

OM162303-4 COLAC TOWNSHIP - ECONOMIC DEVELOPMENT, COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY AND PLANNING SCHEME AMENDMENT C86

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Purpose

To seek Council's support to adopt the final draft *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* (the Strategy) and commence a planning scheme amendment to implement key outcomes of the Strategy into the Colac Otway Planning Scheme through Amendment C86.

Declaration of Interests

No officer declared an interest under the *Local Government Act 1989* in the preparation of this report.

Background

The *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* (the Strategy) is a key project focusing on economic development and employment generating land uses in Colac. The Strategy has been coordinated with the preparation of the Shire-wide Economic Development Strategy and overseen by a steering committee comprising Council officers and representatives from Regional Development Victoria.

In June 2015 Essential Economics were engaged to prepare the Strategy with key aims to:

1. Examine macro, regional, and local influences which are impacting the local economy and employment market in Colac and its hinterlands
2. Consider opportunities for innovation, building on strengths and emerging economic trends including catalytic projects which could result in significant economic activity
3. Establish a basis for future economic land use decision-making.

The Strategy has now been completed. This report discusses the key outcomes of the Strategy and outlines the process for implementation of the land use outcomes through Planning Scheme Amendment C86.

Council Plan / Other Strategies / Policy

A Planned Future

Creates an attractive shire with quality buildings and spaces, accessible travel and transport, and a community that has the services and facilities it needs now and in the future; supports a prosperous economy where trade, manufacturing and business activity flourishes.

Our Goal:

Facilitate the growth, liveability and development of the shire and encourage innovation and efficiency in the local economy.

Issues / Options

The Strategy comprises three parts: Colac Economic Development Strategy; Colac Commercial and Industrial Land Use Strategy and; Background Analysis.

Economic Development

The Strategy identifies:

- a number of issues and opportunities facing the local economy
- Colac's existing or potential key industries based on the town's locational strengths – industries which Council should focus resources facilitating and promoting and
- a number of catalytic projects which could help drive investment and employment and potentially transform the local and regional economy. The actions associated with these projects identify ways in which Council can promote or facilitate the realisation of these projects.

A number of key issues and opportunities were identified by the Strategy, which included:

- difficulty for business attracting suitably qualified professionals such as engineers and management professionals
- the importance of 'liveability' in attracting technical and managerial professionals - the need for Colac to be an attractive place to live by offering quality education, housing, retail places, and recreational products / experiences.

The key industries identified by the Strategy are:

- Dairy farming and processing
- Forestry and sawmilling
- Health
- Green energies (most notably wind and biofuels)
- Freight and logistics
- Tourism.

A number of these key industries align with the State Government's priority growth sectors identified as part of the forthcoming statewide Economic Development Strategy. The State priority growth sectors of note are: Food & Fibre; New Energy Technology; and Transport Technology.

The catalytic projects identified in the Strategy include:

- Increased commuter rail services to provide a frequency of service to allow people to commute between Warrnambool and Colac, and Colac and Geelong for the purposes of education (particularly higher education) and employment
- An inter-modal facility for transport and logistic purposes to allow freight to switch between road and rail. Land in Irrewarra has been identified as a potential location for investigation purposes
- Exploring ways to promote / facilitate tourism attractors in Colac so that tourists who currently pass through the town stay longer
- Exploring employment generating land uses for the Colanda site given its existing infrastructure and proximity to industrially zoned land.

Retail and Commercial Land Use

The key issues and opportunities identified by the Strategy in relation to retail and commercial land uses include:

- The need to enhance the town centre by improving its attractiveness and vibrancy, particularly in relation to Murray Street – building maintenance and signage were key issues identified
- A shift in retail focus away from Murray Street with all the major supermarkets potentially located on Bromfield Street

- The potential to encourage the relocation of non-essential uses such as existing industrial uses located within the CBD to other locations. This would assist in freeing up large areas of land for other commercial and retail uses
- The potential need for another neighborhood retail centre in the very long term (beyond 20 years) depending on Colac's population growth and the location of this growth – this would only be warranted should significant population growth happen in any future growth area and not if population growth occurs dispersed across the town
- The importance of a number of commercial uses which are located in the town centre that add to the CBD's viability and vibrancy (eg Colac Area Health, COPACC, the Shire offices and educational facilities)
- The importance of the CBD's unique features such as Memorial Square, Bulla Dairy Foods, historical buildings, and the Colac Botanical Gardens and Lake Colac.

The Strategy also contains a retail and commercial floor space analysis and concludes that, based on current growth, Colac does not need additional commercial zoned land over the next 20 years. This is because sufficient capacity exists within the CBD to accommodate the projected growth over this timeframe. The report notes that the town centre does not suffer from any major vacancy issues, but that Council should focus on ways to improve the existing performance of the commercial areas.

The Strategy does not rule out the need for further commercial land associated with the growth projections identified by the G21 Regional Growth Plan for Colac beyond a 20-year time frame (ie towards 2050). The need for further commercial land for a local or neighbourhood centre should be considered as part of the planning of future residential areas.

The Strategy did not explicitly recommend any changes to the commercial land in Elliminyt (ie the strip of Commercial 2 Zone land along Colac Lavers Hill Road including the indoor tennis centre). Officers suggest that this area be reviewed as part of the Colac 2050 Growth Plan project and consider it in relation to residential land uses.

Industrial Land Use

The key issues identified by the Strategy in relation to industrial land use include:

- the need to highlight the importance of the industrial sector in Colac particularly in relation to the existing large employers. AKD Softwoods, Australian Lamb Company (ALC) and Bulla Dairy are significant employers in the town and have large amounts of investment in plant and equipment which need to be protected. The Strategy seeks to protect the current investments of these companies and facilitate their future expansion
- the need to manage industrial and residential interfaces and buffer distances to protect industries' long term viability by avoiding further encroachments of residential land into industrial threshold distances
- that there are constraints in expansion of existing industrial zoned land (due to servicing and threshold distances).
- that a shortage of industrial land of significant size (ie larger than 5ha allotments) exists
- the need to identify industrial land supply for future development and to provide a competitive market for large scale industrial development
- that overly complex decision making processes are in place which have overly onerous criteria. This primarily relates to the current Design and Development Overlay Schedule 1 which applies to some industrial land to the east of Colac. It is therefore proposed to amend this overlay as part of Amendment C86
- the need to maintain good road access for industrial land uses which rely on the movement of goods between Colac and various locations

- that natural physical constraints such as drainage and inundation exist across large tracts of land, as well as a lack of connection to services (particularly sewer – this impacts primarily on the Rossmoyne Road industrial precinct).

The land supply assessment identified a need for additional industrial land (for large scale development) to facilitate a competitive industrial land market. The Strategy suggests that Council should rezone approximately 30-40ha of Farming Zone land to Industrial 1 Zone.

Two industrial land investigation areas were identified (Irrewarra and Forest Street) on the basis that the east side of Colac was preferential for industrial expansion given its proximity to Melbourne and the ports, services and the location of existing industry. An assessment was conducted comparing the suitability of the two sites and it was concluded that the sites were relatively equal in merit, however the Irrewarra site was marginally better suited for future industrial expansion purposes.

The Irrewarra site straddles the Geelong – Warrnambool railway line and is approximately 68ha. The site has a diverse land ownership. Whilst the site has the potential to contain an intermodal facility which could be an economically (and socially) transformative project for Colac, a number of unknowns remain. Further work would need to be undertaken to understand what spatial requirements are needed for an intermodal facility, and how best to plan for the area. At this stage of the process, it is proposed to identify the Irrewarra area within the Municipal Strategic Statement (MSS) as an investigation area through Amendment C86.

The Forest Street site is approximately 68ha in area and has two land owners. It is partially subject to inundation along the Forest Street edge. Initial indications from servicing authorities (gas and water / sewer) suggest that utilities can be extended to service the land. It is proposed that Council rezones this land as part of Amendment C86 to increase Colac's industrial land supply in the short term. This should be done with a Development Plan Overlay to ensure appropriate technical assessments are undertaken and an integrated street network is established as part of any future development.

Amendment C86

It is proposed to implement the land use components of the Strategy through Planning Scheme Amendment C86. The Amendment also proposes to remove several anomalies and redundancies that were raised during the preparation and implementation of the Strategy but were outside the scope of this study. The specific changes proposed by the Amendment are documented in the attached Explanatory Report. Proposed mapping changes are also attached.

By way of overview, the Amendment proposes to:

Municipal Strategic Statement

- Amend Clause 21.03 (Settlement) and 21.05 (Economic Development) to implement the key outcomes of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* by discouraging further subdivision of residential zoned land around the Colac abattoir, promoting good design outcomes for new development on all industrial zoned land and encouraging the retention of large industrial zoned lots to encourage economic activity, and amending the Framework Plan to reflect the proposed Forest Street industrial area expansion and the Irrewarra investigation area.
- Amend Clause 21.07 (Reference Documents) to include the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* as a reference document.

Bulla Dairy Foods-Murray Street

- Rezone land which forms part of the Bulla Dairy Food Murray Street operations from Commercial 1 Zone (C1Z) to Special Use Zone Schedule 3 (SUZ3). SUZ3 proposes to allow for the ongoing and future use and development of the land for the purpose of industry, manufacturing, storage and distribution of iced-confection, milk and dairy-based products.
- Delete the Design and Development Overlay Schedule 8 (Clause 43.02) (DDO8) which will be redundant.

The C1Z is not an appropriate zone for an existing industrial use and the SUZ allows a tailored zone to manage operations and interface issues more effectively. The SUZ3 will also remove the need for Bulla to seek planning permission for minor works at the site.

Bulla Dairy Foods-Forest Street

- Rezone 34 Fulton Street Colac from Rural Living Zone (RLZ) to Industrial 1 Zone (IN1Z) to facilitate the future expansion of Bulla Dairy Foods.
- Insert a new Schedule 6 to Clause 43.04 Development Plan Overlay (DPO6) and apply to 34 Fulton Street and 91-149 Forest Street Colac to guide the use and development of the existing and future Bulla Dairy Food operations.
- Delete the Design and Development Overlay Schedule 1 (Clause 43.02) from 91-149 Forest Street Colac which will be redundant.

Bulla has purchased land to the west of its existing operations. This change, whilst allowing industrial expansion towards existing residential areas, would manage any potential amenity impacts through the DPO6. DPO6 proposes to manage amenity issues by requiring technical reports and a development plan to address potential issues in relation to traffic, noise, and odour.

Australian Lamb Company

- Rezone 1 Tristania Drive and 45 Flaxmill Road Colac East from Industrial 1 Zone and part Public Use Zone Schedule 4 (PUZ4) to Special Use Zone Schedule 4 (SUZ4). SUZ4 proposes to allow for the ongoing and future use and development of the land for the purpose of industry, manufacturing, storage and distribution of an abattoir and food production.
- Delete Development Plan Overlay Schedule 1 from 1 Tristania Drive, 35 and 45 Flaxmill Road, 1-9, 11-27, and 29-39 Marriner Street Colac East which will be redundant.

It is proposed to rezone the ALC site to a Special Use Zone (SUZ4). SUZ4 would apply to all of the land owned by ALC and would give greater certainty for the company's future development. SUZ4 would remove the need for minor planning permit applications for site works.

It is also proposed to rezone a small section of privately owned land zoned Public Use Zone (PUZ) abutting the railway reserve to SUZ4. This land appears to have been incorrectly zoned for railway purposes.

AKD Softwoods - Colac

- Rezone 7-15 Forest Street Colac, part of 18-24 Forest Street Colac and 73 Colac Forrest Road from Farming Zone (FZ) to Industrial 1 Zone (IN1Z) to facilitate the use and development of the AKD Softwood operations.
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 7-15 Forest Street Colac, part of 18-24 Forest Street, and 73 Colac Forrest Road in Colac.

It is proposed to rezone the land to the rear (east) of the current AKD operations. The land was previously used for plantation purposes. It is also proposed to remove the redundant Wildfire Management Overlay and apply the Design and Development Overlay (DDO1) over the expanded area. The rezoning does not encroach onto any sensitive uses.

AKD Softwoods - Irrewarra

- Rezone 20 Warrowie Road Irrewarra from Farming Zone (FZ) to Industrial 1 Zone (IN1Z) to facilitate the operations of the existing AKD Softwoods.
- Insert a new Schedule 8 to Clause 43.04 Development Plan Overlay (DPO8) and apply to 20 Warrowie Road Irrewarra to guide the use and development of the existing AKD Softwood operations.
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 20 Warrowie Road Irrewarra.

It is proposed to rezone the land and remove the redundant Wildfire Management Overlay (from the site and surrounding rural living land) and apply the DDO1. The Farming Zone is not considered to be an appropriate zone for the current timber milling operations, which have existing use rights. DPO8 proposes to manage amenity issues by requiring technical reports and a development plan to address potential issues in relation to traffic, noise, and odour. The site is partially affected by a Public Acquisition Overlay (PAO) as part of the Princes Highway duplication works. It is proposed to rezone the land outside of this acquisition area.

J Barry Road and Forest Street Industrial Land Expansion

- Rezone 50 J Barrys Road and part of 286 Forest Street Colac from Farming Zone (FZ) to Industrial 1 Zone (IN1Z) to implement the findings of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016*.
- Insert a new Schedule 7 to Clause 43.04 Development Plan Overlay (DPO7) and apply to 50 J Barrys Road and part of 286 Forest Street Colac to guide the use and development of a future industrial estate.
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 50 J Barrys Road and part of 286 Forest Street Colac.

It is proposed to rezone the land identified as the Forest Street option area in the Strategy to IN1Z and apply a Development Plan Overlay (DPO7) and Design and Development Overlay (DDO1). This rezoning will enable a large tract of vacant industrial land to be available to service the need of businesses that require a large land holding (greater than 5ha). This reflects one of the key outcomes of the Strategy, which noted a lack of large parcels of land in Colac. The DPO and DDO will ensure that future works are developed in a manner sensitive to the local environment.

Other Industrial Land in Colac

- Amend the Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to apply to all industrial land in Colac and Irrewarra, include performance measures, and remove prescriptive requirements.
- Delete Design and Development Overlay Schedule 2 (Clause 43.02) (DDO2) from industrial land in the west of Colac as this will be redundant.

It is proposed to consolidate the DDO1 and DDO2 overlays. DDO1 currently only applies to a number of properties on the eastern side of Colac and generally relates to enhancing the eastern entrance to Colac. DDO2, which is similar, applies to industrial land in the

Rossmoyne Road precinct to the west of Colac and seeks to protect the landscape character on the western side of Colac from inappropriate development.

The intent of the amended DDO1 is to remove the onerous and restrictive elements contained within the existing overlays, such as height, setback and plot ratio controls, and replace them with performance based objectives aimed at achieving flexibility and quality design outcomes for industrial buildings and landscaping visible from public places. The DDO1 will not trigger any additional planning permits as they are already required for all buildings and works under the provisions of the IN1Z.

Redundant Wildfire Management Overlay

- Delete the Wildfire Management Overlay (Clause 44.06) from 20 Warrowie Road, Irrewarra, 15 Pyles Road Irrewarra, 5945 Princes Highway Irrewarra, 125 Drapers Road Irrewarra, 260 Colac Forrest Road Yeo, 95 Old Yeo Road Yeo, 17 Forest Street Colac, 7-15 Forest Street Colac, 18-24 Forest Street Colac, 68 Forest Street Colac, 73 Colac-Forrest Road Colac.

These sites either formally contained small plantations which have since been removed, or were incorrectly identified as forested areas when applying the WMO. Removing these overlays will remove the need for unnecessary planning permits.

Other Mapping – Anomalies and Redundancies

- Rezone part of 75 Rossmoyne Drive, Colac from Farming Zone (FZ) to Industrial 1 Zone (IN1Z).
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 75 Rossmoyne Drive, Colac.

75 Rossmoyne Drive, Colac is currently an industrial site and was rezoned from IN1Z to FZ in error as part of Amendment C55. It is proposed to rezone the land back to IN1Z and apply the DDO1 to reflect the land's current use.

- Rezone 50 Queen Street Colac from part Public Park and Recreation Zone (PPRZ) and part General Residential Zone (GRZ) to Commercial 1 Zone (C1Z).
- Apply Design and Development Overlay Schedule 8 (Clause 43.02) (DDO8) to 50 Queen Street, Colac.
- Rezone 52-56 Queen Street Colac from part Public Park and Recreation Zone (PPRZ) and part General Residential Zone (GRZ) to Public Park and Recreation Zone (PPRZ).

50 Queen Street is a free hold title owned by the Girl Guides Association. It is currently developed with a hall. It is proposed to rezone the land to Commercial 1 Zone (C1Z) and apply DDO8 to reflect the existing private ownership and Colac CBD location.

52-56 Queen Street forms part of the Barongarook Creek public open space network and is owned by Council. It is proposed to rezone the land to PPRZ to reflect the current public ownership and use of the land.

- Rezone 177 Bromfield Street, Colac from part Commercial 1 Zone (C1Z) to Public Park and Recreation Zone (PPRZ).
- Delete the Design and Development Overlay 8 (DDO8) from 177 Bromfield Street, Colac.

177 Bromfield Street, Colac is Crown land managed by the Department of Environment Land Water and Planning. It is proposed to rezone the land to PPRZ and remove the DDO8 to reflect its public use and ownership.

- Rezone part 331 and part of 333 Princes Highway, Colac from Farming Zone (FZ) to Commercial 2 Zone (C2Z)
- Apply Design and Development Overlay Schedule 3 (Clause 43.02) (DDO3) to part 331 and part of 333 Princes Highway, Colac.

331 and part of 333 Princes Highway, Colac form part of the balance of 333 Princes Highway in use. It is proposed to rezone the land to ensure the entire site is consistent in zone and overlay controls and reflects its current C2Z use.

Proposal

It is proposed that Council adopts the final draft *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016*, places the Strategy on public exhibition, and resolves to prepare and exhibit Planning Scheme Amendment C86 to implement the Strategy's findings.

Financial and Other Resource Implications

The Strategy has been undertaken with financial resources from Council and the Department of Regional Development. There will also be some costs associated with the processing of the Amendment application and officer time.

Risk Management & Compliance Issues

Council should consider strategic directions in Colac that align with broader State Government planning policies. The final report has been developed to meet this objective and provide the best opportunity of being successfully implemented in the planning scheme.

Environmental and Climate Change Considerations

There are no environmental or climate change issues associated with the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* and Planning Scheme Amendment C86.

Community Engagement

The community engagement strategy follows the recommendations of the Colac Otway Shire Council Community Engagement Policy of July 2013, which details five levels of engagement – inform, consult, involve, collaborate and empower.

The method selected to date is to inform. It is noted that there has already been widespread community and industry consultation to date through a series of workshops and consultation sessions which informed the preparation of the final draft Strategy. The Strategy and Amendment will also be formally exhibited to allow the community and industry the opportunity to make submissions.

Implementation

The *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* will be implemented through Amendment C86.

Conclusion

The *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* seeks to promote the economic development of Colac. Amendment C86 seeks to implement the key land use outcomes of the Strategy which include amending a number of zones, schedules and overlays in the Colac Otway Planning Scheme. This Amendment will facilitate the expansion of new

and existing industries in Colac by removing onerous planning controls and prioritizing the rights of existing industries over future residential development in strategic locations.

Attachments

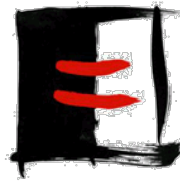
1. Colac Township Economic Development Commercial and Industrial Land Use Strategy 2015 FINAL DRAFT (18 Feb 2016)_V2
2. Amendment C86 Explanatory Report - Council Report - March 2016
3. Amendment C86 - All Maps - Exhibition Version

Recommendation(s)

That Council:

1. ***Adopts the final draft Colac Township: Economic Development, Commercial and Industrial Land Use Strategy 2016 and place it on public exhibition for a period of 6 weeks.***
2. ***Request authorisation from the State Planning Minister to prepare and exhibit Amendment C86 to the Colac Otway Planning Scheme***
3. ***Place Amendment C86 on public exhibition for a period of 6 weeks.***
4. ***Authorise Council officers to make minor changes to the Amendment C86 documentation prior to exhibition.***

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**ESSENTIAL ECONOMICS**

## **COLAC TOWNSHIP**

**Economic Development,  
Commercial and Industrial  
Land Use Strategy**

# **FINAL DRAFT**

Prepared for

Colac Otway Shire Council

by

Essential Economics Pty Ltd

**February 2016**

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

**Authorship**

| Report stage       | Author                      | Date              | Review                                                                           | Date                                |
|--------------------|-----------------------------|-------------------|----------------------------------------------------------------------------------|-------------------------------------|
| Draft report       | Geof Snell<br>Nick Brisbane | 15 September 2015 | John Henshall                                                                    | 17 September 2015                   |
| Draft report #2    | Nick Brisbane               | 27 November 2015  | John Henshall<br>Colac Otway Shire<br>Council / Regional<br>Development Victoria | 1 December 2015<br>17 February 2016 |
| Final draft report | Nick Brisbane               | 18 February 2016  | John Henshall                                                                    | 18 February 2016                    |
| Final report       |                             |                   |                                                                                  |                                     |

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COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Contents**

Executive Summary .....i

Introduction ..... 1

**PART A: COLAC TOWNSHIP ECONOMIC DEVELOPMENT STRATEGY ..... 7**

1 Vision ..... 9

2 Objectives..... 10

3 Action Plan ..... 11

4 Catalyst Projects ..... 16

**PART B: COLAC COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY ..... 17**

5 Implications arising from Commercial and Industrial Assessments..... 18

6 Vision ..... 21

7 Objectives..... 22

8 Action Plan ..... 23

9 Monitoring and Review ..... 30

**PART C: BACKGROUND ANALYSIS..... 32**

10 Context Analysis ..... 33

11 Overview of Economic Trends and Potential Opportunities ..... 44

12 Consultation Findings ..... 71

13 Issues and Opportunities Assessment ..... 75

14 Commercial Land Assessment..... 81

15 Industrial Land Assessment ..... 106

Appendix A: G21 Growth Plan Directions for Colac ..... 119

Appendix B: Statistical Geography..... 120

## EXECUTIVE SUMMARY

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Colac is the main centre serving the Colac Otway Shire and the surrounding region. The town has a population of some 12,000 residents in 2015 and this number is projected to reach 20,000 residents by 2050 according to the **G21 Regional Growth Plan** (2013). Underpinning this potential growth is the anticipated duplication of the Princes Highway (Geelong to Colac), improved passenger rail services linking Colac and Melbourne, increased commuter population, and growth in tourism (Great Ocean Road; the Otways; South Coast).

In order to assist in the long-term planning of Colac, the Colac Otway Shire Council commissioned Essential Economics Pty Ltd to prepare the *Colac Township: Economic Development, Commercial and Industrial Land Use Strategy 2015* (the 'Strategy'). As part of the overall planning for this anticipated growth, the Shire Council and the State Government are funding the preparation of **Colac 2050 Project**. The preparation of this Strategy forms a critically important part of the Colac 2050 Project. The development of this Strategy has taken into consideration relevant State and Local Government policy; it will be important that the Strategy maintains its relevance within a changing policy context.

This Strategy provides guidance on the future economic development opportunities in Colac, and a framework for the future planning of commercial and industrial land in the town.

**Part A** of this document is the **Colac Township Economic Development Strategy**, which provides a Vision for economic development in Colac, a set of objectives which support the Vision, and an Action Plan identifying specific actions for Council. A number of 'catalyst' projects have also been identified for Council to undertake which are anticipated to contribute to positive economic outcomes for Colac and the region. Background analysis presented in Part C identified the following key aspects for the Strategy:

- Support and expand existing industries in Colac, including agriculture, health and aged care, food and fibre processing (e.g. dairy, lamb and sawmilling), and retail and consumer services.
- Develop and attract new industries, including green energies, expansion of freight & logistics, and direct tourism industries and support services.
- Improved connectivity (road, commuter rail, freight rail) to the wider region, including Geelong, Warrnambool, Ballarat and Melbourne for businesses and residents is required for Colac to reach its economic potential.
- Responding to key challenges impacting the local economy, including regional competition, attraction of a skilled labour force, ageing population, high unemployment and climate change.

The Objectives for the Colac Township Economic Development Strategy are as follows:

- 1 To retain and further develop existing businesses that meet existing and new market opportunities in retail, commerce and industry.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

- 2 To attract new investment to Colac with a focus on developing new and sustainable businesses and local jobs.
- 3 To attract a skilled and experienced labour force to Colac by promoting the town as a desirable place to live and where career opportunities can be pursued.
- 4 To provide training and skills development opportunities for the local labour force.

**Part B** of this document is the **Colac Commercial and Industrial Land Strategy**, which provides a Vision for Colac's commercial and industrial areas, a set of objectives which support the Vision and an Action Plan identifying specific actions for Council. The Colac Commercial and Industrial Land Use Strategy is supported by detailed research, analysis and consultation which identifies the following key implications for commercial and industrial land in Colac:

- Demand for an additional 12,000m<sup>2</sup> of retail floorspace and 5,000m<sup>2</sup> of office floorspace is forecast in Colac over the next 20 years. However, sufficient opportunities exist to accommodate this forecast floorspace growth in the existing commercial zoned land. The Strategy will focus on improving the performance of existing commercial areas.
- An opportunity exists to identify 30-40ha of land for the purpose of accommodating industrial uses that require large land areas.

**Commercial Land Objectives**

- 1 To improve the performance of retail and commercial activities in the Colac town centre in terms of improved levels of service, output and employment.
- 2 To build on the competitive advantages of Colac as a place to invest and do business in the retail and commercial sectors.

**Industrial Land Objectives**

- 3 To recognise the important role played by existing businesses located in industrial areas in Colac.
- 4 To investigate and promote opportunities for longer-term industrial land development and the attraction of new industries, their investments and jobs.
- 5 To assist local businesses in meeting challenges and opportunities, including developing new markets and addressing new competition.

**Part C** of this document provides the **Background Analysis** which has informed the strategies presented in Part A and Part B. A summary of the key implications arising from the Background Analysis is also provided in Part A and Part B.

## INTRODUCTION

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### Background

Colac Otway Shire Council commissioned Essential Economics Pty Ltd to prepare the *Colac Township: Economic Development, Commercial and Industrial Land Use Strategy 2015* (the 'Strategy').

Colac is the main centre serving the Colac Otway Shire and the surrounding region. The town has a population of some 12,000 residents in 2015 and this number is projected to reach 20,000 residents by 2050 according to the **G21 Regional Growth Plan** (2013). Underpinning this potential growth is the anticipated duplication of the Princes Highway (Geelong to Colac), improved passenger rail services linking Colac and Melbourne, increased commuter population, and growth in tourism (Great Ocean Road; the Otways; South Coast).

If this population level is reached over the coming years, considerable investment will be required in infrastructure and services. As a regional service centre, the wider region served by Colac will benefit from the attraction of investment, creation of jobs and an overall improvement in economic activity in the township of Colac.

In order to accommodate growth, astute land use planning will be required by the Shire, particularly in regard to the planning of retail and commercial activities in the Colac town centre and planning for appropriate industrial land for new and expanded business development and job creation.

As part of the overall planning for this anticipated growth, the Shire Council and the State Government are funding the preparation of **Colac 2050 Project**. The preparation of this Strategy forms a critically important part of the Colac 2050 Project.

The Strategy identifies economic development opportunities for the township and the region, and provides guidance to Council in planning for future requirements of commercial and industrial land.

Part A of this document presents the **Colac Township Economic Development Strategy** and Part B presents the **Colac Commercial and Industrial Land Strategy**. Both Strategies are have been informed by detailed **Background Analysis** which is presented in Part C.

### Strategy Objectives

The key objectives of the Strategy are to:

- 1 Examine macro, regional, and local conditions which are influencing the local economy and employment market in Colac and its hinterlands
- 2 Consider opportunities for innovation, building on strengths and emerging economic trends including catalytic projects which could result in significant economic activity



**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

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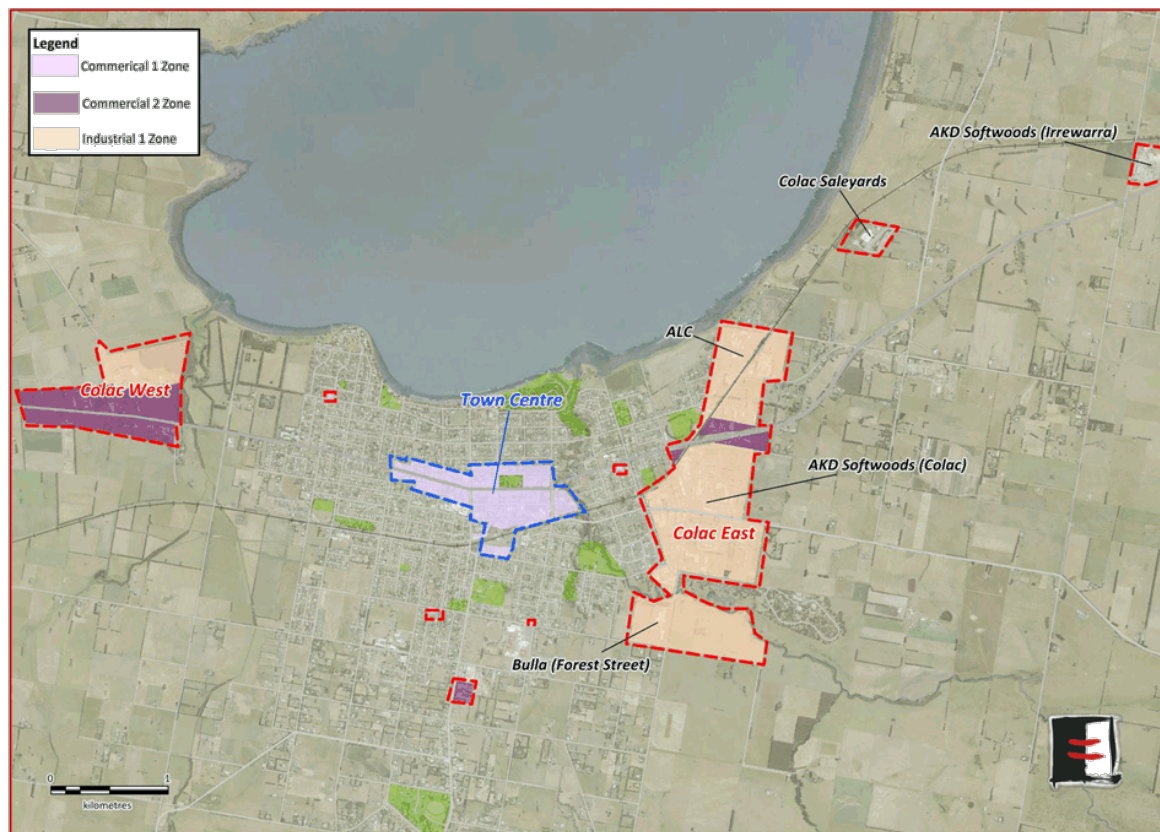
- 3 Establish a basis for future economic land use decision-making by:
  - Considering initiatives, policies or measures to ensure the longer-term sustainability of existing retail and commercial centres and planning for the evolution/extension of retail and commercial facilities in the Colac / Elliminyt catchment over the next 30-40 years, with specific recommendations to accommodate growth over the next 20 years.
  - Exploring the demand for industrial land in the township and its hinterlands and forecast future industrial land requirements, and providing a land use framework to ensure adequate long-term supply of industrial land for the expanding region.

### **Study Area**

The Strategy focuses on the Colac township, and also takes into consideration the role the township performs in regard to the provision of facilities and services to the surrounding region. The Figure on the following pages shows the Study Area, including the location of commercial and industrial zoned land, and other key features.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Colac Township: Economic Development, Commercial and Industrial Land Use Strategy Study Area



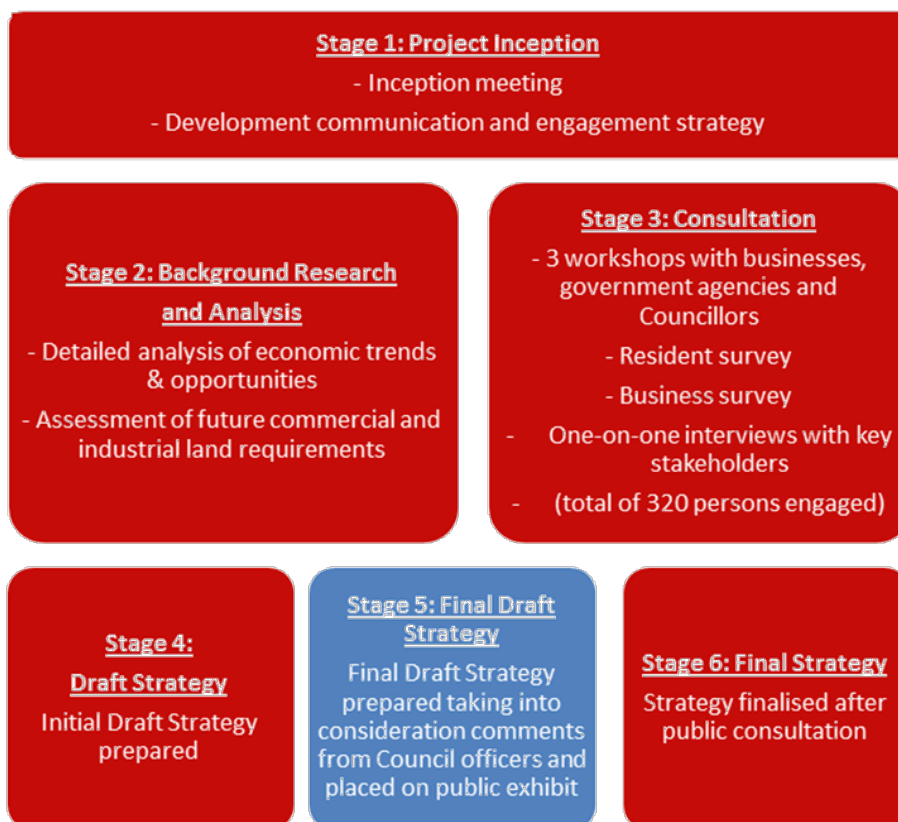
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FINAL DRAFT REPORT

## Strategy Methodology

The development of the Strategy involved various Stages, including the preparation of detailed research and analysis, consultation with key stakeholders, and the preparation of the Strategy. An overview of the methodology is provided below.



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **Report Format**

This Strategy is organised in the following Parts and Chapters:

### **Part A: Colac Economic Development Strategy**

- 1 Vision
- 2 Objectives
- 3 Action Plan
- 4 Catalyst Projects

### **Part B: Colac Commercial and Industrial Land Use Strategy**

- 5 Implications arising from Commercial and Industrial Assessments
- 6 Vision
- 7 Objectives
- 8 Action Plan
- 9 Monitoring and Review

### **Part C: Background Analysis**

- 10 Context Analysis
- 11 Overview of Economic Trends and Potential Opportunities
- 12 Consultation Findings
- 13 Issues and Opportunities Assessment
- 14 Commercial Land Assessment
- 15 Industrial Land Assessment

## **Terms and Definitions**

### **Retail activities**

Retail activity is defined according to the Australian Bureau of Statistics (ABS) classification adopted for the 1991/92 Retail and Services Census but excludes garden supplies, marine equipment and motor vehicle and related traders. This definition of retail is consistent with the normal practice for undertaking retail-economic analysis in Australia.

A range of non-retail uses often operate in conjunction with, or adjacent to, many retail traders. These uses include cinemas, offices, travel agencies, lotto and gaming outlets, banks and other financial institutions, equipment hire and garden supplies, and so on. In addition, a range of other activities is excluded from the definition of retail because they mainly serve the

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

trade, or non-household, sector. These activities include building supplies, garden supplies, and timber yards and so on.

**Retail Categories**

For the purpose of this Strategy, estimates of retail floorspace and expenditure are divided into the following product categories:

- **Food, Liquor and Groceries (FLG):** Comprises household spending and floorspace involved in the selling of take-home food, groceries and liquor.
- **Food Catering:** Comprises household spending and floorspace associated with cafes, restaurants and take-away food stores.
- **Non-Food:** Comprises spending on non-food retail products such as apparel, homewares, bulky merchandise, leisure goods and other general merchandise.
- **Retail Services:** Comprises spending on services such as hairdressers, video hire, dry cleaning, photo processing and optical dispensing which typically operate from shopfront locations.

**GST**

All spending and turnover figures expressed in this report are inclusive of GST.

**Shopfront Office**

This term refers to offices located in shopfront tenancies that could otherwise be used as retail tenancies.

**Dedicated Office**

This term refers to purpose-built office buildings and offices located above ground floor shopfront tenancies.

**Commercial 1 Zone**

The purpose of the new Commercial 1 Zone is primarily for mixed-use centres, including retail, office and commercial uses with the potential for higher-density residential developments.

**Commercial 2 Zone**

The Commercial 2 Zone is intended to be a flexible 'employment-only' zone, including office, industrial, bulky goods retailing and other commercial services.

**Industrial 1 Zone**

The Industrial 1 Zone provides for manufacturing industry, the storage and distribution of goods and associated uses in a manner that does not affect the safety and amenity of local communities.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **PART A: COLAC TOWNSHIP ECONOMIC DEVELOPMENT STRATEGY**

Part A presents a **Colac Township Economic Development Strategy** which, given Colac's regional service role, will generate positive economic outcomes for the Shire in terms of generating employment opportunities, improved skills of the labour force, attracting investment and improved business productivity, innovation and performance.

The background research and analysis that supports the Colac Township Economic Development Strategy (EDS) is presented in Part C, in particular Chapters 10-13. Key considerations derived from this analysis that have influenced the Vision, Objectives and Actions provided in the EDS include the following:

- 1 **Support and expand existing industries in Colac**, including agriculture, health and aged care, food and fibre processing (e.g. dairy, lamb and sawmilling), and retail and consumer services.
- 2 **Developing and attracting new industries**, including green energies, expansion of freight & logistics, and direct tourism industries and tourism support services.
- 3 **Connectivity to the wider region**, including Geelong, Warrnambool, Ballarat and Melbourne, will be critical in supporting economic growth in Colac and includes the following:
  - Duplication of the Princes Highway which is currently underway
  - Improved commuter rail services to Geelong and Warrnambool, connecting residents with increased opportunities for employment, tertiary education and higher-order services not provided in Colac
  - Potential for an intermodal freight hub in Colac, providing opportunities for local industry to transport goods by rail
  - Adoption of current and new technologies that utilise improved internet speeds.
- 4 **Responding to key challenges impacting on the local economy**, including:
  - The exposure to key industries, including agriculture and manufacturing, to a high level of overseas competition
  - A high share of jobs in low-skilled occupations which are vulnerable to competitive economic forces
  - A range of demographic and socio-economic factors such as low rates of high school completion, low share of students attending university or a tertiary institution, and high rates of unemployment
  - Expected ageing population in Colac (and universally) will lead to a reduction of working-age persons in coming decades
  - Climate change presents as a potential challenge (and opportunity) to the local and regional economy.

**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

**FINAL DRAFT REPORT**

The following 'catalyst' projects have been identified (refer Chapter 11) that are considered to be important projects that Council can undertake for the purpose of fostering economic development opportunities:

- Advocate for increased commuter rail services between Colac and Geelong, and Colac and Warrnambool.
- Investigate the opportunities and viability for the future development of an intermodal freight facility for transport and logistics purposes in Colac. Land has been identified in Irrewarra as a potential location.
- Identify opportunities to attract visitors to Colac stay longer, whether for an overnight or a longer stay, while passing through the town.
- Assist in the attraction of a business(es) to the existing Coles store in Murray Street should Coles relocate (as expected) to the Council-approved development site in Bromfield Street.
- Identify potential future uses for the Department of Health & Human Services (DHHS) Colanda site, which is Crown land and adjoins industrial zoned land in the east of Colac.

In addition to the above, it will be important that a supply of zoned and serviced industrial land is available in order to accommodate any new industries requiring large land parcels. This aspect forms part of the Colac Commercial and Industrial Land Use Strategy presented in Part B.

The Colac Township EDS provides the following:

- Chapter 1: Vision
- Chapter 2: Objectives
- Chapter 3: Action Plan
- Chapter 4: Catalyst Projects

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **1 VISION**

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A **Vision Statement** has been prepared in order to guide the ongoing development of the Colac economy and to provide the basis for the recommended objectives and actions.

The Vision for economic development in Colac is as follows:

*Colac will be the 'economic hub' serving the Colac Otway Shire and beyond. With a highly skilled and diverse labour force, Colac will attract investment that will expand its current industry sectors, and that will see new businesses establish in the township.*

*Businesses and residents will be well-connected to markets and services provided in the broader region, nationally and globally.*

*Visitors to the town will want to spend more time in Colac due the range of high-quality attractions and supporting services, and many will be attracted to live, work and invest in the region in the future.*



**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

**FINAL DRAFT REPORT**

## **2 OBJECTIVES**

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The following Objectives support economic development activities in Colac and assist in meeting the Vision. These objectives form the basis for detailed actions set out in Chapter 3 and have been influenced by the research, analysis and consultation which is presented in Part C.

The Objectives for the Colac Township Economic Development Strategy are as follows:

- 1 To retain and further develop existing businesses that meet existing and new market opportunities in retail, commerce and industry.
- 2 To attract new investment to Colac with a focus on developing new and sustainable businesses and local jobs.
- 3 To attract a skilled and experienced labour force to Colac by promoting the town as a desirable place to live and where career opportunities can be pursued.
- 4 To provide training and skills development opportunities for the local labour force.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

### **3 ACTION PLAN**

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This Chapter identifies a set of actions designed to implement the **Colac Township Economic Development Strategy**. For each underlying objective, a set of detailed actions and an implementation plan identifying timing and key roles and responsibilities are provided. Where appropriate, an estimated budget is provided for the actions that extend beyond regular Council initiatives.

In addition to the Actions identified below, the undertaking of the Catalyst Projects (refer Chapter 4) will assist in meeting the Objectives and Vision described earlier.

Actions presented in the Colac Commercial and Industrial Land Use Strategy will also support Council in achieving the Vision and Objectives.

The following time-lines have been adopted for implementation of the recommended actions:

- Short-term:                      Within 12 months
- Medium-term:                      From 1 year to 3 years
- Longer-term:                      From 3 years to 5 years (or beyond)
- On-going:                          An existing action that continues into the future.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Economic Development</b>                                                                                                                                                                                                                                                                        |                                                              |                                                                                         |                       |                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 1: To retain and further develop existing businesses that meet current and new market opportunities in retailing, commerce and industry</b>                                                                                                                                                        |                                                              |                                                                                         |                       |                                                                                                                        |
| <i>Rationale: A wide range of businesses operate in Colac's commercial and industrial areas. They should be encouraged to continue their important activities and, where possible, expand into new markets, thus increasing local output and jobs.</i>                                                          |                                                              |                                                                                         |                       |                                                                                                                        |
| <b>Action</b>                                                                                                                                                                                                                                                                                                   | <b>Initiating Body</b>                                       | <b>Partnerships</b>                                                                     | <b>Timeframe</b>      | <b>Measure</b>                                                                                                         |
| 1.1 Continue to develop connections with existing businesses and their relevant representative bodies (e.g. Chamber of Commerce and Industry) to ensure that, where possible, new and expanded opportunities are developed to consolidate and expand local business operations and increase their market share. | Council to liaise with commerce and industry representatives | Relevant business bodies (eg, Traders' Association, local industries' association, etc) | Ongoing               | 1. Maintain a database of local businesses and key stakeholders<br>2. Attendance at local business and industry events |
| 1.2 Initiate 'industry round tables' with relevant State Government departments, the G21 Economic Development Pillar and key stakeholders to address specific high priority economic challenges and opportunities within the Shire already known and as they arise.                                             | Council                                                      | RDV, G21 and key stakeholders                                                           | Medium-term (ongoing) | 1. Establishment of 'industry round tables' on an annual basis                                                         |
| 1.3 Actively maintain an awareness of the issues raised at Otway Business Inc (or similar organisation) meetings by either sending Shire officers to attend the meetings or reading the minutes to enhance Council's knowledge of local economic challenges and opportunities.                                  | Council                                                      | Otway Business Inc                                                                      | Ongoing               | 1. Attendance at Otway Business Inc meetings per year                                                                  |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Economic Development (cont.)</b>                                                                                                                                                                                                                                                                                                                                                                                            |                                                      |                          |                      |                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 2: To attract new investment to Colac with a focus on developing new and sustainable businesses and local jobs</b>                                                                                                                                                                                                                                                                                                             |                                                      |                          |                      |                                                                                                                                                       |
| <i>Rationale: Attracting new investment is important in order to develop new commercial and industrial activities that contribute to local output and jobs, and which ensure Colac's economy develops in a strongly competitive environment.</i>                                                                                                                                                                                            |                                                      |                          |                      |                                                                                                                                                       |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Initiating Body</b>                               | <b>Partnerships</b>      | <b>Timeframe</b>     | <b>Measure</b>                                                                                                                                        |
| 2.1 Regularly review Council's Economic Development Strategy and its alignment with investment and business attraction to the Colac Township.                                                                                                                                                                                                                                                                                               | Council                                              | Industry representatives | Ongoing              | 1. Review of Council EDS every 4 years                                                                                                                |
| 2.2 Develop a marketing and promotion campaign aimed at attracting new and expanded levels of investment to Colac based on the competitive strengths of the Shire, bringing expansion to local and regional output and jobs.<br>Marketing material should focus on the opportunities to leverage from the existing economic activity in Colac and the industries identified in Chapter 11 as being key industries for economic development. | Council in association with industry representatives | Industry representatives | Short-term (ongoing) | 1. Presence of a relevant business marketing and promotion campaign                                                                                   |
| 2.3 Investigate existing and future opportunities for economic development associated with public assets (e.g. Lake Colac, Colac Performing Arts Centre, other Council and State Government assets).                                                                                                                                                                                                                                        | Council                                              | NA                       | Medium-term          | 1. Completion of investigation/assessment of opportunities associated with public assets                                                              |
| 2.4 Identify enabling infrastructure for key sites/assets in Colac and funding requirements to ensure existing and future economic development opportunities can be realised.                                                                                                                                                                                                                                                               | Council                                              | Land owners, consultants | Medium-term          | 1. Identification of key sites/assets that require enabling infrastructure<br>2. Completion of assessment of infrastructure and funding requirements. |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Economic Development (cont.)</b>                                                                                                                                                                                                                                                                                                   |                        |                                                                                                      |                  |                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 3: To attract a skilled and experienced labour force to Colac by promoting the town as a desirable place to live and where career opportunities can be pursued</b>                                                                                                                                                                    |                        |                                                                                                      |                  |                                                                                                                                |
| <i>Rationale: Factors including liveability, housing affordability and opportunities in lifestyle choice are important in attracting talented individuals and families to towns like Colac, and these special attributes need to be highlighted in order to create interest in Colac as a place to locate.</i>                                     |                        |                                                                                                      |                  |                                                                                                                                |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                      | <b>Initiating Body</b> | <b>Partnerships</b>                                                                                  | <b>Timeframe</b> | <b>Measure</b>                                                                                                                 |
| 3.1 Prepare and implement a promotional program that highlights Colac’s liveability, attractions, community facilities and services and the town’s suitability as a place to live, work and invest. Ensure promotional program remains current.                                                                                                    | Council                | G21 and local business interests                                                                     | Short-term       | 1. Existence of a current promotional campaign.                                                                                |
| 3.2 Undertake a study on the railway and public transport service requirements of Colac Otway Shire residents and businesses, and ensure these requirements are highlighted with relevant State Government bodies.<br><u>Supporting Task:</u> Advocate for additional commuter rail services between Colac and Geelong, and Colac and Warrnambool. | Council                | Public Transport Victoria, V-Line, Department of Economic Development, Jobs, Transport and Resources | Medium-term      | 1. Completion of study<br>2. Presentation/meeting with relevant State Government bodies highlighting key findings of the study |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Economic Development (cont.)</b>                                                                                                                                                                                                                                                                                                                              |                        |                                                                                                                                                 |                      |                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------|
| <b>Objective 4: To provide training and skills development opportunities for the local labour force</b>                                                                                                                                                                                                                                                                       |                        |                                                                                                                                                 |                      |                                                                                                 |
| <i>Rationale: Colac, like other towns in rural and regional Victoria, needs to ensure that a wide and deep range of labour force skills are available to local commerce and industry, both in trades occupations and professions and in business and industry management. Training and skills development is an important component of value-adding in the Colac economy.</i> |                        |                                                                                                                                                 |                      |                                                                                                 |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                 | <b>Initiating Body</b> | <b>Partnerships</b>                                                                                                                             | <b>Timeframe</b>     | <b>Measure</b>                                                                                  |
| 4.1 Encourage an integrated approach to local skills development, with appropriate links between accredited training providers and local industry, and with a focus on technical training.<br><u>Supporting Task:</u> Implement G21 Region Opportunities for Work and Beyond the Bell projects in Colac                                                                       | Council                | Accredited local training providers (e.g. Gordon Institute of TAFE, Deakin University) and local schools, local businesses, Chamber of Commerce | Ongoing              | 1. Increase level of educational attainment by Colac residents (ABS, Census data every 5 years) |
| 4.2 Initiate annual meeting with local industry representatives and the Colac Trade Training Centre to ensure local skills gaps are aligned with training courses provided at the Colac Trade Training Centre.                                                                                                                                                                | Council                | Local industry and businesses, Gordon Trade Training Centre                                                                                     | Short-term / Ongoing | 1. Annual meeting with local industry representatives and the Colac Trade Training Centre       |

## 4 CATALYST PROJECTS

A number of 'catalyst' projects for Council to undertake have been identified. These projects are identified on the basis of the overview of economic trends and opportunities presented in this Chapter, together with input from the community, and analysis associated with commercial and industrial land in Colac. These are important projects that Council can undertake for the purpose of fostering economic development opportunities and to add support to the Action Plan described in Chapter 3.

The 'catalyst projects' include the following, indicating priority and timing of the individual projects:

- **Advocate for increased commuter rail services** between Colac and Geelong, and Colac and Warrnambool, to provide a frequency of service that will allow people to commute throughout the region for the purposes of education (particularly higher education) and employment.  
**PRIORITY: HIGH (on-going)**
- **Investigate the opportunities and viability for the future development of an intermodal freight facility** for transport and logistics purposes in Colac. Land has been identified in Irrewarra as a potential location.  
**PRIORITY: MEDIUM (medium-term)**
- **Identify opportunities to attract visitors to Colac to stay longer**, whether for overnight or longer stays while passing through the town. This may involve attracting new tourism facilities or improved marketing of Colac's existing attributes.

The opportunity for a retail outlet and an interpretative display of the history of the local dairy industry at Bulla Dairy Foods has been identified as a potential opportunity worth pursuing.

**PRIORITY: HIGH (short-term)**

- **Assist in the attraction of a business(es) to the existing Coles store in Murray Street** *should* Coles relocate (as expected) to the Council-approved development site in Bromfield Street. The presence of a large vacancy in the heart of the 'main street' is not a positive advertisement for the town. Council should liaise with the property owner and assist where possible in the attraction of a new tenant(s).  
**PRIORITY: HIGH (short-term)**
- **Identify potential future uses for the DHHS Colanda site**, which is Crown land and adjoins industrial zoned land in the east of Colac. The 35ha site is currently a DHHS facility for people with intellectual disabilities; however, it is understood that the facility is likely to be closed in the near future. This site is well serviced with infrastructure which provides re-use opportunities for future tenants of the site.  
**PRIORITY: MEDIUM (medium-term)**

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **PART B: COLAC COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

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Part B presents the **Colac Commercial and Industrial Land Use Strategy**, which provides a framework for the future planning and development of Commercial and Industrial zoned land in Colac.

The Commercial and Industrial Land Use Strategy is based on extensive research, analysis and consultation which is presented in Part C, in particular Chapters 11-15. The main implications for the Strategy arising from the commercial and industrial land assessment presented in Part C are summarised in Chapter 5.

The Colac Commercial and Industrial Land Use Strategy provides the following:

- Chapter 5: Implications arising from Commercial and Industrial Assessments
- Chapter 6: Vision
- Chapter 7: Objectives
- Chapter 8: Action Plan
- Chapter 9: Monitor and Review.



## **5 IMPLICATIONS ARISING FROM COMMERCIAL AND INDUSTRIAL ASSESSMENTS**

Part C provides detailed analysis of the existing and future demand and supply for commercial (refer Chapter 14) and industrial (refer Chapter 15) in Colac. The key implications for the Strategy arising for this analysis are summarised below. Refer to Part C for further details.

### ***Commercial Land***

- 1 The Strategy and Council should focus on improving the performance of existing retail/commercial areas in Colac, rather than identifying new areas for retail/commercial land.**

While the Colac town centre does not suffer from any major vacancy issues, it is evident that retailers in general achieve lower average turnover per square metre than in other comparable regional centres.

Significant work has been undertaken which focuses on improving the urban design features of the town centre, including the Colac CBD and Entrances Project (2012), while Strategies to improve existing areas are also identified in the Colac Otway Planning Scheme.

- 2 The Colac town centre has a number of unique aspects which could be drawn upon as key strengths to the centre in any future planning or design study**, including Memorial Square, Bulla Dairy Foods, proximity to the Colac Botanical Gardens and Lake Colac, and the existence of considerable heritage buildings throughout the centre.
- 3 Demand for approximately an additional 12,000m<sup>2</sup> of retail floorspace and 5,000m<sup>2</sup> of office floorspace is forecast over the next 20 years in Colac.** Capacity exists for this floorspace to be accommodated within existing Commercial 1 and Commercial 2 Zoned land.  
  
The majority of potential for additional retail floorspace in Colac is for Non-food floorspace, taking into consideration the approved Coles development which will have a Food, Liquor and Groceries focus.
- 4 Colac's office market is likely to focus on the provision of office accommodation for small to mid-sized businesses that provide important services to the surrounding region.**
- 5 Other forms of development should also be encouraged in the Colac town centre that contribute to its role as a regional centre** that provides a wide variety of facilities and services, including visitor accommodation and community, entertainment and cultural facilities.
- 6 The majority of the demand for additional retail/commercial floorspace will be for locations in the Colac town centre**, although limited potential for highway-based bulky goods retailing may also eventuate to the west on the Princes Highway. It is unlikely sufficient demand will arise for a new stand-alone neighbourhood centre elsewhere in

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

Colac in the foreseeable future, although it would be prudent to consider the potential for neighbourhood or local centre development in the planning for new urban areas in the future.

- 7 **Having regard for a potential population of 20,000 residents in Colac by 2050**, it would be prudent for the purpose of longer-term planning (i.e. beyond the next 20 years) that the following be considered:
  - Identification of a future direction for any potential future expansion of the Colac town centre; and
  - Consideration of neighbourhood or local centres when planning for new residential areas.
- 8 **Additional future Commercial Land requirements over the next 20 years:** Nil. Sufficient opportunities exist within the current commercial zoning boundaries to accommodate future floorspace requirements.

**Industrial Land**

- 1 **Industrial land supply:** Colac currently contains 248ha of zoned industrial land, approximately 67% of which is occupied and 33% which is vacant.
- 2 **Recent industrial land take-up:** No major industrial closures or openings have occurred on industrial land between 2007 and 2015; changes in Colac's occupied industrial land stocks have been reasonably minor over recent years.

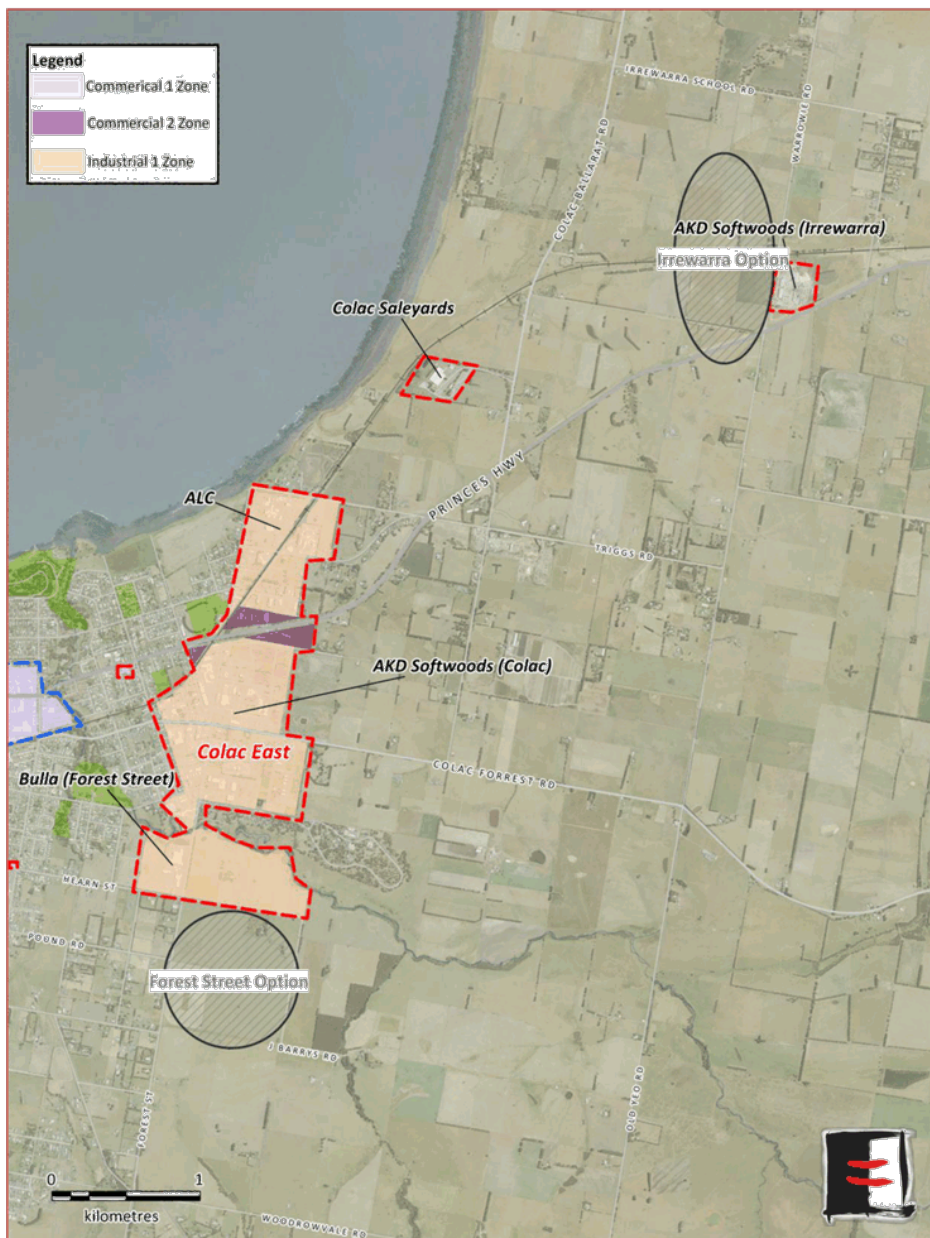
Approximately 1.2ha per annum of industrial land was taken up over the past eight years.
- 3 **Limited supply of large industrial land parcels available for development:** Although current identifiable demand for industrial property is reasonably subdued, the shortage in supply of larger industrial allotments (ie, above 5ha) in Colac that could otherwise be easily developed is potentially a constraint on investment and business attraction.

Of the 81.6ha of vacant industrial land identified in 2015, approximately 31.6ha were known to be in one ownership and unavailable for development to date (Forest Street Industrial Site). As a result, adequate amounts of vacant serviced industrial land are currently not available for new businesses looking to establish in the town.
- 4 **Consider new industrial land locations to cater for large industries:** A rezoning of approximately 30-40ha of Farming Zone land to Industrial 1 Zone will provide certainty and a firmer basis for long-term planning for sustainable growth in Colac.

Additional industrial land allotments to cater for large industry will also avoid the need for ad-hoc, reactive changes in the short-term and will ensure future market competition and downward pressure on land prices. The preferred location from the perspective of key features sought by industry is along the Princes Highway at Irrewarra, immediately west of the AKD Softwoods mill. Land at Forest Street has also been identified as a potential location (refer Figure 5.1). Consideration of other factors including planning, traffic, environment and the like also need to be considered in the decision making process.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 5.1: Potential Future Industrial Land Sites in Colac



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COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## 6 VISION

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A **Vision Statement** has been prepared in order to guide the ongoing development of commercial and industrial land in Colac and to provide the basis for the objectives and actions.

The Vision for future development of commercial and industrial land in Colac is as follows:

*The Colac town centre will be a thriving regional centre, providing residents and visitors with a wide range of shopping, entertainment, community, education and civic facilities. The town centre will be unique and a place where people want to spend time, relaxing, investigating the history of the local area, and connecting with prominent areas of open space nearby. Viable local centres will meet the day-to-day needs of a growing population.*

*Areas of commercial and industrial land will attract new businesses to the town and create local employment opportunities and economic benefits for the wider community.*

## **7 OBJECTIVES**

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The following Objectives support the planning and development of commercial and industrial land in Colac, and assist in meeting the Vision as outlined above. These objectives form the basis for detailed actions set out in Chapter 8.

Implementation of the Objectives will enable businesses in Colac's commercial and industrial areas to successfully meet the expanding requirements generated by on-going population growth and economic development over the next 20 years.

Although the focus of this Strategy is placed on commercial and industrial land, consideration is also given to objectives associated with underlying economic development initiatives described in Part A. Similarly, the objectives and actions presented in Part B also support the broader economic development objectives in Part A.

This approach recognises that the retail and commercial objectives relating to the planning and development of land will need to be implemented under the rationale that supports on-going economic development in Colac.

For example, the question may be raised: "why do we need more industrial land?". The response is that a supply of industrial land is important in attracting and accommodating new and expanding businesses that create local output and jobs for the benefit of the town.

Furthermore, responses during the community engagement process indicate that specific areas need attention if commercial and industrial development is to be encouraged and supported in Colac. For example, the need is identified for a local labour force that is suitably trained and skilled to meet the needs of Colac business. This 'training and up-skilling' noted in Part A is an important underlying **economic objective** that supports commercial and industrial land development.

### **Commercial Land Objectives**

- 1 To improve the performance of retail and commercial activities in the Colac town centre in terms of improved levels of service, output and employment.
- 2 To build on the competitive advantages of Colac as a place to invest and do business in the retail and commercial sectors.

### **Industrial Land Objectives**

- 3 To recognise the important role played by existing businesses located in industrial areas in Colac.
- 4 To investigate and promote opportunities for longer-term industrial land development and the attraction of new industries, their investments and jobs.
- 5 To assist local businesses in meeting challenges and opportunities, including developing new markets and addressing new competition.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

## **8 ACTION PLAN**

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This Chapter identifies a set of actions designed to implement the **Colac Commercial and Industrial Land Use Strategy**. For each underlying objective, a set of detailed actions and an implementation plan identifying timing and key roles and responsibilities are provided.

The following time-lines have been adopted for implementation of the recommended actions:

- Short-term: Within 12 months
- Medium-term: From 1 year to 3 years
- Longer-term: From 3 years to 5 years (or beyond)
- On-going: An existing action that continues into the future.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Commercial Land</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                             |                                                       |                  |                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 1: To improve the performance of retail and commercial activities in the Colac town centre in terms of improved levels of service, output and employment</b>                                                                                                                                                                                                                                                                                                                                                                                                              |                                             |                                                       |                  |                                                                                                                                                                                                                                               |
| <i>Rationale: Colac competes with other centres, large and small, for a share of the business generated by residents and by visitors. The town centre therefore must be in a competitive position to attract this spending and, where possible, to increase its share so that Colac is regarded as the best place to shop and spend time doing business. The availability of suitably located commercial land will be important in this regard.</i>                                                                                                                                    |                                             |                                                       |                  |                                                                                                                                                                                                                                               |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Initiating Body</b>                      | <b>Partnerships</b>                                   | <b>Timeframe</b> | <b>Measure</b>                                                                                                                                                                                                                                |
| <p>1.1 Maintain the primacy of the Colac Town Centre as the regional centre serving the Colac Otway Shire and beyond by ensuring that those retail and commercial land uses that are essential to a 'town centre' role remain in the town centre.</p> <p><u>Supporting Task:</u> Facilitate the further development and range of uses in the town centre, including community, social, education, tourism and entertainment facilities.</p> <p><u>Supporting Task:</u> Reinforce the role of the Colac Town Centre in future revisions of the Municipal Strategic Statement (MSS).</p> | Council (Planning and Economic Development) | Property owners, business owners and State Government | Ongoing          | <p>1. Retention of businesses in the Colac Town Centre.</p> <p>2. Attraction of retailing and service-related businesses that support the role of Colac as a regional centre.</p> <p>3. Strategy reflected in future revisions of the MSS</p> |
| <p>1.2 Review the urban design, public realm and spatial arrangement of the commercial centre of Colac with a view to their potential enhancement and renewal.</p> <p><u>Supporting Task:</u> Continue to support the recommendations of the Colac CBD and Entrances Project 2012.</p>                                                                                                                                                                                                                                                                                                 | Council (Planning and Economic Development) | Property owners and business owners                   | Medium-term      | <p>1. Delivery of capital works projects throughout the Colac Town Centre</p>                                                                                                                                                                 |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Commercial Land (cont.)</b>                                                                                                                                                                                                                                                                                                                                                                                                         |                                             |                                  |                  |                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 1: To improve the performance of retail and commercial activities in the Colac town centre in terms of improved levels of service, output and employment</b>                                                                                                                                                                                                                                                                           |                                             |                                  |                  |                                                                                                                         |
| <i>Rationale: Colac competes with other centres, large and small, for a share of the business generated by residents and by visitors. The town centre therefore must be in a competitive position to attract this spending and, where possible, to increase its share so that Colac is regarded as the best place to shop and spend time doing business. The availability of suitably located commercial land will be important in this regard.</i> |                                             |                                  |                  |                                                                                                                         |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Initiating Body</b>                      | <b>Partnerships</b>              | <b>Timeframe</b> | <b>Measure</b>                                                                                                          |
| 1.3 Ensure Colac future residents have a high degree of accessibility to local convenience retailing and services at the local and neighbourhood level.<br><u>Supporting Task:</u> Consider the need for local and neighbourhood centres when planning for new residential areas in order to accommodate a population of 20,000 persons in Colac.                                                                                                   | Council (Planning and Economic Development) | Land owners                      | Ongoing          | 1. Future strategic plans for Colac consider the accessibility to local convenience retailing and services.             |
| 1.4 Manage the shift in retail focus between Murray Street and Bromfield Street by supporting the development of a permeable network of active pedestrian thoroughfares in the form of laneways and arcades that link these precincts.                                                                                                                                                                                                              | Council (Planning, Technical Services)      | Property owners; business owners | Medium-term      | 1. Identification of potential locations and mechanisms to deliver a permeable network throughout the Colac Town Centre |



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Commercial Land (cont.)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                             |                                  |                  |                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 2: To build on the competitive advantages of Colac as a place to invest and do business in the retail and commercial sectors</b>                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                             |                                  |                  |                                                                                                                               |
| <i>Rationale: Colac has a number of competitive advantages upon which it can leverage in order to attract investment and new businesses, and improve the performance of existing businesses. These include the town centre's location on the Princes Highway, significant local history which is displayed through the presence of historical buildings, availability of potential development and re-development sites in the existing commercial zone, Memorial Park, connections with the Botanic Gardens/Lake Colac, and the presence of Bulla Dairy Foods in the town centre.</i> |                                             |                                  |                  |                                                                                                                               |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Initiating Body</b>                      | <b>Partnerships</b>              | <b>Timeframe</b> | <b>Measure</b>                                                                                                                |
| 2.1 Facilitate opportunities for improved and expanded visitor accommodation and activities in Colac.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Council                                     | Visitor accommodation providers  | Medium-term      | 1. Increase number, range and quality of visitor accommodation facilities in Colac.                                           |
| 2.2 Identify and update relevant local policy to encourage highway-based bulky goods retailing, and restricted retailing, to locate in the C2Z to the west of the town centre.                                                                                                                                                                                                                                                                                                                                                                                                         | Council                                     | Property owners; business owners | short-term       | 1. The directions of this Strategy are reflected in future updates of the MSS.                                                |
| 2.3 Ensure the potential for the expansion of the Colac Town Centre in the long-term is identified in future strategic planning projects.                                                                                                                                                                                                                                                                                                                                                                                                                                              | Council (Strategic Planning)                | Land owners                      | Long-term        | 1. Future strategic plans for the Colac Town Centre consider 'potential' long-term (beyond 20 years) expansion opportunities. |
| 2.4 Investigate opportunities to leverage the unique aspects of the Colac Town Centre including the Bulla Dairy Foods, Memorial Square and linkages with Botanical Gardens and Lake Colac in order to benefit the liveability, aesthetic appeal and tourism potential of Colac.                                                                                                                                                                                                                                                                                                        | Council (Planning and Economic Development) | Bulla Dairy Foods                | Medium-term      | 1. Completion of investigations.                                                                                              |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

| <b>Action Plan: Industrial Land</b>                                                                                                                                                                                                                                                                                                                                          |                        |                     |                  |                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------|------------------|--------------------------------------------------------------------------------|
| <b>Objective 3: To recognise the important role played by existing businesses located in industrial areas in Colac</b>                                                                                                                                                                                                                                                       |                        |                     |                  |                                                                                |
| <i>Rationale: The MSS should highlight the importance of existing businesses in providing jobs for the local and wider community in the following areas: contributing to production, income and value-added; supporting local and regional suppliers of inputs; and in generating export income for the municipality.</i>                                                    |                        |                     |                  |                                                                                |
| <b>Action</b>                                                                                                                                                                                                                                                                                                                                                                | <b>Initiating Body</b> | <b>Partnerships</b> | <b>Timeframe</b> | <b>Measure</b>                                                                 |
| 3.1 Incorporate the key findings of this Strategy into an update of the MSS.                                                                                                                                                                                                                                                                                                 | Council                | NA                  | Short-term       | 1. The directions of this Strategy are reflected in future updates of the MSS. |
| 3.2 Facilitate the retention and continued growth of Bulla Dairy Foods on the existing site at Murray Street by supporting a rezoning of the land from Commercial 1 Zone to an appropriate alternative zone which enables use and development provisions to be tailored to ensure compatibility between the industrial needs of the company, and the neighbouring land uses. | Council                | Bulla Dairy Foods   | Short-term       | 1. Implement of planning scheme amendment.                                     |
| 3.3 Facilitate a rezoning of the former plantation land at the rear of AKD Softwoods' site on Colac-Forest Road, Colac East (identified specifically as 8\LP3567, 9\LP3567, 10\LP3567, 11\LP3567, 12\LP3567, 4\TP943900, 1\TP162501, 1\TP825060) from the existing FZ to an industrial zone in order to promote the land's use for future industrial development.            | Council                | AKD Softwoods       | Short-term       | 1. Implement of planning scheme amendment.                                     |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Industrial Land (cont.)</b>                                                                                                                                                                                                                                                            |                                           |                                                    |                   |                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 4: To investigate and promote opportunities for longer-term industrial land development and the attraction of new industries, their investments and jobs</b>                                                                                                                              |                                           |                                                    |                   |                                                                                                                         |
| <i>Rationale: The availability of industrial land is an important resource for Colac in attracting and accommodating new and expanding industries. An adequate supply of industrial land needs to be available, including larger allotments, so that growth in investment and jobs can be assured.</i> |                                           |                                                    |                   |                                                                                                                         |
| <b>Action</b>                                                                                                                                                                                                                                                                                          | <b>Initiating Body</b>                    | <b>Partnerships</b>                                | <b>Timeframe</b>  | <b>Measure</b>                                                                                                          |
| 4.1 Initiate discussions with relevant land-owners who have industrial land holdings that are not currently available to the marketplace, and with a view to bringing this land into Colac's 'available' industrial land supply.                                                                       | Council (Planning & Economic Development) | Land owners                                        | Ongoing           | 1. Increase industrial land 'available' to the marketplace.<br>2. Increase in industrial development permits/approvals. |
| 4.2 Identify the Irrewarra Precinct and Forest Street site (refer Figure 2) as future investigation areas for large-scale industrial uses in future Structure Plans and the MSS, engage in dialogue with owners and ensure they are willing participants should these sites be rezoned.                | Council                                   | Land owners, businesses                            | Short/Medium-term | 1. The directions of this Strategy are reflected in future Structure Plans and updates of the MSS.                      |
| 4.3 Audit the uptake of industrial land throughout the Colac region in order to gauge ongoing industrial land demand.                                                                                                                                                                                  | Council                                   | Real estate agents; developer actions; consultants | Ongoing           | 1. Annual audit of industrial land and development in Colac.                                                            |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Action Plan: Industrial Land (cont.)</b>                                                                                                                                                                                                                                            |                        |                                    |                   |                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Objective 5: To assist local businesses in meeting challenges and opportunities, including developing new markets and addressing new competition</b>                                                                                                                                |                        |                                    |                   |                                                                                                                                                                                                        |
| <i>Rationale: Existing industrial businesses provide significant employment and economic benefits to the local communities. These businesses need to be supported to ensure their long-term viability.</i>                                                                             |                        |                                    |                   |                                                                                                                                                                                                        |
| <b>Action</b>                                                                                                                                                                                                                                                                          | <b>Initiating Body</b> | <b>Partnerships</b>                | <b>Timeframe</b>  | <b>Measure</b>                                                                                                                                                                                         |
| 5.1 Support the retention of existing businesses by protecting existing industrial land precincts from residential encroachment and minimising amenity impacts on residential properties<br><u>Supporting Task:</u> Maintain adequate buffers between residential and industrial land. | Council                | Industry stakeholders, land owners | Ongoing           | 1. Maintain/increase the number of businesses in industrial areas.<br>2. Reduction in land use conflicts/complaints.<br>3. The directions of this Strategy are reflected in future updates of the MSS. |
| 5.2 Examination of the use of rail transport by major industrial businesses such as Australian Lamb Company (ALC), as a way of reducing road-based freight.                                                                                                                            | Council                | Industry stakeholders              | Ongoing/Long-term | 1. Meetings with key stakeholders to understand their changing transport and freight needs.                                                                                                            |
| 5.3 Undertake preliminary planning for the long-term spatial and infrastructure requirements for an intermodal freight facility in Irrewarra                                                                                                                                           | Council                | Industry stakeholders              | Medium-term       | 1. Completion of assessment of spatial and infrastructure requirements.                                                                                                                                |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **9 MONITORING AND REVIEW**

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An important part of the implementation process for the **Colac Commercial and Industrial Land Use Strategy** is to ensure that the Strategy remains relevant as circumstances change and as new issues and opportunities arise.

Monitoring of progress in the implementation of the Strategy will be important, and this will enable proper assessment of the Strategy's performance and whether or not changes are warranted as a result of new and emerging trends.

Monitoring also enables the Council and the community to judge how well and how efficiently the Strategy is being implemented. It is important, however, that speed of implementation should not be the sole criterion for success. Most communities seek good quality outcomes and, with a little patience, will be pleased to see on-the-ground results which ensure viable activities and attractive, competitive commercial centres.

Council must ensure, therefore, that the Strategy is monitored and reviewed on a regular basis. Some indicators of progress can be readily assessed on an annual basis, while other indicators can be assessed over a longer period, or sooner if important changes are identified in the marketplace and other conditions.

Each of the Action Plans described in previous Chapters include possible measures for each Action. Additional indicators for monitoring and review purposes are listed in Table 9.1 on the following page. These indicators are based on readily-available and relatively inexpensive data, including official data, Council planning approvals and commencements data, land use/floorspace surveys, and reference to consultant reports.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

**Table 9.1: Indicators for Monitoring Process**

| Indicator                                                                                                               | Source                                                                                                                                                   | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Commercial Centre Floorspace                                                                                         | Colac Commercial and Industrial Land Use Strategy, floorspace surveys, Council data for planning and building approvals.                                 | Implement retail/commercial floorspace survey in order to allow an up-to-date estimate of total floorspace and the mix of retail/office activities. The floorspace survey presented in this Strategy will serve as the base-year survey. Alternatively, Council planning and approvals data could be added to the floorspace data presented in this Strategy.                                                                                                                                                                |
| 2. In-centre surveys                                                                                                    | In-centre surveys                                                                                                                                        | Undertake a series of short in-centre surveys of businesses and customers on a regular basis (eg, every one or two years). The survey could cover issues such as the local community's views on the centre(s), changes in people's perception of the centre as a place to visit, views on competing centres, issues they identify and actions that need doing, trends in employment levels, etc. The surveys would be a helpful reference point in assessing potential impacts of the initiatives contained in the Strategy. |
| 3. Property development proposals and projects                                                                          | Council records                                                                                                                                          | Track development applications, proposals, and completions, including retail, commercial and industrial projects.                                                                                                                                                                                                                                                                                                                                                                                                            |
| 4. Retail trading performance                                                                                           | Consultant reports; Property Council                                                                                                                     | Especially track official sources of data. Note numbers of new businesses and estimate of new jobs on an annual basis.                                                                                                                                                                                                                                                                                                                                                                                                       |
| 5. Increased floorspace provision for shops and services, as well as increased value of buildings and works             | Council data for planning and building approvals, and building completions                                                                               | This measure uses regular and up-to-date data, and is therefore very useful. Can indicate change in use from shop to other use and vice-versa.                                                                                                                                                                                                                                                                                                                                                                               |
| 6. Vacancy rates for retail and commercial floorspace (vacant m <sup>2</sup> expressed as a % of total m <sup>2</sup> ) | Land use and floorspace surveys                                                                                                                          | Can be undertaken at any time. As a guideline, the average retail floorspace vacancy rates are around 5-7% of total retail floorspace for regional centres.                                                                                                                                                                                                                                                                                                                                                                  |
| 7. Changes in property values and rates                                                                                 | Council rate records; data from Victorian Valuer-General                                                                                                 | Useful indicator, especially as a relative indicator (eg different rate valuations for between centres).                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 8. Viewpoints on health of centres as expressed in property industry, real estate and those in retail industry          | Regular contact with real estate agents, property owners, developers, retail industry, other businesses, business associations, and the wider community. | Annual forum organised by Council at a venue for information exchange between property and retail industry, local traders, other businesses and stakeholders, Council and other community representatives.                                                                                                                                                                                                                                                                                                                   |

Source: Essential Economics Pty Ltd

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **PART C: BACKGROUND ANALYSIS**

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Part C provides the background analysis that supports the objectives and actions described in the Colac Economic Development Strategy (refer Part A), and the Commercial and Industrial Land Use Strategy (refer Part B). The following information is contained in Part C:

- **Chapter 10: Context Analysis**  
Provides an overview of Colac in terms of its location; policy relating to economics, commercial and industrial development; and also provides a brief discussion on the key issues to be addressed in the Strategy.
- **Chapter 11: Overview of Economic Trends and Opportunities**  
Provides an assessment of the key economic trends and issues affecting Colac and the wider region.
- **Chapter 12: Overview of Consultation**  
Provides an overview of the key findings derived from consultation phase of the project.
- **Chapter 13: Issues and Opportunities Assessment**  
Includes discussion on the key issues and opportunities identified during the community consultation phase of the project and those identified by the consultant.
- **Chapter 14: Commercial Land Assessment**  
Provides an overview of the existing commercial land situation in Colac and an assessment of the future commercial land development opportunities. The assessment takes into consideration opportunities for retail, office and land uses that may be accommodated on commercial zoned land in the Colac town centre and other locations in Colac.
- **Chapter 15: Industrial Land Assessment**  
Identifies the industrial land supply and demand situation in Colac, and discusses implications for future development of the area taking into consideration forecast requirement for new industrial land, and location principles for industrial precincts.

## **10 CONTEXT ANALYSIS**

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An overview of Colac in terms of its location, policy relating to economics, commercial and industrial development is provided in this Chapter. A brief discussion on the key issues to be addressed in the Strategy is also provided.

### **10.1 Regional Context**

Colac is the main town in Colac Otway Shire and is located on the Princes Highway, approximately 150km west of Melbourne.

The town is the largest service centre between Geelong (75km to the east) and Warrnambool (110km to the west), and acts as the major focus for a range of regional services including retailing, business and professional services, administrative and government functions, and health and community services.

The Princes Highway connects Colac with Geelong and key regional centres to the west, including Camperdown and Warrnambool. The duplication of the Princes Highway between Geelong and Colac is currently being completed and will have positive implications for the town. Colac is also served by a train line which operates three commuter services a day to/from Geelong.

The Great Otways National Park and the renowned Great Ocean Road and coastline are located in the southern part of the Shire. Apollo Bay is the largest township in this southern part and it services the needs of the local community and visitors.

Major industries in terms of employment in the Shire include Health Care and Social Assistance; Manufacturing; Agriculture, Forestry and Fishing; and Retail Trade.

Figure 10.1 shows the regional location of Colac and the Colac Otway Shire.

### **10.2 Colac and the Existing Land Use Context**

This Strategy focuses on the economic development and commercial and industrial land use opportunities in the Colac township and the immediately surrounding areas. The Strategy takes into consideration the suburb of Elliminyt located to the immediate south Colac and land currently occupied by the AKD Timber Mill located to the east of Colac. Figure 10.2 illustrates the areas of interest to this Strategy, including existing land use zones and major tenants located beyond the town centre.



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

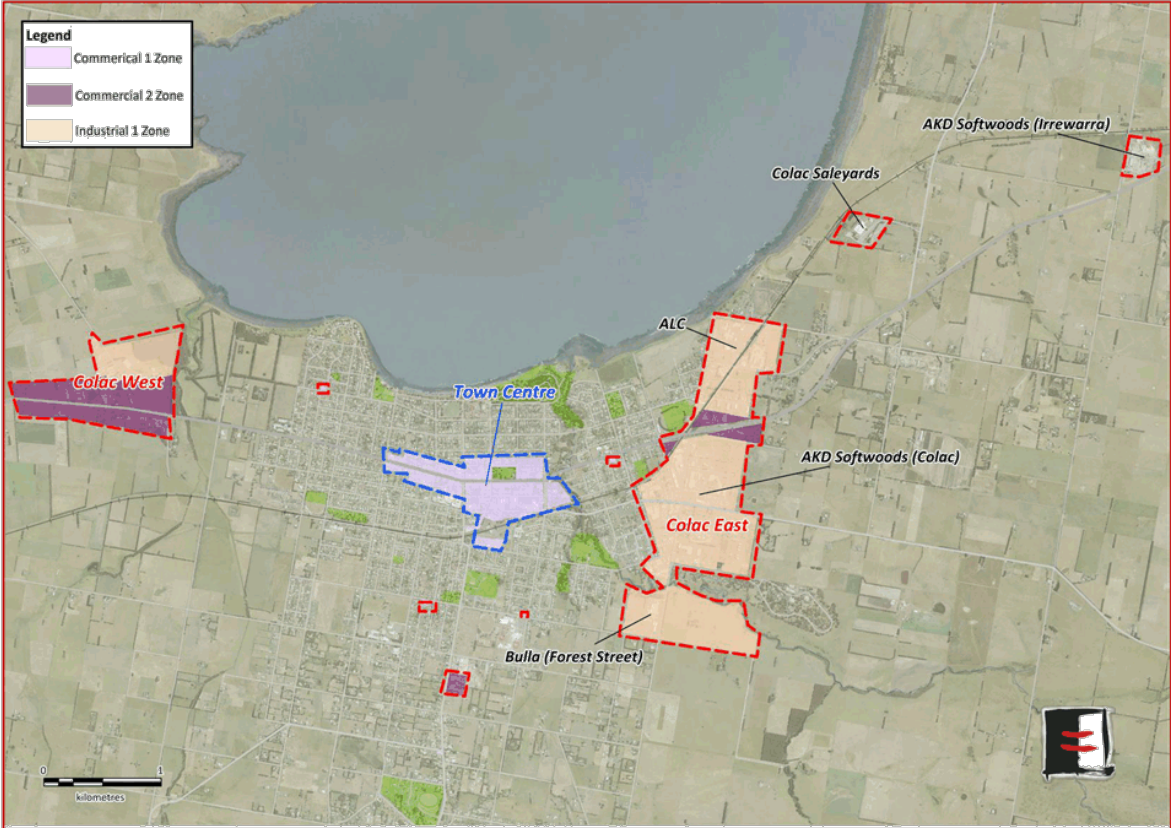
Figure 10.1: Regional Location



Produced by Essential Economics using MapInfo and StreetPro

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 10.2: Colac Commercial and Industrial Land Use Strategy areas



Produced by Essential Economics using MapInfo, Nearmap and StreetPro

**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

**FINAL DRAFT REPORT**

This Strategy focuses on the economic development opportunities for Colac and the implications these will have on the future development of Commercial and Industrial zoned land. In this respect, existing major employers in Colac which account for significant land holdings include the following:

- Industrial businesses including Australian Lamb Company (ALC), Bulla Dairy and AKD Softwoods
- Major retailers including Coles, Target, Woolworths, ALDI, Bunnings and Mitre 10
- Other major business and service providers, including Colac Area Health and Colac Otway Shire.

Figure 10.3 illustrates the land use context in the Colac town centre, including the location of a selection of key businesses in the town centre. The proposed relocation of the Coles supermarket from Murray Street to Bromfield Street has been approved by Council and represents a key proposal in the context future activity and land uses in town centre. Should Coles relocate away from Murray Street, as expected, it will be important that the existing Coles stores is occupied, otherwise this will leave a large vacancy in the 'main street'.

An overview of the key commercial precincts (Chapter 14) and industrial precincts (Chapter 15) in Colac is provided later in Part C.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 10.3: Colac Town Centre and Existing Land Use Context



Produced by Essential Economics using MapInfo, Nearmap and StreetPro

### **10.3 Colac 2050 and G21 Regional Growth Plan**

This Strategy will form part of the **Colac 2050** project, a long-range planning project that has been established to respond to Colac's population increasing to 20,000 residents by 2050, as identified in the *G21 Regional Growth Plan* (2013).

**Colac 2050** will establish a plan for the expansion of Colac's residential housing footprint and its business and industry sectors. It will also examine residential, retail and industrial land availability, drainage, flood planning, social and recreational infrastructure, traffic and pedestrian needs. The project is funded by the State Government and the Colac Otway Shire.

A strategic growth plan and a township structure plan are envisaged as key outcomes of the Colac 2050 project, and the plans will be guided by input from this Strategy.

The **G21 Regional Growth Plan** (*'the Growth Plan'*) is a key strategic document upon which this Strategy will be based. The Growth Plan was developed by the G21 Geelong Region Alliance which is the "... *formal alliance of government, business and community organisations working together to improve the lives of people within the Geelong region across five municipalities – Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast.*" (G21 Geelong Region Alliance website).

The Growth Plan provides a planned response to the projected situation wherein the five municipalities in the region accommodate a population of 500,000 persons over the next 30-40 years, and it builds upon the strategic planning work already undertaken by individual Councils.

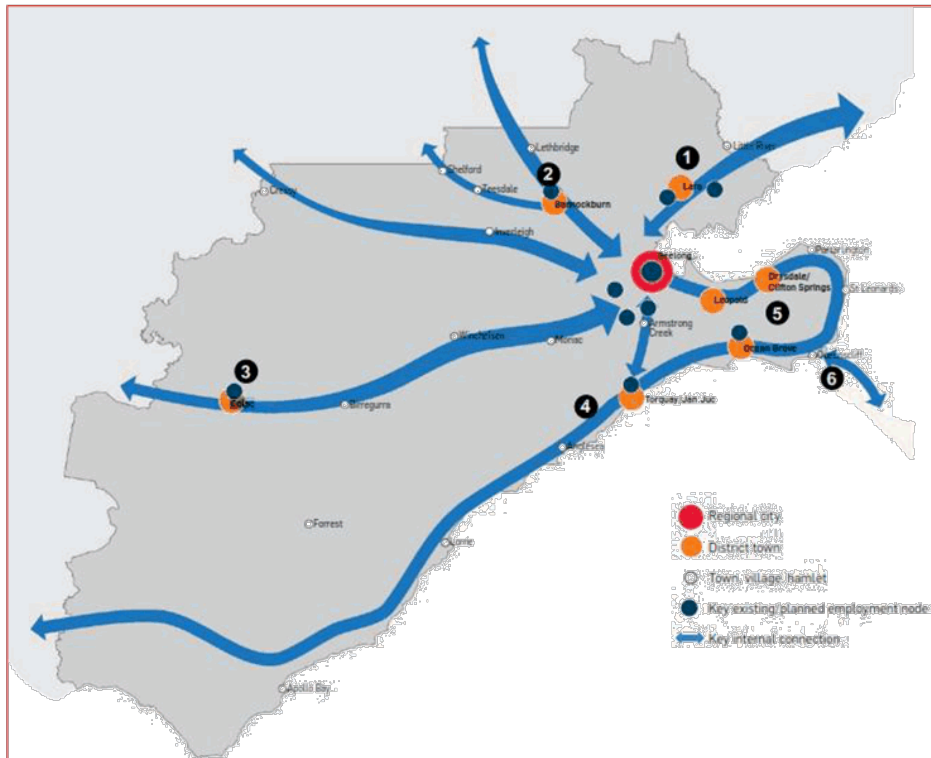
Colac is identified as performing a 'District Town' role which provides "*food production activity and services to settlements within the rural hinterland, including the Otways and Great Ocean Road, and is a gateway to the Great South Coast*" (p. 9). Supporting the planned growth in district towns is one of the key elements of the Growth Plan.

Colac is identified as a 'targeted growth node' with a target population of 20,000 persons, and the need for additional employment in Colac is identified to support long-term population growth. Eco-tourism, renewable energy research, agriculture (including dairy, grazing and cropping), forestry and food production are identified as the foundation strengths for which Colac Otway can build upon.

Figure 10.4 illustrates the roles of various towns identified in the Growth Plan. Key directions for Colac as identified in the Growth Plan are shown in Appendix A.

**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**  
FINAL DRAFT REPORT

**Figure 10.4: G21 Regional Growth Plan – Roles and Functions**



Source: G21 Geelong region Alliance, *G21 Regional Growth Plan*, April 2013 (p. 9)

**10.4 Review of Other Key Strategic Documents**

In addition to the Growth Plan, Colac has been the subject of significant research and planning in recent years. Combined, this research provides a strong base of information upon which to develop this Strategy. An overview of the Colac Otway Planning Scheme, Colac Structure Plan (2007) and the Colac CBD and Entrances Project (2012) are provided below. These are the key strategic land use documents currently guiding the future development of commercial and industrial land in Colac.

Other key strategic and research documents that provide input to this Strategy are also identified.

***Colac Otway Planning Scheme***

The Colac Otway Planning Scheme is the key strategic planning document that guides the future development of the Shire.

**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

**FINAL DRAFT REPORT**

The Planning Scheme identifies Colac as the main location for major industrial and commercial development. The Colac Structure Plan (2007) and the Colac CBD and Entrances Project (2012) are identified in the Planning Scheme as key documents guiding the future development of the town. The historical significance of Murray Street in Colac's CBD is also identified.

A review of the Colac Otway Planning Scheme was undertaken in 2014 which found that the operation of the Scheme is 'structurally sound'.

This Strategy will provide guidance on the future requirements of commercial and industrial land in Colac for eventual inclusion in the Planning Scheme.

Implications for this Strategy: The existing planning framework identified in the Planning Scheme provides the 'starting-point' for this Strategy, which will provide recommendations on how best to plan for the long-term commercial and industrial land use requirements for Colac.

***Colac Structure Plan, 2007 (Connell Wagner)***

The Colac Structure Plan was prepared by Connell Wagner in 2007, with the key recommendations reproduced in Figure 10.5 below. The Structure Plan includes an industrial land use strategy. The key findings and recommendations relating to industrial land from the Plan are identified below:

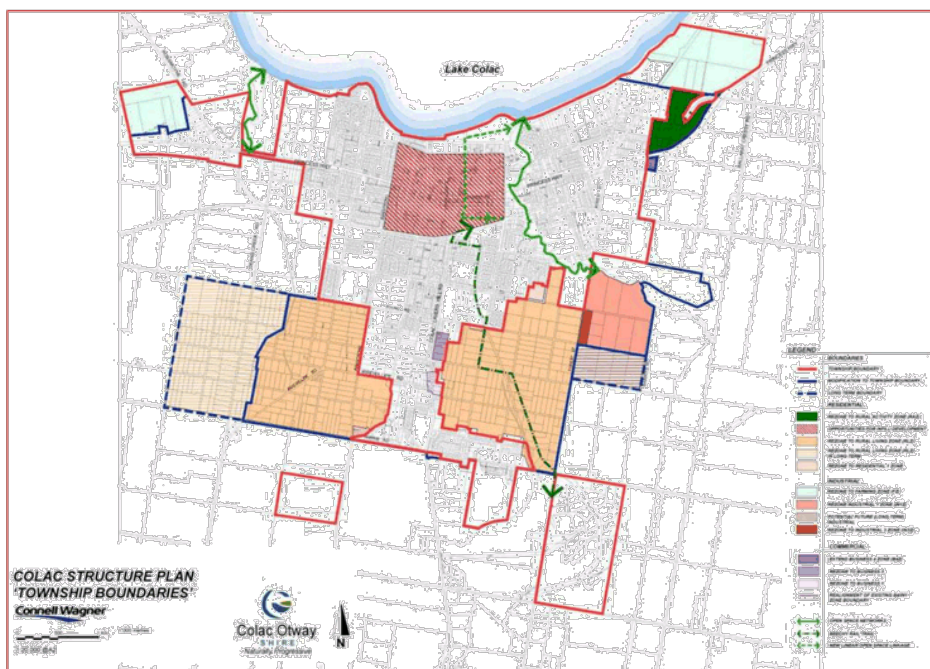
- Encourage the re-location of existing industrial businesses in the town centre to designated industrial areas
- Discourage industrial uses near the frontage of Lake Colac. This has resulted in a subsequent rezoning of previous industrial land to the Farm Zone to the north-east of the township (refer Figure 10.5)
- The Structure Plan identified areas for new industrial land to the east of the township (refer Figure 10.5), including an area identified as 'potential long-term' industrial land.

The brief for the 2007 Structure Plan did not specifically include scope for a review of the Colac town centre; however, a review of commercial areas throughout Colac highlighted opportunities for a local convenience retailing in Elliminyt and opportunities to enhance commercial areas at the entrances to the township.

Implications for this Strategy: The Colac Structure Plan will be updated as part of the Colac 2050 project. This Strategy will provide an updated assessment of the future opportunities for industrial and commercial land in Colac, including a review of the appropriateness of future industrial areas identified in the 2007 Structure Plan.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 10.5: Colac Structure Plan, 2007



Source: Connell Wagner, Colac Structure Plan, 2007

**Colac CBD and Entrances Project (2012)**

The Colac CBD and Entrances project was prepared by Planisphere in 2012 and has been adopted by Colac Otway Shire Council. The project is a 20-year plan focusing on the design the buildings and spaces of the Colac CBD and the eastern and western entrances to Colac. It provides the following *vision* for the CBD:

- Become known as the 'Botanic Garden City'
- Be a pedestrian-focused place, accessible for people of all ages and abilities
- Grow as a thriving rural centre of retail, business and community services
- Connect to its natural systems of the Lake and creek corridors
- Proudly express its heritage in the built and natural environment
- Be renowned for its collection of great buildings from all eras of the City's development
- Present an impressive image along the Princes Highway corridor, from the edges of the City to its core.



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

Implications for this Strategy: The Strategy will take into consideration the *Vision* of the Colac CBD identified in the Colac CBD and Entrances Project when assessing the future role and requirements for commercial land in Colac.

***Other Key Colac Otway Shire Planning Documents and Research***

Other key planning and recent research documents which have been reviewed and have been taken into consideration in the preparation of this Strategy include the following:

- Colac Otway Shire – Economic Development Discussion Paper, 2015
- Colac Otway Shire – Skills and Workforce Audit, 2014 (Grant Thornton)
- Colac Otway Region Profile, 2014 (G21)
- Industrial Land Supply Monitoring – G21 Region (Colac Otway), 2013 (Spatial Vision)
- Colac Otway Shire Marketing Colac Strategy 2012-2015.
- Colac and Apollo Bay Retail Study, 2009 (Essential Economics)

In addition to the above, this Strategy also takes into consideration work currently being prepared by Colac Otway Shire Council on the *Colac Economic Development Strategy* and the *Lake Colac Foreshore Masterplan*.

***Victorian Government Future Industries Fund***

The Victorian Government is developing strategies as part of the Future Industries Fund for the following priority sectors that have been identified as ‘primed for growth’ and which will underpin the State’s future economic and jobs:

- Food & fibre sector
- New energy technology
- Transport technologies
- Construction technologies
- Medical technologies & pharmaceuticals
- International education
- Defence technology
- Professional services.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

The Food & Fibre sector is particularly relevant to future economic opportunities in Colac and the surrounding region, having regard for the existing industry profile. The food & fibre sector includes:

- 'Food sector' comprising primary production and food and beverage manufacturing, and
- 'Fibre sector' comprising forestry, wood and paper products, animal feed, and animal skins, hides, fibres, textiles, clothing and footwear.

Each of the above sectors is a key employer and generator of economic activity in the Colac Otway Shire.

The new energy technology sector is also particularly relevant for Colac, having regard for the existing investment in wind energy technology in the region. In addition, Colac and the surrounding region is well-positioned in regard to the location characteristics typically sought for bio-fuel projects (refer Section 11.9)

## **10.5 Implications for the Strategy**

The main implications for the Strategy arising from this overview of Colac include the following:

- 1 Colac is a regional service centre located between Geelong (75km to the east) and Warrnambool (110km to the west) and serves a broad catchment for a range of regional services. Access to and from these larger regional cities will be improved through the duplication of the Princes Highway.
- 2 Colac is situated in a relatively competitive context in terms of its proximity to Geelong which provides a strong offer of retail, industrial, entertainment, health, education and other facilities and services. To a lesser degree, competition is also provided by the regional cities of Ballarat and Warrnambool, and the town of Camperdown.
- 3 In the context of anticipated population growth, a wide mix of activities will need to be accommodated in the Colac town centre, including commercial, retail, community and other uses. Colac requires an Economic Development and Commercial and Industrial Land Use Strategy to be developed in the context of a number of important State and local government policies and strategies.
- 4 A significant body of research and planning has already been undertaken in regard to economic development and land use planning in Colac, and this Strategy will build upon those resources.

## **11 OVERVIEW OF ECONOMIC TRENDS AND POTENTIAL OPPORTUNITIES**

This Chapter provides an overview of the key economic and demographic trends that influence economic, commercial and industrial development opportunities in Colac.

Unless otherwise stated, 'Colac' refers to the Statistical Area 2 (SA2) of Colac as defined by the Australian Bureau of Statistics (ABS). The Colac SA2 is shown in Appendix B.

### **11.1 Population Trends**

Colac has a population of approximately 12,020 residents in 2015, and has experienced only limited population growth over the past 20 years. Over this 20-year period, Colac's population increased by a total of just +670 residents at an average of approximately +35 persons a year, or +0.3% per annum. This compares to an average population growth in regional Victoria of +0.7% per annum over the same period.

Similar to other regional cities of Colac's size throughout Australia, population growth in Colac is constrained by comparably limited education and employment opportunities for younger people compared to larger cities in the region (e.g. Ballarat, Geelong and Warrnambool) and in Melbourne. Nevertheless, population growth in Colac currently tends to be driven by lifestyle choices of younger families and retirees choosing to move to Colac.

While Colac's population growth has been somewhat limited over the past 20 years, forecasts prepared by id Consulting (updated September 2014) indicate that Colac is expected to experience an acceleration in the rate of population growth. This in part will be due to improved transport linkages between Colac and Geelong (i.e. the completion of the duplication of the Princes Highway).

Table 11.1 and Figure 11.1 summarise the recent trends and forecast population for Colac and the Colac Otway Shire and shows that by 2035 Colac's population is forecast to increase from approximately 12,020 residents in 2015 to 14,160 residents in 2035. This represents an average annual population growth of approximately +110 residents a year or +0.8% per annum; this is more than double the rate of population growth that occurred over the past 20 or so years.

Beyond the next 20 years, the Growth Plan targets Colac to have a population of 20,000 persons in 2050. This will require the continued improvements in transport and other public infrastructure, making Colac and the surrounding region more accessible from an education and employment perspective, and thus assisting in the reduction or loss of the tertiary education and working age populations that has occurred in recent years. In addition, the attraction of investment that will create jobs will also be important.

The population forecasts to 2035 and to 2050, as shown in Figure 11.1, certainly indicate a considerably faster rate of population growth in Colac than has occurred in past years.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

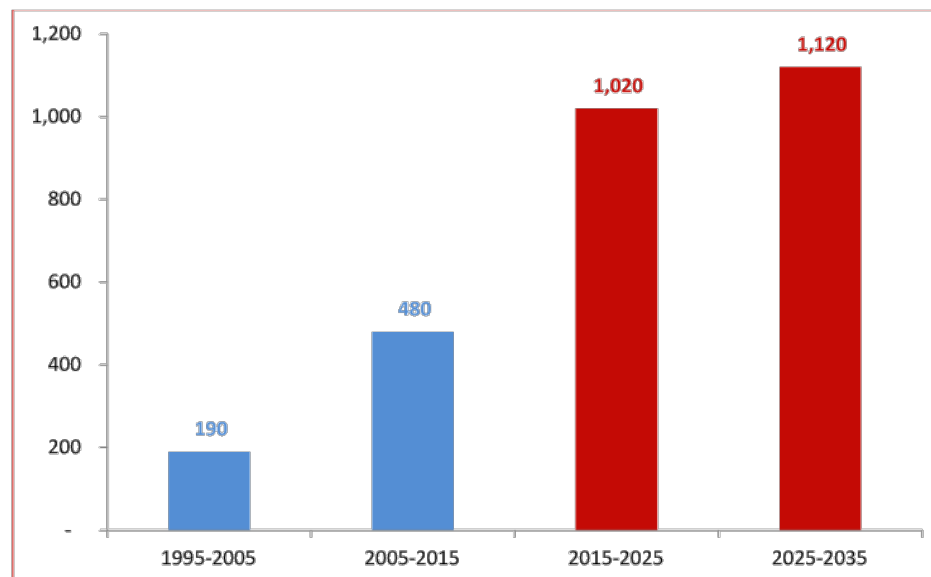
**Table 11.1: Population Growth Trends and Forecasts, 1995-2035**

| Location                                   | 1995   | 2000   | 2005   | 2010   | 2015   | 2020   | 2025   | 2030   | 2035   |
|--------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Estimated Resident Population (No.)</b> |        |        |        |        |        |        |        |        |        |
| Colac - SA2                                | 11,350 | 11,370 | 11,540 | 11,890 | 12,020 | 12,530 | 13,040 | 13,580 | 14,160 |
| Balance of Colac Otway (S)                 | 9,670  | 9,200  | 9,140  | 8,970  | 8,570  | 8,580  | 8,630  | 8,720  | 8,880  |
| Colac Otway (S)                            | 21,020 | 20,570 | 20,680 | 20,860 | 20,590 | 21,110 | 21,670 | 22,300 | 23,040 |
| <b>Average Annual Growth (%)</b>           |        |        |        |        |        |        |        |        |        |
| Colac - SA2                                |        | 0.0%   | 0.3%   | 0.6%   | 0.2%   | 0.8%   | 0.8%   | 0.8%   | 0.8%   |
| Balance of Colac Otway (S)                 |        | -1.0%  | -0.1%  | -0.4%  | -0.9%  | 0.0%   | 0.1%   | 0.2%   | 0.4%   |
| Colac Otway (S)                            |        | -0.4%  | 0.1%   | 0.2%   | -0.3%  | 0.5%   | 0.5%   | 0.6%   | 0.7%   |
| Rest of Victoria                           |        | 0.4%   | 0.6%   | 1.0%   | 0.9%   | 1.2%   | 1.3%   | 1.3%   | 1.2%   |
| <b>Average Annual Growth (No.)</b>         |        |        |        |        |        |        |        |        |        |
| Colac - SA2                                |        | -      | 30     | 70     | 30     | 100    | 100    | 110    | 120    |
| Balance of Colac Otway (S)                 |        | -90    | -10    | -30    | -80    | -      | 10     | 20     | 30     |
| Colac Otway (S)                            |        | -90    | 20     | 40     | -50    | 100    | 110    | 130    | 150    |

Source: ABS, Regional Population Growth, Cat. No. 3218.0; id Consulting Population Forecasts, September 2014; Essential Economics

Note: Figures are rounded

**Figure 11.1: Total Population Growth Trends and Forecasts in Colac, 1995-2035**



Source: ABS, Regional Population Growth, Cat No. 3218.0; id Consulting Population Forecasts, September 2014; Essential Economics

Note: Figures are rounded

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

## **11.2 Socio-Economic and Demographic Features**

A review of the ABS Census data for 2011 and the *Colac Otway Regional Profile (2014)* prepared by G21 indicates that residents in Colac currently have a socio-economic and demographic profile that is largely similar to the average for regional Victoria with regard to the following measures:

- Individual and household incomes for Colac and Colac Otway (S) are broadly in-line with the medians for regional Victoria.
- Home-ownership in Colac is broadly in-line with the average for regional Victoria.

However, where the profile of Colac residents differs from the regional Victoria average is in the following measures:

- Median housing costs tend to be lower in Colac compared to the median for regional Victoria.
- Colac has a slightly higher share (20.1%) of residents aged 65 year or older compared to regional Victoria (17.5%).

Table 11.2 provides a summary of selected socio-economic and demographic characteristics of the Colac and Colac Otway Shire population.

In addition to the above, Colac's population tends to have a lower level of educational attainment, and this corresponds with a higher share of the working population employed in lower skilled occupations. Further analysis of the education and skills of Colac residents, and how this impacts the local labour market, is provided in Section 11.4.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

Table 11.2: Demographic Characteristics of Colac and Colac Otway Shire Residents, 2011

| Category                                                   | Colac SA2 | Balance of Colac Otway Shire | Colac Otway Shire | Rest of Victoria |
|------------------------------------------------------------|-----------|------------------------------|-------------------|------------------|
| <b>Income</b>                                              |           |                              |                   |                  |
| Median individual income (annual)                          | \$26,000  | \$25,930                     | \$25,970          | \$25,740         |
| Variation from Rest of Vic. median                         | 1.0%      | 0.7%                         | 0.9%              | -                |
| % of persons (15 years or older) earning \$1,000pw or more | 16.4%     | 19.2%                        | 17.5%             | 20.6%            |
| Median household income (annual)                           | \$47,820  | \$48,420                     | \$48,050          | \$49,270         |
| Variation from Rest of Vic. median                         | -2.9%     | -1.7%                        | -2.5%             | 0.0%             |
| % of Households earning \$2,500pw or more                  | 7.8%      | 7.4%                         | 7.6%              | 10.2%            |
| <b>Age Structure</b>                                       |           |                              |                   |                  |
| 0-4 years                                                  | 6.6%      | 5.5%                         | 6.1%              | 6.3%             |
| 5-19 years                                                 | 19.4%     | 19.0%                        | 19.3%             | 19.7%            |
| 20-34 years                                                | 17.4%     | 11.7%                        | 15.0%             | 16.0%            |
| 35-64 years                                                | 36.5%     | 47.2%                        | 41.0%             | 40.4%            |
| 65-84 years                                                | 16.7%     | 15.3%                        | 16.1%             | 15.2%            |
| 85 years and over                                          | 3.4%      | 1.4%                         | 2.5%              | 2.3%             |
| Median Age (years)                                         | 40        | 46                           | 42                | 41               |
| <b>Country of Birth</b>                                    |           |                              |                   |                  |
| Australia                                                  | 93.3%     | 89.9%                        | 91.9%             | 88.8%            |
| Other Major English Speaking Countries                     | 3.2%      | 6.3%                         | 4.5%              | 5.4%             |
| Other Overseas Born                                        | 3.5%      | 3.8%                         | 3.6%              | 5.9%             |
| % speak English only at home                               | 96.5%     | 96.9%                        | 96.7%             | 94.4%            |
| <b>Dwelling Structure (Occupied Private Dwellings)</b>     |           |                              |                   |                  |
| Separate house                                             | 88.2%     | 93.5%                        | 90.4%             | 88.9%            |
| Semi-detached, row or terrace house, townhouse etc.        | 5.0%      | 4.1%                         | 4.7%              | 4.0%             |
| Flat, unit or apartment                                    | 6.1%      | 1.6%                         | 4.2%              | 6.1%             |
| Other dwelling                                             | 0.6%      | 0.8%                         | 0.7%              | 1.1%             |
| Occupancy rate                                             | 89.8%     | 55.8%                        | 71.9%             | 83.0%            |
| Average household size                                     | 2.3       | 2.4                          | 2.4               | 2.4              |
| <b>Tenure Type (Occupied Private Dwellings)</b>            |           |                              |                   |                  |
| Owned outright                                             | 41.1%     | 46.7%                        | 43.4%             | 39.6%            |
| Owned with a mortgage                                      | 32.1%     | 33.6%                        | 32.7%             | 34.3%            |
| Rented                                                     | 25.9%     | 18.9%                        | 23.0%             | 25.2%            |
| Other tenure type                                          | 0.9%      | 0.9%                         | 0.9%              | 0.8%             |
| <b>Housing Costs</b>                                       |           |                              |                   |                  |
| Median monthly mortgage repayment                          | \$1,210   | \$1,240                      | \$1,220           | \$1,320          |
| Variation from Rest of Vic. median                         | -8.3%     | -6.1%                        | -7.6%             | -                |
| Median mortgage as a share of median household income      | 30.4%     | 30.7%                        | 30.5%             | 32.1%            |
| Median weekly rents                                        | \$180     | \$180                        | \$180             | \$190            |
| Variation from Rest of Vic. median                         | -5.3%     | -5.3%                        | -5.3%             | -                |
| Share of occupied dwellings connected to the internet      | 66.2%     | 73.3%                        | 69.1%             | 73.2%            |

Source: ABS Census of Population and Housing 2011

Note: Figures rounded

Forecasts prepared by id Consulting provide an insight to how the demographic and household structure in Colac is forecast to change over the next 20 years. Table 11.3 shows the forecast age structure for Colac between 2015 and 2035 and shows that the main sectors that are forecast to experience the largest net change in population are the following:

- 'Parent and homebuilders' (35 to 49 years), 'primary school' (5 to 11 years) and 'secondary school' (12 to 17 years) aged children. Combined, these age groups are

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

forecast to account for 43% of population growth over the next 20 years and illustrate the attraction of Colac as a place for families.

- Older persons include 'empty nesters and retirees' (60 to 69 years), 'seniors (70 to 84 years) and 'elderly' (85 years plus). Combined, these age groups are forecast to account for 41% of population growth over the next 20 years.

Forecast growth in the older population in Colac will create opportunities for health and service-related industries, while the attraction of working families will also generate demand for certain types of retail and related services. Providing a range of employment opportunities will be important in order to continue to attract working families. Providing employment opportunities for the older population will also be important. The *2015 Intergenerational Report: Australia in 2015* (Commonwealth Government of Australia, 2015) forecasts an increase in the labour force participation rate of older residents, influenced by an anticipated increase in the retirement age and improved health outcomes. Strong growth in the older population in Colac is likely to lead to an increase in older persons seeking employment.

**Table 11.3: Forecast Age Structure in Colac, 2015-2035**

| Age Group / Service Sector                     | 2015        | 2025        | 2035        | Share of Future Growth, 2015-2035 |
|------------------------------------------------|-------------|-------------|-------------|-----------------------------------|
| Babies and pre-schoolers (0 to 4)              | 7%          | 6%          | 6%          | 3%                                |
| Primary schoolers (5 to 11)                    | 8%          | 9%          | 9%          | 13%                               |
| Secondary schoolers (12 to 17)                 | 7%          | 7%          | 7%          | 10%                               |
| Tertiary education and independence (18 to 24) | 9%          | 8%          | 8%          | 1%                                |
| Young workforce (25 to 34)                     | 13%         | 12%         | 12%         | 7%                                |
| Parents and homebuilders (35 to 49)            | 17%         | 17%         | 17%         | 20%                               |
| Older workers and pre-retirees (50 to 59)      | 12%         | 11%         | 11%         | 6%                                |
| Empty nesters and retirees (60 to 69)          | 11%         | 11%         | 11%         | 12%                               |
| Seniors (70 to 84)                             | 13%         | 14%         | 14%         | 22%                               |
| Elderly aged (85 and over)                     | 4%          | 4%          | 4%          | 7%                                |
| <b>Total persons</b>                           | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b>                       |

Source: id Consulting (Population Forecasts, September 2014)

### 11.3 Employment and Labour Force Structure

#### *Employment Structure in Colac Otway Shire*

Based on ABS Census data, the number of jobs in the Colac Otway Shire declined from 8,720 jobs in 2006 to 8,330 jobs in 2011, a loss of approximately -390 jobs. An overview of the three largest employing industries is provided below.

### **Health Care and Social Assistance**

Health Care and Social Assistance provides approximately 1,120 jobs in the Colac Otway Shire, representing 13.5% of all jobs. Colac Area Health, located in the town centre, is the major health provider in the region and employs 500 people.

Health Care and Social Assistance is an industry that has experienced employment growth in recent years, as shown in Table 11.4, and this is largely driven by the ageing resident population.

### **Manufacturing**

Manufacturing provides approximately 1,090 local jobs, or 13.0% of all jobs in the Shire.

The value-adding to local agricultural products is integral to the local manufacturing industry, with 'Dairy Product Manufacturing' and 'Log Sawmilling, Timber Dressing and Other Wood Products' accounting for 46% and 28% manufacturing jobs in the Shire, respectively, according to ABS Census data. The majority of these jobs are provided in the Colac Township, with Bulla Dairy located in both the Colac town centre and in an industrial estate in Colac East, and with AKD Softwoods also occupying two separate sites, one in an industrial estate in Colac East and the other on Farm Zoned land to the east of the township in Irrewarra.

ALC, which is involved in meat processing, is another major manufacturing employer in the town. ALC have plans to expand their workforce in the near future as a result of increasing demand for their product.

Manufacturing is another industry that has experienced employment growth in the Colac Otway Shire between 2006 and 2011, despite a general decline in the broader manufacturing sector throughout Victoria.

### **Agriculture, Forestry and Fishing**

Agriculture, Forestry and Fishing provided approximately 990 jobs in the Colac Otway Shire. The region's economy continues to be reliant on agriculture, in particular dairy farming which accounts for 49% of Agriculture, Forestry and Fishing jobs, and beef cattle farming which accounts for 24% of jobs in this sector.

As indicated above, the local manufacturing sector also relies on the success of agriculture, as does the balance of the local economy through the spending of wages of persons employed in agriculture and related industries. Jobs generated as a direct and indirect result of agriculture also serve as a major attraction for people coming to live and work in Colac and the surrounding region.

However, employment in Agriculture, Forestry and Fishing has declined in recent years as the industry moves towards more capital-intensive practices, reducing the need for labour.



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

**Retail Trade**

Retailing supports approximately 920 jobs in the Colac Otway Shire, a large proportion of which are located in the Colac town centre. Retail, as with other population-serving industries, relies on strong population growth in order to expand employment opportunities. The limited population growth in the Shire has contributed to a decline of -120 retail jobs between 2006 and 2011.

The distribution of jobs by industry is shown in Table 11.4 and is sourced from ABS 2011 Census data and the Economy id website.

**Table 11.4: Trends in the Jobs by Industry Sector, Colac Otway Shire, 2006-2011**

| Industry                                        | 2006         |             |                | 2011         |             |                | Change 2006 to 2011 |
|-------------------------------------------------|--------------|-------------|----------------|--------------|-------------|----------------|---------------------|
|                                                 | Jobs         | Share       | Regional Vic % | Jobs         | Share       | Regional Vic % |                     |
| Agriculture, Forestry and Fishing               | 1,200        | 14%         | 10%            | 990          | 12%         | 8%             | -210                |
| Mining                                          | 10           | 0%          | 1%             | 20           | 0%          | 1%             | +10                 |
| Manufacturing                                   | 960          | 11%         | 12%            | 1,090        | 13%         | 11%            | +130                |
| Electricity, Gas, Water and Waste Services      | 60           | 1%          | 1%             | 60           | 1%          | 2%             | 0                   |
| Construction                                    | 490          | 6%          | 6%             | 520          | 6%          | 7%             | +30                 |
| Wholesale Trade                                 | 380          | 4%          | 3%             | 220          | 3%          | 3%             | -160                |
| Retail Trade                                    | 1,040        | 12%         | 13%            | 920          | 11%         | 13%            | -120                |
| Accommodation and Food Services                 | 720          | 8%          | 7%             | 690          | 8%          | 7%             | -30                 |
| Transport, Postal and Warehousing               | 360          | 4%          | 4%             | 280          | 3%          | 4%             | -80                 |
| Information Media and Telecommunications        | 100          | 1%          | 1%             | 80           | 1%          | 1%             | -20                 |
| Financial and Insurance Services                | 110          | 1%          | 2%             | 130          | 2%          | 2%             | +20                 |
| Rental, Hiring and Real Estate Services         | 90           | 1%          | 1%             | 70           | 1%          | 1%             | -20                 |
| Professional, Scientific and Technical Services | 230          | 3%          | 4%             | 260          | 3%          | 4%             | +30                 |
| Administrative and Support Services             | 370          | 4%          | 2%             | 440          | 5%          | 2%             | +70                 |
| Public Administration and Safety                | 560          | 6%          | 6%             | 480          | 6%          | 6%             | -80                 |
| Education and Training                          | 560          | 6%          | 8%             | 560          | 7%          | 9%             | 0                   |
| Health Care and Social Assistance               | 990          | 11%         | 12%            | 1,120        | 13%         | 14%            | +130                |
| Arts and Recreation Services                    | 110          | 1%          | 1%             | 90           | 1%          | 1%             | -20                 |
| Other Services                                  | 310          | 4%          | 4%             | 260          | 3%          | 4%             | -50                 |
| Industry not classified                         | 70           | 1%          | 1%             | 60           | 1%          | 1%             | -10                 |
| <b>Total</b>                                    | <b>8,720</b> | <b>100%</b> | <b>100%</b>    | <b>8,330</b> | <b>100%</b> | <b>100%</b>    | <b>-390</b>         |

Source: id Consulting (Economy id, September 2014)

**Labour Force Structure in Colac Otway Shire**

Labour force structure refers to the industries in which Colac Otway Shire residents are employed (and differs from the term 'work force' which refers to jobs). The Shire's resident **labour force** comprises residents who are employed or unemployed, regardless of whether the jobs they hold (if employed) are located in the Shire or elsewhere.

The three largest employing industries of local residents in 2011 were:

- Manufacturing (1,200 people or 12.7% of all Shire jobs)
- Health Care and Social Assistance (1,200 people or 12.6% of all Shire jobs)
- Agriculture, Forestry and Fishing (1,130 people or 12.0% of all Shire jobs).

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

These three key industry sectors provided employment for a total of 3,530 people, or 37% of the total employed resident population in Colac Otway Shire.

Table 11.5 shows the labour force trends by industry between 2006 and 2011, and shows that over this period the resident labour force increased by approximately 120 persons (despite a decline of -390 workplaces as identified earlier in Table 11.4). Manufacturing and Health Care and Social Assistance experienced the largest growth in resident labour force between 2006 and 2011.

**Table 11.5: Residential Labour Force by Industry, Colac Otway Shire, 2006-2011**

| Industry sector                                 | 2006               |             |                | 2011               |             |                | Change 2006 to 2011 |
|-------------------------------------------------|--------------------|-------------|----------------|--------------------|-------------|----------------|---------------------|
|                                                 | Employed Residents | Share       | Regional Vic % | Employed Residents | Share       | Regional Vic % |                     |
| Agriculture, Forestry and Fishing               | 1,320              | 14%         | 10%            | 1,130              | 12%         | 8%             | -190                |
| Mining                                          | 20                 | 0%          | 1%             | 40                 | 0%          | 1%             | +20                 |
| Manufacturing                                   | 1,010              | 11%         | 12%            | 1,200              | 13%         | 10%            | +190                |
| Electricity, Gas, Water and Waste Services      | 80                 | 1%          | 1%             | 90                 | 1%          | 2%             | +20                 |
| Construction                                    | 670                | 7%          | 8%             | 710                | 8%          | 9%             | +40                 |
| Wholesale trade                                 | 400                | 4%          | 3%             | 240                | 3%          | 3%             | -160                |
| Retail Trade                                    | 1,030              | 11%         | 12%            | 990                | 10%         | 12%            | -30                 |
| Accommodation and Food Services                 | 750                | 8%          | 6%             | 810                | 9%          | 7%             | +60                 |
| Transport, Postal and Warehousing               | 410                | 4%          | 4%             | 400                | 4%          | 4%             | -10                 |
| Information Media and Telecommunications        | 110                | 1%          | 1%             | 90                 | 1%          | 1%             | -20                 |
| Financial and Insurance Services                | 110                | 1%          | 2%             | 130                | 1%          | 2%             | +20                 |
| Rental, Hiring and Real Estate Services         | 90                 | 1%          | 1%             | 80                 | 1%          | 1%             | -10                 |
| Professional, Scientific and Technical Services | 220                | 2%          | 4%             | 280                | 3%          | 4%             | +60                 |
| Administrative and Support Services             | 410                | 4%          | 3%             | 460                | 5%          | 3%             | +50                 |
| Public Administration and Safety                | 530                | 6%          | 6%             | 460                | 5%          | 6%             | -70                 |
| Education and Training                          | 560                | 6%          | 8%             | 570                | 6%          | 8%             | +10                 |
| Health Care and Social Assistance               | 1,010              | 11%         | 11%            | 1,200              | 13%         | 13%            | +190                |
| Arts and Recreation Services                    | 100                | 1%          | 1%             | 110                | 1%          | 1%             | +10                 |
| Other Services                                  | 310                | 3%          | 4%             | 300                | 3%          | 4%             | -10                 |
| Inadequately described or not stated            | 240                | 3%          | 2%             | 190                | 2%          | 2%             | -50                 |
| <b>Total employed persons aged 15+</b>          | <b>9,370</b>       | <b>100%</b> | <b>100%</b>    | <b>9,490</b>       | <b>100%</b> | <b>100%</b>    | <b>+120</b>         |

Source: id Consulting (Profile id, September 2014)

**Labour Force and Employment Comparisons**

A comparison of the number of jobs provided in the Colac Otway Shire and the labour force shows that the Shire is a net exporter of jobs. In 2011 the Shire had a resident labour force of 9,490 persons; however, only 8,330 jobs were actually located in the Shire (and these were taken up by residents and non-residents). Therefore, the Shire effectively 'exports' approximately 1,160 of its resident labour force to workplaces in other municipalities. Preferably, these 'export' jobs should be available in Colac as this would mean more local employment opportunities would be available for residents, and less cost to the individuals in time and travel costs, among other advantages.

The industries which 'exported' the largest number of jobs to areas beyond Colac Otway Shire are as follows:

- Construction (190 jobs)
- Agriculture, Forestry and Fishing (140 jobs)

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

- Accommodation and Food Services (120 jobs)
- Transport, Postal and Warehousing (120 jobs)
- Manufacturing (110 jobs).

The above industries provide an indication of skills of the local labour force that are not currently being met in the Shire. In other words, the Shire residents holding these jobs have to travel beyond the Shire to access this employment.

## **11.4 Labour Market**

### ***Labour Market Growth Trends***

Colac Otway Shire had an estimated labour force of approximately 10,660 persons in the March 2015 Quarter, with Colac representing a 55% share.

The unemployment rate in Colac was 8.4% in the March 2015 Quarter and this compares to an unemployment rate of 6.3% for regional Victoria. Colac's unemployment was 7.3% in the March 2014 Quarter.

Population growth expected in the municipality over the next 20 years (refer Table 11.1) will continue to drive the need for growth in local jobs for local residents. In this context, the further development of Colac, particularly the town's commercial and industrial areas, will provide opportunities for employment growth, both construction and on-going. This will be important, having regard for the high unemployment rate currently experienced by residents in the town relative to regional Victoria.

Over the longer-term, the unemployment rate for the overall Colac Otway Shire has increased from the 6.0% in the March 2011 Quarter to 7.1% for the March 2015 Quarter. This rise in unemployment compares to a slight increase in the average unemployment rate for regional Victoria, which increased from 6.1% to 6.3% over the same period. This information is shown in Table 11.6.

The above-average unemployment in Colac is also identified by G21 in the GROW (G21 Region Opportunities for Work) Strategic Plan which was released in May 2015.

GROW (G21 Region Opportunities for Work) is an ambitious program that aims to significantly reduce the unemployment rates and improve well-being in the most disadvantaged communities in the G21 Region over the next ten years (GROW Strategic Plan, 2015). Colac is identified as one of these disadvantaged communities.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Table 11.6: Colac Labour Force and Unemployment Trends, 2011 to 2015**

|                                 | 2011          | 2012          | 2013          | 2014          | 2015          |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Unemployed Persons (No.)</b> |               |               |               |               |               |
| Colac                           | 420           | 360           | 470           | 450           | 500           |
| Balance of Colac Otway (S)      | 240           | 230           | 270           | 270           | 260           |
| <b>Colac Otway Shire</b>        | <b>660</b>    | <b>590</b>    | <b>740</b>    | <b>720</b>    | <b>760</b>    |
| <b>Labour Force (No.)</b>       |               |               |               |               |               |
| Colac                           | 5,970         | 5,530         | 6,200         | 6,180         | 5,890         |
| Balance of Colac Otway (S)      | 3,060         | 2,790         | 3,110         | 3,110         | 2,960         |
| <b>Colac Otway Shire</b>        | <b>10,900</b> | <b>10,020</b> | <b>11,230</b> | <b>11,190</b> | <b>10,660</b> |
| <b>Unemployment Rate (%)</b>    |               |               |               |               |               |
| Colac                           | 7.1%          | 6.6%          | 7.5%          | 7.3%          | 8.4%          |
| Balance of Colac Otway (S)      | 4.8%          | 5.1%          | 5.4%          | 5.3%          | 5.5%          |
| <b>Colac Otway Shire</b>        | <b>6.0%</b>   | <b>5.9%</b>   | <b>6.6%</b>   | <b>6.4%</b>   | <b>7.1%</b>   |
| <i>Regional Victoria</i>        | <i>6.1%</i>   | <i>5.2%</i>   | <i>5.7%</i>   | <i>5.4%</i>   | <i>6.3%</i>   |

Source: Department of Employment, Small Area Labour Markets, Quarterly editions  
Note: Data refers to March quarters

**Labour Market Skills and Education**

The demographic profile of Colac residents differs from the average for regional Victoria in relation to the level of education and employment, with Colac residents less likely to have a tertiary education and more likely to be employed in occupations requiring a lower skills base (e.g. labourers, machinery operators, sales workers, etc). For example, a high proportion of Colac’s labour force is employed as labourers and related workers (20.2%) compared to regional Victoria (12.5%).

This situation is highlighted in discussions with stakeholders in Colac who indicate that skill shortages can be experienced when seeking skilled workers to fill available positions.

In turn, this shortage can reduce the productivity and growth of local businesses, increase wage levels, delay projects, create continuing vacancies, place pressure on existing staff, and limit capacity for businesses to improve operations through investment in research and development. In view of this situation, stakeholders see an opportunity to prepare and implement an integrated strategy in relation to skills training specific to industries in Colac.

The implications of skill gaps and shortages are highlighted in the Geelong Region Plan (2007):

*“Skill gaps and shortages are a significant barrier to industry transition and economic growth. Global competition is increasing the need for local businesses to invest in developing new product and service innovations plus the need to increase efficiency and marketing effort to improve competitive positions.*

*Attracting, developing and retaining the talent required to develop economic activity in these areas has become a critical issue for the region...” (p68)*

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

Grant Thornton undertook a *'Skills and Workforce Audit'* for Colac Otway Shire in 2014, with the main findings of the report reproduced below:

- 1 The Shire's businesses need to be agile and flexible in preparing their workforce for changes in the identified industry movements.
- 2 Education needs to be tailored and aligned with the Shire's business requirements in order to minimise the misalignment of skills and qualifications and thereby ensure a sustainable workforce.
- 3 The Shire's youth need to be informed when leaving school of the risks associated with short-term, low-skilled employment as opposed to long-term, sustainable and meaningful employment opportunities. A higher percentage of Year 12 graduates in the Shire in 2012 went straight into the workforce instead of further education, compared with their Victorian counterparts.
- 4 The industries in the Shire need to be conscious of the future gaps in their youth and ageing population and be proactive in sustaining productivity using process and technology interventions.
- 5 Females represent an untapped, highly-skilled labour force that is not sufficiently engaged and but which could fulfil a range of the skills requirements of the current and future workforce needs. A large proportion (42%) of the females available to work in the Shire are not participating in the labour force, and this is higher than the average for Victoria and Australia.

Opportunity exists for Colac to benefit from the additional training and education services provided in Geelong, and the duplication of the Princes Highway and potentially additional commuter rail services will improve this level of access for Colac residents.

Information relating to education and employment are shown in Table 11.7.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Table 11.7: Colac Residents' Education Levels and Occupations, 2011**

| Category                                                                                             | Colac SA2    | Balance of Colac Otway Shire | Colac Otway Shire | Rest of Victoria |
|------------------------------------------------------------------------------------------------------|--------------|------------------------------|-------------------|------------------|
| <b><u>Attending Education (% of those attending)</u></b>                                             |              |                              |                   |                  |
| Pre-school                                                                                           | 8.7%         | 7.6%                         | 8.3%              | 7.4%             |
| Infants/Primary                                                                                      | 38.4%        | 40.0%                        | 39.1%             | 36.8%            |
| Secondary                                                                                            | 34.4%        | 33.7%                        | 34.1%             | 31.6%            |
| Technical or Further Educational Institution                                                         | 9.4%         | 8.9%                         | 9.2%              | 9.8%             |
| University or other Tertiary Institution                                                             | 5.3%         | 6.3%                         | 5.7%              | 11.1%            |
| Other type of educational institution                                                                | 3.9%         | 3.4%                         | 3.7%              | 3.2%             |
| <i>% of total population attending education</i>                                                     | <i>25.9%</i> | <i>27.7%</i>                 | <i>26.6%</i>      | <i>28.5%</i>     |
| <b><u>Highest Year of School Completed (% of population aged 15 years and over)</u></b>              |              |                              |                   |                  |
| Year 12 or equivalent                                                                                | 30.7%        | 36.7%                        | 33.2%             | 37.0%            |
| Year 9-11 or equivalent                                                                              | 47.6%        | 47.4%                        | 47.5%             | 45.3%            |
| Year 8 or below                                                                                      | 11.9%        | 7.3%                         | 10.0%             | 8.5%             |
| Did not go to school                                                                                 | 1.6%         | 0.2%                         | 1.0%              | 0.5%             |
| Highest year of school not stated                                                                    | 8.2%         | 8.4%                         | 8.3%              | 8.7%             |
| <b><u>Highest Education Level Attained (Persons aged 15 years and over with a qualification)</u></b> |              |                              |                   |                  |
| Postgraduate degree                                                                                  | 2.7%         | 3.3%                         | 3.0%              | 3.8%             |
| Graduate diploma or certificate                                                                      | 2.2%         | 3.1%                         | 2.7%              | 4.3%             |
| Bachelor degree                                                                                      | 16.5%        | 23.1%                        | 19.6%             | 22.1%            |
| Advanced diploma or diploma                                                                          | 16.4%        | 19.4%                        | 17.8%             | 17.4%            |
| Certificate                                                                                          | 59.4%        | 48.8%                        | 54.4%             | 49.9%            |
| Inadequately described                                                                               | 2.8%         | 2.3%                         | 2.5%              | 2.5%             |
| <b><u>Employment Status</u></b>                                                                      |              |                              |                   |                  |
| Labour force participation rate                                                                      | 59.9%        | 66.3%                        | 62.6%             | 61.3%            |
| <b><u>Occupation</u></b>                                                                             |              |                              |                   |                  |
| Managers & professionals                                                                             | 23.0%        | 42.5%                        | 31.6%             | 32.6%            |
| Clerical & sales workers                                                                             | 33.0%        | 23.7%                        | 28.9%             | 32.2%            |
| Technicians & trades workers                                                                         | 15.6%        | 11.9%                        | 14.0%             | 15.7%            |
| Machinery operators & drivers                                                                        | 8.2%         | 6.6%                         | 7.5%              | 7.0%             |
| Labourers & related workers                                                                          | 20.2%        | 15.4%                        | 18.1%             | 12.5%            |

Source: ABS Census of Population and Housing 2011

**Labour Force Growth Forecasts**

Indicative long-term estimates for labour force growth have been prepared for Colac based on population growth data presented in Table 11.1. These estimates assume that the existing 'crude' labour force participation rates (i.e. labour force as a share of total population) will remain constant over the forecast period to 2035. On this basis, the forecasts show that between 2015 and 2035, the resident labour force in Colac is expected to expand by 1,000 persons.

In terms of employed persons (with the application of an assumed continuation of an average unemployment rate of approximately 7% over the 2015-2035 period), the analysis indicates that approximately 930 new jobs will be required to serve the needs of the expanded number

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

of Colac residents. Preferably, these jobs will be provided within the region to reduce the need for residents to travel elsewhere for employment. Additional employment is also likely to be required in Colac having regard for the towns role as a regional service centre.

Indicative labour force and employment projections for Colac are provided in Table 11.8.

**Table 11.8: Labour Force Projections, Colac, 2015-2035**

| Year                                                        | 2015   | 2025   | 2035   | Change<br>2015-2035 |
|-------------------------------------------------------------|--------|--------|--------|---------------------|
| Population <sup>(1)</sup>                                   | 12,020 | 13,040 | 14,160 | +2,140              |
| Labour Force (LFPR 46.6%) <sup>(2)</sup>                    | 5,600  | 6,080  | 6,600  | +1,000              |
| Employed labour force (with 7% unemployment) <sup>(3)</sup> | 5,210  | 5,650  | 6,140  | +930                |

Source: (1) Refer Table 2.1; (2) ABS Census 2011; (3) Refer Table 2.6

Note: Crude Labour Force Participation Rate (LFPR): resident labour force as share of resident population. Crude LFPR for 2011 applied to forecast population levels. Crude LFPR for Colac is based on ABS Population Census 2011. Figures rounded.

Furthermore, if the Colac 2050 population target of 20,000 residents in 2050 is achieved, an additional 3,460 new jobs would need to be generated to serve local employment requirements by 2050.

It is emphasised that the employment projections shown in Table 11.8 are based on the application of a crude participation rate, which may be expected to decline over time as the population ages. For context, a reduction in the crude participation rate from 46.6% to 40% would still create the need for approximately 790 new jobs in Colac over the next 20 years.

Nevertheless, the above analysis illustrates the need to continue to generate local employment opportunities in Colac.

### 11.5 Property Investment

A comparison of the value of new building permits between 2012 and 2015 for the SA2 areas in which Colac, Camperdown and Warrnambool are located is provided in Figure 11.2. Although the data may include development that is beyond the central areas of these towns, it provides a broad indication of development trends in the selected centres.

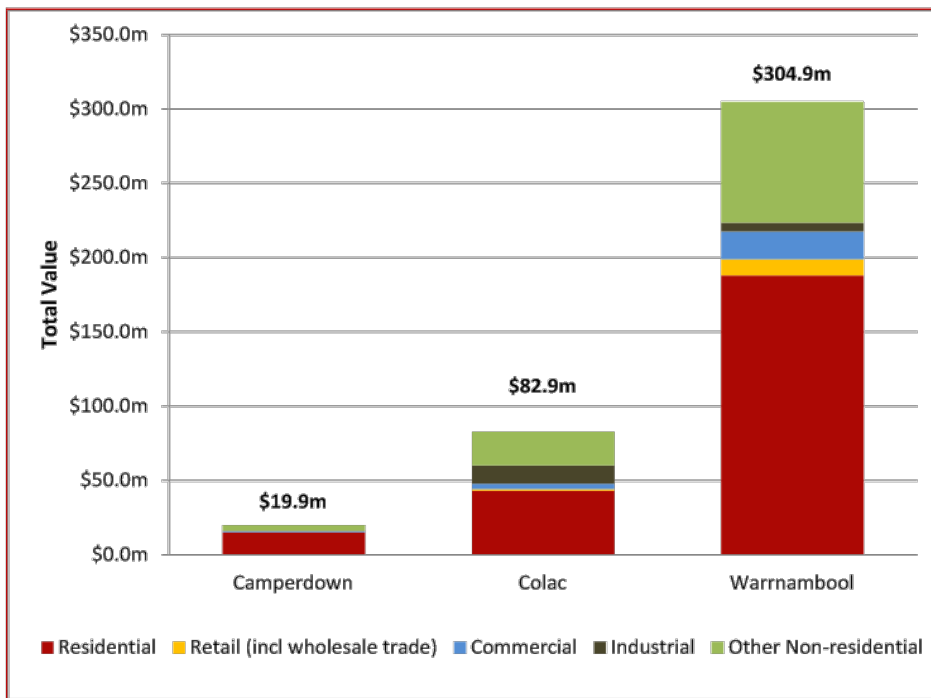
Over the period 2012 to 2015, the value of new building permits in Colac was approximately \$82.9m, which is significantly larger than the investment for nearby Camperdown (\$19.9m), but well below the figure for Warrnambool (\$304.9m).

Overall, investment data from the ABS in Figure 2.2 shows:

- Colac experienced very limited investment in the retail sector (\$1.1 million between July 2012-June 2015), compared with Warrnambool (\$10.8m).
- The total value of industrial building approvals over this period in Colac (\$12.3m) was double the figure of Warrnambool (\$6.0m), demonstrating that the smaller town of Colac has been competitive in this market.
- Colac has experienced significantly higher investment in all sectors than neighbouring Camperdown.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 11.2: Total Value of Building Approvals, July 2012-June 2015



Source: ABS Building Approvals data  
Note: Data relates to Colac SA2, Camperdown SA2, and Warrnambool (North and South) SA2s

### 11.6 Residential House Prices

Compared to metropolitan Melbourne and other municipalities in western Victoria, Colac Otway Shire provides affordable housing opportunities. For instance, the median house price in the Colac Otway Shire in 2014 of \$271,500 was below the median house price of the following municipalities:

- Greater Geelong: \$388,000
- Warrnambool City: \$318,500
- Surf Coast Shire: \$599,000
- Moyne Shire: \$315,000
- Golden Plain Shire: \$357,800.

The neighbouring municipality of Corangamite (median house price of \$180,000) was the only municipality in the region which had a lower median house than Colac Otway in 2014.

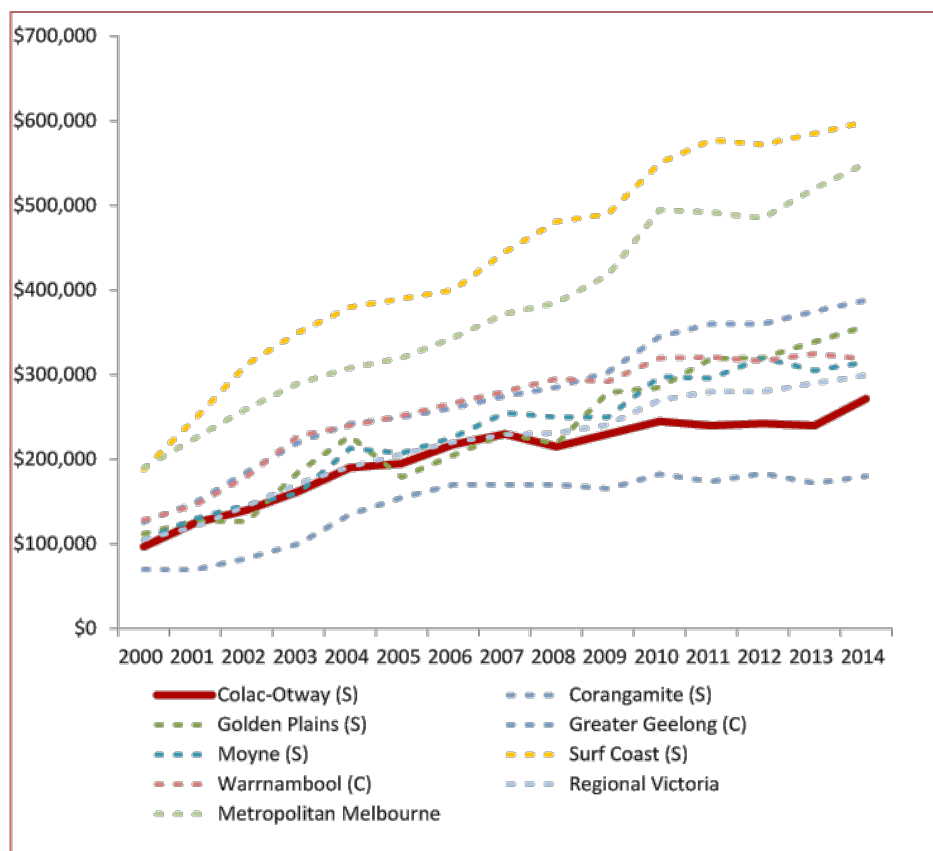


**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**  
FINAL DRAFT REPORT

This relative affordability presents as an opportunity to attract new residents, particularly those wanting to purchase their first homes.

Figure 11.3 shows the recent trends in median house price for selected municipalities in western Victoria, and the median for regional Victoria and metropolitan Melbourne.

**Figure 11.3: Median House Price for Selected Local Government Areas, 2000-2014**



Source: DTPLI, A Guide to Property Values, 2014

**11.7 Relevant Regional and Global Trends**

**Dairy Farming**

The current trend among the major supermarket chains of discounting private-label milk to \$1 per litre has increased the consumption patterns of milk, and therefore altered industry dynamics. This change signified a consumer shift to cheaper, private-label milk and increased supermarkets' share of the milk sales market. Many dairy farmers have continued to express

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

concerns over the long-term sustainability of the milk value chain due to the lower retail prices; however, the effect of the supermarket price wars on farmers' profits is a matter of on-going speculation.

The dairy cattle farming industry consists of many small dairy farms, the majority of which are family-owned and operated. The trend towards fewer, larger dairy farms is occurring in dairy farming industries around the world. Falling farm numbers across Australia reflect a long-term trend of consolidation and changing business practices which have encouraged a shift to larger, more efficient operating systems. This consolidation has been stimulated by increased exposure of dairy farmers to both domestic and international market forces, although co-ops provide a greater level of stabilisation and long-term security for many of the small dairy farmers.

To service the needs of fewer, larger farms, large milk companies are currently investigating the opportunity to further improve freight efficiency by using vehicles with Higher Mass Limits (HML). While the viability of servicing routes which are reliant on the use of comparatively light vehicles (such as single semi-trailers) may come under increasing scrutiny from major transport companies, those larger vehicles are appropriate for Colac's road network and would provide access to the town's industrial areas.

Broadly across the dairy farming industry, a decline in employment has occurred as a result of a range of factors including deregulation, adverse weather conditions, the ageing of farmers, farm corporatisation and the increasing use of technology on farms.

### **Forestry/Sawmilling**

Domestic demand for sawmilling services is influenced by a number of factors, including residential and commercial construction cycles, demand from timber re-sawing and dressing companies, demand from timber furniture manufacturers, and import penetration. Housing construction and dwelling commencement levels have the most effect on the industry due to the high use of timber in frames, doors, windows and flooring. These final products are produced by wood product manufacturers that purchase timber from timber re-sawing and dressing companies, which are downstream clients to the industry.

The number of enterprises operating in the industry has declined in recent years due to merger and acquisition activity. The trend towards greater consolidation has enabled operators to lower operating costs and improve economies of scale by reducing the number of manufacturing facilities and sawmilling machines. For example, the exit of a former sawmiller at the Irrewarra site in 1999 did not bring a new player into the industry; instead, their timber assets were acquired by existing local company AKD Softwoods. Activities at the Irrewarra location have focused on the sawing of large logs (ie, 400mm in diameter) and this site acquisition has complemented AKD Softwoods' operations at their Colac site which focuses on the processing of smaller logs (ie, 200-400mm).

Employee numbers at AKD Softwoods have increased over the past four years, from approximately 250 jobs to 300 jobs, but this trend has been in stark contrast to national industry trends. Employment in the industry across Australia has been significantly reduced over the past decade, while investment in plant and machinery by the major players has

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

increased. As a result, capital intensity has increased over these years, leading to increased productivity. The trend towards increased capital intensity is likely to continue in the near future as firms increasingly compete with sawmilling firms in other countries, and as productivity gains are important to maintain and increase margins.

***Continuing Change in the Retail Industry***

Retail is one of the most diverse of industries, with individual retailers ranging from single owner-operators to family businesses, medium-scale operations, national chains, large supermarket and department store corporations, big-box/bulky goods retailers, and the like. A well-functioning and efficient retail sector that meets the needs of consumers can make a substantial contribution to an area's economic strength, in addition to enhancing the general lifestyle, interests and well-being of a community.

While the diversity of retailing is likely to continue, fundamental shifts are occurring in the structure of the retail industry that need to be taken into account. In particular, a trend over the past 20 years has been for smaller operators to lose market share to the retail 'giants' which include supermarket chains, department stores, category killers (large stores selling particular ranges of goods, such as Officeworks or Dan Murphy's), and big-box retailers in bulky goods merchandise. These larger operations do not always seek locations in the traditional shopping strip – they generally prefer an enclosed shopping centre or free-standing site with good exposure to passing traffic. This trend is occurring throughout Australia and overseas, and is likely to continue into the future.

However, signs exist that traditional strip centres are re-capturing some market share through re-focused and improved marketing, as well as an increasing preference by consumers for 'main street' style shopping. The preference for 'main street' style shopping is evident in the Colac town centre. Murray Street (Princes Highway), between Corangamite Street to the west and Queen Street to the east, is considered to be the 'main-street' in Colac's town centre and generates a significant level of customer/pedestrian activity.

***Consumer Behaviour and Demographics***

The shopping public are continually redefining their demand for goods and services in terms of types of retail in demand and their allocation of expenditures on particular retail items, and adapting to new ways in which retailing is conducted in the marketplace.

For example, since the mid-1990s a general shift has taken place in retailing which now places increased focus on entertainment and leisure merchandise and services, rather than traditional household items, clothing and the like. More recently, a trend towards to 'organic' food has had an influence on the product offering of retailers.

Customers are also increasingly attracted to places where a mix of retail and entertainment is presented at the one location.

### ***Technological Change and Internet Retailing***

A number of ongoing advances in information technology are affecting the way in which retailing is undertaken, including - most importantly - the increasing use of the Internet as a purchasing medium, as well as other changes which affect how retailers operate, such as point-of-sales systems.

Potential exists for local retailers to lose market share as households undertake a greater proportion of their shopping through the Internet and other information media. The extent to which internet sales are likely to affect the existing retail industry remains uncertain, although it is apparent that particular retail sectors are well-suited to purchases by Internet, including music, books, wines, etc. The Internet market share for food shopping (especially in dry produce) may also increase over time. In recent years, the growth in Internet retailing has accelerated and Internet spending is now approaching 7% of retail sales, according to recent industry estimates.

Internet retailing is not as prevalent in regional areas as it is in metropolitan areas. Per capita spending on the internet in regional areas is around 7% below that of residents in metropolitan areas. Regional Victoria in particular has a low level of internet spending per capita and is approximately 11% below the national average (NAB, Online Retail Sales Index, monthly).

In many respects, the Internet is used in conjunction with traditional retail outlets. For example, consumers are increasingly using the Internet to research prices and products before going to stores to purchase items. As a result, many retailers see the Internet as part of their overall sales and marketing strategy. In other cases, the consumer views the merchandise in-store for size and price, and then goes home and purchases the item/s on-line if the price is cheaper than in-store.

Importantly, the Internet presents significant opportunities for local retailers to expand their market significantly, including the potential to export to a worldwide market. This opportunity is more pronounced for specialty retail or niche shops which otherwise do not have an extensive store network.

In a demographic context, Internet retailing is increasingly dominated by younger users, with around 45% of internet spending undertaken by persons in the 24-44 years age bracket (NAB, Online Retail Sales Index, monthly). As the broader population becomes more computer literate, the market penetration of Internet retailing is expected to increase over time.

Other new forms of technology may be developed in the future that may affect 'traditional' bricks and mortar retailing. For instance, mobile phone applications are being developed that can scan barcodes and allow the user to purchase products through their smart phones. These continual changes in technology will require some form of adaptation by traditional retailers.

The extent to which the Internet and other sales media (eg, telemarketing, smart phones, etc) can capture retail market share is likely to be largely limited by the community and entertainment-related aspects of shopping. Thus, while some retail purchases are likely to be made over the Internet, for the foreseeable future the majority of shopping will continue to be

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

undertaken at shopping centres or individual stores as this form of 'traditional' shopping provides an opportunity for social interaction and browsing, which, of course, cannot be experienced online. This social aspect is recognised as a key strength of traditional 'bricks and mortar' retailing.

***Trends in the Development of Regional Centres***

Regional centres are increasingly becoming the focus for investment, including investment in commercial, retail, residential and community development. In general terms, populations in the urban areas surrounding regional centres are expanding, although a decline in populations in more rural areas is also occurring.

Population growth in regional centres is attracting the interest from larger national brand retailers, and this coincides with the expectation of many regional Victoria (and Australian) residents for an expanded level of retail choice.

As regional centres expand, varying forms of retail development are becoming evident and include the following:

- Development of sub-regional shopping centres beyond the CBD and which accommodate a range of retailers, including Discount Department Stores (DDS). In many cases, strong demand for this form of retailing and a lack of appropriate sites in CBDs has been the genesis for the development of these centres in sub-regional localities.
- Development of neighbourhood shopping centres to serve the convenience needs of expanding populations on the fringes of regional cities.
- Development of homemaker centres or precincts in locations beyond the CBD where the retailer has the benefit of good exposure to major highways.

Larger regional centres including Bendigo, Ballarat, Shepparton, Mildura and Warrnambool have all experienced pressures for this form of retail development. This type of development is yet to eventuate in Colac, although it may be expected to eventuate if warranted by strong population growth in future.

***Trends in the Development of Small Rural Town Centres***

While population growth is occurring in regional centres, population decline is taking place in the rural areas and smaller townships. This factor, together with increased competition from other retail formats and regional centres, combined with a general lack of investment, has had an adverse impact on the viability of retail and other commercial businesses in small rural-based town centres. For this reason, larger town centres such as Colac will need to serve an increasingly important role as a focus for commercial development, supporting a broader area in years to come.

### ***Trends in 'Traditional' Industry***

Since the early 1990s manufacturing employment as a share of total jobs in Australia has declined significantly. This decline reflects increased levels of competition from overseas which is associated with reductions in trade protection and the increasingly capital-intensive nature of manufacturing in Australia.

However, Colac's manufacturing sector has performed well in recent years, with employment levels in manufacturing and associated industrial activities continuing to increase and thus defying the national trend, as discussed earlier in Section 1.3. The demand for traditional industrial uses in Colac has benefited from relatively low land costs and relatively good accessibility to suppliers and markets.

### ***Trends in Freight Industry***

Moving freight efficiently around all parts of Victoria and to and from interstate and international marketplaces is a key contributor to the prosperity of Victorians. This situation also applies at the local level in Colac and the western region of Victoria.

The freight task is impacted by trends in population growth, industry developments and global influences. In the retail sector, for example, businesses now carry a wider range of stock, a significant proportion of which is imported. These expanding volumes of imported stock have led to an increase in off-site warehousing and distribution operations which, in turn, creates significant demand for the provision of freight and logistics services. The growing need for the provision of infrastructure in these fields is highlighted by the strong ongoing growth in freight processed through Victoria's ports and significant growth in warehouse construction across the State.

The freight task in Victoria is substantial, and in the period to 2035 the volume of freight is expected to double, according to the Bureau of Infrastructure, Transport and Regional Economics. Road transport freight is the dominant form of logistics transport in Victoria, while rail performs best when moving large volume commodities over long distances (in mining economies, particularly in Western Australia and Queensland), and air transport typically moves very time-sensitive, high-value commodities.

The nearest intermodal terminal to Colac is located at Warrnambool (Dennington) and is operated by Wettenhalls. Freight is transferred between road and rail at the Dennington intermodal hub and facilities such as these will have a central role to play if rail is to increase its role in the freight transport and distribution system. The State Government is currently working on a range of initiatives that seek to increase the volume of freight carried on rail in Victoria.

Having regard for Colac's strategic location along one of the nation's major transport routes (Princes Highway), the town is well located to provide industry-related facilities and support services.

### **Climate Change**

The following extract from *Climate Resilient Communities of Barwon South West – Phase 1 Regional Report* (Victorian Adaptation & Sustainability Partnership, 2014) highlights the importance of acknowledging the potential risks to the global economy associated with climate:

*“In its 2013 Global Risk Report, the World Economic Forum identified failure of climate adaptation as the fifth biggest risk in terms of likely impact to the global economy. The second highest risk was water supply crises. In terms of likelihood, rising income disparity, unchecked greenhouse gas emissions, water scarcity and unmanaged ageing populations were all in the top five. Understanding and responding to climate change and extreme weather events is complicated by the interrelationships between, and dynamic changes taking place within, each of the above risk areas”*

The Barwon South Region, which includes the Colac Otway Shire, has already experienced various extreme weather events, including the 1983 Ash Wednesday Bushfires, El Nino induced droughts, and torrential rain events in 1952 that impacted much of the region including parts of the Great Ocean Road being washed away.

The need for climate resilient communities in the Barwon South Region is further emphasised by the following:

- An economy that is reliant on agriculture and manufacturing, with each industry requiring reliable water and energy supply
- Significant areas of natural environment that are susceptible to extreme weather events and rising sea levels
- High dependence on limited critical infrastructure, such as the Great Ocean Road and electricity lines, that may be susceptible to environmental shocks.

While the above characteristics present as challenges derived from climate change, the Colac Otway region benefits from relatively high levels of rainfall compared to areas further to the north in Victoria. This relatively higher rainfall therefore presents as a potential opportunity for intensive agriculture in the south-western parts of Victoria, as these areas are likely to be less susceptible to the impacts of drought.

### **Green Energies**

The Commonwealth Government has implemented a national Renewable Energy Target which requires that 33,000 GWh of Australia’s energy comes from renewable sources by 2020. The scheme aims to transform Australia’s electricity generation mix to cleaner and more diverse sources and, in so doing, supporting growth and employment in the renewable energy sector.

In recent years the number of enterprises in the wind energy sector has expanded strongly, as more companies have sought to make use of favourable assistance programs. Additionally, a rapid rate of technological change has occurred in the industry over this period. Wholesale and

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

retail electricity markets have also increasingly demanded electricity that is generated using renewable sources of energy due to the increasing environmental concerns associated with fossil fuel electricity generation. These trends are all indicative of an expanding industry, although this growth may be tempered due to political considerations in Federal Government.

The region broadly surrounding Colac is currently becoming a focus for investment in wind farms, with nearby Mt Gellibrand (Acciona) having received planning approval for 63 turbines. Located just 25km east of Colac, preliminary work has now commenced at the Mt Gellibrand site, with full operation anticipated in the near future. The Berrybank Wind Farm project is located 50km north of Colac and will comprise 99 turbines upon development.

Mount Mercer wind farm, which is located on private farming land approximately 80km north of Colac, commenced generating electricity in late 2014. That project is expected to generate sufficient clean electricity to supply approximately 74,000 homes each year and has created significant employment and investment opportunities in the region.

Clearly, the Colac region is growing in recognition as a wind farm location.

### **11.8 Economic Challenges**

The Colac Otway Region Profile, 2014 (G21) recognises that the economic challenges for Colac and the region include the following:

- The exposure to key industries, including agriculture and manufacturing, to a high level of overseas competition
- A high share of jobs in low-skilled occupations which are vulnerable to competitive economic forces
- A range of demographic and socio-economic factors such as low rates of high school completion and a low share of students attending university or a tertiary institution
- High rates of unemployment in Colac specifically
- The expected ageing population in Colac (and universally) will lead to a reduction of working-age persons over coming decades.

As indicated in the previous Section, climate change also presents as a potential challenge to the local and regional economy.

### **11.9 Opportunities for Local and Regional Economic Development**

#### ***Key Industry Sectors for Economic Development***

An overview of the key industries which present economic development opportunities for Colac and the surrounding region are provided below.



### **Dairy Farming and Processing**

A fresh milk export trial to China was undertaken in 2014 following an agreement with quarantine regulators to trial a shorter quarantine process. The trial successfully enabled Australian fresh milk to reach Chinese consumers within seven days of leaving Australian farms, rather than the 14 to 21 days traditionally required. As of May 2015, the Chinese quarantine regulator has agreed to reduce the amount of time Australian milk spends in quarantine.

The significance of this breakthrough has enabled Australian milk to reach Chinese consumers faster, increasing retail shelf life, and making it viable to export fresh milk to China. Chinese consumers are willing to pay significantly higher rates per litre for Australian milk, making this export market a potentially lucrative growth area. Milk must be pasteurised prior to export, meaning manufacturers stand to gain a significant share of these earnings, while farmers receive benefits associated with substantial demand increases.

### **Green Energy**

Wind farm projects create considerable construction employment during the development phase, while the associated benefits flow to local business operators in a range of sectors, including transport, trade supplies, vehicle maintenance, fuel supplies, accommodation, retail, cafes and restaurants. Colac is well-placed to capitalise on these associated benefits, noting that the performance of the wind energy industry, particularly investment in new capacity and other expansion projects, is sensitive to the extent and structure of industry assistance.

Specific opportunities for green energies may also include bio-fuels development from surrounding agricultural waste products. Colac is located in an agricultural area of south-west Victoria which has a significant supply of animal products, such as manure, having regard for the substantial cattle population in the surrounding region.

The locational attributes sought for biofuel projects typically involve five key criteria:

- Central to agricultural production
- Proximity to road and rail transport infrastructure
- Social compatibility
- Likely environmental impact
- Availability of water.

Subject to social and environmental investigations, Colac's location is compatible for the development of these types of uses. Further opportunities to promote and source energy supply from renewable energy sources may exist from wheat stalk waste biomass which could potentially be converted to renewable fuel products, specifically ethanol.

One option might be to allocate part of the Colac industrial land supply (existing or future) for the development of a small employment node which undertakes activities associated with green industries (eg, manufacture of solar panels, wind turbines, etc), bio-fuels and other

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

renewable activities. The potential viability of establishing a 'green industry' precinct would require further investigation.

The potential for green jobs is substantial and greatly beneficial, although existing skill gaps and shortages in Colac pose as a constraint and could preclude the use of new and available technologies. If Colac wishes to pursue the opportunity to increase the number of 'green-collar' jobs in the industrial areas of town, then the provision of appropriate training for green jobs will be an important area of focus.

### **Transport & Logistics**

Over the next 15 years, significant growth in interstate freight flows along the Victoria-South Australia route is forecast to occur, according to the Bureau of Infrastructure, Transport and Regional Economics. Road transport is a key strength of Colac, and having regard for Colac's strategic location along one of the nation's major transport routes, the town is well-situated to provide a range of industry-related support services. A strong presence of truck traffic along the Princes Highway route presents indirect opportunities to supply a range of goods and services to the transport industries. Passing heavy vehicles may create demand for custom-made accessories, mechanical equipment, vehicle servicing, and the like.

Opportunity may exist for an additional freight transport business, or even a transport hub, to establish in the town, capitalising on the access to rail and the convenient road passage to Geelong and Melbourne. An intermodal terminal would provide a means to better manage growth in freight along the Victoria-South Australia route, noting that typically an intermodal terminal would be located at least 250km from a port for a rail-based service to compete successfully with a direct road service. The Strategy will seek to maintain the opportunity for the future development of an intermodal freight terminal in Colac.

### **Tourism**

Colac is located approximately 75km (by road) from Port Campbell and the Great Ocean Road tourism region, which is one of the most significant tourism regions in Victoria and, indeed, the nation. Tourism is one of the Shire's key industries, having regard for the natural assets of the Shire which include coastline, rainforests, and volcanic craters and lakes.

Visitors to the Great Ocean Road region will often return to Melbourne (as their original point of origin) via a route which takes in Colac. These visitors already make an important contribution to businesses in Colac, although a key opportunity for Colac lies in encouraging these visitors to extend their stay in town. Likewise, opportunities exist to encourage through-traffic in Colac to extend their interaction with the town centre beyond just a toilet break and coffee. The Colac town centre presents a number of unique attributes that would be worthy of a longer stay, including Memorial Square, proximity to the Botanical Gardens and Lake Colac, and numerous heritage buildings. In addition, the long-standing presence of Bulla Dairy Foods in the main street is also unique in the context of a regional town. Potential may exist to work with Bulla Dairy Foods to provide an additional offering for visitors to Colac.

Potential also exists for Colac to be the hub for nature-based tourism which is present in the surround region.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

Having regard for Colac's regional service role, opportunities tourism support services to locate in Colac also exist. For example, these may include laundry services, food catering and equipment, etc.

**Health Care and Social Assistance**

Health Care and Social Assistance is the largest and fastest growing industry in terms of employment in the Colac Otway Shire. An ageing population, the presence of Colac Area Health as a major employer, together with the regional service role performed by Colac, will ensure Health Care and Social Assistance will continue to be a growth industry for the coming decade.

Opportunities may exist for the development of residential aged care and/or retirement villages in Colac. In addition, recent changes to policy in relation to aged care will see an increase in the demand for in-home aged care services.

***Other Important Considerations for Economic Development***

In addition to the above key industry sectors, the following are also important considerations for local economic development:

- **Adoption of technologies by business and the community.** The National Broadband Network (NBN) is due to be rolled out in Colac over the next year or so and this will provide opportunities for business to connect with new markets and improve efficiencies.

Adopting new technologies that improve efficiencies in production will also be important for agriculture, food processing and manufacturing sectors.

- **Improved 'sense of place'.** Continually improving overall 'offer' provided by the township of Colac, including the presentation of the town centre, housing choice, quality of industrial areas, education opportunities, recreation and community facilities, etc will enhance Colac's reputation as a place to live and invest.
- **Improved commuter rail services.** Colac will benefit greatly from improvements to the number of commuter rail services to/from Geelong and Warrnambool. Currently, only three services per day operate between Geelong and Colac. This level of service is not sufficient for the region to fully benefit from the regional services (including tertiary education) and employment opportunities provided in Geelong that are unlikely to be provided in smaller towns.
- **The attraction, retention and training of a skilled labour force.** A lack of a skilled labour force has been identified as a key issue impacting local businesses.
- **Retaining and assisting existing businesses to expand.** Colac benefits greatly from a number of major employers in the town (e.g. Bulla Dairy Foods, AKD Softwoods, ALC, Colac Area Health). Assisting these businesses to expand and remain key employers of local residents will be important to the future economic prospects of the region.

## **11.10 Potential 'Catalyst' Projects**

A number of 'catalyst' projects for Council are identified, based on the overview of economic trends and opportunities presented in this Chapter, together with input from the community (refer Chapter 12) and the analysis associated with commercial and industrial land in Colac (refer Chapter 14 and 15). These 'catalyst' projects are considered to be important projects that Council can undertake for the purpose of fostering economic development opportunities and include:

- **Advocate for increased commuter rail services** between Colac and Geelong, and Colac and Warrnambool, to provide a frequency of service that will allow people to commute throughout the region for the purposes of education (particularly higher education) and employment.
- **Investigate the opportunities and viability for the future development of an intermodal freight facility** for transport and logistics purposes in Colac. Land has been identified in Irrewarra as a potential location, refer Figure 5.1.
- **Identify opportunities to attract visitors to Colac to stay longer**, for overnight stays or for a longer stay while passing through the town. This may involve attracting more tourism facilities or improving the marketing of Colac's existing range of attributes.

The opportunity for a retail outlet and an interpretative display of the history of the local dairy industry at Bulla Dairy Foods has been identified as a potential opportunity worth pursuing.

- **Assist in the attraction of a business(es) to the existing Coles store in Murray Street** should Coles relocate (as expected) to the Council approved development site in Bromfield Street. The presence of a large vacancy in the heart of the 'main street' is not a positive advertisement for the town. Council should liaise with the property owner and assist where possible in the attraction of a new tenant(s).
- **Identify potential future uses for the DHHS Colanda site**, which is Crown land and adjoins industrial zoned land in the east of Colac. The 35ha site is currently a DHHS facility for people with intellectual disabilities; however, it is understood that the facility is likely to be closed in the near future. This site is encumbered by a number of buildings which may provide re-use opportunities for future tenants of the site.

### **11.11 Implications for the Strategy**

The main implications for the Strategy arising from this overview of the economic trends and potential opportunities in Colac include the following:

- 1 Colac's population has increased by a total of only 670 residents over the past 20 years, with growth generally constrained by limited education and employment opportunities for younger people compared to larger cities in the region (e.g. Ballarat, Geelong and Warrnambool) or Melbourne.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

- 2 The next 20 years are expected to see an acceleration in the rate of Colac's population growth as transport linkages between Colac and Geelong improve and as further growth takes place in well-located and established regional centres.
- 3 Key challenges facing Colac's economy in the future include the following:
  - The exposure to key industries, including agriculture and manufacturing, to a high level of overseas competition
  - A high share of jobs in low-skilled occupations which are vulnerable to competitive economic forces
  - A range of demographic and socio-economic factors, such as low rates of high school completion and a low share of students attending university or a tertiary institution
  - High rates of unemployment
  - The expected ageing population in Colac (and universally) will lead to a reduction of working-age persons over coming decades, although the planned extension of the retirement age may lead to the retention of a share of these (otherwise) retirees in the local labour force (and therefore local jobs will need to be available for them).
  - Implications of climate change.
- 4 Key industry sectors expected to provide local economic development opportunities in the future include dairy farming and processing, green energy, transport and logistics, tourism and health care and social assistance.
- 5 A number of 'catalyst' projects have been identified for Council to undertake which include:
  - Advocate for increased commuter rail services
  - Investigate the opportunities and viability for the future development of an intermodal freight facility
  - Identify opportunities to make visitors to Colac stay longer
  - Assist in the attraction of a business(es) to the existing Coles store in Murray Street
  - Identify potential future uses for the Colanda site

## **12 CONSULTATION FINDINGS**

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The consultation program for the Strategy comprised a wide range of activities, including three 'issues and opportunities' workshops that were conducted as part of the project by Capire Consulting Group Pty Ltd. The consultations involved business stakeholders, government stakeholders and Colac Otway Shire Councillors in August 2015. In total, 36 persons attended the three workshop sessions and provided valuable input regarding the issues and opportunities affecting businesses in Colac.

In addition, the residents were invited to provide written input to the Strategy, either online via a questionnaire or through hard copy forms which were made available from Council. In total, 185 residential surveys were received, with the input largely focusing on how people use the Colac town centre. This information has been incorporated into the Commercial Land Assessment in Chapter 14.

Council also conducted a business survey which has informed the preparation of Council's Economic Development Strategy.

The survey, workshops and a wide range of face-to-face meetings and telephone interviews with stakeholders were also undertaken, with all of this information assisting in providing an understanding of the local issues affecting businesses.

In total, 320 residents, businesses and stakeholders provided input to the Strategy.

An overview of the key findings of these consultations are presented in the following pages.

### **12.1 Consultation Findings: Business Workshop**

The key findings of the business workshop are summarised in Table 12.1 on the following page and provide an overview of the key issues and opportunities for Colac from a business perspective.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

**Table 12.1: Consultation Findings – Business Workshop**

| <b>Question</b>                                                               | <b>Issue / Selected Comment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What is the number one issue facing your business at this time?               | <p><b>Labour availability:</b></p> <p><i>“Issues in Colac around low skilled workers”</i></p> <p><i>“Employing staff is difficult because turnover is very high.”</i></p> <p><b>Stagnated population growth:</b></p> <p><i>“The biggest issue is getting people to live here”</i></p> <p><i>“Foot traffic is down and people are leaving the region”</i></p> <p><b>Planning for business and industrial uses:</b></p> <p><i>“Inconsistent zoning”</i></p> <p><i>“Land parcels are too small for industrial development”</i></p> <p><b>Regional competition:</b></p> <p><i>“Other towns are too far for people to commute daily, but not too far for people to shop”</i></p> <p><i>“Retail duopoly as key customers face multinational competition”</i></p>                                                                                                                                                                                                                                                                                                                                                                                 |
| What do you think are the main weaknesses of Colac as a place to do business? | <p><b>Regional competition</b></p> <p><i>“Proximity to other centres which have advantages for example shops at Waurin Ponds, and easy to commute to and from places like Torquay”</i></p> <p><b>Lack of accommodation options</b></p> <p><i>“Lack of accommodation options for staff”</i></p> <p><i>“Lack of conference facilities”</i></p> <p><b>Poor perception of Colac</b></p> <p><i>“Colac has image problem, portrayal in media, do we do enough to promote it?”</i></p> <p><i>“Perception of empty shops”</i></p> <p><b>Access to skilled employees</b></p> <p><i>“Local education levels are low”</i></p> <p><i>“Being able to attract a pool of professionals for example senior managers”</i></p> <p><b>Utilising Colac’s assets</b></p> <p><i>“Many people would not know about things like Lake Colac and Botanic Gardens café”</i></p> <p><i>“Not much opportunity for commercial businesses around lake”</i></p> <p><b>Not facilitating business opportunities</b></p> <p><i>“Difficulty with business facilitation to help navigate through regulatory environment”</i></p> <p><i>“Lack of access to supply chain”</i></p> |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

| <b>Question</b>                                                                                     | <b>Issue / Selected Comment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What do you think are the main strengths of Colac as a place to do business?                        | <p><b>Community Connection:</b><br/> <i>"Community and personal relationships"</i><br/> <i>"Hospitality is good"</i></p> <p><b>Proximity, natural assets and land availability:</b><br/> <i>"Competitive in term of transport logistics compared with East/Southeast of Melbourne. Colac is strategically located"</i><br/> <i>"Cheap industrial land"</i></p> <p><b>Good services and infrastructure in town:</b><br/> <i>"Good internet coming and highway duplication"</i><br/> <i>"Customer service has improved in recent years, improves peoples experiences of the town"</i></p>                                                                                                                                                                                                                                                                                                                                                                                                           |
| What things can council or businesses do to attract more customers and private investment to Colac? | <p><b>Reduce the red tape:</b><br/> <i>"Reduce red tape to get approval for expansion of business, if business has a good idea the council should support them"</i><br/> <i>"People in council are good/professional to deal with but get caught up in red tape"</i></p> <p><b>Encourage new business in Colac:</b><br/> <i>"Actively headhunt food manufacturing to town – prepare first with zoning and infrastructure"</i><br/> <i>"Leverage strong infrastructure in Colac"</i></p> <p><b>Improvements to the appearance of business in Colac:</b><br/> <i>"Improve the appearance of Murray Street and CBD/entrance, for example garden beds"</i><br/> <i>"Look at alternative opportunities for using the empty stores"</i></p> <p><b>Positive changes in council staff:</b><br/> <i>"Complements to the CEO, what an enabler from council"</i></p> <p><b>Strengthen Colac's identity:</b><br/> <i>"Strong promotion of Colac"</i><br/> <i>"Enhance Colac as a tourist destination"</i></p> |

Source: Capire Consulting Group Pty Ltd

## 12.2 Consultation Findings: Resident Survey

In total, 185 residential surveys were received with the input from these surveys largely focusing on how people use the Colac town centre. Key findings include the following:

- 95% visit Colac Town Centre for SHOPPING at least once a week
- 46% visit Colac Town Centre every day for WORK
- Around 93% drive to the Colac Town Centre
- How does Colac TC compare with other regional cities?
  - 40% poor or very poor



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

- 28% about the same
- 32% good or very good
- Just 10% are “proud of how the Colac Town Centre looks and operates”
- 37% are “satisfied with the range of retail and commercial facilities and services in Colac” and 40% are not satisfied
- “Only” 27% believe businesses do not display a high level of customer service
- Only 8% believe it is difficult to get around the Town Centre.

### **12.3 Consultation Findings: Business Survey**

In total, 85 business surveys were received, with the key findings as follows:

- Only 15% of Colac businesses have less turnover than in 2014
- 72% of Colac businesses believe turnover will increase in the next 5 years (compared with 2015)
- 22% might expand their facilities in the next 2 years (most have the room to do so without re-locating)
- The number key issues facing businesses:
  - Suitable Staff: hard to find the right people
  - Planning Regulation: too much regulation
  - Marketing: need to do more, but its costly
  - Competition from Geelong: our locals go there to shop for many items.

## **13 ISSUES AND OPPORTUNITIES ASSESSMENT**

This Chapter identifies and discusses the main issues facing commercial and industrial land development in Colac, and has been prepared with reference to:

- Desktop research presented in previous sections of this report
- Site visits undertaken in July and August 2015
- Analysis of mapping data, zones and overlays, and aerial photography of the study area
- Consultation with key stakeholders in Colac.

### **13.1 Importance of the Industrial Sector in Colac**

As discussed in Chapter 10, Colac serves an important role as a location for industrial output and business activity. The town provides 1,090 jobs locally and has attracted major investment in particular industry sectors, principally involved in food and timber processing and related industries.

A feature of Colac's industrial sector is the presence of three major industry participants (Bulla Dairy, AKD Softwoods and the Australian Lamb Company) employing a total of approximately 1,000 persons in the local workforce. Many other businesses are associated with these three firms, either through direct supply contracts, or through more indirect supply chain linkages.

All three of these major businesses have evolved over time, and have very significant sunk investment in plant and equipment.

A component of future industrial development potential may be associated with retaining and nurturing these existing businesses and enabling them to expand their operations, and potentially by attracting new businesses to fill direct and intermediate supply chain gaps.

As many of the major businesses in Colac are exposed to a high degree of international or national competition, a key function of any land use strategy is to ensure that these existing businesses can continue to operate in an efficient and profitable manner, and can expand to meet new business opportunities where they arise.

On this basis, the existing industrial sector in Colac is clearly one which has a high degree of importance, deserving of policy support because of the jobs, output and regional exports that are generated. However, as shown in Chapter 10, the Colac Otway Shire Planning Scheme gives only passing recognition of the importance of the industrial sector in Colac.

Overall, the analysis shows that greater recognition needs to be given to the role and contribution of major industrial businesses in Colac to the economic health of the township and of the municipality more widely. Stronger policy support would assist in providing certainty to the long-term future of these major employers.

### **13.2 Capacity for Expansion in Existing Industrial Zoned Land**

One of the main identified issues is the difficulty that major businesses face in expanding their operations in the existing industrial zones. Furthermore, a shortage of available (ie, vacant and serviced) industrial land of a significant size (ie, 5ha or greater) also limits the ability to attract new industrial businesses, although the overall identifiable demand for new industrial development is limited.

Although the investigation of supply and demand for industrial land did not form part of the *Colac Structure Plan 2007* process, the Plan identifies that – although a relatively large amount of vacant industrial land appears to be available in Colac – significant constraints exist which inhibit development.

Overall, the difficulty in expanding or attracting new industrial entrants is related to a number of factors, including:

- A lack of available lots of the right size to cater for new businesses (ie, few vacant land parcels in existing industrial zones that are suitable for large-scale development)
- Constraints on many parcels of land in the existing industrial zone due to a lack of appropriate threshold distances from residential uses
- Constraints associated with un-serviced or inadequately serviced land
- Large industrial land holdings that are retained by passive landowners.

From the local business perspective, it is important to ensure that the opportunities for business expansion at existing sites is retained by limiting the extent of residential development immediately surrounding existing industrial zones and finding ways to provide sufficient land buffers so that industrial developments are less likely to trigger the requirement for a permit for the use and development of land for industry.

### **13.3 Industrial Land Supply for Future Development**

The *Industrial Land Supply Monitoring Project (G21 Region) – Colac Otway 2013* provides a synopsis of the existing capacity for industrial development in Colac. The report identifies that, as at March 2013, a total of 187 hectares of industrial land were located around Colac (ie, Colac, Colac East, Elliminyt, and Colac West) and with 71 hectares of this industrial land recorded as being available supply for industrial purpose development. This quantum of zoned industrial supply relative to unavailable industrial land stocks equates to a total land area vacancy rate of 38%. The report concludes that no identified shortfall of industrial land exists in Colac, either in total land or by specific lot size.

During consultation in this present project, these findings have been queried by business, government and Council stakeholders alike. A lack of large vacant land parcels in existing industrial precincts that might be available for future industrial use was highlighted on several occasions. This situation has been further investigated in Chapter 15 of this report, which is supported by a current supply and demand assessment.

### **13.4 Natural Physical Constraints**

Physical characteristics, including drainage and inundation risks, are important factors in determining land suitability and can place limitations and costs on development for industry.

Colac is situated next to Lake Colac and various zoning overlays are intended to identify, prevent and resolve water management issues in parts of the community to avoid a flood event (which last occurred in 1998). Existing creek-lines also present minor challenges to the Colac commercial and industrial sectors — both existing and future — which must accommodate business having regard for various tracts of compromised land.

This issue, though minor, is difficult to avoid, and opportunities for new industrial land sources need to be planned so that the effect of land which is subject to inundation does not hinder future development opportunities.

### **13.5 Skills Needs and Labour Retention**

Key stakeholders identify the difficulty in attracting suitably qualified engineers and management professionals to businesses in Colac. Anecdotally, this situation has been due to the push-pull factors of the attractiveness of wages in mining operations located elsewhere for a range of engineer trades, and a perceived lack of 'managerial quality' residential dwellings in Colac.

The importance of 'liveability' in attracting technical and managerial professionals is a recurring theme among stakeholders, and the consensus is that a share of managerial professionals working in Colac choose to live outside the township.

In this regard, the ability to attract key skills to Colac relies heavily on the wider marketing of the attractive residential aspects of Colac as a place to live, work and do business. In turn, this is affected by a range of factors including the availability and quality of education and health care, the quality of retail and business services, recreation and leisure opportunities, quality of housing, and so on. These are factors that should properly constitute part of the wider promotion of Colac as part of an array of economic, community, activity centre, marketing and other initiatives.

Most businesses report a reasonable pool of prospective employees for basic level manufacturing positions and temporary/seasonal work. It was also noted that the practice of 'shift work' was commonplace and this presented complications for employees looking to commute to the town. In that regard, approximately 90-95% of employees for the three major industrial businesses are understood to live in Colac or the immediate surrounds.

Unless steps are taken to provide a suitably skilled workforce in Colac, the town's development will be limited to those sectors focused on low-skilled employment activities.

### **13.6 Industrial Land Access**

It is important that Colac's road network provides good access to the town's industrial sites. Presently, Murray Street (Princes Highway) provides access for B Double and other heavy trucks into key industrial precincts in Colac. Ideally, truck traffic would be separated from incompatible uses; however, Murray Street is required to facilitate the safe passage of both commercial and residential vehicular traffic.

Murray Street is a crucial route for industries relying on the movement of goods between Colac and various western locations, and improvements in the links with Geelong due to the road duplication project will likely mean that Murray Street will be required to accommodate increasing levels of commercial truck traffic in the future.

### **13.7 Transport Routes**

Locations in close proximity to the main arterial road in Colac (ie, Murray Street) allow easy access to the State highway system, thereby contributing to lower transport cost, and with less likelihood of adverse amenity impacts on local residential roads.

Truck transport routes are of vital importance to Colac's industrial sector, and key main roads such as Murray Street and Forest Street will need to safely accommodate a mix of commercial and residential traffic. Resolution of complex freight route issues would considerably reduce industry's transport and traffic-related impacts on Colac.

### **13.8 Residential/Industrial Interface**

Existing industrial sites adjoining, or in close proximity to, recently-established residential areas are likely to be restricted in their type of development and future use of the land due to amenity concerns that trigger the need for permit approval of industrial use and development.

Increased residential encroachment in immediate proximity to Colac's industrial precincts has resulted in residential neighbours lodging complaints with either Council or directly with the industrial occupier. In some cases, the consequences of residential encroachment have restricted the ability of industry to operate, predominantly due to concerns of early-morning noises adversely affecting nearby residential areas.

### **13.9 Provision of Utilities**

A key issue identified by stakeholders is that opportunities for businesses to invest or expand in the town are limited by the lack of suitably-serviced industrial land. Services sought by industrial tenants and owner-occupiers include water, sewerage, natural gas, electricity and telecommunications.

Forest Street has been identified as an appropriate opportunity for industrial expansion and this would involve the subdivision of existing properties which are used partly for grazing but are reportedly well-connected to local utilities. In the past, the high cost of providing services to sites in Colac West has proved to be a deterrent for development.

Major increases in industrial activity requiring large amounts of power and water use may necessitate additional works to ensure supply. Council are currently investigating the service requirements for various industrial land parcels throughout the town.

### **13.10 Enhancement of the Town Centre**

Only 10% of residents surveyed responded positively to the statement, *"I am proud of how the Colac CBD and commercial areas look and operate."* The large majority of survey respondents indicate that the town centre could generally improve its attractiveness and vibrancy. A number of vacant tenancies, coupled with the run-down appearance of a number of buildings and streetscapes, contribute to these negative perceptions.

An appropriately-balanced set of guidelines for external advertising along Murray Street, together with a concerted effort towards undertaking necessary maintenance works on buildings, will help to ensure that the attractive character of the Colac town centre is maintained and enhanced for future generations.

### **13.11 Location for Bulky Goods**

The appropriate location for bulky goods retailers in Colac was raised during consultations. Larger operations – such as Harvey Norman, Good Guys and Freedom Furniture – do not generally seek locations in the traditional town centre; they typically prefer a dedicated homemaker centre or free-standing sites with good exposure to passing trade. A limited number of bulky goods retailing uses are currently located in Colac, with Bunnings and Mitre 10 being the largest national brand retailers in the town centre.

Guidance on the future demand and locations for bulky goods retailing is provided in Chapter 14.

### **13.12 Retail Focus Shifting from Murray Street**

Retail locational patterns in Colac are gradually changing over time, with a range of businesses which predominantly sell to local residents moving to locations along Bromfield Street rather than Murray Street.

Bromfield Street currently features two supermarkets (Woolworths and ALDI) and Coles have also flagged their intention to move from Murray Street into a Bromfield Street site location. In addition, IGA also have a presence in Bromfield Street with a dedicated liquor store. This evolution of the day-to-day retail activity away from Murray Street presents a range of challenges and opportunities for the town. In traditional town centres (as in Colac's case), the general aim is to ensure that core retailing activities maintain a presence in the central retailing area. However, constraints on physical expansion (either through a lack of suitable sites, or heritage considerations and the like) mean that businesses may seek alternative sites. This situation has led to the growth of retailing in Bromfield Street over past years.

The need to maintain a strong performing 'main street' (i.e. Murray Street) will be integral to the performance and perception of Colac as a popular place to visit and spend some time. The

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

importance of Murray Street as the traditional 'main street' in the context of Colac should be recognised, as it:

- Provides a community focal point, where residents come to undertake a variety of activities, including shopping, banking, recreation, cultural and social activities.
- Is an important component in the promotion of tourism in the town, as the main-street is often the principal location where a town and its community will interact in civic and recreational activities, and interact with visitors.
- Provides a connection with the town's history, as illustrated by the presence of historic buildings and places.

Although a major anchor tenant may vacate a site on Murray Street, this will present an opportunity for another major tenancy to locate in Colac, adding to the overall retail offer. Alternatively, the site may present an opportunity for a mix of retail and non-retail uses that would add to the vibrancy and activity levels in Murray Street.

### **13.13 Implications for the Strategy**

According to the broad range of consultation and research undertaken during the preparation of this Strategy, the main issues of relevance for the preparation of the Strategy are summarised as follows:

- 1 The need to highlight the important role that Colac's industrial sector plays in providing jobs and generating output, income and export earnings
- 2 The need to manage existing industrial precincts to ensure that the needs of existing businesses are recognised, while minimising land use and development conflicts and amenity impacts on local residents
- 3 The need to identify short-term options for creating new industrial land supply aimed at presenting opportunities for larger lots to attract new businesses to the town
- 4 The need to identify a long-term supply of industrial land at a location (or locations) free from constraints associated with surrounding land uses (especially residential)
- 5 The need to identify and formalise transport routes to recognise the needs of industry while minimising adverse amenity effects on residents
- 6 The need to promote the broader Colac region as an attractive place to live, work and invest, thereby attracting a skilled labour force to move to Colac and environs
- 7 The need to ensure the town centre has improved public space, parks, footpaths, nature strips and trees, thus ensuring that the main areas of activity are attractive and help to promote Colac as a pleasant place to live and visit
- 8 The need to determine the appropriate location to accommodate any future demand for bulky goods retailing, and also non-CBD retail facilities
- 9 The need to ensure the town centre fulfils its role as both the primary area for retail and commercial businesses and as a vibrant social hub for the whole community.

## **14 COMMERCIAL LAND ASSESSMENT**

This Chapter provides an overview of the existing commercial land situation in Colac and an assessment of the future commercial land development opportunities. The assessment takes into consideration opportunities for retail, office and land uses that may be accommodated on commercial zoned land in the Colac town centre and other locations in Colac.

### **14.1 Competitive Context**

Colac competes with a number of regional centres for a share of spending by residents and visitors, particularly in relation to higher-order retailing, including large-scale purchases and comparison shopping. An overview of the main centres that compete with Colac and influence the geographic extent to which Colac captures trade is provided below.

#### ***Geelong***

Geelong is located approximately 80km (by road) east of Colac. As a regional centre, the Geelong CBD extends its trading influence over a broad region in terms of providing higher-order retailing. It is also the regional centre for a wide range of commercial, administrative and community functions not found elsewhere in the region. The centre contains in the order of 110,000m<sup>2</sup> of retail floorspace and has two large fully-enclosed shopping centres: Westfield Plaza and Market Square.

On the western outskirts of Geelong is the Wearn Ponds Shopping Centre, a sub-regional centre of approximately 48,000m<sup>2</sup> in retail floorspace. The centre is anchored by Kmart, Target, Coles, Woolworths, Reading Cinemas and also contains around 130 speciality retailers. The Centre has recently been redeveloped. A major homemaker centre is also located in Wearn Ponds.

The duplication of the Prince Highway improves the accessibility of retail facilities in Geelong and Wearn Ponds for Colac residents.

#### ***Ballarat***

Ballarat is located approximately 100km (by road) north of Colac. The Ballarat CBD contains approximately 115,000m<sup>2</sup> of retail floorspace and is the main administrative and commercial centre for an extensive region covering western Victoria. Major retailers include a Myer department store, Target, Big W and Harris Scarfe.

#### ***Warrnambool***

Warrnambool is located approximately 110km (by road) west of Colac. The Warrnambool CBD contains approximately 86,770m<sup>2</sup> of retail floorspace, with major retailers including Target, Coles, Woolworths and ALDI. A cluster of big box retailers is located approximately 3km east of the town and includes Bunnings, The Good Guys and Harvey Norman. This location adjoins the



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Gateway Plaza sub-regional shopping centre, which features Kmart and Woolworths stores as well as many small retail shops and services.

### **Camperdown**

Camperdown is located 45km (by road) west of Colac. The town centre provides convenience retailing to Camperdown and the locally surrounding communities and comprises in the order of 17,000m<sup>2</sup> of retail floorspace, including Woolworths, Supa IGA, and Foodworks.

### **Apollo Bay**

Apollo Bay is located approximately 70km (by road) south of Colac, along the Victorian coastline, and has approximately 11,000m<sup>2</sup> of retail floorspace. The town features two supermarkets, Foodworks and IGA, and serves the convenience needs of local residents, tourists and other visitors.

The locations of competing centres and how they influence the trade area for Colac's retailers is shown in Figure 14.1.

## **14.2 Existing Land Use Patterns in the Colac**

The Colac town centre is the main commercial area serving Colac and the surrounding region. The town centre is focused along Murray Street (also referred to as the Princes Highway) and includes a range of retail, commercial, community and civic uses.

As discussed earlier, Bromfield Street, to the south of Murray Street, is increasingly becoming a focus of retail and commercial activity in the town centre, with ALDI, Bunnings and Medicare recently locating here. In addition, a Coles supermarket has also been approved for Broomfield Street.

The majority of the town centre is in the Commercial 1 Zone (C1Z).

Other commercial areas in Colac include the following:

- Highway business precincts at the eastern and western entrances to the town. These areas include a mix of restricted retailing, trade supplies, vehicle sales and industrial uses and are in the Commercial 2 Zone (C2Z).
- A standalone IGA is located on the southern side of Princes Highway at the intersection with Woods Street, opposite Colac Primary School. The store incorporates liquor and some take-away food, and serves a small local catchment, while at-grade parking at the centre encourages trade from passing traffic. The centre is located on C1Z land.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 14.1: Competitive Context



Produced by Essential Economics using MapInfo and StreetPro

- A collection of light industrial uses is clustered along Main Street to the south of the Colac Cemetery. The pocket is located on C2Z land and adjoins residential uses with Main Street frontage. A warehouse in the precinct has been reused as the Colac Indoor Tennis & Sports Centre which now offers a sport and recreation function. A number of inconsistencies in zoning are evident, with only part of the 'Don McKay Farm Supplies' site zoned C2Z and with the balance in a residential zone.
- Two other pockets of C1Z exist in the balance of Colac — one on the corner of Hart Street and Pound Road, the other on the corner of Moore Street and Donaldson Street. These two small local centres provide a very limited range of day-to-day convenience retailing to an immediate local catchment.

A large retail development has been approved by Council for the site on the south-east corner of Bromfield Street and Queen Street in Colac. The development will broadly comprise approximately 5,340m<sup>2</sup> of retail floorspace, including the relocation and upgrade of the existing Coles store (1,700m<sup>2</sup>) on Murray Street, approximately 750 metres from the approved site. A new full-line supermarket (4,300m<sup>2</sup>) would be supported by approximately 1,040m<sup>2</sup> of specialty retail floorspace.

In addition to retail and commercial uses, the following uses are located in the Colac town centre which add to the viability, vibrancy and overall level of services provided in the centre:

- Health facilities, including the Colac Area Health Hospital
- Entertainment, including the Colac Otway Performing Arts and Cultural Centre which includes a cinema and auditorium
- Civic facilities, including the Colac Otway Shire offices
- Education facilities, including Gordon Institute of TAFE and employment training service operators.

Compared to other regional cities, the Colac town centre has a number of unique features with respect to land uses and these include:

- Memorial Square is a large public open space in the centre of town capable of hosting events and markets, and is also used by residents and visitors as a place to relax and enjoy.
- Bulla Dairy Foods is located central to Colac town centre along Princes Highway. Bulla Dairy Foods has a long history in Colac dating back to the 1930s and is a major employer in the region.
- Colac Botanical Gardens and Lake Colac are located approximately 700m to the north of the town centre. Opportunities to connect the town centre with Botanical Gardens and Lake Colac have been identified by Council.
- Historical buildings, with much of Murray Street covered by a Heritage Overlay.

These attractive features of the Colac town centre present opportunities for the centre to be differentiated from other regional centres.

### **14.3 Retail and Commercial Floorspace Survey**

A detailed survey of retail and commercial land use and floorspace in Colac was undertaken in July 2015, using a combination of fieldwork by the consultant and property data supplied by the Colac Otway Shire Council. This survey ensure that the Strategy is based on the latest available information relating to land use patterns and trading conditions of businesses in Colac's commercial areas.

Definitions of land use categories used in the survey are provided in the Introduction (p5).

### **Retail Floorspace**

Colac town centre currently contains approximately 58,270m<sup>2</sup> of retail floorspace, with the distribution of floorspace by key retail categories summarised in Table 14.1.

Occupied retail floorspace in the town centre of 54,010m<sup>2</sup> in 2015 compares with approximately 51,110m<sup>2</sup> in 2009, according to previous analysis undertaken using the Census of Land Use and Employment (CLUE) database.

The town centre has an existing retail floorspace vacancy rate of 7%. In general, a typical regional centre would have a vacancy rate of approximately 4% to 7%. The current vacancy rate of 7% reflects an outcome at the upper end of expectations, although two of the vacancies are located in large tenancies, with approximately one-half of all of the vacant floorspace located at the former Subaru site at 224 Murray Street and the rear of the Carpet Court at 16 Murray Street. This vacancy rate of 7% is in-line with other similar-sized regional centres, as indicated below:

- Swan Hill CBD had a vacancy rate of 7% in 2014 (*Swan Hill Retail Strategy 2014*, Essential Economics)
- Horsham CAD had a vacancy rate of 6% in 2013 (*Horsham CAD Strategy 2013*, Essential Economics)
- Echuca had a vacancy rate of 7% in 2015 (*draft Echuca Commercial Strategy 2015*, Essential Economics).

Non-food retailing (which includes homewares and apparel, etc) is the largest retail floorspace category in the town centre, accounting for 31,830m<sup>2</sup> or 55% of occupied retail floorspace. Major non-food tenants include Target, Bunnings, Mitre 10, Best & Less and Reject Shop.

Food, Liquor and Groceries (FLG) retail accounts for 9,940m<sup>2</sup> or 17% of total retail floorspace. The FLG retail offer in the centre is dominated by a strong presence of supermarkets including Woolworths, Coles, ALDI and IGA supermarkets.

In addition to FLG retailing, the centre also includes 8,060m<sup>2</sup> of Food Catering and 4,180m<sup>2</sup> of retailing Services which service the needs of local residents, visitors and those passing through the centre along the Princes Highway.

Areas outside of the Colac town centre account for only 1,760m<sup>2</sup> in retail floorspace. The Reynolds IGA supermarket at Colac East accounts for 900m<sup>2</sup> of floorspace, with the balance of floorspace comprising a handful of shops that serve the most basic of local convenience needs.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Table 14.1: Colac Retail Floorspace Summary, July 2015**

| Retail Category              | Town Centre<br>Floorspace (m2) |             | Non-Town Centre<br>Floorspace (m2) |             | Colac Total<br>Floorspace (m2) |             |
|------------------------------|--------------------------------|-------------|------------------------------------|-------------|--------------------------------|-------------|
|                              | No.                            | Share       | No.                                | Share       | No.                            | Share       |
| FLG                          | 9,940m <sup>2</sup>            | 17%         | 1,300m <sup>2</sup>                | 74%         | 11,240m <sup>2</sup>           | 19%         |
| Food Catering                | 8,060m <sup>2</sup>            | 14%         | 120m <sup>2</sup>                  | 7%          | 8,180m <sup>2</sup>            | 14%         |
| Non-Food                     | 31,830m <sup>2</sup>           | 55%         | 180m <sup>2</sup>                  | 10%         | 32,010m <sup>2</sup>           | 53%         |
| Services                     | 4,180m <sup>2</sup>            | 7%          | 160m <sup>2</sup>                  | 9%          | 4,340m <sup>2</sup>            | 7%          |
| <b>Total Occupied Retail</b> | <b>54,010m<sup>2</sup></b>     | <b>93%</b>  | <b>1,760m<sup>2</sup></b>          | <b>100%</b> | <b>55,770m<sup>2</sup></b>     | <b>93%</b>  |
| Vacant                       | 4,260m <sup>2</sup>            | 7%          |                                    | 0%          | 4,260m <sup>2</sup>            | 7%          |
| <b>Total</b>                 | <b>58,270m<sup>2</sup></b>     | <b>100%</b> | <b>1,760m<sup>2</sup></b>          | <b>100%</b> | <b>60,030m<sup>2</sup></b>     | <b>100%</b> |

Source: Essential Economics (15 & 16 July 2015)

In terms of the amount of occupied retail floorspace, the Colac CBD is larger than the Swan Hill CBD and Echuca CBD, despite having a considerable smaller trade area population (refer Figure 14.2).

For instance, the trade area for the Colac CBD accommodates approximately 25,000 residents (refer Section 14.4) and this compares to trade area populations of 37,000 for the Swan Hill CBD and 44,000 for the Echuca CBD. The extent of occupied retail floorspace in Colac CBD is less than Horsham CBD and significantly smaller than CBDs in Shepparton, Warrnambool, Ballarat and Bendigo (as would be expected).

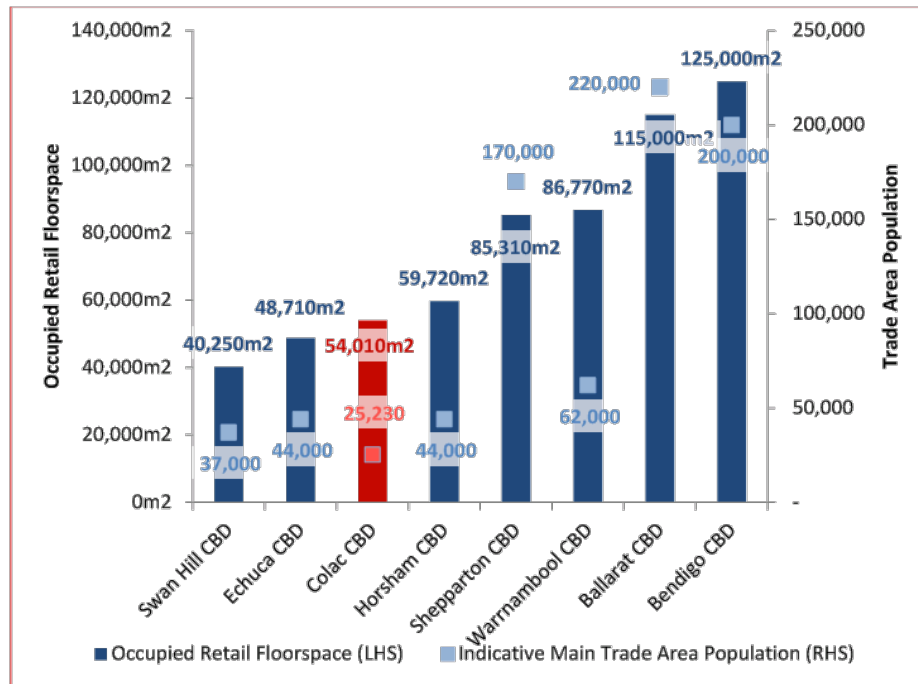
While each regional CBD operates within its own unique trading environment in terms of competition, population growth, visitor markets etc, the analysis shown in Figure 14.2 illustrates that compared to other regional CBDs, the provision of retail floorspace in the Colac CBD is proportionally high compared to the population in the trade area.

The level of retail choice usually correlates with the amount of retail floorspace which, in turn, reflects the hierarchy of centres within a region and influences how people shop and go about their business. For instance, resident surveys undertaken as part of this Strategy and other research undertaken by the consultant shows that the greater level of retail choice provided in Colac attracts customers from Camperdown and Apollo Bay. Similarly, the greater choice of retailing in Geelong and Waurn Ponds also attracts customers from the Colac area.

Figure 14.2 compares the occupied retail floorspace in Colac with selected CBDs across regional Victoria.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 14.2: Occupied Retail Floorspace in Selected Regional CBDs



Source: Essential Economics; various industry reports

**Commercial Office**

Estimates of current commercial office floorspace provision in Colac are based on information collected from a land use survey undertaken by the consultants, and from real estate websites relating to local commercial office markets.

The commercial office floorspace estimates are presented in Table 14.2 for the categories 'dedicated office' and 'shopfront commercial office'. Dedicated office refers to purpose-built office buildings and tenancies located above ground-floor shopfront tenancies, while shopfront offices comprise offices located in shopfronts that could otherwise be used for retail or other purposes.

At present, total commercial office floorspace located in Colac is estimated at 21,825m<sup>2</sup>. All of this floorspace is located in the Colac town centre and this pattern is likely to continue in the future as new businesses requiring office accommodation seek a CBD location. Shopfront office space in the town centre comprises 21% of the total office floorspace in Colac.

Very few vacant dedicated (or purpose-built) office tenancies have been identified, with an overall commercial/office vacancy rate of just 4.4% in the town centre.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Major office tenancies include the Corangamite Catchment Management Authority, Medicare and Crowe Horwath Australia.

In addition to commercial office floorspace, the Colac Otway Shire offices are also a major land use and employer in the town centre.

**Table 14.2: Commercial Office Floorspace in Colac, 2015**

| Area        | Occupied Dedicated Office | Vacant Dedicated Office | Total Dedicated Office | Dedicated Office Vacancy Rate | Occupied Shopfront Office | Total Occupied Office |
|-------------|---------------------------|-------------------------|------------------------|-------------------------------|---------------------------|-----------------------|
| Total Colac | 16,430m <sup>2</sup>      | 750m <sup>2</sup>       | 17,180m <sup>2</sup>   | 4.4%                          | 4,645m <sup>2</sup>       | 21,825m <sup>2</sup>  |

Source: Essential Economics (July 2015)

## 14.4 Trade Area Analysis

### *Trade Area Definition*

A trade area describes the geographic region from which the majority of retail turnover is derived, and can be defined with reference to a number of factors which influence retail trading patterns. In the context of the Colac retail sector, the main considerations include:

- The range and quality of retail shopping on offer in Colac town centre and elsewhere in the township
- The relative range, quality and attractiveness of retail provision in other centres, including Geelong, Ballarat, Warrnambool, Camperdown, Apollo Bay, Torquay and Lorne
- Typical travel patterns, including travel-to-work patterns
- The road network and accessibility to the town centre from the surrounding region.

Having regard for these factors, a trade area has been defined which comprises the following elements:

- A Main Trade Area (MTA) which consists of the northern part of the Shire of Colac Otway, and which extends to the municipal boundary in the north, east and west, and to the Otway Ranges to the south.
- A Tertiary Trade Area (TTA), which extends west towards Camperdown, south to include Apollo Bay and Lorne, east towards Winchelsea, and north to Lismore.

Together, these areas make up the Total Trade Area, although noting that the retail-economic analysis has been undertaken primarily for the MTA as the region of most significance to the retail sector in Colac. The trade areas are shown in Figure 14.3.

The majority of retail turnover in Colac is generated from expenditure by residents in the MTA, while a component of turnover is also generated from the TTA. Residents in the TTA are likely

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

to visit Colac only on an infrequent basis, particularly in association with other trips for medical, professional or other services. Turnover is also generated from people living beyond the trade area, including tourists to the area, as well as those passing through Colac on the Princes Highway.

Figure 14.3: Colac Trade Areas



Produced by Essential Economics with MapInfo and StreetPro



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Trade Area Population and Forecasts**

The MTA has a resident population in 2015 estimated at approximately 18,590 persons. Population levels have been stable in recent years, with the population having increased slightly from 18,460 persons in 2001, at an average rate of just 0.1% per annum (or an average of just 10 new residents each year). Although the estimated resident population declined by 100 persons between 2001 and 2006, population growth has been evident since that time.

Population numbers have also remained moderately steady in the surrounding region, with the resident population in the Tertiary Trade Area declining slightly from 6,700 persons in 2001 to 6,640 persons in 2015 (an average of 4 persons, or 0.1%, per annum).

Overall, the Total Trade Area served by the Colac town centre increased from 25,160 persons in 2001 to 25,230 persons in 2015, as shown in Table 14.3.

Population projections show that the resident population in the Colac MTA is projected to increase from 18,590 persons in 2015 to 19,560 persons in 2025 and to 20,780 persons in 2035. This represents an overall (net) increase of 2,190 persons over the 20-year period, at an average rate of 0.6% pa (or approximately 110 persons pa).

In the Tertiary Trade Area, population levels are predicted to remain stable, with the resident population increasing from 6,640 persons in 2015 to 6,700 persons in 2035. Population growth anticipated for the Apollo Bay region will likely be offset by declines in other parts of the Tertiary Trade Area over the next 20 years.

These population projections are based on work undertaken by id Consulting for Colac Otway Shire, adjusted to reflect the location of the Colac trade areas.

**Table 14.3: Colac Total Trade Area Population, 2001 to 2035**

|                                    | 2001          | 2011          | 2015          | 2020          | 2025          | 2030          | 2035          |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Population (No.)</b>            |               |               |               |               |               |               |               |
| Main Trade Area                    | 18,460        | 18,550        | 18,590        | 19,060        | 19,560        | 20,120        | 20,780        |
| Tertiary Trade Area                | 6,700         | 6,660         | 6,640         | 6,630         | 6,640         | 6,660         | 6,700         |
| <b>Total Trade Area</b>            | <b>25,160</b> | <b>25,210</b> | <b>25,230</b> | <b>25,700</b> | <b>26,200</b> | <b>26,780</b> | <b>27,480</b> |
| <b>Average Annual Growth (%)</b>   |               |               |               |               |               |               |               |
| Main Trade Area                    | -             | +0.0%         | +0.1%         | +0.5%         | +0.5%         | +0.6%         | +0.6%         |
| Tertiary Trade Area                | -             | -0.1%         | -0.1%         | +0.0%         | +0.0%         | +0.1%         | +0.1%         |
| <b>Total Trade Area</b>            | -             | <b>+0.0%</b>  | <b>+0.0%</b>  | <b>+0.4%</b>  | <b>+0.4%</b>  | <b>+0.4%</b>  | <b>+0.5%</b>  |
| <b>Average Annual Growth (No.)</b> |               |               |               |               |               |               |               |
| Main Trade Area                    | -             | +9            | +10           | +94           | +100          | +112          | +132          |
| Tertiary Trade Area                | -             | -4            | -5            | -2            | +2            | +4            | +8            |
| <b>Total Trade Area</b>            | -             | <b>+5</b>     | <b>+5</b>     | <b>+92</b>    | <b>+102</b>   | <b>+116</b>   | <b>+140</b>   |

Source: ABS, Regional Population Growth, Cat No. 3218.0; id Consulting Population Forecasts, September 2014; Essential Economics

Note: Figures are rounded

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Trade Area Retail Spending**

**Average Per Capita Retail Spending, 2015**

Estimates of per capita retail spending by trade area residents have been prepared with reference to the *MarketInfo* retail spending model. *MarketInfo* is a micro-simulation model which uses data from the ABS Household Expenditure Survey, the ABS Census of Population and Housing, ABS Australian National Accounts, and other relevant sources.

Table 14.4 presents estimates of average per capita retail spending in 2015 for trade area residents, and compares these with the regional Victoria average. A detailed breakdown of the average per capita retail spending by MTA and TTA residents is also shown.

Spending estimates are provided for the following commodity types:

- *Food, liquor and groceries (FLG)*, which includes spending at supermarkets and in other food stores such as green grocers, butchers, and liquor stores
- *Food Catering*, which includes spending at cafés and restaurants and on take-away food
- *Non-Food*, which includes spending on apparel, homewares, bulky merchandise and general merchandise
- *Services*, which includes spending on retail services such as hairdressers, beauty salons etc.

Average per capita retail spending by Colac MTA residents in 2015 is estimated at \$12,510 per year which is approximately 5% below the average retail spending for regional Victoria. Average retail spending in the wider TTA is higher at \$13,950 per capita in 2015, or 6% above the regional Victorian average.

**Table 14.4: Average Per Capita Retail Spending, 2015 (2015 dollars)**

| <b>Retail Category</b>                         | <b>Colac MTA</b> | <b>Tertiary TA</b> | <b>Total TA</b> | <b>Regional Victoria</b> |
|------------------------------------------------|------------------|--------------------|-----------------|--------------------------|
| Food, Liquor and Groceries                     | \$5,520          | \$6,000            | \$5,650         | \$5,690                  |
| Food Catering                                  | \$920            | \$1,090            | \$960           | \$970                    |
| Non-food                                       | \$5,680          | \$6,410            | \$5,870         | \$6,080                  |
| Services                                       | \$390            | \$450              | \$400           | \$420                    |
| <b>Total Retail</b>                            | <b>\$12,510</b>  | <b>\$13,950</b>    | <b>\$12,890</b> | <b>\$13,160</b>          |
| <b><u>Variation from Regional Victoria</u></b> |                  |                    |                 |                          |
| FLG                                            | -2.9%            | +5.5%              | -0.7%           | -                        |
| Food Catering                                  | -5.4%            | +12.4%             | -0.7%           | -                        |
| Non-food                                       | -6.6%            | +6.5%              | -0.7%           | -                        |
| Services                                       | -7.3%            | +5.4%              | -3.5%           | -                        |
| <b>Total Retail</b>                            | <b>-5.0%</b>     | <b>+6.0%</b>       | <b>-3.8%</b>    | <b>-</b>                 |

Source: MarketInfo; Essential Economics. Figures rounded

The Colac MTA has total available retail spending of \$233m (rounded figure), with a further \$93m of retail spending generated by residents in the TTA. Total expenditure in the trade area as a whole is estimated at \$325m as shown in Table 14.5. These estimates are based on the

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

information in Table 14.3 relating to population levels, and with application of average expenditures shown in Table 14.4.

**Table 14.5: Total Available Retail Expenditure, Colac Trade Area, 2015 (\$ millions)**

| <b>Retail Category</b> | <b>Colac MTA</b> | <b>Tertiary Trade Area</b> | <b>Total Trade Area</b> |
|------------------------|------------------|----------------------------|-------------------------|
| <i>FLG</i>             | \$102.7m         | \$39.8m                    | \$142.5m                |
| <i>Food Catering</i>   | \$17.1m          | \$7.2m                     | \$24.3m                 |
| Non-food               | \$105.6m         | \$42.6m                    | \$148.2m                |
| Services               | \$7.2m           | \$3.0m                     | \$10.2m                 |
| <b>Total Retail</b>    | <b>\$232.6m</b>  | <b>\$92.6m</b>             | <b>\$325.2m</b>         |

Source: MarketInfo; Essential Economics; refer Table 14.3, Table 14.4  
Note: All figures expressed in 2015 dollars

**Total Retail Spending, 2015 to 2035**

Forecasts of the available retail expenditure in the Colac MTA and in the wider TTA is presented in Table 14.6, based on forecast population growth as shown in Table 14.3, and with the application of real growth in average per capita retail spending that reflects long-term trends and expected growth in coming years.

Table 14.6 shows that total retail spending by residents in the Colac MTA is expected to increase from \$233m in 2015 to \$272m in 2025 and to \$324m in 2035 (in constant 2015 dollars and rounded).

Total retail spending by residents in the TTA is expected to increase from \$93m in 2015 to \$103m in 2025 and to \$117m in 2035.

Overall, the total available spending in the total trade area is forecast to increase at an average annual rate of 1.5% over the period 2015 to 2035, and this growth reflects a combination of projected population growth (0.4% pa) and real growth in average per capita retail spending (1.1% pa).

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

**Table 14.6: Forecast Available Retail Expenditure, Colac Trade Area, 2015-2035 (\$2015)**

| Trade Area                   | 2015            | 2020            | 2025            | 2030            | 2035            | AAGR<br>2015-2035 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| <b>Colac Main Trade Area</b> |                 |                 |                 |                 |                 |                   |
| FLG                          | \$102.7m        | \$107.3m        | \$111.7m        | \$116.6m        | \$122.2m        | +0.9%             |
| Food Catering                | \$17.1m         | \$18.0m         | \$19.2m         | \$20.4m         | \$21.8m         | +1.2%             |
| Non-food                     | \$105.6m        | \$118.0m        | \$132.5m        | \$149.1m        | \$168.6m        | +2.4%             |
| Services                     | \$7.2m          | \$8.0m          | \$9.0m          | \$10.0m         | \$11.3m         | +2.3%             |
| <b>Total retail</b>          | <b>\$232.6m</b> | <b>\$251.4m</b> | <b>\$272.3m</b> | <b>\$296.1m</b> | <b>\$323.9m</b> | <b>+1.7%</b>      |
| <b>Tertiary Trade Area</b>   |                 |                 |                 |                 |                 |                   |
| FLG                          | \$39.8m         | \$40.6m         | \$41.2m         | \$42.0m         | \$42.8m         | +0.4%             |
| Food Catering                | \$7.2m          | \$7.5m          | \$7.7m          | \$8.0m          | \$8.4m          | +0.7%             |
| Non-food                     | \$42.6m         | \$46.3m         | \$50.8m         | \$55.7m         | \$61.2m         | +1.8%             |
| Services                     | \$3.0m          | \$3.2m          | \$3.5m          | \$3.8m          | \$4.2m          | +1.7%             |
| <b>Total retail</b>          | <b>\$92.6m</b>  | <b>\$97.5m</b>  | <b>\$103.2m</b> | <b>\$109.5m</b> | <b>\$116.6m</b> | <b>+1.2%</b>      |
| <b>Total Trade Area</b>      |                 |                 |                 |                 |                 |                   |
| FLG                          | \$142.5m        | \$147.9m        | \$152.9m        | \$158.5m        | \$165.0m        | +0.7%             |
| Food Catering                | \$24.3m         | \$25.5m         | \$26.9m         | \$28.4m         | \$30.2m         | +1.1%             |
| Non-food                     | \$148.2m        | \$164.4m        | \$183.3m        | \$204.8m        | \$229.8m        | +2.2%             |
| Services                     | \$10.2m         | \$11.2m         | \$12.4m         | \$13.8m         | \$15.5m         | +2.1%             |
| <b>Total retail</b>          | <b>\$325.2m</b> | <b>\$348.9m</b> | <b>\$375.5m</b> | <b>\$405.6m</b> | <b>\$440.5m</b> | <b>+1.5%</b>      |

Source: MarketInfo; Essential Economics

Note: All figures expressed in 2015 dollars. AAGR = Average Annual Growth Rate.

### **Tourism Visitation**

Visitors from beyond the identified trade areas – including tourist visitors – make an important contribution to the retail sector in Colac Otway Shire, including shops in Colac.

The main focus for tourism visitation is Apollo Bay, the smaller townships and hamlets in the coastal part of the municipality (Wye River, Kennett River, Johanna, etc), and the Otway Ranges which are typically busier during the summer months. In Colac, tourism visitation is mainly in the form of people stopping on the way to destinations to the east (e.g. Geelong or Melbourne) or to the west (e.g. Warrnambool, Portland, South Australia).

It is difficult to accurately estimate total retail spending attributable to visitors that is directed to retailers in Colac for the following reasons:

- Tourism visitation and expenditure data is based on surveys which typically rely on relatively small sample sizes.
- Differences exist between the geographic areas used in this Strategy and the boundaries of the regions used for tourism data.
- Differences exist between the definitions of retail expenditure. This analysis is based on the definition of 'retail' spending provided in the Introduction to this Strategy and which is widely adopted by retail economists, which is different from the definition used in tourism data.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

- The tourist expenditure data does not cover instances where people passing along the Princes Highway undertake retail spending at Colac, but do not fit the definition of a tourist visitor. In this context, a day tripper is officially defined as someone who travels for a round-trip distance of at least 50km, is away from home for at least 4 hours, and who does not spend a night away from home as part of their travel. This definition may therefore exclude some forms of passing trade.

Despite these difficulties, an estimate of visitors' retail spending directed to Colac is provided in Table 14.7 which shows an estimated \$24m per annum in visitor spending (rounded) is directed to retail traders in Colac. This analysis is used as input to the assessment of retail turnover presented in Section 14.5.

**Table 14.7: Indicative Retail Spending by Visitors to Colac, 2015 (2015 dollars)**

| Category                                                         | Total Nights<br>(Domestic<br>and<br>International) | Day<br>Visitors | Total          |
|------------------------------------------------------------------|----------------------------------------------------|-----------------|----------------|
| Visitor nights and days in Colac Otway Shire (2013)              | 1,073,100                                          | 366,300         | 1,439,400      |
| Average expenditure per day/night on retail items                | \$60                                               | \$45            | \$56           |
| Estimated total retail expenditure directed to Colac Otway Shire | \$64.4m                                            | \$16.5m         | \$80.9m        |
| Estimated share of visitor retail spending directed to Colac     | 30%                                                | 30%             | 30%            |
| <b>Estimated visitor retail spending directed to Colac</b>       | <b>\$19.3m</b>                                     | <b>\$4.9m</b>   | <b>\$24.3m</b> |

Source: Tourism Research Australia data, Essential Economics

The analysis presented is based on the following inputs:

- Information sources:** Tourism Research Australia (TRA) data relating to tourism visitation and expenditure (including retail) in Colac Otway Shire in 2013, and expenditure by item for overnight and day trip visitors throughout Australia.
- Average retail spending per night/day:** Average nightly/daily expenditure on retail goods and services is based on analysis of data from TRA, updated to 2015 dollars. An estimate of total expenditure on retail items is based on expenditure categories used in TRA data (ie shopping, and food and drink).
- Share of retail spending directed to Colac retailers:** An estimated 30% of retail spending by visitors to Colac Otway Shire is estimated to be captured by Colac retailers. This estimate takes into consideration spending directed to other locations within and beyond Colac Otway Shire.

Overall, the data in Table 14.7 shows that tourists make a significant contribution to the retail sector in Colac Otway Shire, equivalent to 10% of all retail sales in Colac (refer also Table 14.8 below).

## 14.5 Estimated Retail Turnover and Market Share

### *Estimated Retail Turnover*

Retailers in Colac have total turnover estimated at approximately \$246.6m, comprising:

- FLG: \$103.9m
- Food catering shops: \$22.4m
- Non-food merchandise: \$112.2m
- Retail services: \$8.1m

These turnover estimates achieved by retailers in Colac are based on typical turnover performance for different types of shops (in terms of average turnover per square metre of retail floorspace), and applied to the retail floorspace data summarised in Table 14.1. The information is summarised for the main retail categories of FLG, Food Catering, Non-food, and Services.

The analysis shows that the overall turnover performance in Colac is approximately \$4,420/m<sup>2</sup> (expressed in 2015 dollars and inclusive of GST), although this ranges from \$1,860/m<sup>2</sup> for retail services to \$9,250/m<sup>2</sup> for shops selling food, liquor and groceries. Table 14.8 summarises the estimated retail turnover by retail category in Colac.

**Table 14.8: Estimated Retail Turnover, Colac, 2015**

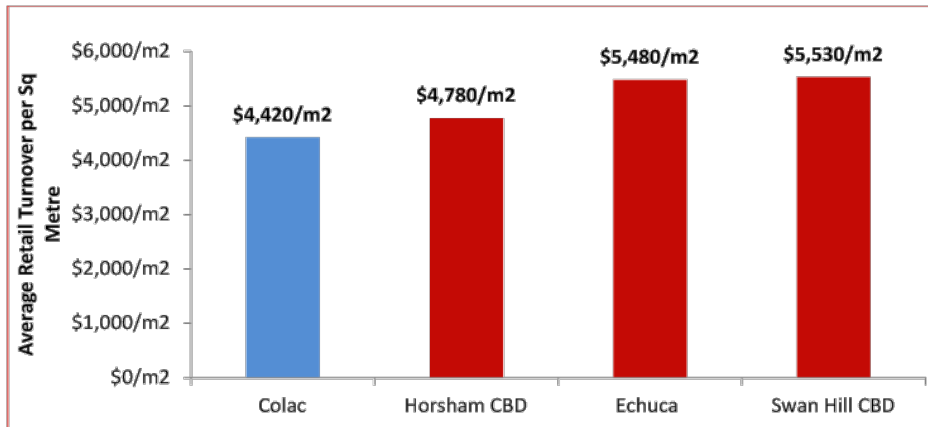
| Retail Type             | Floorspace                 | Average Sales                | Total Turnover  |
|-------------------------|----------------------------|------------------------------|-----------------|
| Food, liquor, groceries | 11,240m <sup>2</sup>       | \$9,250/m <sup>2</sup>       | \$103.9m        |
| Food Catering           | 8,190m <sup>2</sup>        | \$2,730/m <sup>2</sup>       | \$22.4m         |
| Non-food                | 32,010m <sup>2</sup>       | \$3,510/m <sup>2</sup>       | \$112.2m        |
| Services                | 4,340m <sup>2</sup>        | \$1,860/m <sup>2</sup>       | \$8.1m          |
| <b>Total</b>            | <b>55,780m<sup>2</sup></b> | <b>\$4,420/m<sup>2</sup></b> | <b>\$246.6m</b> |

Source: Essential Economics Pty Ltd

Note: Includes retail facilities in town centre and Non-town centre areas

Retail turnover performance in Colac is considered to be at the lower end of the typical range for regional centres in Victoria, and having regard for the size of tenancies, the quality of store fit-out, likely rents paid, and other factors. Colac's average retail turnover of \$4,420/m<sup>2</sup> is lower than the turnover performance achieved by regional town centres, as shown in Figure 14.4.

**Figure 14.4: Average Retail Turnover Comparison with Selected Regional Centre, 2015 (2015 dollars)**



Source: Essential Economics

**Market Share Analysis**

Of the total retail turnover achieved by retailers in Colac (\$246.6m), an estimated \$183.4m in turnover is derived from expenditure by residents in the identified Colac MTA. This estimate has been prepared on the basis of the observed operation of the retail sector in Colac, comments from major retail operators, results of a comprehensive resident survey on shopping patterns, and having regard for the likely pattern of trade for individual stores.

Overall, an estimated 74% of total retail turnover is derived from retail expenditure by MTA residents, with the remaining 26% of turnover attributable to residents living in the wider TTA and spending by tourists and people passing through Colac on the Princes Highway.

An estimated 85% of FLG turnover is derived from shoppers living in the MTA, reflecting the fact that grocery shopping is normally undertaken at the closest convenient supermarket-based centre. An estimated 60% of food catering turnover is derived from MTA residents, with the 40% balance derived from tourists and passing travellers. An estimated 67% of non-food turnover is derived from MTA residents, with 33% derived from visitors coming from beyond the MTA. This pattern of attracting shoppers from beyond the MTA reflects the in-board travel from people living in the wider TTA, and the contribution from tourism.

The analysis in Table 14.9 also presents estimates of the market shares achieved by Colac retailers in the FLG, Food Catering, Non-food and Services categories. This analysis has been undertaken with reference to the estimates of retail spending by MTA residents presented in Table 14.5.

The analysis shows that the Colac retail sector captures a total of 79% of retail expenditure by residents in the MTA. The remaining 21% of MTA spending (or \$49.2m) is directed elsewhere, for example at smaller individual shops in the MTA, or at major centres such as Geelong and

Warrnambool, or at smaller centres which may be convenient for some MTA residents, such as Lorne, Apollo Bay, or Camperdown.

This relatively high market share (\$8 in every \$10) reflects a captured market, particularly in the convenience retail categories of FLG, Food Catering and Retail Services, where limited competition is provided from other places located in the MTA.

**Table 14.9: Estimated Turnover and Market Share, Colac 2015**

| Retail Type       | Total Turnover in Colac Shops | Share of Turnover from MTA | Turnover from MTA | MTA Available Expenditure | Colac's Market Share |
|-------------------|-------------------------------|----------------------------|-------------------|---------------------------|----------------------|
| FLG               | \$103.9m                      | 85%                        | \$88.4m           | \$102.7m                  | 86%                  |
| Food Catering     | \$22.4m                       | 60%                        | \$13.3m           | \$17.1m                   | 78%                  |
| Non-food Services | \$112.2m                      | 67%                        | \$74.9m           | \$105.6m                  | 71%                  |
|                   | \$8.1m                        | 85%                        | \$6.9m            | \$7.2m                    | 95%                  |
| <b>Total</b>      | <b>\$246.6m</b>               | <b>74%</b>                 | <b>\$183.4m</b>   | <b>\$232.6m</b>           | <b>79%</b>           |

Source: Essential Economics Pty Ltd

## 14.6 Forecast Retail Floorspace Requirements

Opportunities for new retail development will be created in Colac as a result of the following factors:

- Population growth in the MTA and surrounding region, which generates additional demand for retail goods and services
- Real growth in average per capita retail spending which generates retail demand by existing and future residents
- Opportunities for additional spending to be captured from outside the region, including from tourists and other visitors
- Opportunities to increase the market share of spending by MTA residents that is captured by retail facilities in Colac.

In addition to the above factors, the analysis of future retail development opportunities also takes into account the relatively low average trading performance of retailers in Colac and the desire to improve average turnover levels over the next 20 or so years. The analysis also takes into consideration the approved development on Bromfield Street comprising 5,340m<sup>2</sup> of retail floorspace, including a 4,300m<sup>2</sup> Coles supermarket.

These factors form the basis for this assessment of the opportunity for new retail development in Colac over the period 2015-2035. Forecasts of retail development potential in Colac's commercial areas have been prepared on the basis of the following approach:

- 1 Retailers will continue to capture an appropriate market share of the forecast available retail spending by MTA residents. In certain retail categories, an increase in market share has been adopted to reflect opportunities for both an increase in performance of



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

existing retail facilities and new retail development opportunities. **The forecast market shares reflect a 'target' which Colac retailers should be able to achieve**, having regard for the trade area characteristics and level of competition. The assumed market share of MTA retail spending by retail category are shown below:

- **FLG:** Increasing from 86% on 2015 to 90% in 2035
- **Food Catering:** Increasing from 78% on 2015 to 80% in 2035
- **Non-food:** Increasing from 71% on 2015 to 75% in 2035
- **Retail Services:** Remain at the relatively high market share of 95%.

Total retail market share is forecast to increase from 79% in 2015 to 82% in 2035.

- 2 Colac retailers will continue to capture turnover from people living beyond the MTA, comprising tourists and other visitors, including passing trade.
- 3 An aggregation of these sources of turnover provides an estimate of the total future turnover that might be achieved in Colac's commercial areas. By applying an appropriate average turnover level (\$/m<sup>2</sup>), an indication of the total supportable retail floorspace can be calculated.

In this regard, it is forecast the average turnover for retailers in Colac will increase by approximately 1% per annum over the next 20 years. The following assumptions have been made with regard potential increase in average turnover for each retail category over the 2015-2035 period:

- **FLG:** Average FLG turnover will remain constant, reflecting the approved development of a larger Coles supermarket which will reduce the average turnover of supermarkets in general. An allowance has been made for improved performance of specialty FLG retailers.
  - **Food Catering:** Average turnover is forecast to increase by 1% per annum
  - **Non-food:** Average turnover is forecast to increase by 1.5% per annum
  - **Retail Services:** Average turnover is forecast to increase by 1% per annum
- 4 An estimate of total retail development potential is made by comparing total supportable floorspace (from point 3 above) against existing floorspace provision.

This approach has been applied individually to each retail category.

Based on the above approach, forecast demand for additional retail floorspace in Colac over the period 2015 to 2035 is estimated at approximately 12,000m<sup>2</sup>, comprising the following:

- An additional 2,700m<sup>2</sup> in FLG retailing, the majority of which will be accommodated by the approved Coles development, which will increase Coles' retail floorspace in Colac by approximately 2,600m<sup>2</sup>.
- An additional 610m<sup>2</sup> in Food Catering and 700m<sup>2</sup> in Retail Services floorspace.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

- An additional 8,000m<sup>2</sup> in Non-food retailing, which may comprise a number of large format retailers and an increase in speciality retailing.

**Table 14.10: Analysis of Supportable Retail Floorspace Growth, Colac 2015-2035**

|                                                | FLG                        | Food Catering            | Non-Food                   | Services                 | Total Retail                |
|------------------------------------------------|----------------------------|--------------------------|----------------------------|--------------------------|-----------------------------|
| <u>Market Shares</u>                           |                            |                          |                            |                          |                             |
| 2015                                           | 86%                        | 78%                      | 71%                        | 95%                      | 79%                         |
| 2035                                           | 90%                        | 80%                      | 75%                        | 95%                      | 82%                         |
| <u>Total Retail Turnover</u>                   |                            |                          |                            |                          |                             |
| 2015                                           | \$103.9m                   | \$22.4m                  | \$112.2m                   | \$8.1m                   | \$246.6m                    |
| 2035                                           | \$129.3m                   | \$29.3m                  | \$189.5m                   | \$12.6m                  | \$360.8m                    |
| <u>Average Turnover</u>                        |                            |                          |                            |                          |                             |
| 2015                                           | \$9,250/m <sup>2</sup>     | \$2,730/m <sup>2</sup>   | \$3,510/m <sup>2</sup>     | \$1,860/m <sup>2</sup>   | \$4,420/m <sup>2</sup>      |
| 2035                                           | \$9,250/m <sup>2</sup>     | \$3,330/m <sup>2</sup>   | \$4,730/m <sup>2</sup>     | \$2,510/m <sup>2</sup>   | \$5,310/m <sup>2</sup>      |
| Average annual growth, 2015-2035               | 0.0%                       | 1.0%                     | 1.5%                       | 1.5%                     | 0.9%                        |
| <u>Retail Floorspace</u>                       |                            |                          |                            |                          |                             |
| Existing - 2015                                | 11,240m <sup>2</sup>       | 8,190m <sup>2</sup>      | 32,010m <sup>2</sup>       | 4,340m <sup>2</sup>      | 55,780m <sup>2</sup>        |
| Forecast - 2035                                | 13,980m <sup>2</sup>       | 8,800m <sup>2</sup>      | 40,090m <sup>2</sup>       | 5,050m <sup>2</sup>      | 67,920m <sup>2</sup>        |
| <b>Additional retail floorspace, 2015-2035</b> | <b>+2,740m<sup>2</sup></b> | <b>+610m<sup>2</sup></b> | <b>+8,080m<sup>2</sup></b> | <b>+710m<sup>2</sup></b> | <b>+12,140m<sup>2</sup></b> |

Source: Essential Economics

The following comments relate to the likelihood of specific retail development opportunities in Colac identified throughout the consultation phase of the Strategy:

- **Homemaker and bulky goods:** Limited opportunity exists for a 'dedicated' homemaker or bulky goods development, such as those at Waurm Ponds and Warrnambool. These centres will typically be anchored by a major tenant (e.g. Bunnings, Masters, Harvey Norman, IKEA). The forecast trade area population is unlikely to be sufficient to attract these tenants to Colac in the foreseeable future (noting a small format Bunnings is already located in Colac). In general terms, a catchment population of at least 50,000 residents would be required to support a dedicated homemaker or bulky goods development.

In regional areas where such a population does not exist, bulky goods retailing will typically occur in a more ad-hoc fashion. Therefore, it will be important to identify the preferred locations for bulky goods retailing and provide opportunities for such development to occur in the future. Having regard for the need for large floor areas and direct access and exposure to high level of vehicle traffic, vacant C2Z land to the west of the Colac township is an appropriate location for bulky goods retailing.

- **Neighbourhood centre retailing to the south of Colac:** Colac will be well-served by supermarket facilities after the development of the approved Coles. All major supermarket operators (Woolworths, Coles, ALDI, IGA) will have a presence in the town centre. Typically, a catchment population of 8,000-10,000 residents is required to support a large supermarket, but the population capacity to the south of Colac is

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

unlikely to reach this level in the foreseeable future. Moreover, residents to the south of Colac can continue to access ample supermarket retailing in the town centre. Nevertheless, it would be prudent to consider the potential for local or neighbourhood centre(s) as part of any future expansion of urban areas in Colac. However, it is critical that the primacy of the Colac town centre as the main shopping location in Colac be maintained.

The approved Coles development will comprise a total of 5,340m<sup>2</sup> of retail floorspace. In addition, the existing Coles store of 1,700m<sup>2</sup> will become available for new retailers upon the completion of the approved development. Combined, these locations will account for approximately 7,000m<sup>2</sup> of retail floorspace. Taking the availability of this floorspace in the near future and the forecast demand for an additional 12,000m<sup>2</sup> of retail floorspace over the next 20 years, it would be prudent to plan for the provision of an additional 5,000m<sup>2</sup> of retail floorspace in the Colac town centre and commercial areas.

Opportunities in existing commercial zoned land to accommodate this level of floorspace, and potential for other commercial uses, is assessed in Section 14.8.

## **14.7 Other Development Opportunities**

### ***Office Development Opportunities***

The ability to accurately forecast the magnitude of commercial office floorspace development that may occur in Colac in the future is difficult due to the range of factors that influence demand for office accommodation. In particular, the locational decisions made by individual businesses are subject to a wide range of factors for which accurate forecasts cannot be made. Likewise, the introduction of competitive supply in other municipalities is an important consideration, but this can also be difficult to assess, let alone forecast.

Despite these difficulties, it is prudent to plan for future commercial office development in Colac. An analysis has therefore been prepared that provides a broad indication of potential demand for commercial office development in Colac over the period 2015-2035. The analysis is based on an expectation that the current ratio of commercial office floorspace to total available floorspace in Colac will at least be maintained over the forecast period.

In 2015, commercial office floorspace, including both shopfront and dedicated office floorspace, accounted for 28% of total retail and commercial office floorspace in Colac. Having regard for the forecasts of potential retail development presented in Section 14.6, and assuming that commercial office will continue to account for 28% of retail and office floorspace in Colac, potential will exist for approximately an additional 4,750m<sup>2</sup> (rounded) of commercial office in Colac by 2035. A proportion of this floorspace could be provided in above ground floor tenancies. This information is shown in Table 14.11.

**Table 14.11: Colac Indicative Commercial Office Floorspace Growth, 2015 to 2035**

| Floorspace Type                | 2015                       | 2035                       | Change, 2015-2035                                                    |
|--------------------------------|----------------------------|----------------------------|----------------------------------------------------------------------|
| Retail                         | 55,780m <sup>2</sup>       | 67,920m <sup>2</sup>       | +12,140m <sup>2</sup>                                                |
| Non-retail commercial          | 21,825m <sup>2</sup>       | 26,580m <sup>2</sup>       | +4,750m <sup>2</sup>                                                 |
| <b>Total Retail and Office</b> | <b>77,600m<sup>2</sup></b> | <b>94,500m<sup>2</sup></b> | <b>+16,890m<sup>2</sup></b><br><b>(Rounded: 17,000m<sup>2</sup>)</b> |

Source: Essential Economics

Having regard for the future availability of approximately 7,000m<sup>2</sup> of floorspace associated with the approved Coles, future planning for retail and commercial office floorspace in Colac should seek to accommodate in the order of 10,000m<sup>2</sup> of additional floorspace, noting that a proportion of office floorspace could also be accommodated above ground floor.

#### **Tourist and Visitor Accommodation**

Tourism is an integral component of Colac Otway Shire's economy and supports many businesses in the southern portion of the Shire and in Colac. As indicated in the retail analysis, and confirmed during discussions with traders, the tourism industry is very important for business success.

It will be important that Colac continues to provide suitable visitor accommodation that supports the town as a popular visitor destination or stopover, as well as supporting many businesses in Colac's commercial and industrial areas that regularly attract visitors for business travel and who seek a decent standard of accommodation within or in close proximity to the CBD.

Currently, a number of visitor accommodation facilities are located in Colac; however, these facilities are restricted to motels located along Murray Street, reflecting the convenience of the town as a stopover *en route* to Melbourne, Warrnambool or South Australia. Stakeholders express the view that new accommodation facilities have not been developed in Colac for approximately 30 years, and that opportunities should be encouraged for additional visitor accommodation and/or conference facilities located within or in close proximity to the Colac CBD and/or Lake Colac.

#### **Community, Entertainment and Cultural Facilities**

Other community, entertainment and cultural development opportunities in Colac's commercial centres, in particular the town centre, may also arise over the next 20 or so years. These may include improved community facilities such as libraries, community centres and youth centres; additional recreation or leisure activities; entertainment facilities; and education.

These types of development opportunities should be encouraged to locate in the Colac town centre where appropriate, in order to add to the mix of uses in the centre and strengthen its role as the major centre serving the surrounding region.

### **Restricted Retailing**

The Princes Highway frontage on Colac's western periphery presents opportunities for land use and development that complements the Highway infrastructure and capitalises on the high exposure location. Based on VicRoads data, an estimated 3,300 vehicles per day (vpd) pass the Colac West precinct east-bound along Princes Highway, while 3,100 vpd pass west-bound along the Highway. These traffic figures have increased by a total of 21% between 2003 and 2013, and latest figures include an estimated 960 heavy vpd (combined).

The western periphery of Colac, along the Princes Highway, has become the main location for restricted retailing in Colac, including businesses involved in the sale of motor vehicles, agricultural machinery, trade supplies, etc. These businesses benefit from locations which provide a high level of exposure and accessibility to passing traffic, and increasing vehicle numbers along the Princes Highway in Colac West are generating demand for restricted retail development in this location.

Currently, more than 18ha of vacant C2Z land is located along the Princes Highway to the west of the town centre which would be suitable for this form of development.

## **14.8 Potential Development and Redevelopment Opportunities on Commercial Zoned Land**

Figure 14.5 identifies a number of vacant or under-utilised sites, and potential re-development sites in the Colac town centre based on analysis of aerial photography and field visits. Combined, these sites have potential to accommodate in the order of 15,000m<sup>2</sup> of retail and/or commercial floorspace, assuming a floorspace to site ratio of 50-60%. This is sufficient to accommodate the additional requirement for 10,000m<sup>2</sup> of retail/commercial floorspace as forecast in Section 14.6.

It is envisaged that the approved Coles development in Bromfield Street will encourage the development of other sites in that vicinity in the coming years.

Other sites not identified in Figure 14.5 in the Colac town centre are also likely to become available for retail or commercial development over the life of this Strategy and add to the overall supply of retail/commercial floorspace in Colac. This may involve sites currently used for non-retail/commercial uses (e.g. residential or industrial) being redeveloped for retail/commercial uses, and potential sites that were not identified for development or redevelopment at the time this Strategy was prepared.

In addition to those sites identified in the town centre, significant areas of C2Z land are also available for potential highway-based bulky goods retailing.

***Having regard for the opportunities for development on the existing C1Z and C2Z land in Colac, additional commercial zoned land is not required in Colac over the next 20 years.***

Therefore, Council should focus on ways to improve the existing performance of commercial areas, in particular the Colac town centre.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 14.5: Potential Development, Re-development and Under-utilised Sites in the Colac town centre



Produced by Essential Economics using MapInfo, StreetPro and information provided by Colac Otway Shire

## **14.9 Implications of Colac 2050**

The analysis in the preceding sections indicates that additional commercial zoned land is not required over the next 20 or so years, based on forecasts of population levels (as prepared by id Consulting) and potential demand for retail and commercial activities (as assessed in this report).

However, as earlier indicated, G21 have identified potential for Colac's population to increase to 20,000 residents by 2050 and this represents a significant increase of approximately 6,000 residents over and above the 2035 forecast by id Consulting. The addition of approximately 6,000 residents will generate additional demand for floorspace in Colac.

Taking the forecasts beyond 2035 (which is the forecast year in this Strategy), it is likely the majority of the demand for additional retail/commercial facilities to 2050 will be directed to the Colac town centre; however, depending on where these residents are to be accommodated in Colac, potential may also arise for the development of a new neighbourhood centre in the longer-term.

Therefore, for the purpose of longer-term planning (i.e. beyond the next 20 years), the following points should be considered:

- 1 Identification of a future direction for any 'potential' future expansion of the Colac town centre.
- 2 Consideration of neighbourhood or local centres when planning for new residential areas.

Any future expansion of the Colac town centre will be difficult to achieve due to the pattern of highly fragmented land ownership surrounding the town centre. Any major retail or commercial development would require significant time and finances to amalgamate an appropriately-sized land parcel.

## **14.10 Implications for the Strategy**

The main implications for the Strategy arising from the commercial land assessment presented in this Chapter are as follows:

- 1 While the Colac town centre does not suffer from any major vacancy issues, it is evident from the analysis that retailers in general achieve lower average turnover per square metre than in other comparable regional centres. Therefore, a key focus of the Strategy and Council should be to improve the performance of existing retail/commercial areas in Colac, rather identify significant areas for new retail/commercial businesses.
- 2 Significant work has been undertaken which focuses on improving the urban design features of the town centre, including the *Colac CBD and Entrances Project (2012)*, while Strategies to improve existing areas are also identified in the Colac Otway Planning Scheme.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

- 3 The Colac town centre has a number of unique aspects which could be drawn upon as key strengths to the centre in any future planning or design study, including Memorial Square, Bulla Dairy Foods, proximity to the Colac Botanical Gardens and Lake Colac, and the existence of considerable heritage buildings throughout the centre.
- 4 Demand for approximately an additional 12,000m<sup>2</sup> of retail floorspace and 5,000m<sup>2</sup> of office floorspace is forecast over the next 20 years in Colac.
- 5 The majority of potential for additional retail floorspace in Colac is for Non-food floorspace, taking into consideration the approved Coles development which will have a Food, Liquor and Groceries focus.
- 6 Colac's office market is likely to focus on the provision of office accommodation for small to mid-sized businesses that provide important services to the surrounding region.
- 7 Other forms of development should also be encouraged in the Colac town centre that contribute to its role as a regional centre that provides a wide variety of facilities and services, including visitor accommodation and community, entertainment and cultural facilities.
- 8 The majority of the demand for additional retail/commercial floorspace will be for locations in the Colac town centre, although limited potential for highway-based bulky goods retailing may also eventuate to the west on the Princes Highway. It is unlikely sufficient demand will arise for a new stand-alone neighbourhood centre elsewhere in Colac in the foreseeable future.
- 9 Sufficient opportunities exist in existing C1Z and C2Z land to accommodate forecast demand for retail/commercial activities, including the approved Coles development which will provide an opportunity for an additional 7,000m<sup>2</sup> of floorspace (taking into account the future vacancy of the existing Coles store on Murray Street). Therefore, no additional commercial zoned land is required over the next 20 or so years.
- 10 C2Z land located to the west of the town should be the focus for future highway-based bulky goods retailing and restricted retailing (i.e. businesses involved in the sale and servicing of motor vehicles, agricultural machinery, trade supplies, etc). Limited accessibility to C2Z land to the east of the town due to the bridge/rail-overpass limits the attractiveness of this area for retailing purposes.
- 11 Having regard for a potential population of 20,000 residents in Colac by 2050, it would be prudent for the purpose of longer-term planning (i.e. beyond the next 20 years) that the following be considered:
  - Identification of a future direction for any potential future expansion of the Colac town centre; and
  - Consideration of neighbourhood or local centres when planning for new residential areas.



## **15 INDUSTRIAL LAND ASSESSMENT**

This Chapter identifies the industrial land supply and demand situation in Colac, and discusses implications for future development of the area taking into consideration forecast requirement for new industrial land, and location principles for industrial precincts.

### **15.1 Overview of Industrial Areas**

Existing industrial areas in Colac are predominantly located to the east of the town, generally on the eastern side of Forest Street South and Clark Street (refer Figure 10.2). This eastern precinct includes several key industries for Colac: AKD Softwoods, ALC, and Bulla Dairy's Forest Street South operation. This land is generally situated in the Industrial 1 Zone (IN1Z).

The industrial precinct in Colac West is mostly contained on C2Z land and includes a mix of restricted retailing, trade supplies, vehicle sales and industrial uses. An area of IN1Z land is located along Rossmoyne Road, north of the C2Z precinct, and this area accommodates a range of industrial uses which are contiguous with the industry-based nature of businesses in the adjoining precinct.

Other key industrial uses in Colac which are currently located on non-industrial land and therefore have existing use rights include:

- Bulla Dairy located on Murray Street on C1Z land
- Colac Regional Saleyards along Colac-Ballarat Road on PUZ6 land, and
- AKD Softwoods' Irrewarra Mill located along Princes Highway on FZ land.

These uses are also shown earlier in Figure 10.2.

In addition to the above, land at 75 Rossmoyne Road is currently in the Farm Zone but accommodates an industrial use. Consideration should be given to rezoning this small parcel of land to reflect its current and historical industrial use.

### **15.2 Colac's Industrial Market Context**

Colac serves an important manufacturing role for the surrounding region. While three major manufacturers (Bulla Dairy, AKD Softwoods and the Australian Lamb Company) dominate the industry landscape, other businesses such as logistics and engineering operations provide intermediate goods and services to the main industry operators and other firms in the region, and are important contributors to employment.

The strong influence of agriculture and forestry in the region is evidenced by the food-based nature of production from Bulla Dairy (ice-cream, yoghurt, cream, cottage cheese), ALC abattoir which processes livestock, as well as by the presence of the timber mill at AKD Softwoods. The central location to suppliers is a key to the success of these three businesses,

with key stakeholders indicating that a significant portion of raw product is sourced from nearby suppliers.

These three major industrial employers in the town have all reported growth in employment since 2005 for a variety of reasons; new contracts, improved facilities, and an additional pool of employees brought about after factory closures in other parts of the Colac region.

However, demand for employment land is more closely aligned to the growth in the economy than population. For example, the growth in truck movements in and out of Colac is more closely linked to demand for product from external customers, political intervention, comparative currency movements, and in the longer term growth in the Australian economy. Local population movements are a minor influence on transport demand.

While employment land demand associated with major industry uses is largely unaffected by population growth, the degree of pressure on industrial areas from the residential dwelling requirements of a growing population is an important consideration, particularly in the context of the Colac 2050 projections which indicate the population is forecast to reach 20,000 residents over the next 35 years.

### **15.3 Industrial Land Analysis**

#### ***Industrial Land Supply***

An audit of all parcels of land located in industrial zones in Colac was undertaken by the consultant in August 2015 using aerial imagery provided by Council. Key findings are discussed below:

- **Total Industrial Zoned Land (Net):** The town contains 248ha of net (i.e. excluding roads) industrial zoned land, including:
  - 192ha in Industrial 1 Zone, and
  - 56ha in Commercial 2 Zone.
- **Vacant Industrial Zoned Land (Net):** A total of 81.6ha of vacant net industrial zoned land exists, including:
  - 59.9ha in Industrial 1 Zone, and
  - 21.7ha in Commercial 2 Zone.

Table 15.1 summarises the net industrial land supply in Colac, and shows that 33% of industrial land (net) is vacant. Although a notable proportion of industrial land is vacant, discussions with stakeholders indicate that a range of issues exist which could potentially pose an impediment to future development of the land, including the lack of services to land supply, infrastructure accessibility, passive landowners, and the like.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

**Table 15.1: Total Industrial Zoned Land Supply (Net), Colac, 2015**

| Zone         | Occupied       | Vacant        | Total          | Land Vacancy Rate |
|--------------|----------------|---------------|----------------|-------------------|
| Industrial 1 | 132.0ha        | 59.9ha        | 191.9ha        | 31%               |
| Commercial 2 | 34.5ha         | 21.8ha        | 56.3ha         | 39%               |
| <b>Total</b> | <b>166.5ha</b> | <b>81.7ha</b> | <b>248.2ha</b> | <b>33%</b>        |

Source: Essential Economics Pty Ltd

Note: Figures rounded

Figure 15.1 on the following page shows the occupied and vacant industrial land in Colac, and also indicates potential locations for future industrial development in Colac’s existing industrial areas.

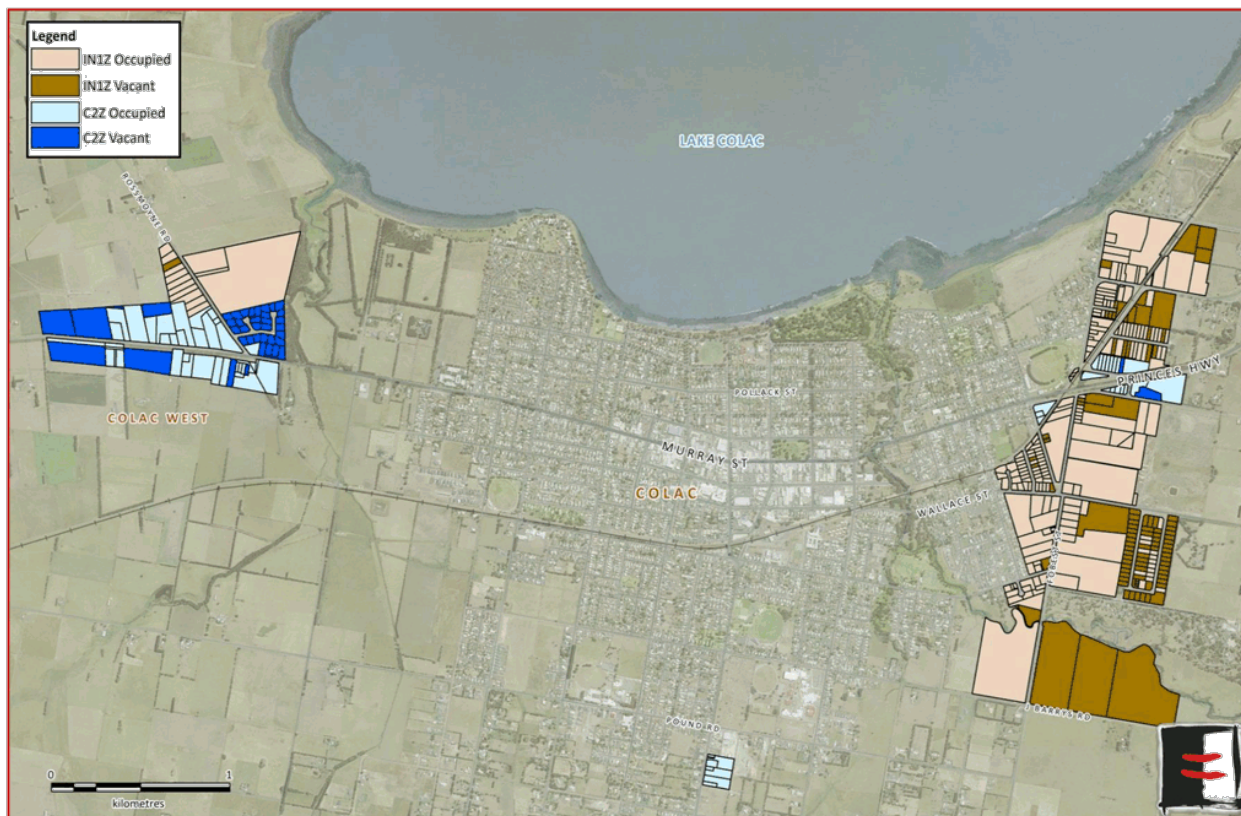
Further analysis of industrial land stocks by lot size distribution, presented in Table 15.2 following, indicate that a total of 301 IN1Z allotments exist in Colac, of which 102 lots were identified as available supply (refer Table 15.2). Another 107 C2Z allotments also exist in Colac, and 41 of these lots were identified as available supply.

Of the 408 total industrial lots in Colac, 305 (or 75%) are sized below 4,000m<sup>2</sup> reflecting their use for industry which typically services the local economy. Significant levels of supply exist in the smaller industrial lots, with 82 IN1Z lots and 11 C2Z lots available in the sub-2,000m<sup>2</sup> size category as at August 2015. A total of eight lots which are greater than 5ha in size are located in Colac and five are occupied, leaving three other lots available for industrial development.

The location of these three available parcels (totalling an area of 31.6ha) is of utmost significance; the three large vacant lots are contiguous and are under single ownership. The property, referred to herein as the ‘Forest Street Industrial Site’, is owned by a passive landowner who, to date, has shown no interest in using the industrially zoned property for industrial purposes. It is difficult to gauge the likelihood of these three lots being developed in the near future as development of these lots is reliant on the motives of individual land owner.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 15.1: Industrial 1 Zoned and Commercial 2 Zoned Land Status, Colac, 2015



Source: Essential Economics using MapInfo, Colac Otway Shire Council and StreetPro

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Table 15.2: Total Industrial Zoned Land Supply (Net) by Lot Size, Colac, 2015

|                          | <2,000m <sup>2</sup> |             | 2,001-4,000m <sup>2</sup> |             | 4,001m <sup>2</sup> -1ha |             | 1ha-5ha   |             | 5ha+     |             | Total      |              |
|--------------------------|----------------------|-------------|---------------------------|-------------|--------------------------|-------------|-----------|-------------|----------|-------------|------------|--------------|
|                          | Lots                 | Ha          | Lots                      | Ha          | Lots                     | Ha          | Lots      | Ha          | Lots     | Ha          | Lots       | Ha           |
| <b>Industrial 1 Zone</b> |                      |             |                           |             |                          |             |           |             |          |             |            |              |
| Occupied                 | 114                  | 13.1        | 34                        | 9.9         | 32                       | 17.9        | 14        | 35.6        | 5        | 55.5        | 199        | 132.0        |
| Vacant                   | 82                   | 10.7        | 6                         | 1.7         | 6                        | 4.3         | 5         | 11.6        | 3        | 31.6        | 102        | 59.9         |
| <b>IN1Z Total</b>        | <b>196</b>           | <b>23.9</b> | <b>40</b>                 | <b>11.6</b> | <b>38</b>                | <b>22.2</b> | <b>19</b> | <b>47.2</b> | <b>8</b> | <b>87.1</b> | <b>301</b> | <b>192.0</b> |
| <b>Commercial 2 Zone</b> |                      |             |                           |             |                          |             |           |             |          |             |            |              |
| Occupied                 | 28                   | 3.2         | 7                         | 1.9         | 21                       | 13.8        | 10        | 15.7        | 0        | 0           | 66         | 34.5         |
| Vacant                   | 11                   | 1.8         | 23                        | 5.1         | 2                        | 1.3         | 5         | 13.6        | 0        | 0           | 41         | 21.8         |
| <b>C2Z total</b>         | <b>39</b>            | <b>5.0</b>  | <b>30</b>                 | <b>7.0</b>  | <b>23</b>                | <b>15.0</b> | <b>15</b> | <b>29.3</b> | <b>0</b> | <b>0</b>    | <b>107</b> | <b>56.3</b>  |
| <b>Total</b>             |                      |             |                           |             |                          |             |           |             |          |             |            |              |
| Occupied                 | 142                  | 16.3        | 41                        | 11.8        | 53                       | 31.7        | 24        | 51.3        | 5        | 55.5        | 265        | 166.5        |
| Vacant                   | 93                   | 12.5        | 29                        | 6.8         | 8                        | 5.6         | 10        | 25.2        | 3        | 31.6        | 143        | 81.7         |
| <b>Total</b>             | <b>235</b>           | <b>28.9</b> | <b>70</b>                 | <b>18.6</b> | <b>61</b>                | <b>37.3</b> | <b>34</b> | <b>76.5</b> | <b>8</b> | <b>87.1</b> | <b>408</b> | <b>248.3</b> |

Source: Essential Economics Pty Ltd  
Note: Figures rounded

### Industrial Land Take-up

An analysis of aerial photography of Colac in 2007 and 2015 (Council imagery) and property cadastre information has been undertaken to assess the rate of development, or industrial land take-up, that occurred over the 2007 to 2015 period.

The vacant industrial land supply shown in Table 15.3 excludes the existing road network in Colac's industrial areas, other uses (including open space), and land for public facilities.

Development of new facilities on industrial land over this eight-year period has resulted in a reduction in the amount of vacant land in the town. Total vacant land take-up of 9.6ha was evident over the past eight years, thus, the industrial land take-up rate observed in Colac over this period has been an average of **+1.2ha per annum**.

Having regard for the 81.7ha of existing gross vacant industrial zoned land in Colac in 2015, the town appears to contain an adequate supply of vacant land to accommodate the future industrial land requirements; however, the figures make no provision for the extent to which existing vacant sites are appropriate and/or available for future development.

Table 15.3: Industrial Land Take-Up, Colac, 2007-2015

|                              | 2007    | 2015    | Change 2007-2015 | Annual Change 2007-2015 |
|------------------------------|---------|---------|------------------|-------------------------|
| Total Industrial Land        | 248.2ha | 248.2ha | 0.0ha            |                         |
| Vacant Industrial Land Total | 91.3ha  | 81.7ha  | -9.6ha           | -1.2ha                  |
| Industrial Land Vacancy Rate | 37%     | 33%     | -4%              |                         |

Source: Essential Economics Pty Ltd  
Note: Figures rounded. Figures include Commercial 2 Zone land, and exclude vacant buildings.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

In order to further investigate the appropriateness or availability of Colac’s existing vacant sites, an analysis was undertaken of industrial land take-up by lot size. The industrial land supply situation from 2007 was investigated, and the results formed the basis of comparison with Table 15.2 to determine take-up activity by separate lot size.

To summarise the 2007 findings, the combined land vacancy for industrial land in Colac was 37% (refer Table 15.3) and, while not shown in Table 15.3, comprised IN1Z vacancy of 35% and C2Z vacancy of 42%. Land vacancy rates were highest for the smaller sub-2,000m<sup>2</sup> lots.

Comparison of Table 15.2 with the 2007 land audit results highlight the extent to which industrial land activity has occurred in Colac over the period from 2007 to 2015. In total, the net change in the number of occupied lots has been positive, with an additional 26 lots occupied in this time. Predominantly take-up occurred in the smaller parcel sizes, with 16 additional sub-2,000m<sup>2</sup> lots occupied in 2015 compared with 2007 (refer Table 15.1).

Of particular note, the largest parcel which became occupied during this eight-year period was 1.2ha and Colac has been unable to attract an industrial tenant beyond this benchmark. Presently, Colac has only 13 vacant lots identified which are larger than 1ha (refer Table 15.2) and a lack of locational options exist for prospective new larger businesses investigating the town as a location choice.

**Table 15.4: Total Industrial Zoned Land Take-Up by Lot Size, Colac, 2007-2015**

|                          | <2,000m <sup>2</sup> |      | 2,001-4,000m <sup>2</sup> |      | 4,001m <sup>2</sup> -1ha |      | 1ha-5ha |      | 5ha+  |    | Total |      |
|--------------------------|----------------------|------|---------------------------|------|--------------------------|------|---------|------|-------|----|-------|------|
|                          | Lot s                | Ha   | Lots                      | Ha   | Lots                     | Ha   | Lot s   | Ha   | Lot s | Ha | Lot s | Ha   |
| <b>Industrial 1 Zone</b> |                      |      |                           |      |                          |      |         |      |       |    |       |      |
| Net change since 2007    | +16                  | +2.5 | +1                        | +0.2 | +5                       | +2.9 | +2      | +2.4 | 0     | 0  | +24   | +8.0 |
| <b>Commercial 2 Zone</b> |                      |      |                           |      |                          |      |         |      |       |    |       |      |
| Net change since 2007    | 0                    | 0    | 0                         | 0    | +1                       | +0.5 | +1      | +1.2 | 0     | 0  | +2    | +1.7 |
| <b>Total</b>             |                      |      |                           |      |                          |      |         |      |       |    |       |      |
| Net change since 2007    | +16                  | +2.5 | +1                        | +0.2 | +6                       | +3.4 | +3      | +3.6 | 0     | 0  | +26   | +9.7 |

Source: Essential Economics Pty Ltd

Note: Figures rounded

**Forecast Demand for Industrial Land in Colac**

**Forecast Demand for Industrial Land Scenarios**

Forecasts of industrial land requirements for Colac are based on recent trends in industrial land take-up activity, with an alternative scenario provided to allow for a high growth scenario.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Factors such as stronger anticipated population growth in Colac over the next 20 years, in comparison to historical trends, will drive demand for additional industrial land under the high growth for the following reasons:

- Population growth will drive demand for additional service-based industry requiring small industrial lots in close proximity to town
- A number of the people moving to Colac over the next 20 years will potentially bring their small businesses and some of these may require industrial land
- An increased future resident population in Colac may provide an adequately sized and skilled workforce to enable the attraction of other larger industrial businesses to the town.

These forecasts are intended to provide an indication of baseline demand for industrial land and do not account for the attraction of large industry entrants, which often occurs in a 'one-off' or ad-hoc fashion.

In assessing the demand for Colac's industrial land, two scenarios are provided:

- **Scenario 1: Recent Trends.** This scenario is based on a demand for 1.2ha per annum in the period 2015 to 2035, based on take-up patterns observed in the period 2007 to 2015. Activity during this period was described by real estate agents as 'typical' for Colac's industrial market.
- **Scenario 2: High Growth.** This scenario is based on a demand for 1.8ha per annum in the period 2015 to 2035, and provides for a 50% increase in industrial land take-up to ensure the service-industry needs of an expanding population are met. Furthermore, it would be reasonable to expect that improvements in road accessibility to Colac upon completion of the road duplication project in 2019 will create additional demand for industrial land.

These two demand scenarios form the basis of subsequent supply and demand forecasts.

**Forecast Industrial Demand and Supply Situation**

Comparison of the existing net supply of vacant industrial land in Colac with these annual industrial land demand scenarios highlights that a sufficient supply of vacant industrial land currently exists in Colac to meet forecast demand over the period 2015 to 2035, under both the Recent Trends and High Growth demand scenarios.

Under the Recent Trends scenario, a supply of 68 years of developable industrial land exists in Colac, while a 45 years' supply of industrial land exists under the High Growth scenario.

These findings indicate that the supply of available industrial property in Colac is sufficient to satisfy anticipated demand over the next 20 years to 2035, provided the land is appropriately serviced and available for development. The ongoing provision of suitably zoned land with infrastructure connections for an appropriate range of industrial uses will be an important consideration for Colac into the future.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

Table 15.5 summarises the existing industrial land supply in Colac based on forecast demand for industrial land. It is noted however that these calculations are strictly dependent upon the activation of the 31.6ha Forest Street Industrial Site. Removing this large area of industrially zoned land from the below equation leads to an alternative conclusion of 42 years (recent trends scenario) and 28 years (high growth scenario).

**Table 15.5: Forecast Supply and Demand Situation, Colac, 2015**

|                                                        | Recent Trends Scenario | High Growth Scenario |
|--------------------------------------------------------|------------------------|----------------------|
| Net supply of vacant industrial land (refer Table 5.1) | 81.6ha                 | 81.6ha               |
| Forecast annual industrial land demand                 | 1.2ha                  | 1.8ha                |
| Years Supply                                           | 68 years               | 45 years             |

Source: Essential Economics

**Forecast Additional Industrial Land Requirements**

From 2015 to 2035, the total demand for ‘standard’ industrial land in Colac is expected to be adequately accommodated in the existing land supply stocks. In the high growth scenario of 1.8ha being taken up per annum, the existing land supply would be exhausted in the year 2043 if the Forest Street Industrial Site remains undeveloped during that period.

Should a larger population and improved accessibility by road stimulate such strong demand for industrial property in close proximity to the town, and the Forest Street Industrial Site remains inactive, then approximately 12.6ha (ie, 7 years x 1.8ha) of additional industrial land would need to be sourced to accommodate demand to 2050. In this respect, the activation of the Forest Street Industrial Site is an important consideration for Council in ensuring sufficient industrial land is successfully brought to market during the lifespan of the Colac 2050 project.

While the above baseline demand for industrial land indicates that an adequate long-term supply of smaller lots exist (i.e. sub-5ha), the reliance upon the Forest Street Industrial Site being brought to market in order to have land to offer prospective industrial operators is less than ideal. Having regard for the difficulty in gauging the likelihood of the Forest Street Industrial Site — the only three 5ha+ vacant industrial lots available in Colac — being developed in the near future, it is prudent to investigate the scenario whereby the land is unable to be activated.

An additional factor needs to be considered in order to ensure that land is identified which can accommodate new medium to large industry entrants, and that a healthy degree of competition exists among industrial landowners. These types of significant businesses are likely to require industrial sites larger than 5ha, or even potentially 20ha of land. The supply and demand assessment of Colac’s large industrial land stocks (i.e. 5ha plus), combined with feedback obtained during stakeholder consultation, indicate that opportunities for new large businesses to establish on large allotments in the town are extremely limited due to a lack of land supply.

An allowance made for an additional 30-40ha will provide sufficient land to facilitate new medium to large industry in Colac and restrict loss of new industry to another town. An additional allowance will ensure the industrial market remains fluid and that a shortage in land



COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

supply for large lots is avoided or minimised. Colac will need to make provision for investment and growth, and as such, planning decisions regarding rezoning land for industrial uses need to be proactive. Having regard for the shortage of available large-sized industrial land parcels, a rezoning of land to cater for future industrial uses will assist the town to capture future business opportunities.

Competition in the industrial land market is another factor to be considered when assessing the need for additional industrial land for businesses requiring larger land parcels. Currently, the only three 5ha+ sites in Colac are under single ownership; as a result, currently no competition exists in the industrial land market should a potential investor seek to locate in Colac at this time. This is not a preferred situation in the context of trying to attract businesses and investment to Colac.

## **15.4 Planning Options for Future Industrial Development**

### ***Factors Affecting Industrial Site Suitability***

In determining the suitability of sites for potential rezoning to enable large-scale industrial development, regard should be given to the following factors that influence the attractiveness of land for industrial development:

- Accessibility to the wider regional labour market
- The extent to which existing and potential future adjoining land uses may constrain industrial activity
- Infrastructure provision in terms of utilities and services
- Ability to enable ongoing expansion of the site (i.e. not constrained physically)
- Ability to sub-divide in a flexible manner to cater for the attraction of medium-to-larger uses if this opportunity arises
- Is well-located in relation to freight connections and other important road and/or rail networks
- Provides unconstrained vehicle access and exit
- Allows for 24-hour operations without generating adverse amenity impacts on nearby properties, particularly residential properties
- Provides sufficient space for adequate parking and turning space for delivery vehicles (mainly B-Doubles, but potentially Higher Productivity Freight Vehicles)
- Spatial relationship with other industrial precincts, especially having regard for the close inter-industry linkages that are apparent in Colac
- Topography of land allows for commercially viable industrial development.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

However, development outcomes will also rely on factors which include the strength of demand for new industrial development, the prices that might be obtained for industrial property, and the resulting level of interest either from property owners or developers to bring land to the market.

These factors relate to the operational features of industrial precincts; however, other factors also need to be considered when planning for future industrial areas including environmental, traffic, urban design, etc.

***Opportunity for Industrial Land Rezoning in Colac***

Discussions with key stakeholders were effectively unanimous that, should the need arise for additional industrial land in Colac, the most appropriate location for rezoning would be the eastern side of the town, benefitting from available land and being on the 'Melbourne side'. Furthermore, it is understood that difficulties may exist in servicing land to the west of Colac.

Two particular opportunities for additional industrial land were repeatedly identified during the process:

- a pocket located along **Forest Street**, on the southern side of the Forest Street Industrial Site
- the precinct which abuts AKD Softwood's **Irrewarra** mill.

These areas are shown in Figure 15.2.

Both precincts could potentially be appropriate locations for future industry, having regard for the fact they share most (if not all) of the sought-after characteristics listed above. In this regard, a matrix was established to evaluate the most appropriate site and the assessment was based on the following ranking: 0 = Very Poor; 1 = Poor; 2 = Good; 3 = Excellent. The results of this evaluation are shown in Table 15.6.

Based on this evaluation, it is apparent that the Irrewarra option marginally represents the best opportunity to provide short, medium and potentially a long-term supply of large industrial allotments to the Colac market. Furthermore, the precinct is well-located to directly benefit from the Princes Highway duplication project and has the potential to be integrated with any future plans for an intermodal freight facility.

While the Irrewarra site has been assessed as being the preferred site for large industry from the perspective of its suitability for industry, various other factors will impact on the overall assessment of a preferred site, including environment, planning and infrastructure considerations.

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

**Table 15.6: Assessment of Industrial Land Options, Colac, 2015**

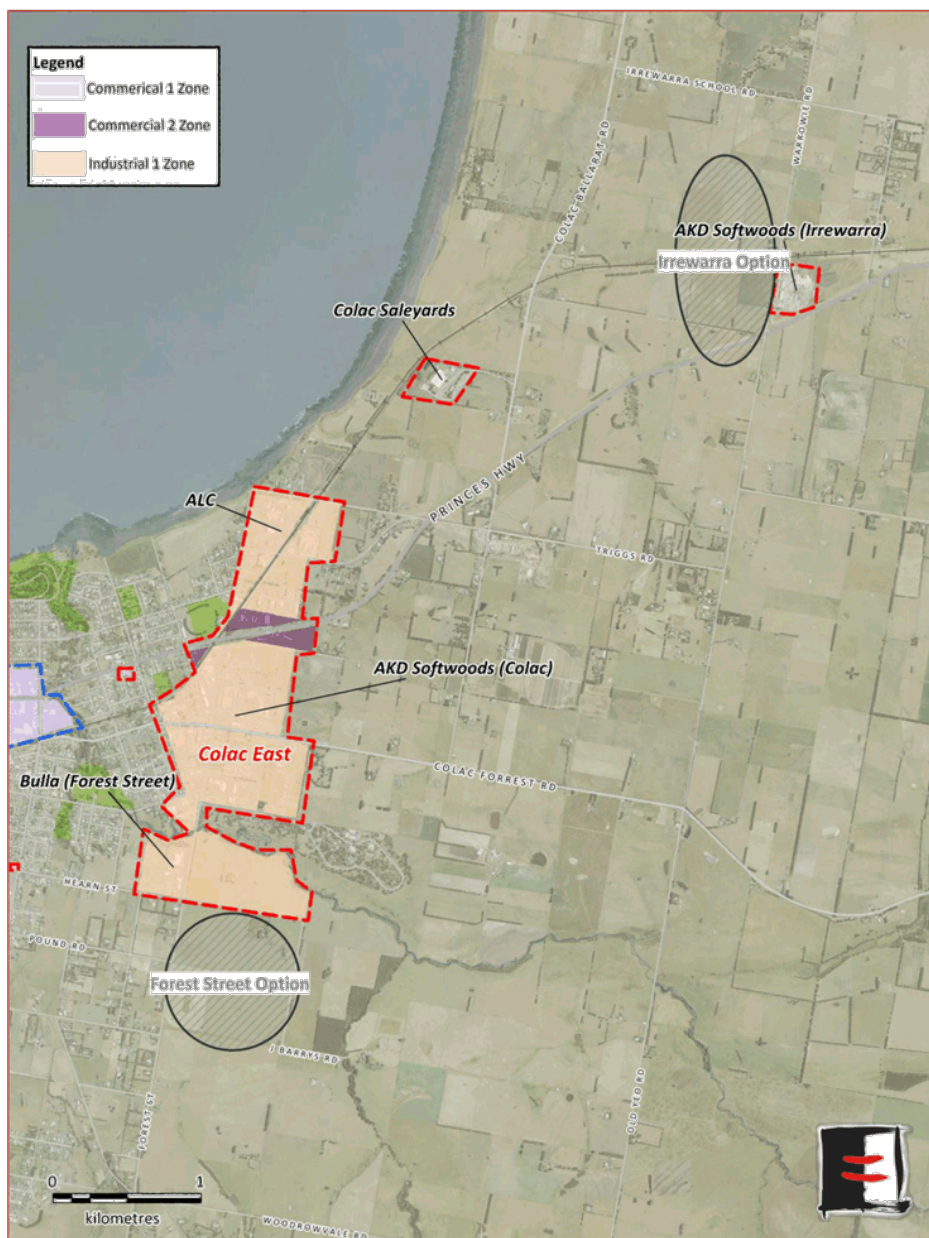
| Criteria                                                                                                                                                        | Irrewarra | Forest Street |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|
| Accessibility to the wider regional labour market                                                                                                               | 2         | 2             |
| The extent to which existing and potential future adjoining land uses may constrain industrial activity                                                         | 3         | 2             |
| Infrastructure provision in terms of utilities and services                                                                                                     | 2         | 2             |
| Ability to enable ongoing expansion of the site (ie, not constrained physically)                                                                                | 3         | 2             |
| Ability to sub-divide in a flexible manner to cater for the attraction of medium-to-larger uses if this opportunity arises                                      | 3         | 3             |
| Is well-located in relation to freight connections and other important road and/or rail networks                                                                | 3         | 2             |
| Provides unconstrained vehicle access and exit                                                                                                                  | 3         | 3             |
| Allows for 24-hour operations without generating adverse amenity impacts on nearby properties, particularly residential properties                              | 3         | 2             |
| Provides sufficient space for adequate parking and turning space for delivery vehicles (mainly B-Doubles, but potentially Higher Productivity Freight Vehicles) | 3         | 3             |
| Spatial relationship with other industrial precincts, especially having regard for the close inter-industry linkages that are apparent in Colac                 | 2         | 3             |
| Topography of land allows for commercially viable industrial development                                                                                        | 2         | 2             |
| <b>Total</b>                                                                                                                                                    | <b>29</b> | <b>26</b>     |

Source: Essential Economics

Note: 0 = Very Poor; 1 = Poor; 2 = Good; 3 = Excellent

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

Figure 15.2: Potential Options for Additional Industrial 1 Zoned Land, Colac



Source: Essential Economics using MapInfo, Colac Otway Shire Council and StreetPro

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND  
COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY

FINAL DRAFT REPORT

### **15.5 Implications for the Strategy**

Colac currently contains 248ha of zoned industrial land, approximately 67% of which is occupied and 33% which is vacant. With no major industrial closures or openings having occurred on industrial land between 2007 and 2015, changes in Colac's industrial occupied land stocks have been reasonably minor. Approximately **1.2ha per annum** of industrial land was taken up over the past eight years.

Although current identifiable demand for industrial property is reasonably subdued, the shortage in supply of larger industrial allotments (ie, above 5ha) in Colac that could otherwise be easily developed is potentially a constraint on investment and business attraction. Of the 81.6ha of vacant industrial land identified in 2015, approximately 31.6ha were known to be in one ownership and unavailable for development to date (Forest Street Industrial Site). As a result, adequate amounts of vacant serviced industrial land are currently not available for new businesses looking to establish in the town.

A rezoning of approximately 30-40ha of Farming Zone land to Industrial 1 Zone will provide certainty and a firmer basis for long-term planning for sustainable growth in Colac. Additional industrial land allotments to cater for large industry will also avoid the need for ad-hoc, reactive changes in the short term and will ensure future market competition and downward pressure on prices.

**COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY**

**FINAL DRAFT REPORT**

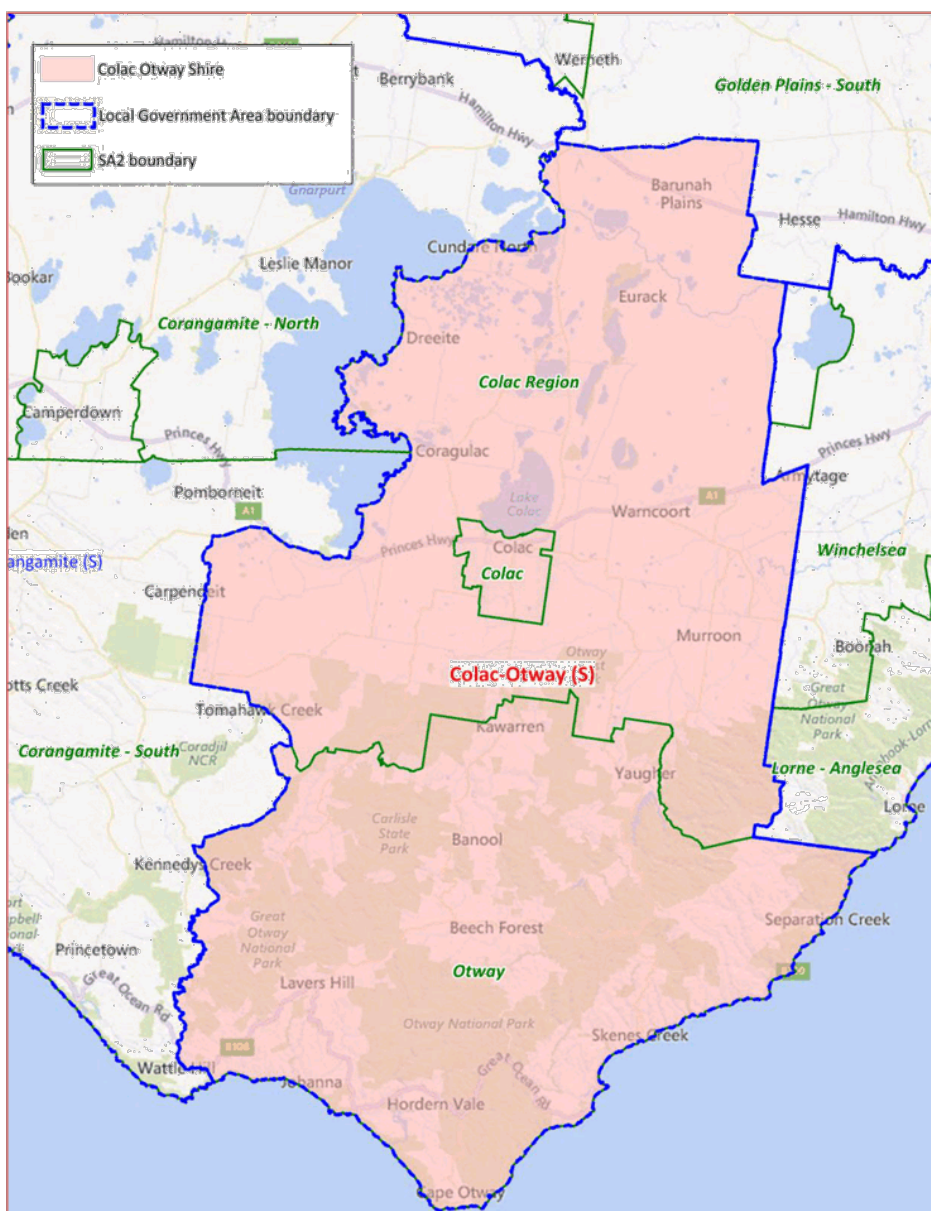
**APPENDIX A: G21 GROWTH PLAN DIRECTIONS FOR COLAC**

| <b>COLAC</b>                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Residential growth</b>                                       | <p>Take up of existing areas identified in Structure Plan</p> <p>Potential town expansion to south and west (ahead of growth at other centres – focus on broader range of housing options) including potential take up of LDRZ/RLZ land</p> <p>Investigate infill opportunities around town centre</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Relationship with &amp; future role of other settlements</b> | <p>Service and employment centre for Colac Otway Shire and northern gateway to Otways and GOR</p> <p>Surrounding towns and villages provide alternative housing/lifestyle choices and recreation/ tourism activity. Apollo Bay is the key coastal tourist town</p> <p>Growth of other municipality towns limited to existing settlement boundaries with some minor growth consistent with the Apollo Bay Settlement Boundary and Urban Design Review, Colac Otway Shire Rural Living Strategy (e.g. Apollo Bay, Birregurra, Beeac, Coragulac, Cororooke, Alvie and Forrest) and in Gellibrand and Beech Forest subject to further strategic work</p> <p>Geelong and Warrnambool for employment, freight and transport</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Key current &amp; future employment nodes/sectors</b>        | <p>Tourism and agriculture</p> <p>Industrial estate (expansion capacity to south-east)</p> <p>Colac town centre</p> <p>Other regional coastal towns</p> <p>Geelong</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Key infrastructure projects</b>                              | <p>Infrastructure support for industrial node expansion</p> <p>Enhance TAFE sector, including potential trade training centre/university delivery model capacity</p> <p>Implementation of public infrastructure works - Colac CBD and Entrances project</p> <p>Beechy Precinct (education, recreation and community precinct), including trade training centre, expansion/enhancement and redevelopment of Central Reserve sporting facilities and Blue Water Fitness Centre</p> <p>Colac Area Health services expansion with further growth</p> <p>Apollo Bay Harbour development</p> <p>Princes Highway duplication to Colac</p> <p>Tourism product gaps</p> <p>Colac water supply and sewerage treatment upgrade</p> <p>Redevelopment of former Colac High School site</p> <p>Development of trails such as the Great Ocean Walk, Forrest Mountain Bike Hub and the old Beechy Rail Trail</p>                                                                                                                                                                                                                                                                                                                                   |
| <b>Key project work</b>                                         | <p>Strategic Planning priorities:</p> <ul style="list-style-type: none"> <li>▶ Colac Structure Plan review</li> <li>▶ Completion of Birregurra Structure Plan</li> <li>▶ Development of Master Plans for small towns, including Beeac, Alvie and Cororooke, consistent with growth potential identified in Rural Living Strategy</li> <li>▶ Investigate the growth potential of Beech Forest, Forrest and Gellibrand considering effluent management and bushfire risk</li> </ul> <p>Colac CBD and Entrances project (detailed design and implementation)</p> <p>Strategies to manage high levels of disadvantage in Colac, Beeac and Forrest</p> <p>Transport network and services investigation including:</p> <ul style="list-style-type: none"> <li>▶ Road upgrades, such as the committed Princes Highway duplication to Colac from Geelong, review of road linkages from Princes Highway to GOR (Lorne/Apollo Bay) and Colac bypass options</li> <li>▶ Opportunities to increase train service frequency on the Geelong to Warrnambool rail line</li> <li>▶ Bus services review within Colac</li> <li>▶ Pedestrian and cycling networks, including G21 Regional Trails Network</li> <li>▶ Road hierarchy planning</li> </ul> |

COLAC TOWNSHIP: ECONOMIC DEVELOPMENT, AND COMMERCIAL AND INDUSTRIAL LAND USE STRATEGY  
FINAL DRAFT REPORT

APPENDIX B: STATISTICAL GEOGRAPHY

Figure B.1: Statistical Geography



Produced by Essential Economics using MapInfo and Bing Maps





*Planning and Environment Act 1987*

## **COLAC OTWAY PLANNING SCHEME**

### **AMENDMENT C86**

#### **EXPLANATORY REPORT**

#### **Who is the planning authority?**

This amendment has been prepared by the Colac Otway Shire Council, which is the planning authority for the amendment.

The Amendment has been made at the request of the Colac Otway Shire Council.

#### **Land affected by the Amendment**

The Amendment applies to the following land:

##### Colac

- all industrial land in Colac
- 177 Bromfield Street, Colac
- Land generally bounded by Princes Highway, Corangamite Street, Connor Street and Hart Street used as part of the Bulla Dairy Food Murray Street operations
- 7-15 Forest Street Colac and part of 18-24 Forest Street, Colac
- 50 J Barrys Road Colac and part of 286 Forest Road, Colac
- 75 Rossmoyne Road, Colac
- 331 and part of 333 Princes Highway, Colac
- 50 and 52-56 Queen Street, Colac
- 34 Fulton Street, Colac

##### Irrewarra

- 20 Warrowie Road Irrewarra (the land used for the AKD Sawmill)
- 15 Pyles Road, Irrewarra
- 5945 Princes Highway, Irrewarra
- 125 Drapers Road, Irrewarra

##### Yeo

- 260 Colac Forrest Road, Yeo
- 95 Old Yeo Road, Yeo

More specifically the Amendment seeks to rezone, apply or delete overlays on various sites in Colac, Irrewarra and Yeo as shown land in the exhibition maps.

#### **What the amendment does**

The Amendment proposes to make the following changes:

##### Municipal Strategic Statement

- Amend Clause 21.03 (Settlement) and 21.05 (Economic Development) to implement the key outcomes of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* by discouraging further subdivision of residential zoned land around the Colac abattoir, promoting good design outcomes for new development on all industrial zoned land and encouraging the retention of large industrial zoned lots to encourage economic activity, and amending the Framework Plan to reflect the proposed Forest Street industrial area expansion and the Irrewarra investigation area.

- Amend Clause 21.07 (Reference Documents) to implement the Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016 as a reference document.

Bulla Dairy Foods-Murray Street

- Rezone land which forms part of the Bulla Dairy Food Murray Street operations from Commercial 1 Zone (C1Z) to Special Use Zone Schedule 3 (SUZ3). SUZ3 proposes to allow for the ongoing and future use and development of the land for the purpose of industry, manufacturing, storage and distribution of iced-confection, milk and dairy-based products.
- Insert a new Schedule 3 to Clause 37.01 Special Use Zone (SUZ3).
- Delete the Design and Development Overlay Schedule 8 (Clause 43.02) (DDO8) which will be redundant.
- Amend the Schedule to Clause 81.01 to include the “Bulla Dairy Foods - Murray and Connor Street, Colac Operations” as an incorporated document in the Colac Otway Planning Scheme.
- Amend Planning Scheme Map 11.

Bulla Dairy Foods-Forest Street

- Rezone 34 Fulton Street, Colac from Rural Living Zone (RLZ) to Industrial 1 Zone (IN1Z) to facilitate the future expansion of Bulla Dairy Foods.
- Insert a new Schedule 6 to Clause 43.04 Development Plan Overlay (DPO6) and apply to 34 Fulton Street and 91-149 Forest Street Colac to guide the use and development of the existing and future Bulla Dairy Food operations.
- Delete the Design and Development Overlay Schedule 1 (Clause 43.02) from 91-149 Forest Street, Colac which will be redundant.
- Amend Planning Scheme Map 11

Australian Lamb Company

- Rezone 1 Tristania Drive and 45 Flaxmill Road, Colac East from Industrial 1 Zone and part Public Use Zone Schedule 4 (PUZ4) to Special Use Zone Schedule 4 (SUZ4). SUZ4 proposes to allow for the ongoing and future use and development of the land for the purpose of industry, manufacturing, storage and distribution of an abattoir and food production.
- Delete Development Plan Overlay Schedule 1 from 1 Tristania Drive, 35 and 45 Flaxmill Road, 1-9, 11-27, and 29-39 Mariner Street, Colac East which will be redundant.
- Amend the Schedule to Clause 81.01 to include the “Australian Lamb Company - Colac Operations” as an incorporated document in the Colac Otway Planning Scheme.
- Amend Planning Scheme Maps 9 and 11.

AKD Softwoods - Colac

- Rezone 7-15 Forest Street, Colac, part of 18-24 Forest Street, Colac and 73 Colac Forrest Road, Colac from Farming Zone (FZ) to Industrial 1 Zone (IN1Z) to facilitate the use and development of the AKD Softwood operations.
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 7-15 Forest Street, Colac, part of 18-24 Forest Street and 73 Colac Forrest Road, Colac.
- Amend Planning Scheme Maps 9.

AKD Softwoods - Irrewarra

- Rezone 20 Warrowie Road Irrewarra from Farming Zone (FZ) to Industrial 1 Zone (IN1Z) to facilitate the operations of the existing AKD Softwoods.
- Insert a new Schedule 8 to Clause 43.04 Development Plan Overlay (DPO8) and apply to 20 Warrowie Road, Irrewarra to guide the use and development of the existing AKD Softwood operations.
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 20 Warrowie Road, Irrewarra.
- Amend Planning Scheme Map 9.

J Barry Road and Forest Street Industrial Land Expansion

- Rezone 50 J Barrys Road and part of 286 Forest Street, Colac from Farming Zone (FZ) to Industrial 1 Zone (IN1Z) to implement the findings of the Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016.
- Insert a new Schedule 7 to Clause 43.04 Development Plan Overlay (DPO7) and apply to 50 J Barrys Road and part of 286 Forest Street, Colac to guide the use and development of a future industrial estate.
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 50 J Barrys Road and part of 286 Forest Street, Colac.
- Amend Planning Scheme Maps 9 and 16.

Other Industrial Land in Colac

- Amend the Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to apply to all industrial land in Colac and Irrewarra except for 34 Fulton Street and 91-149 Forest Street, Colac, include performance measures, and remove prescriptive requirements.
- Delete Design and Development Overlay Schedule 2 (Clause 43.02) (DDO2) from industrial land in the west of Colac as this will be redundant
- Amend Planning Scheme Maps 5, 9, 11 and 16.

Redundant Wildfire Management Overlay

- Delete the Wildfire Management Overlay (Clause 44.06) from: 20 Warrowie Road, Irrewarra; 15 Pyles Road, Irrewarra; 5945 Princes Highway, Irrewarra; 125 Drapers Road, Irrewarra; 260 Colac Forrest Road, Yeo; 95 Old Yeo Road, Yeo; 17 Forest Street, Colac; 7-15 Forest Street, Colac; 18-24 Forest Street, Colac; 68 Forest Street, Colac; 73 Colac-Forrest Road, Colac which are redundant.
- Amend Planning Scheme Maps 9, 11 and 16.

Other Mapping – Anomalies and Redundancies

- Rezone part of 75 Rossmoyne Drive, Colac from Farming Zone (FZ) to Industrial 1 Zone (IN1Z).
- Apply Design and Development Overlay Schedule 1 (Clause 43.02) (DDO1) to 75 Rossmoyne Drive, Colac.
- Rezone 50 Queen Street, Colac from part Public Park and Recreation Zone (PPRZ) and part General Residential Zone (GRZ) to Commercial 1 Zone (C1Z).
- Apply Design and Development Overlay Schedule 8 (Clause 43.02) (DDO8) to 50 Queen Street, Colac.
- Rezone 52-56 Queen Street, Colac from part Public Park and Recreation Zone (PPRZ) and part General Residential Zone (GRZ) to Public Park and Recreation Zone (PPRZ).
- Rezone 177 Bromfield Street, Colac from part Commercial 1 Zone (C1Z) to Public Park and Recreation Zone (PPRZ).
- Delete the Design and Development Overlay 8 (DDO8) from 177 Bromfield Street, Colac.
- Rezone part 331 and part of 333 Princes Highway, Colac from Farming Zone (FZ) to Commercial 2 Zone (C2Z)
- Apply Design and Development Overlay Schedule 3 (Clause 43.02) (DDO3) to part 331 and part of 333 Princes Highway, Colac.
- Amend Planning Scheme Maps 5, 11

**Strategic assessment of the Amendment**

**Why is the Amendment required?**

The Amendment is required to implement the findings of *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* (the Strategy). The

Amendment is also required to correct a number of errors and anomalies identified during the preparation of the Strategy.

The Strategy seeks to identify future economic opportunities in Colac and assesses the future requirements for retail and commercial development and their preferred location and land requirements.

The Strategy highlights the importance of the industrial sector in Colac, particularly in relation to existing large employers such as AKD, Australian Lamb Company and Bulla Dairy Foods. The Strategy seeks to protect the current investments of these companies and facilitate their future expansion.

The Strategy also notes that there is a shortage of industrial land of significant size (ie larger than 5ha) in Colac and that there is a need to identify industrial land supply for future development. It also acknowledges that some of the existing planning provisions are overly complex and may unreasonably restrict new industrial development.

In assessing land supply, the Strategy identified a need for additional industrial land on larger allotments to facilitate a competitive industrial land market. Two investigation areas were identified on the basis that the east side of Colac was preferential for industrial expansion given its proximity to Melbourne and the ports, the location of existing industry and infrastructure. One of the options, located in Irrewarra on the Princes Highway and Warrnambool Railway line and abutting existing industrial land has been identified a potential inter-modal freight hub. The Amendment seeks to rezone land identified as the Forest Street option by the Strategy.

The Amendment seeks to create a consistent approach to the application of design controls to all industrial land in Colac and Irrewarra by applying one DDO to all industrial land in the townships except the Bulla Forest Street site which incorporates the design objectives within a Development Overlay Schedule. The revised DDO seeks to remove some of the more onerous elements in the current DDO1 / DDO2 such as height, setback and plot ratio controls. It is proposed to amend DDO1 and apply it all industrial land, remove DDO2 from Colac West industrial areas. DDO1 is to be amended to include performance based objectives aimed at achieving quality design and landscaping outcomes for industrial buildings. This change will not trigger a need for planning permission in its own right as planning permission is already required for buildings and works under the IN1Z.

The Amendment seeks to remove several anomalies and redundancies that were raised during the preparation and implementation of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* but were outside the scope of the study. These include:

- 75 Rossmoyne Drive, Colac which is currently an industrial site and was rezoned from IN1Z to FZ in error as part of Amendment C55. It is proposed to rezone the land back to IN1Z and apply the DDO1 to reflect the land's current use.
- 50 and 52-56 Queen Street, Colac
  - 50 Queen Street is a free hold title owned by the Girl Guides Association. It is currently developed with a hall. The land is part Public Park and Recreation Zone (PPRZ) and part General Residential Zone (GRZ). It is proposed to rezone the land to Commercial 1 Zone (C1Z) and apply DDO8 to reflect the existing private ownership and Colac CBD location.
  - 52-56 Queen Street forms part of the Barongarook Creek public open space network and is owned by Council. It is similarly part PPRZ and part GRZ. It is proposed to rezone the land to PPRZ to reflect the current public ownership and use of the land.
- 177 Bromfield Street, Colac is Crown land managed by the Department of Environment Land Water and Planning. It is currently part PPRZ and part C1Z. It is proposed to rezone the land to PPRZ and remove the DDO8 to reflect its public use and ownership.
- 331 and part of 333 Princes Highway, Colac form part of the balance of 333 Princes Highway in use. It is proposed to rezone the land to ensure the entire site is consistent in zone and overlay controls and reflects its current C2Z use.
- 20 Warrowie Road, Irrewarra, 15 Pyles Road Irrewarra, 5945 Princes Highway Irrewarra, 125 Drapers Road Irrewarra, 260 Colac Forrest Road Yeo, 95 Old Yeo Road

Yeo, 17 Forest Street Colac, 7-15 Forest Street Colac, 18-24 Forest Street Colac, 68 Forest Street Colac, 73 Colac-Forrest Road Colac to remove the WMO which were applied to land with timber plantations. This is now redundant as the plantations have been removed.

### **How does the Amendment implement the objectives of planning in Victoria?**

The Amendment seeks to implement the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* which will provide a sound, considered and sustainable framework for the growth of the commercial and industrial land uses in Colac, and in so doing will implement the following objectives of planning in Victoria:

- Providing for the fair, orderly, economic and sustainable use and development of land.
- Securing a pleasant, efficient and safe working, living and recreational environment.
- Protecting public utilities and other assets and enable the orderly provision and coordination of public utilities and other facilities for the benefit of the community.
- Facilitating development in accordance with the above objectives.
- Balancing the present and future interests of all Victorians.

### **How does the Amendment address any environmental, social and economic effects?**

The amendment will enhance the social and economic values of the Shire by providing clear direction for the expansion of existing and proposed industrial areas in Colac. It seeks to manage the interface areas between industrial and residential land uses of key land holders in order to ensure their continued contribution to the regional economy.

The significance of industry in Colac was identified in Overview of Economic Trends and Potential Opportunities as part of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016*. This Strategy identified that manufacturing and industrial activities in Colac are a key component of the local economy and that future population growth within the municipality will continue to drive demand for targeted industrial activity.

Amending the Planning Scheme to reflect the recommendations of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016* will have positive economic benefits by ensuring that sufficient land is set aside for industrial purposes to cater for the long term employment needs of Colac.

The Amendment will have minimal environmental impact however future planning decisions emerging from the Strategy must consider the environment impacts of activities and works.

### **Does the Amendment address relevant bushfire risk?**

The Amendment is not expected to have a detrimental impact on the existing bushfire risk. The proposed removal of the Wildfire Management Overlay on several sites reflects the removal of pine plantations and the subsequent reduction of fire risk. The Amendment will be referred to the Country Fire Authority for comment during the exhibition period.

### **Does the Amendment comply with the requirements of any Minister's Direction applicable to the amendment?**

The Amendment complies with the relevant Ministerial Directions including Ministerial Direction No. 11 Strategic Assessment Guidelines, Ministerial Direction No. 15 Planning Scheme Amendment Process and the Ministerial Direction on the Form and Content of Planning Schemes.

**How does the Amendment support or implement the State Planning Policy Framework and any adopted State policy?**

The Amendment is consistent with, and has been prepared in accordance with, State Planning Policy Framework (SPPF) as detailed below:

Clause 11 Settlement

- This Amendment anticipates and responds to the needs of existing and future communities by providing orderly planning in accordance with the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016*.

Clause 12.01-3 Forestry and Timber Production

- The Amendment supports the local forestry industry by facilitating the expansion of existing timber mills in Colac.

Clause 17.02-1 Industry

- The Amendment supports local industry by protecting existing key industries from further encroachment of sensitive uses, removing a current cumbersome and restrictive development control and replacing it with a streamlined, performance based control and identifying land for future industrial expansion.

Clause 18 Transport

- Promoting new industrial development on land that has excellent access to key transport corridors.

**How does the Amendment support or implement the Local Planning Policy Framework, and specifically the Municipal Strategic Statement?**

The Amendment is consistent with, and has been prepared in accordance with, Local Planning Policy Framework (LPPF) as detailed below:

Clause 21.03 – Settlement

- Clause 21.03 notes that Colac is a major centre for manufacturing. The Amendment responds to this Clause by protecting and promoting existing and future manufacturing in Colac.

Clause 21.05 – Economic Development

- Clause 21.05 seeks to support and facilitate the manufacturing industry in the Shire. This Amendment supports the MSS by rezoning land for industrial development and removing regulations that have limited the expansion of existing or establishment of new industries.

**Does the Amendment make proper use of the Victoria Planning Provisions?**

The Amendment makes proper use of the Victoria Planning Provisions by making refinements to both the Municipal Strategic Statement and a local planning policy relating specifically to industry to reflect the recommendations of the *Colac Township – Economic Development, Commercial and Industrial Land Use Strategy 2016*. These changes to the Local Planning Policy Framework will guide the planning of future industrial land use within the municipality. They will ensure a sound strategic basis for future decisions relating to the application of zones and overlays in the Planning Scheme.

**How does the Amendment address the views of any relevant agency?**

It is expected that the Amendment will not have an adverse impact on any other relevant agency. The Amendment will be formally referred to all relevant agencies as part of the exhibition process and their views will be considered in finalising the Amendment.

### Does the Amendment address relevant requirements of the Transport Integration Act 2010?

The Amendment will not have a significant impact on the transport system. Land proposed to be rezoned to the Industrial 1 Zone or identified for further investigation has been identified as having excellent access to the existing major road network.

### Resource and administrative costs

- **What impact will the new planning provisions have on the resource and administrative costs of the responsible authority?**

The Amendment will have a negligible impact on the resource and administrative costs of the Responsible Authority. Additional permit applications may be expected for new industrial projects, however, it is not anticipated that these resource costs will be high.

The implementation of the DDO across all industrially zoned land will not trigger any further planning permit requirements as a permit is already required for works in an industrial zone.

### Where you may inspect this Amendment

The Amendment is available for public inspection, free of charge, during office hours at the following places:

|                                                                                                                       |                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Colac Otway Shire Council</b><br>2-6 Rae Street,<br>COLAC VIC 3250                                                 | <b>Colac Otway Shire Council</b><br>Sustainable Planning and Development<br>Service Centre<br>101-105 Gellibrand Street,<br>COLAC VIC 3250 |
| <b>Colac Otway Shire Council</b><br>Apollo Bay Customer Service Centre<br>69-71 Nelson Street,<br>APOLLO BAY VIC 3233 | <b>Colac Community Library &amp; Learning<br/>Centre</b><br>173 Queen Street,<br>COLAC 3250                                                |

Website: [www.colacotway.vic.gov.au](http://www.colacotway.vic.gov.au)

The Amendment can also be inspected free of charge at the Department of Environment, Land, Water and Planning website at [www.delwp.vic.gov.au/public-inspection](http://www.delwp.vic.gov.au/public-inspection).

### Submissions

Any person who may be affected by the Amendment may make a submission to the planning authority. Submissions about the Amendment must be received by **[insert submissions due date]**.

A submission should be titled "Amendment C86 Submission" and emailed to;

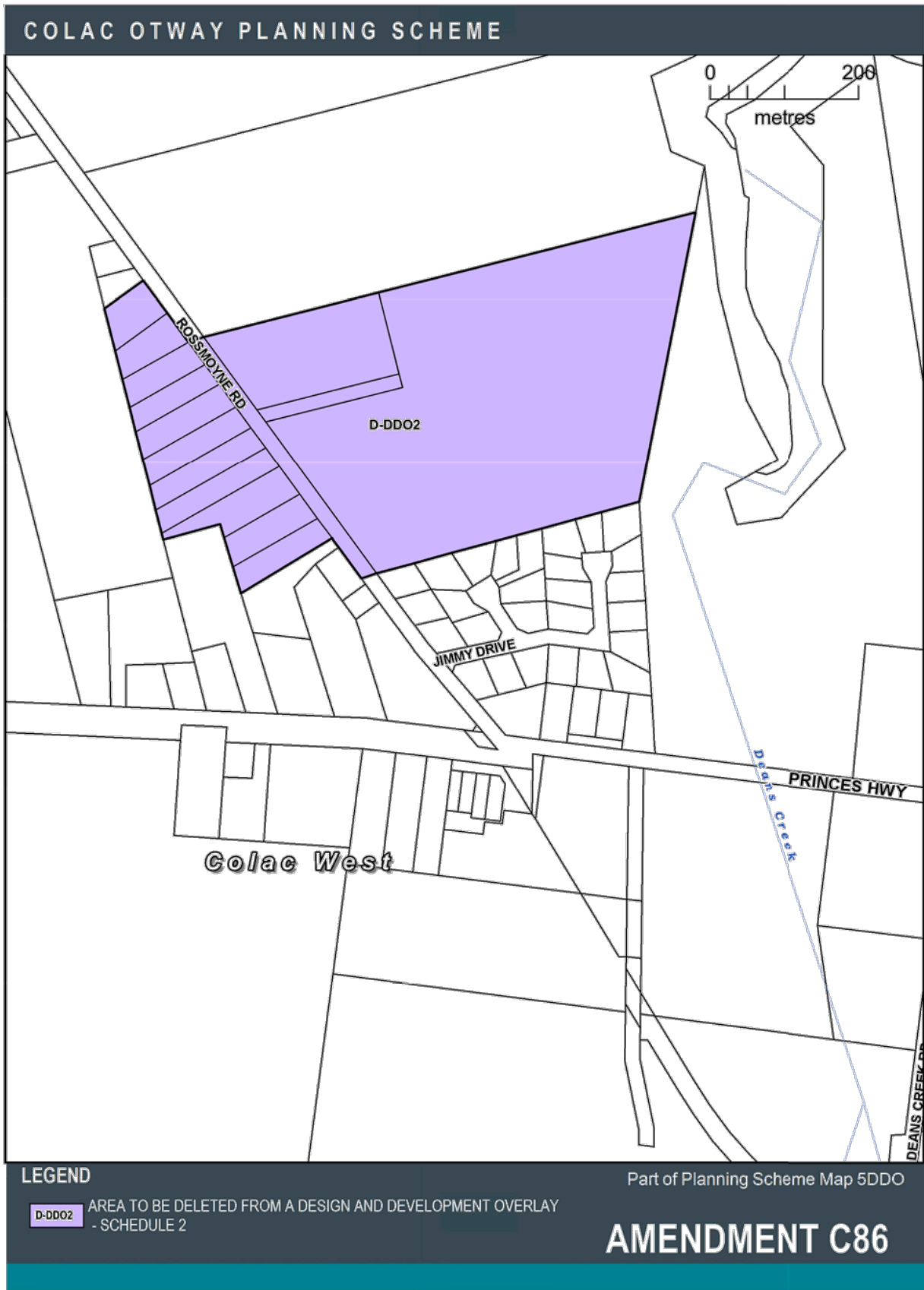
[inq@colacotway.vic.gov.au](mailto:inq@colacotway.vic.gov.au) or mailed to:  
Strategic Planning  
Colac Otway Shire Council  
PO Box 283  
COLAC VIC 3250

### Panel hearing dates

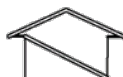
In accordance with clause 4(2) of Ministerial Direction No.15 the following panel hearing dates have been set for this amendment:

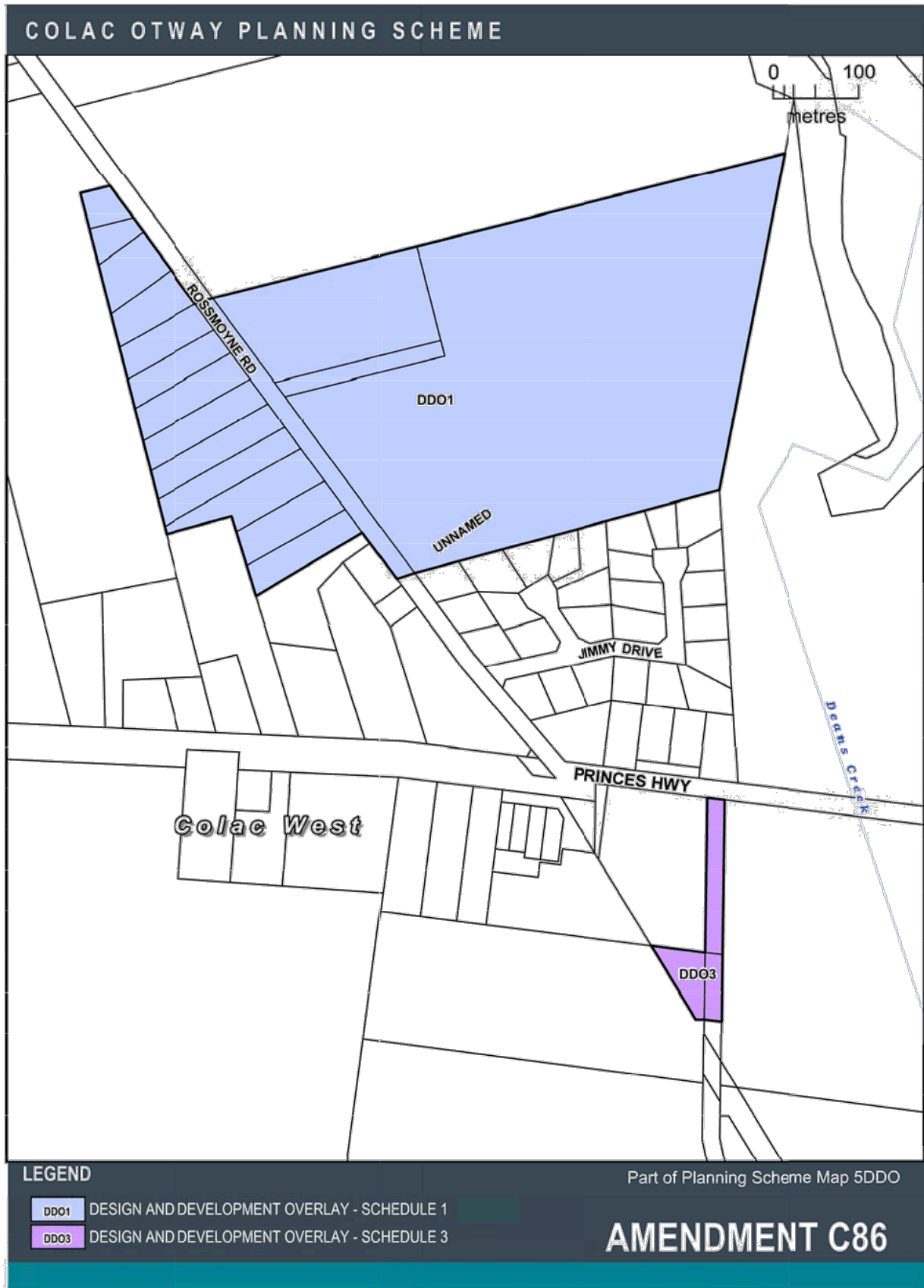
- directions hearing: [insert directions hearing date]
- panel hearing: [insert panel hearing date]



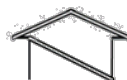


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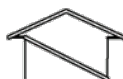


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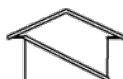
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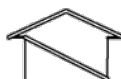
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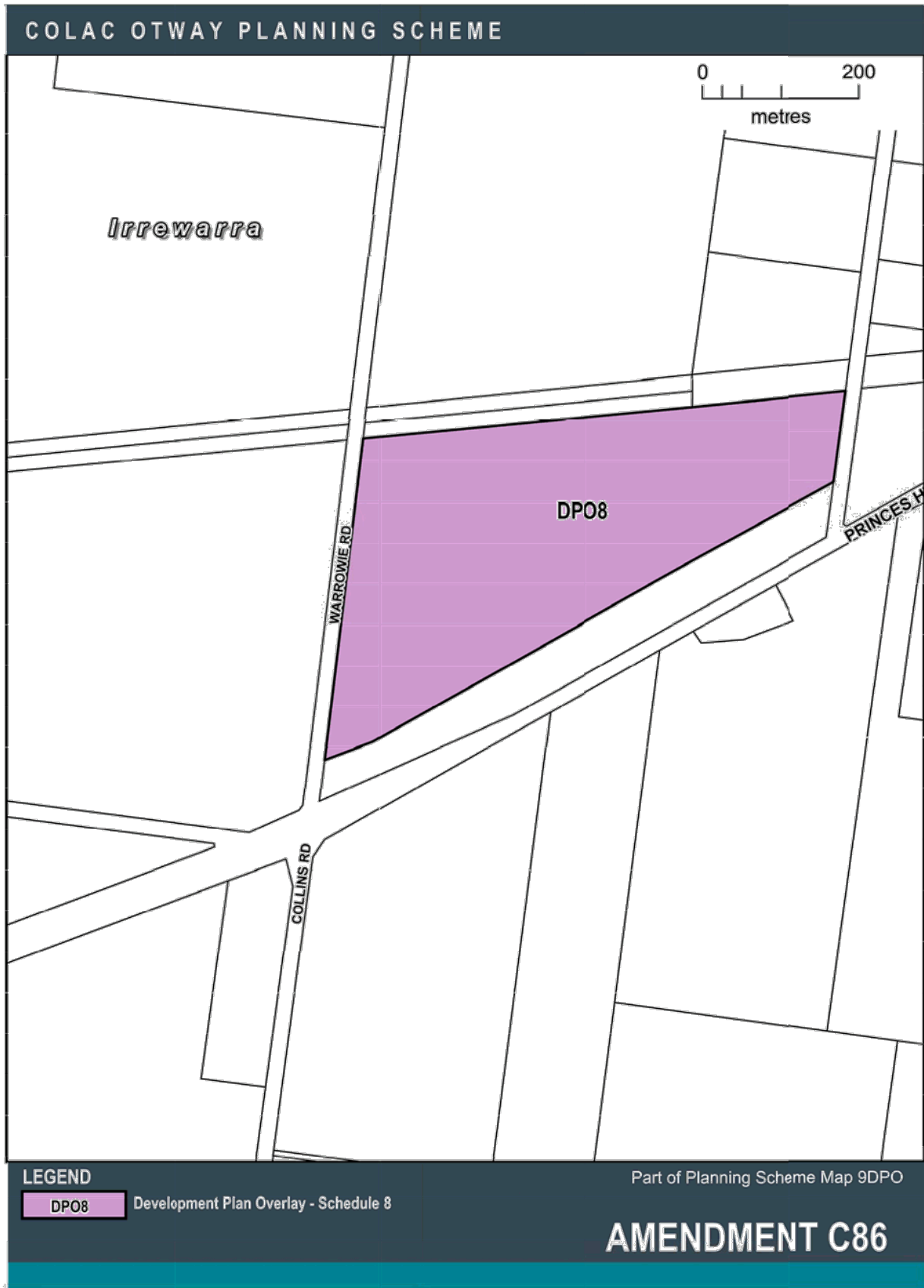
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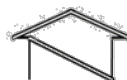
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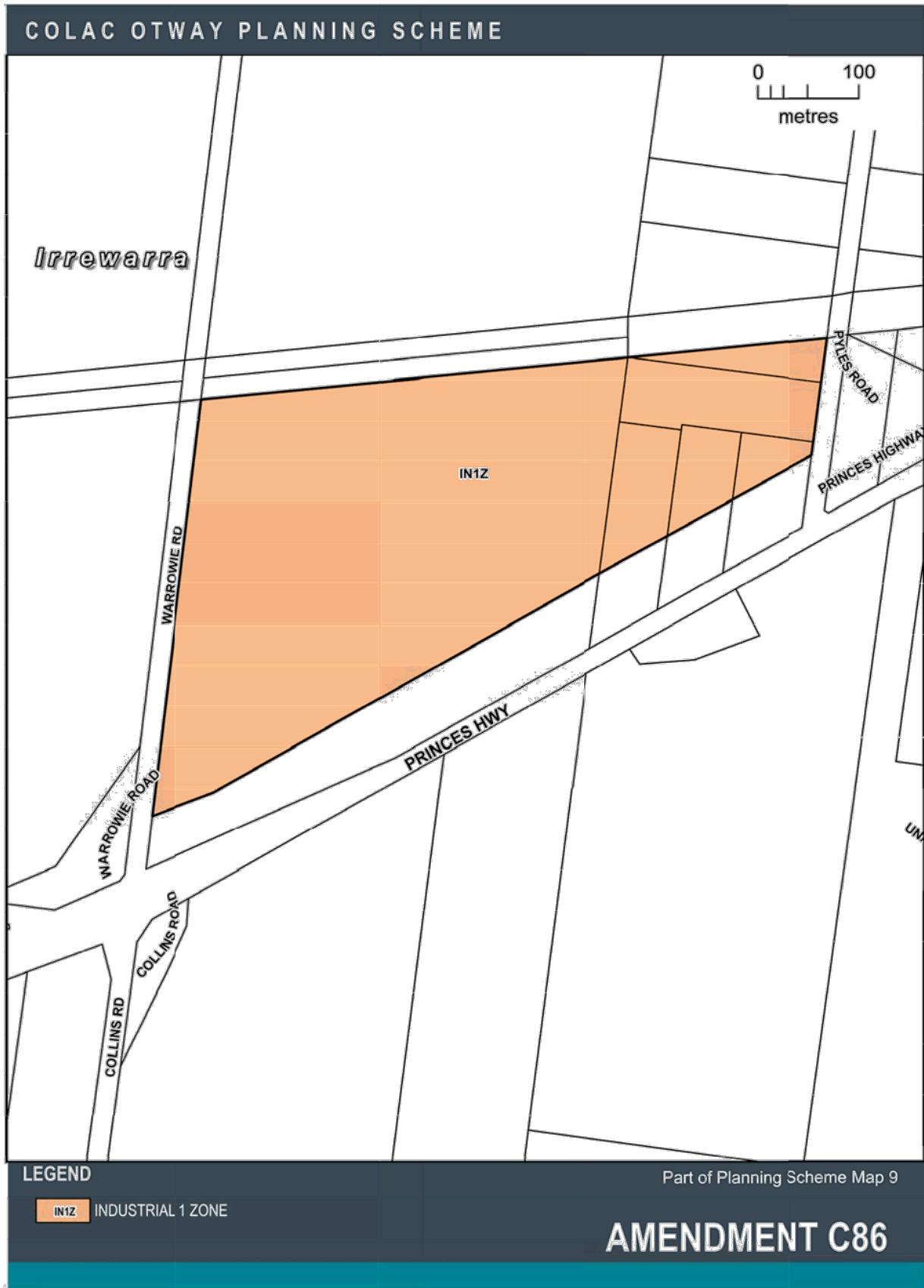
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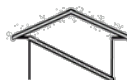
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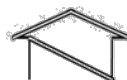
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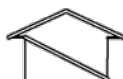
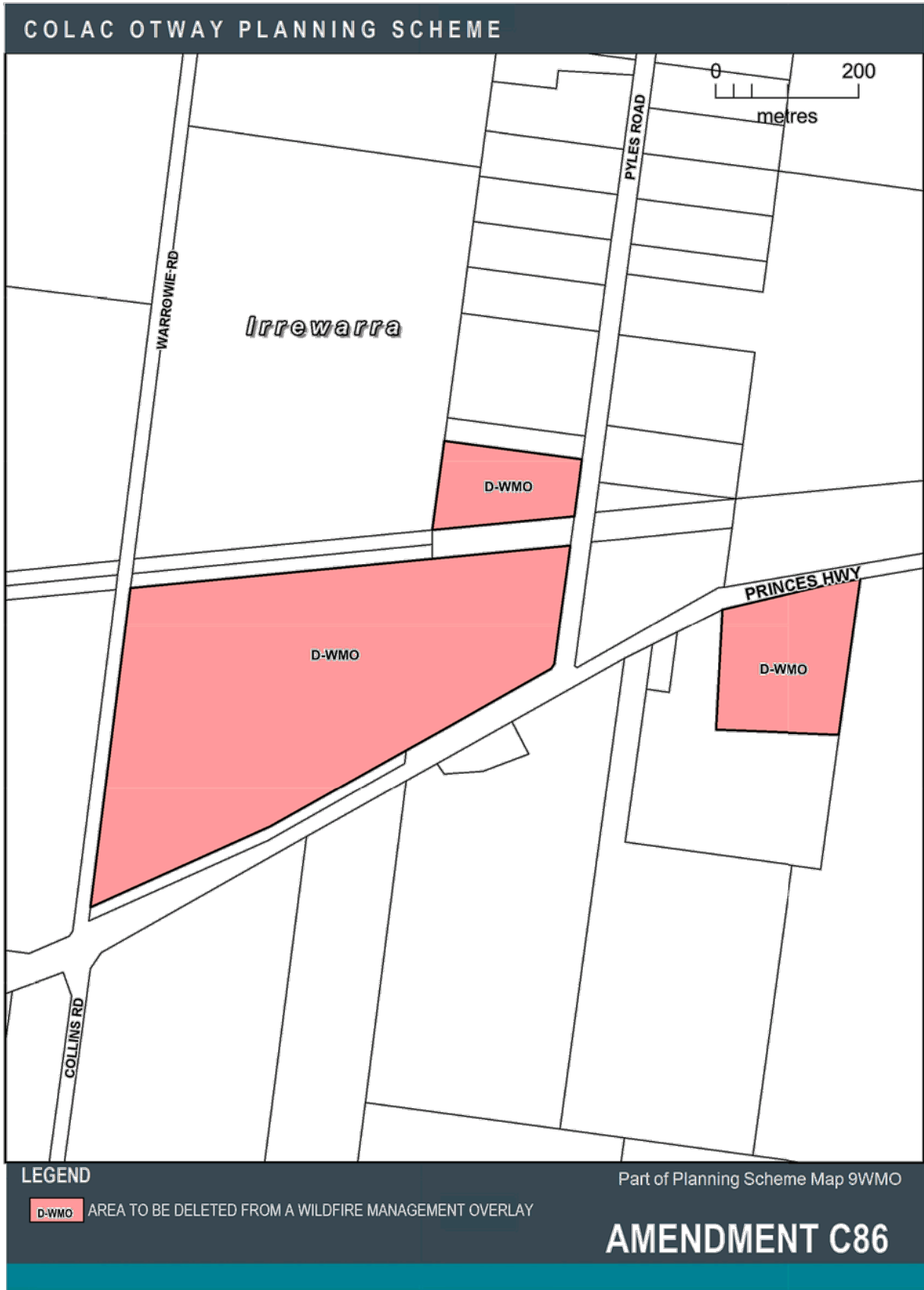
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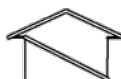
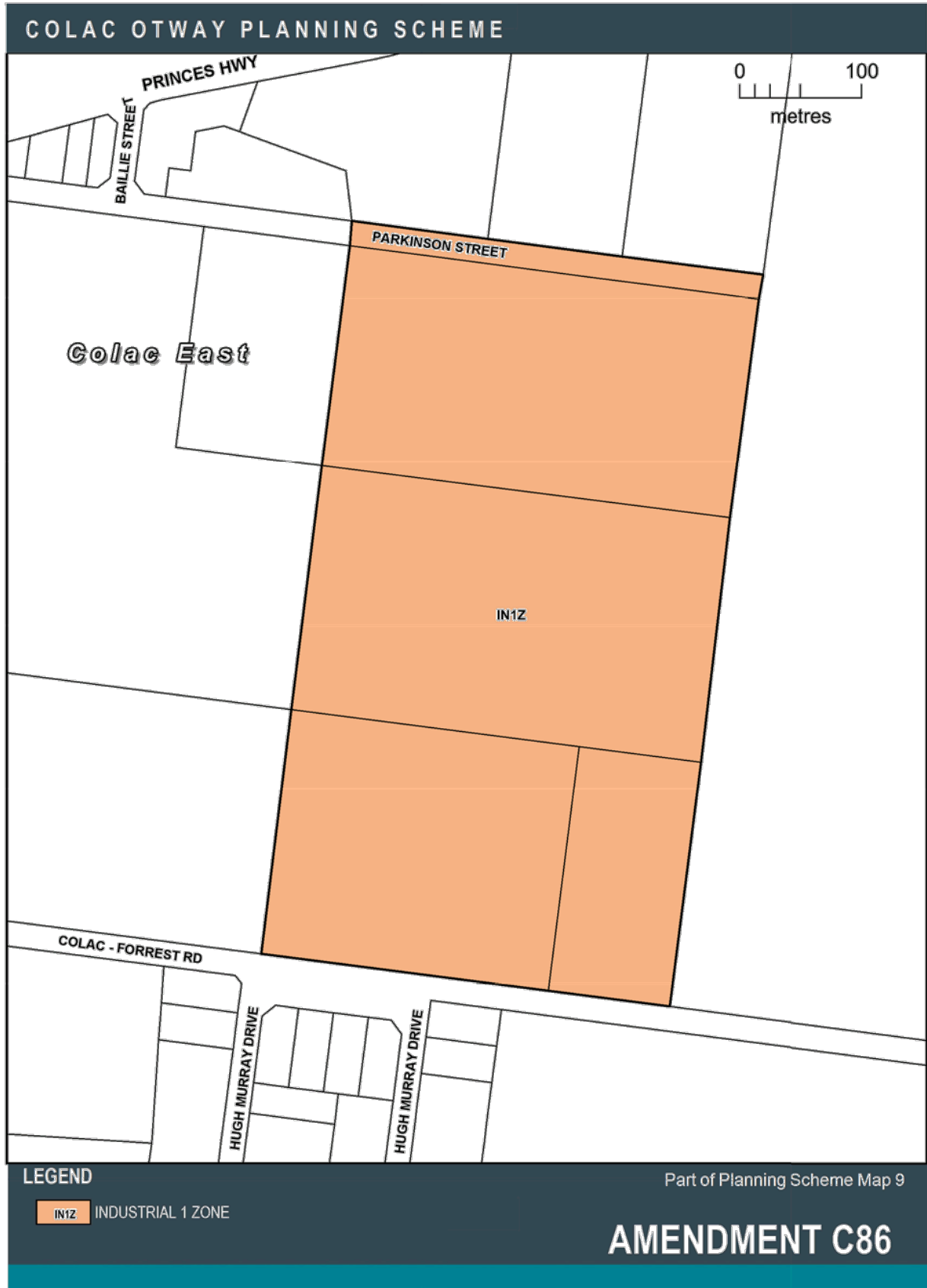


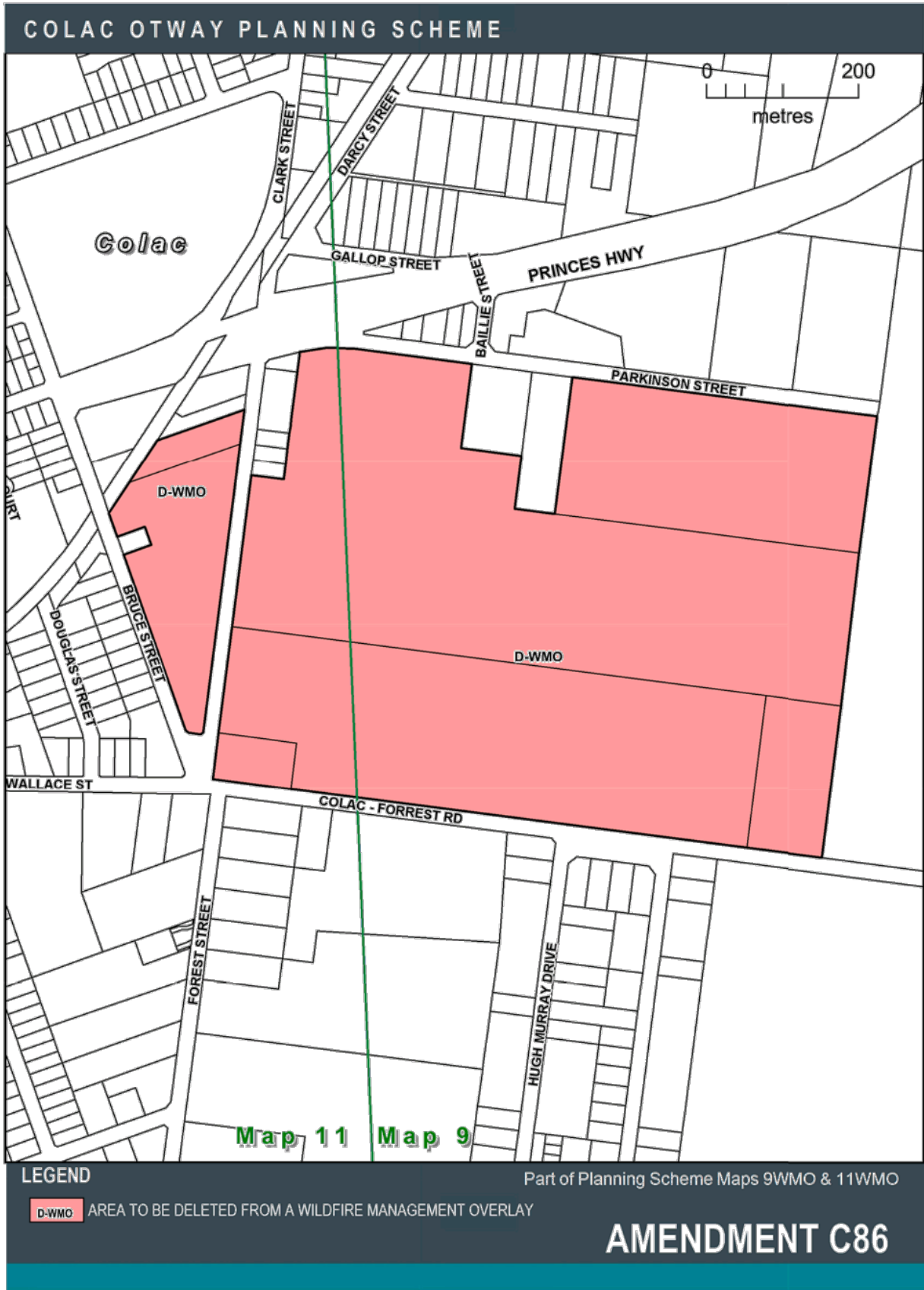
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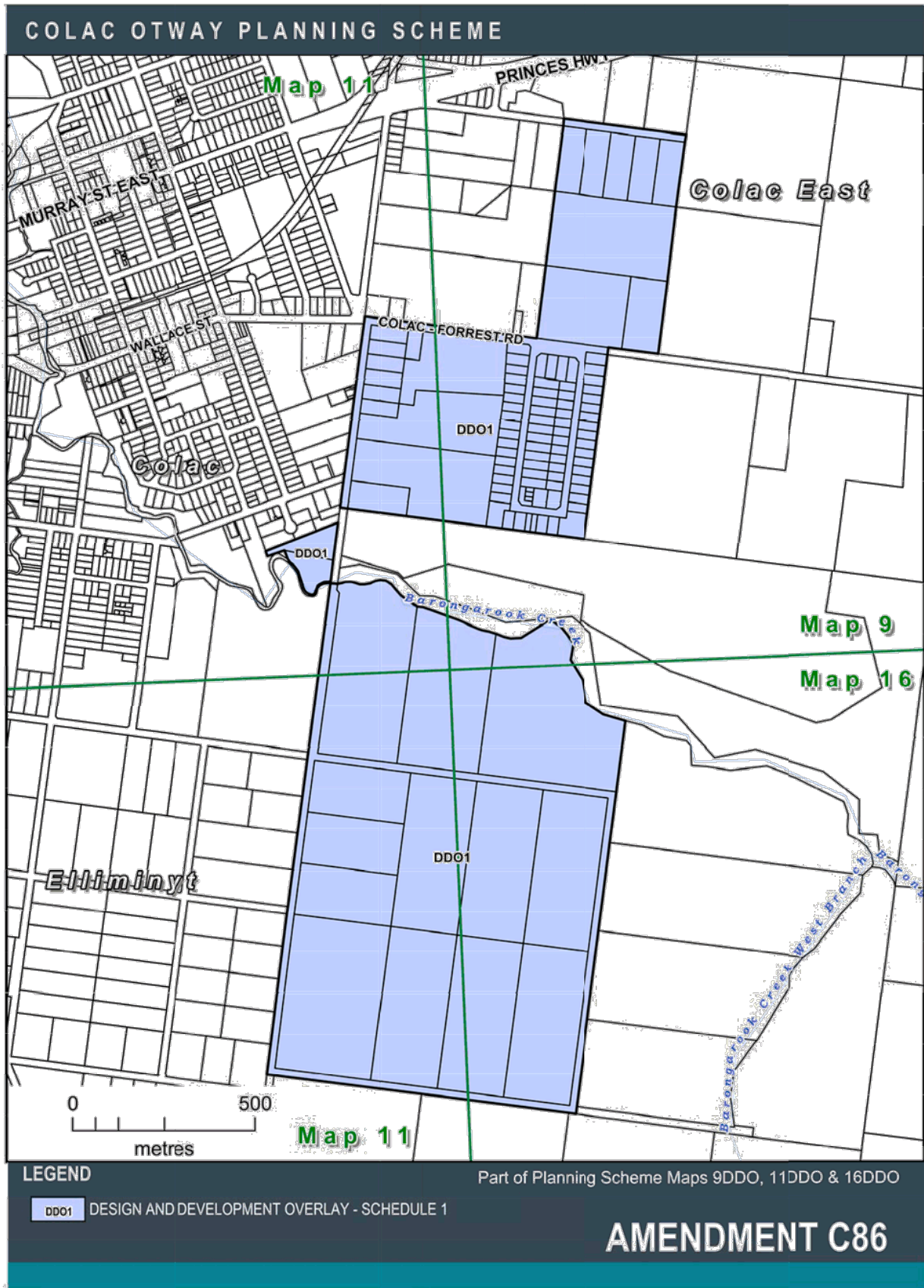
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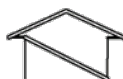
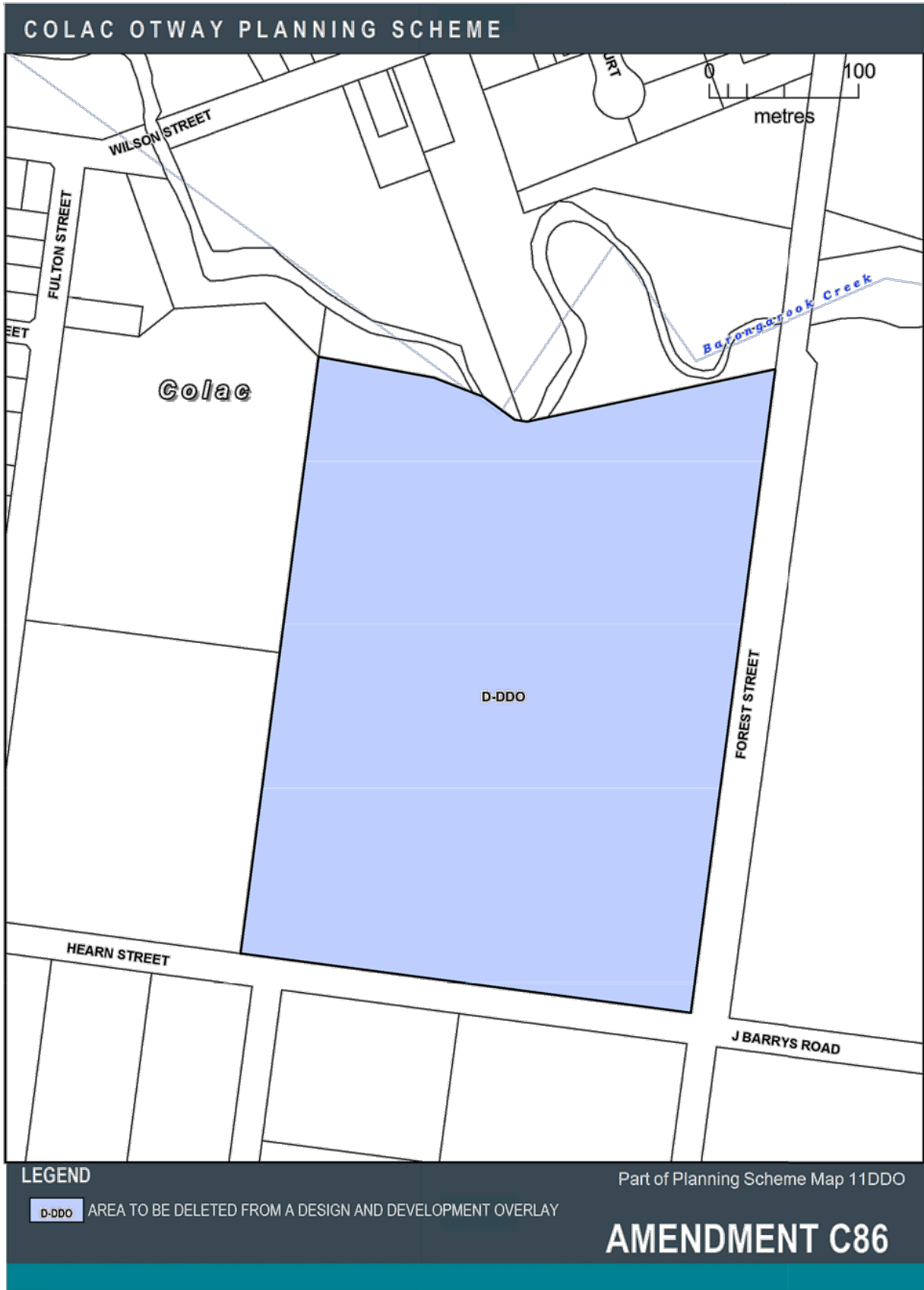


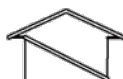
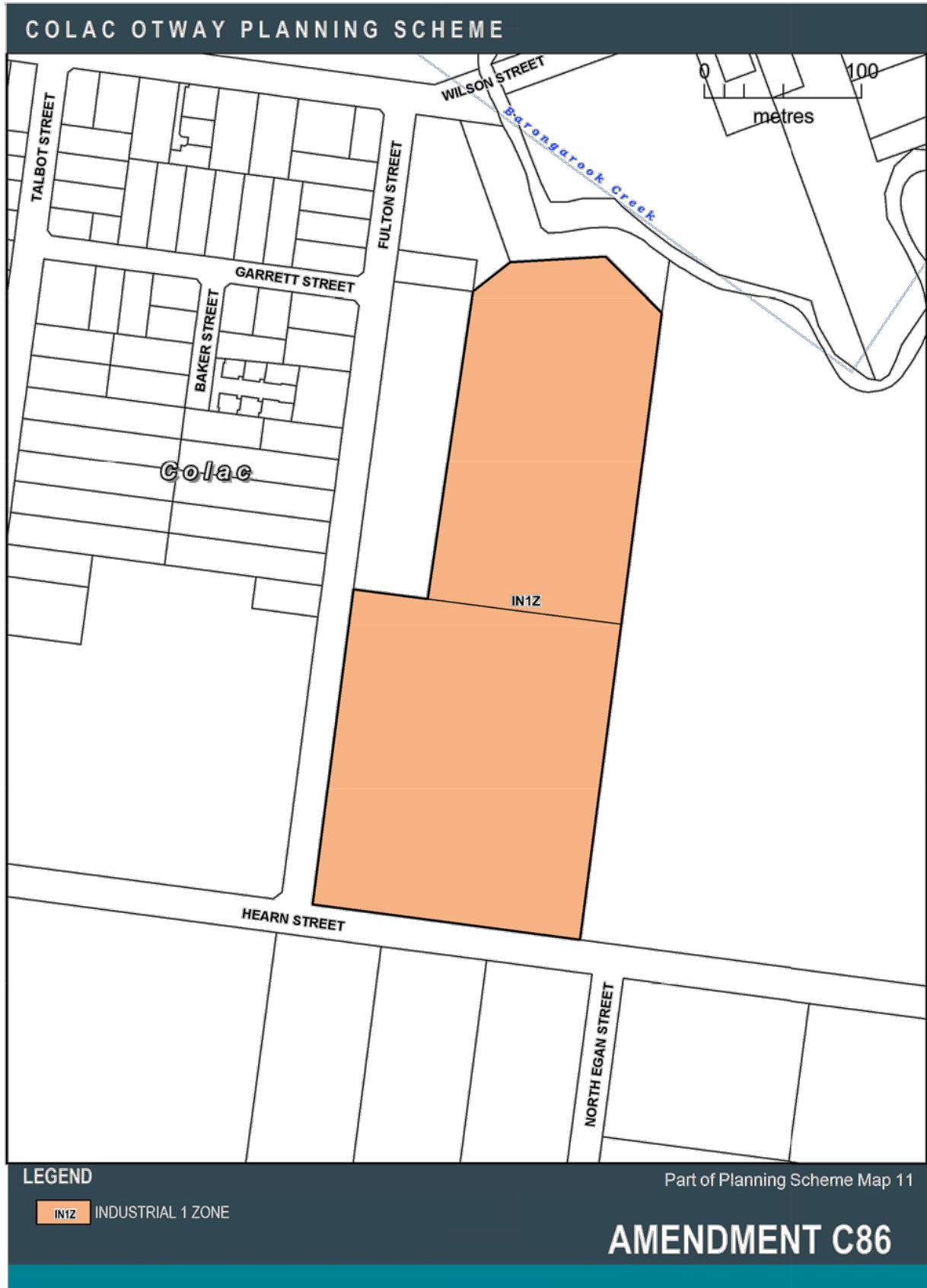
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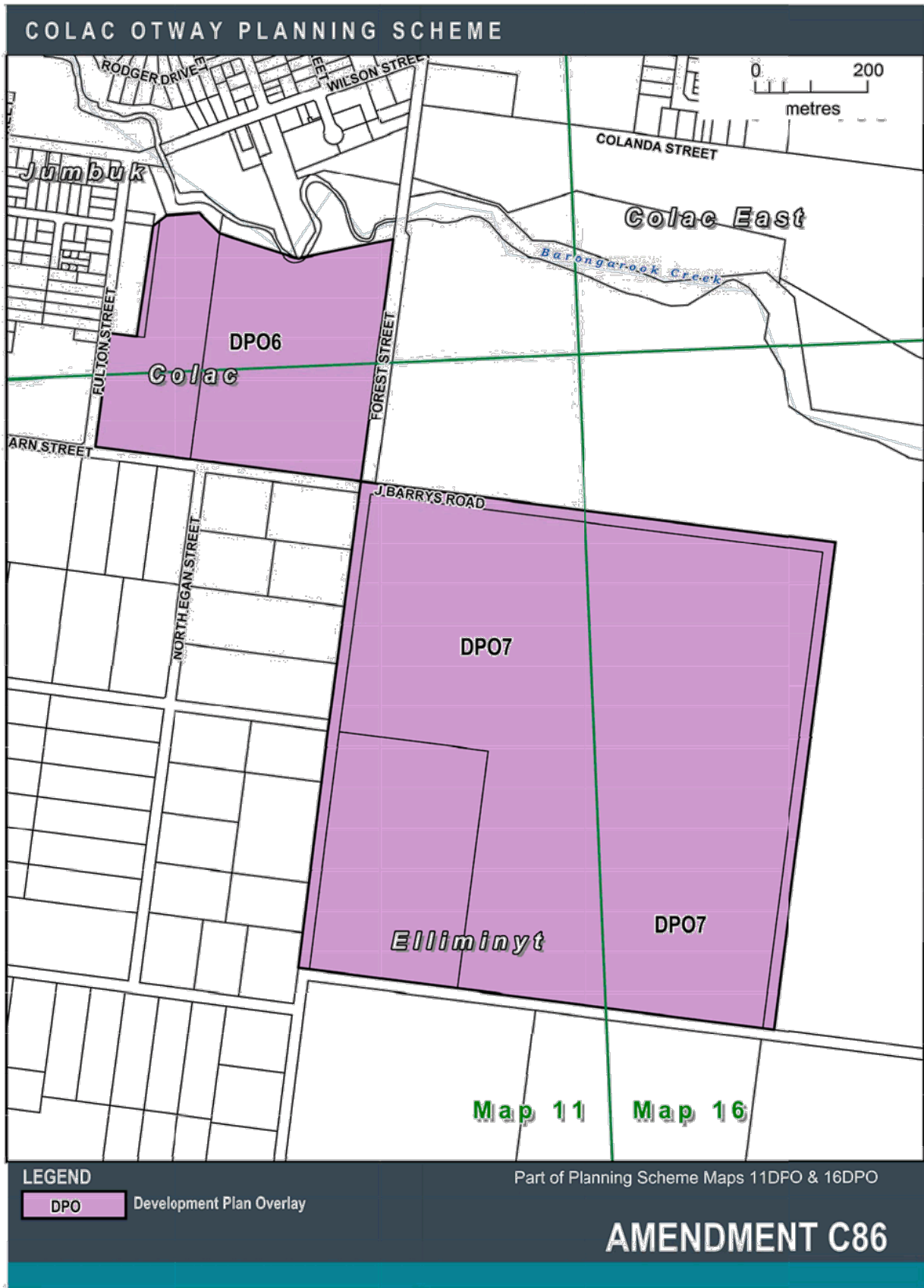
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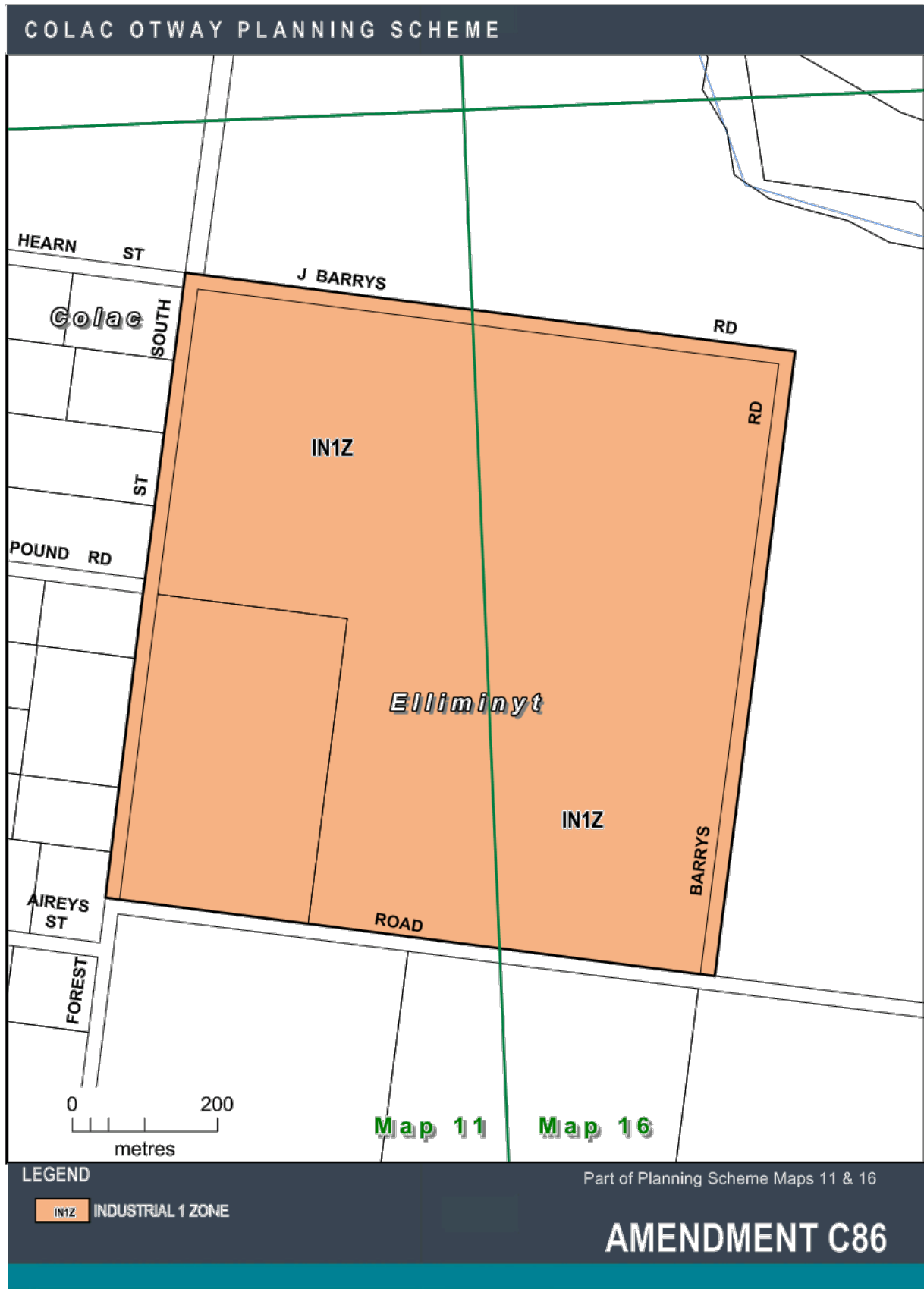
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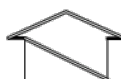








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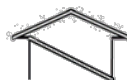
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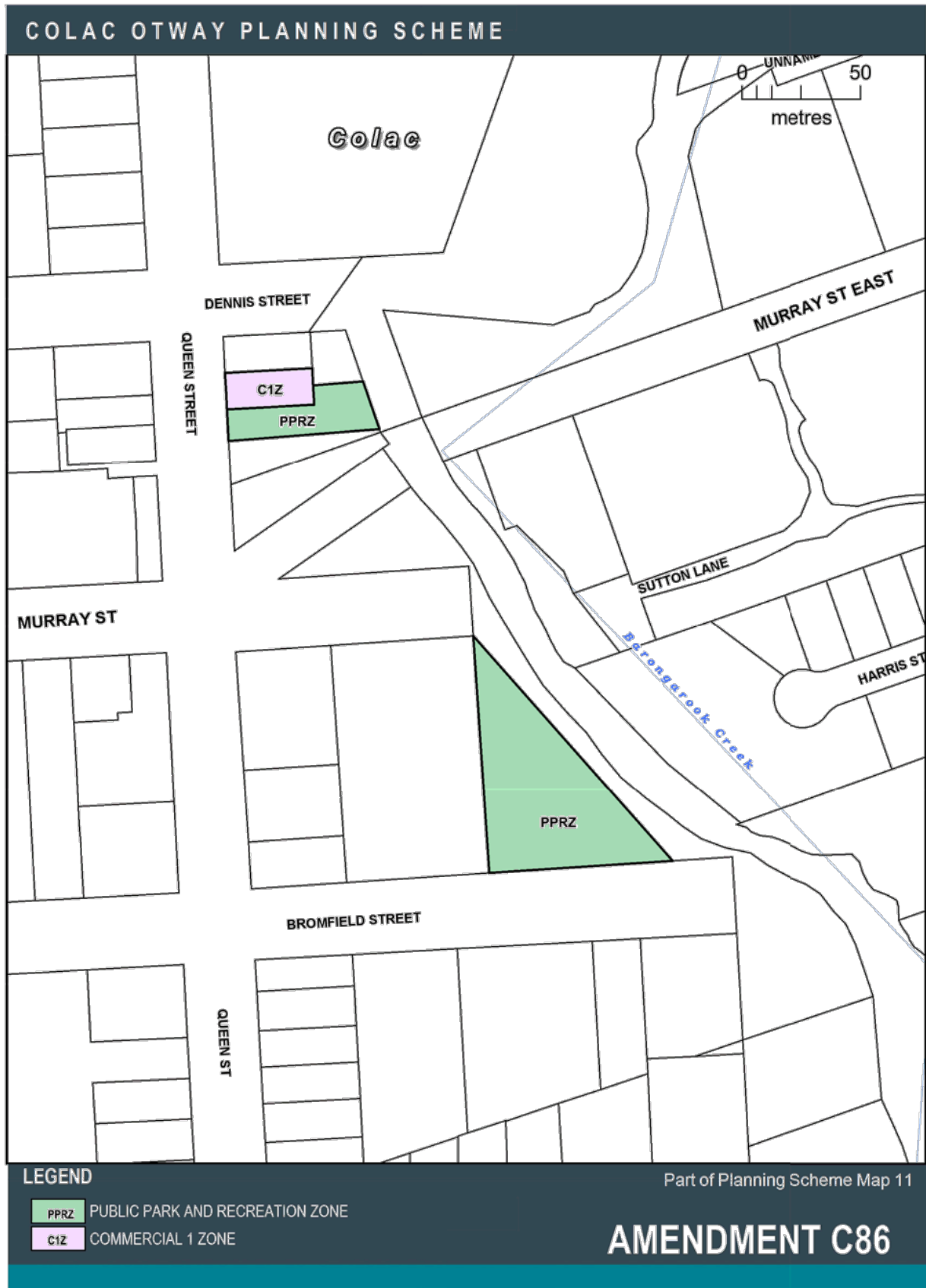




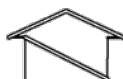
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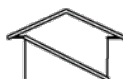
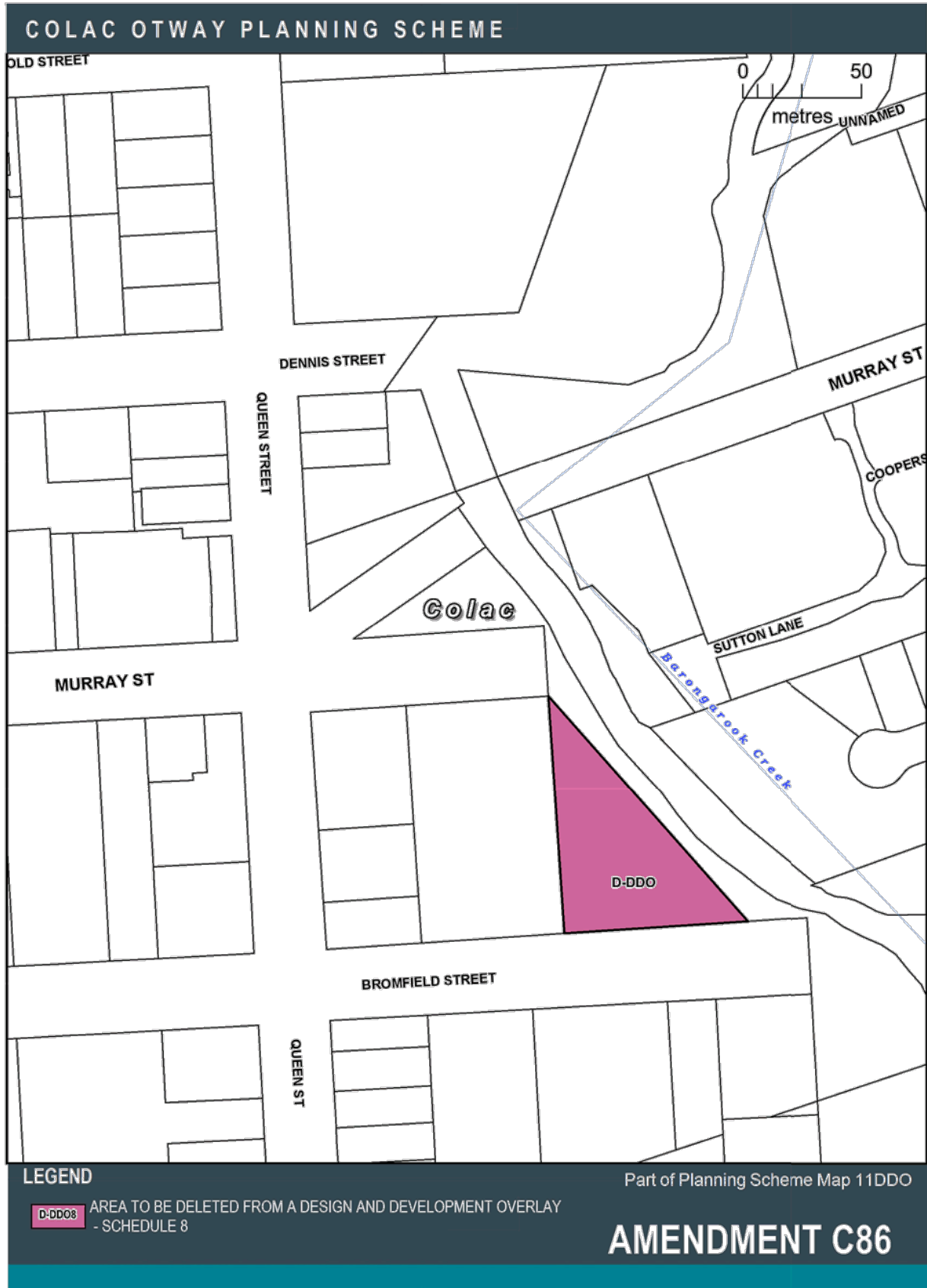
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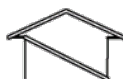
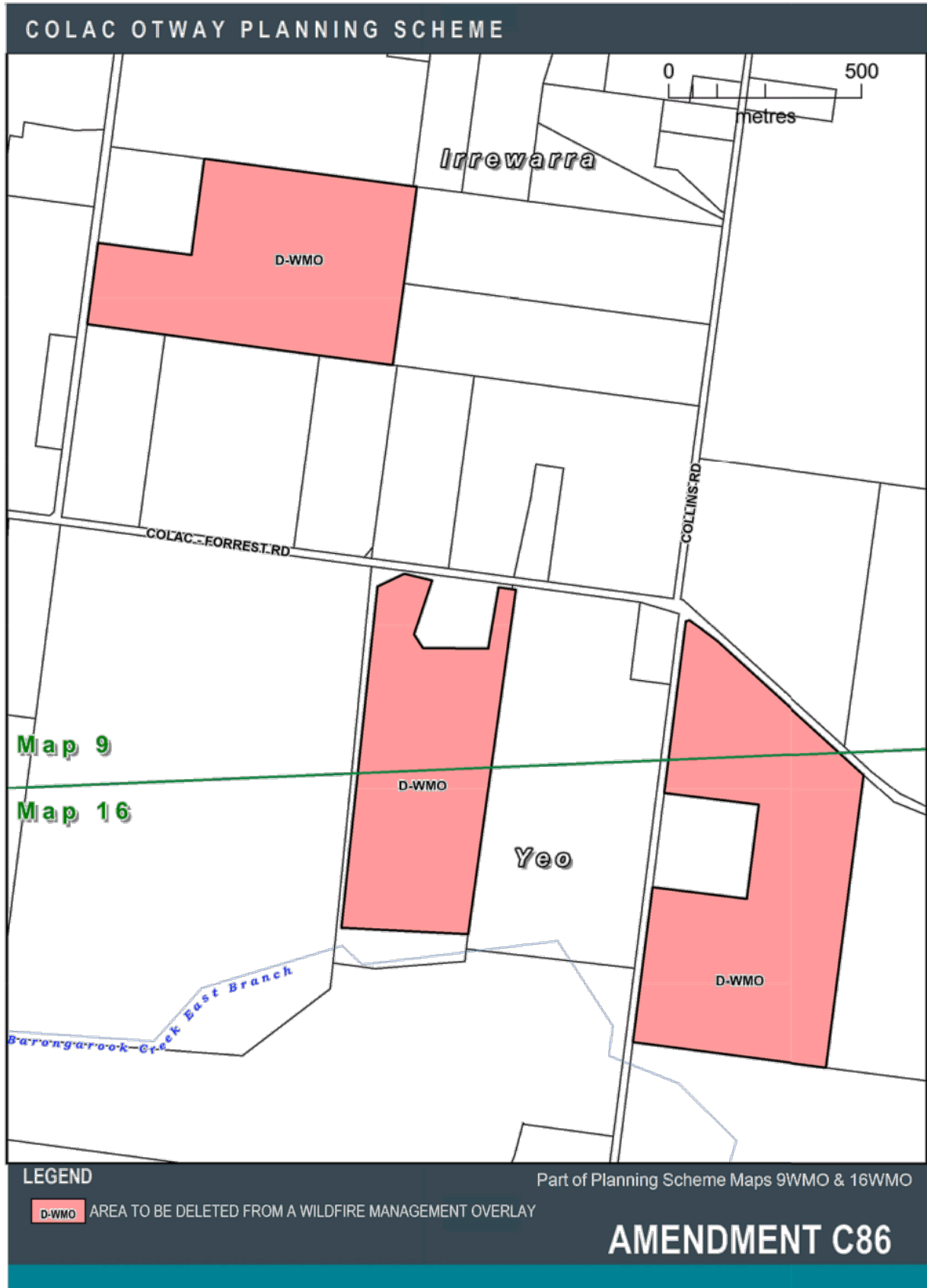


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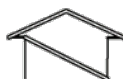
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