to say people and economy would be a large component of any land use strategy (and the hypothetical Venn diagram discussed in the question) but environmental intersects with people and economy. Council has no advocacy on environment and nor does Ararat. Environment needs more attention. Should have equal parts, but in reality people and economy without enough focus on environment

Focusing on the issues of environment, infrastructure, people, **Horsham** staff suggested part of the challenge is to find out where the growth is. Currently doing some structure plan work in the south of Horsham (Haven area).

There is some growth along the river. Problem is highway, rail road and river so there seems to be little pockets that need to be connected. Connectivity is important.

Plenty of industrial land (oversupply) but not necessarily a bad thing as HRCC can look at long term plans with what they already have with some surety. Biggest issues is on residential encroachment and finding a buffer. Just over 5% vacancy in retail space. Opportunities for other industries (e.g. solar). Level of service is high for a regional centre.

Glenelg staff struggled to address this question. But initial comments included to focus on centres, use agricultural land as a driver. Boutique processing (meat??).



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