PORT FAIRY COASTAL & STRUCTURE PLANNING PROJECT

ECONOMIC & TOURISM LAND USE ANALYSIS

ISSUES & OPPORTUNITIES REPORT

Moyne Shire Council | August 2017

Urban Enterprise
Urban Planning, Land Economics, Tourism Planning, Industry Software
www.urbanenterprise.com.au

MOYNE SHIRE

urban ENTERPRISE

AUTHORS

Paul Shipp

Todd Ainsaar

Brett Hannah

Eva Abbinga

Urban Enterprise

Urban Planning, Land Economics, Tourism Planning & Industry Software

389 St Georges Rd, Fitzroy North, VIC 3068

(03) 9482 3888

www.urbanenterprise.com.au

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ACKNOWLEDGMENTS

Urban Enterprise would like to gratefully acknowledge the all stakeholders and businesses that contributed their time and knowledge to the preparation of this report.

ACRONYMS

ABS – Australian Bureau of Statistics

ARI - Average Occurrence Interval

BSW – Barwon South West

C1Z – Commercial 1 Zone

DDO – Design and Development Overlay

FZ – Farming Zone

GOR – Great Ocean Road

GRZ – General Residential Zone

GSC – Great South Coast

HO – Heritage Overlay

IN1Z – Industrial 1 Zone

IN3Z - Industrial 3 Zone

IVS – International Visitor Survey

LDRZ – Low Density Residential Zone

LPPF – Local Planning Policy Framework

LSIO – Land Subject to Inundation Overlay

MUZ – Mixed Use Zone

NVS – National Visitor Survey

PFCSPP – Port Fairy Coastal and Structure Planning Project

PPRZ – Public Park and Recreation Zone

RLZ – Rural Living Zone

SA2 – Statistical Area 2

SPPF – State Planning Policy Framework

TRA – Tourism Research Australia

UCL – Urban Centre and Locality

UDP – Urban Development Program

VCS – Victorian Coastal Strategy

PART A: BACKGROUND

Part A of the report provides the following key sections:

- Strategic Context; and
- Planning Framework.

1. INTRODUCTION

1.1. BACKGROUND

Urban Enterprise was commissioned by Moyne Shire Council in 2016 to prepare an Economic Land Use and Tourism Analysis report for Port Fairy, as part of the Port Fairy Coastal and Structure Planning Project (PFCSPP).

Urban Enterprise has prepared this report which analyses the relevant economic, property and tourism considerations to inform issues and opportunities for the Structure Plan.

This Economic and Tourism Land Use Analysis Report is presented in six parts:

Part A: Background

Part B: Economic and Demographic Context

Part C: Housing Segment Analysis and Forecast Demand

Part D: Commercial and Industrial Land Assessment

Part E: Tourism Analysis

MOYNE SHIRE

Moyne Shire is a Local Government Area located in South Western Victoria and occupies an area of approximately 5,600 square kilometres. The Moyne and Hopkins Rivers flow through the municipality from north to south. The Hamilton and Princes Highways are the main road links through the municipality.

The Shire encircles the City of Warrnambool and shares common boundaries with the Corangamite Shire to the east, Glenelg Shire to the west and with Southern Grampians Shire and the Rural City of Ararat to the north.

The coastline provides an important recreation, leisure and tourism asset as well as providing significant environmental, conservation and social values and experiences.

The Shire is predominately rural based with a focus on grazing agriculture. Wool and prime lamb production are the most significant grazing activities throughout the Shire. Dairy and beef production and also agricultural pursuits that occur throughout the Shire, with dairy grazing being most prevalent around Port Fairy. Aquaculture and cropping are other important agricultural activities in the Shire.[1]

[1] Moyne Shire Planning Scheme – Clause 21.02 Municipal Overview p.3

2. STRATEGIC CONTEXT

2.1. INTRODUCTION

This section of the report provides review of key policy and strategy documents to inform the structure plan, with particular attention to findings relating to economic and property considerations for Port Fairy.

2.2. REGIONAL STRATEGY & POLICY

WARRNAMBOOL & MOYNE ECONOMIC DEVELOPMENT & INVESTMENT STRATEGY, 2010

The Warrnambool and Moyne Economic Development & Investment Strategy provides a regional economic development and investment strategy, which establishes a framework to encourage and continue sustainable economic development and population growth throughout the region.

Analysis of the economic context for the overall region demonstrated that:

- The population is growing, but ageing;
- The economy provides in excess of 19,000 jobs and is thriving and diverse due to the interrelationship of both municipalities;
- The key industry sectors are the agricultural and food-processing sectors;
- The role of the Moyne agricultural base is integral to the health and wealth of the economy;
- The region has significant competitive advantages due to its excellent facilities, diversity of lifestyle options, stunning landscapes, reliable rainfall and fertile soils;
- Existing and proposed energy projects in the region valued at $5 billion have and will continue to create positive economic benefits;
- Land use planning is critical to the future economic growth of the region. A demonstrated under supply of appropriately zoned land – particularly residential and industrial in key geographic locations has restricted economic growth in the past and must be redressed as a matter of urgency.

The report also notes that there needs to be awareness of the effects of climate change, including its effect on coastlines.

The Warrnambool-Moyne EDIS also builds on strategic objectives which are specific to the region. These are to:

- Understand and respect the interdependency of the economies of Warrnambool and Moyne;
- Ensure there is a diversity of opportunities for business, industry and infrastructure development and investment.
- Ensure that future land use and transport planning is fully integrated, with long term land supply assured and transport linkages in place that support investment.
- Ensure that there is a diversity of housing options in urban centres and rural areas that protect the economic value of agricultural land, promote inner city housing options and deliver master planned growth areas.
- Ensure that future planning and development minimise the impacts on the natural environment, reduces the carbon footprint of the region and makes the most effective use of the region's scarce resources.

Regional Projects Framework

The Strategy identifies projects for regional economic development, those relevant to this project include:

1. Sustainable townships;
2. Growing visitor attractions;
3. Sustainable agricultural production and manufacturing;

4. Business support and investment facilitation;
5. Strategic planning for energy investment;
6. Recycled water use;
7. Planning for growth;
8. Industrial land supply;
9. Integrated business park;
10. Princes highway west upgrades;
11. Arterial and municipal road upgrades;
12. Airport;
13. Freight terminal;
14. Passenger train.

GREAT SOUTH COAST REGIONAL STRATEGIC PLAN 2014-2019

The Great South Coast Regional Strategic Plan provides a blueprint for the growth and evolution of the Great South Coast region.

The plan defines Port Fairy as a prominent tourism destination within the Great South Coast, with a rich annual calendar of cultural and tourism activities, including:

- Diverse population base;
- Strong tourism / recreation function;
- Large seasonal population variation, low proportions of permanent residents;
- All essential utility services available;
- Transport linkages seasonal;
- Fishing industry base;
- Specialist retail role.

Aspirations for the GSC region in the Regional Strategic Plan include:

- A buoyant, diverse economy;
- A thriving, resilient, agriculture industry;
- Internationally renowned for nature-based experiences;
- A valued environment;
- Access to education for all;
- A family friendly region with equitable attractive and affordable lifestyle options;
- We are well connected; and
- The healthy lifestyle region.

Emerging challenges identified in the Plan include:

- Managing growth;
- Small town population decline;
- Protecting our natural and cultural heritage;
- Boosting education attainment;
- Equitable access to services;
- Disadvantage;
- Driving our economy; and
- Improving our health.

GREAT SOUTH COAST REGIONAL GROWTH PLAN, 2014

The Great South Coast Regional Growth Plan provides a regional approach to land use planning in the Great South Coast region. It covers the municipalities of Corangamite, Glenelg, Moyne, Southern Grampians and Warrnambool.

REGIONAL LAND USE FRAMEWORK

The plan provides a regional land use framework, those key areas relevant to this study include:

District Towns

Medium growth is expected for Port Fairy, guided by the following land use policies, strategies and actions:

- Maintain features and elements of the town that are integral to the social and community functioning of Port Fairy as a place to live;

- Avoid development in Port Fairy on flood prone areas or areas at risk from coastal hazards;
- Control Port Fairy's development to protect the quality and presentation of Port Fairy's setting, including the Moyne River and Belfast Lough;
- Retain the existing Port Fairy bypass route as designated in the planning scheme.

Coastal Areas and Management: Land use policies, strategies and actions

- Coordinate land use planning responses and further implement coastal action plans.
- Plan and manage coastal population growth and increased visitation so that impacts do not cause unsustainable use of coastal resources.
- Identify clear settlement boundaries around coastal settlements to ensure that growth in coastal areas is planned and coastal values are protected.
- Encourage the use, development or management of private land adjacent to coastal Crown land to support the long-term maintenance and conservation of the coast's environmental assets.
- Avoid linear development along the coastal edge and major transport routes, and within rural landscapes, to preserve areas between settlements for non-urban use.
- Undertake coastal hazard assessments to determine the location and severity of existing and future erosion and inundation hazards, and the subsequent impacts on environmental and built assets.

Liveability

- Encourage infrastructure that enhances liveability and attractiveness of the region to residents and commercial activities.
- Direct major growth and urban development to existing centres, to maximise efficient use of infrastructure and sustain communities.
- Support design guidelines and heritage controls to promote and enhance the uniqueness, attractiveness, valued character and healthy lifestyles of towns.
- Encourage urban development that promotes and supports high quality streetscapes and urban design, and contributes to attractive, high amenity and healthy urban environments.

Tourism

- Sustainably manage regionally significant tourism attractions.
- Prioritise appropriate tourism development at key tourist destinations to maximise benefits for the region.
- Provide flexibility and opportunities for a diverse range of tourism development, including an increase in the supply of appropriate accommodation and tourism infrastructure.
- Support the development and implementation of tourism strategies that identify attractions and opportunities for the region.
- Support tourism development in locations that:
  - have been identified for sustainable and appropriate development.
  - have access to settlements, transport infrastructure and other services.
  - sustainably manage, link and are compatible with nearby environmental and cultural heritage assets and other economic activities, particularly agriculture.
  - can be managed for risks from natural hazards such as bushfire and flood.
  - assist small towns that are facing economic and population challenges.

Rural Residential Development

- Manage rural residential development by locating it in areas that:
  - consolidate this form of development to provide servicing efficiencies next to existing townships.
  - are adjacent to towns with limited growth demand to sustain population levels and communities.
  - avoid unmanageable exposure to natural hazards, especially bushfire, flood and coastal hazards.
  - avoid impact on regional assets including highly productive land

- are not strategically identified for standard density urban growth
- Monitor the supply of rural residential land to better understand the needs of various settlement networks and sub-regions of the Great South Coast.

Housing Diversity and Affordability

- Recognise the importance of diverse and affordable housing, which takes into account emerging demographic, social, economic and subregional trends.
- Allow for increased housing densities and infill developments in urban areas and locations that are accessible services. to shops, transport networks and other community services and facilities.
- Support the provision of suitable housing for elderly people to cater for projected demographic change

FUTURE DIRECTIONS FOR REGIONAL GROWTH

The future directions for regional growth in the Plan, as relevant to this project include:

PRINCIPLE	KEY DIRECTIONS
Attract more people to the region	• Promote liveability as a key attribute of the region. • Build on the diversity of lifestyle choices within the region. • Facilitate a range of affordable housing options across the region. • Provide for sufficient residential land to support population growth, particularly around Warrnambool. • Attract, develop and retain a skilled workforce.
Enhance our liveability through improved health, education and standards of living	• Provide access to health and education to further improve liveability and grow the region's population. • Cater for demographic changes and the impact this will have on residents' ability to access key services. • Sustainably manage environmental assets that underpin lifestyle choices and the attractiveness of the region.
Build on our network of towns and the roles played by them	• Manage urban development and rural residential development to support existing communities, realise efficient service and infrastructure provision and manage impacts on other land uses. • Avoid settlement growth in areas of high environmental or scenic value and also areas of high risk from natural hazards, especially bushfire, flood and coastal hazards. • Reinforce the role and connections of Warrnambool as the region's regional city; Hamilton and Portland as regional centres, and other district towns. • Support and promote active and attractive towns through the provision and enhancement of open space, trails, streetscapes and gardens.
Ensure that land and infrastructure needed to support growth is identified and appropriately planned	• Manage the impact from major projects on regional infrastructure and surrounding land. • Supply sufficient and appropriate industrial land to support economic development. • Investigate and prioritise infrastructure needs to facilitate economic development and population growth in settlements. • Maintain and enhance key infrastructure including the Port of Portland and direct transport links from production, processing and markets.

Source: South Coast Regional Growth Plan p.75-79

2.3. COASTAL STRATEGIES

VICTORIAN COASTAL STRATEGY 2014

The Victorian Coastal Strategy (VCS) 2014, is the State Government's policy commitment for coastal, estuarine and marine environments in Victoria. The VCS provides a long-term vision for the planning, management and sustainable use of the coast.

Hierarchy of Principles

Planning and decision making on the coast needs to be guided by and consistent with the Hierarchy of Principles, as outlined in Table 1.

The Victorian Coastal Strategy is acknowledged in the State Planning Policy Framework through *Clause 13.01-1 Coastal inundation and erosion*. The objective of this policy is to plan for and manage potential coastal impacts of climate change. This is explored further in Section 3.1.

Reference to the Victorian Coastal Strategy is made in the Moyne Planning Scheme under Clause *21.03 Factors Influencing Future Planning and Development.*

TABLE 1 VICTORIAN COASTAL STRATEGY – HIERARCHY OF PRINCIPLES

Value & Protect	1. Ensure the protection of significant environmental and cultural values. The starting point is recognising and protecting what we value on the coast, based on identification and sound understanding of coastal and marine features and processes, vulnerabilities and risks.
Plan & Act	2. Undertake integrated planning and provide clear directions for the future. This highlights the importance of having integrated policies, plans and strategies that respond to the major issues affecting coastal and marine environments, provide clear direction for protection, management and sustainable development, and involve coastal stakeholders and the broader community.
Use & Enjoy	3. Ensure the sustainable use of natural coastal resources. This emphasises that the natural coastal resources are a limited and valuable public resource, and if developed or used, this should be done wisely and deliver proven net community and public benefit for current and future generations. 4. Ensure development on the coast is located within existing, modified and resilient environments where the demand for development is evident and any impacts can be managed sustainably. This aims to ensure that development on and adjacent to the coast is of high quality design, sensitively sited, suitable and sustainable over the longer term. Development on coastal Crown land must have a demonstrated need to be located on the coast and a demonstrated public benefit.

Source: Victorian Coastal Strategy 2014, Victorian Coastal Council

WESTERN REGIONAL COASTAL PLAN 2015-2020

The Regional Coastal Plan for the Western Coastal Region is a statutory Coastal Action Plan endorsed under Part 3 of the Coastal Management Act 1195. Its contents meet the requirements of section 23 of that Act. Under Clause 13.01-1 Coastal inundation and erosion in the State Planning Policy Framework, planning must consider any relevant coastal action plan or management plan approved under the Coastal Management Act 1995 or National Parks Act 1975.

The Regional Coastal Plan provides a regional framework for planning and decision-making on both public and freehold land at the local level. It also provides a focus for all agencies with responsibility for coastal management to act together to plan and manage the cost.

Vision for the Western Coastal Region

The Western Coastal Board acts to achieve the vision expressed in the Victorian Coastal Strategy 2014; a healthy coast appreciated by all, now and in the future.

For the Western coastal region, this means:

- Protecting regional biodiversity;
- Ensuring sustainable developments; and
- Identifying areas where residential and tourism infrastructure are best sited.

Regional Priorities

The Western Coastal Board identified five regional priorities as a focus for action:

1. Managing and protecting coastal values;
2. Managing impacts of residential and tourism growth to balance access and protect natural, social, cultural and economic values;
3. Integrating coastal planning and management on the foreshore;
4. Adapting to climate change and increased coastal hazards; and
5. Supporting communities to contribute to protection and management of the coast.

2.4. LOCAL STRATEGIES

PORT FAIRY STRATEGY PLAN – BACKGROUND & ISSUES REPORT

The last strategic land use plan for Port Fairy was prepared in 1992. The key findings of the Background & issues report include:

- Regional roles and opportunities for Port Fairy:
  - Tourism and recreation;
  - Primary production and processing;
  - As a local retail and service centre; and
  - An attractive residential location.
- An ageing population;
- High levels of population not in the labour force;
- High proportion of housing stock used as holiday homes;
- Environment and heritage critical to tourism potential;
- Proposed Princes Highway bypass;
- Retention of Agricultural land for Agriculture purposes, not subdivision.

PORT FAIRY WEST STRUCTURE PLAN

The Port Fairy West Structure Plan was prepared by Brown Consulting, 2014, on behalf of Moyne Shire Council and applies to the area known as Thistle Place and includes the undeveloped land west of Anna Catherine Drive and Phillip Street, east of the historical Parish boundary. The Structure Plan was submitted to the Department of Environment, Land, Water and Planning for Approval in August 2016, through Amendment C060. The Amendment is yet to be finalised.

The study area comprises 43 lots and covers approximately 70 hectares.

The Structure Plan for Port Fairy West includes the following key elements:

- Preserve the low density/rural living character of the area;

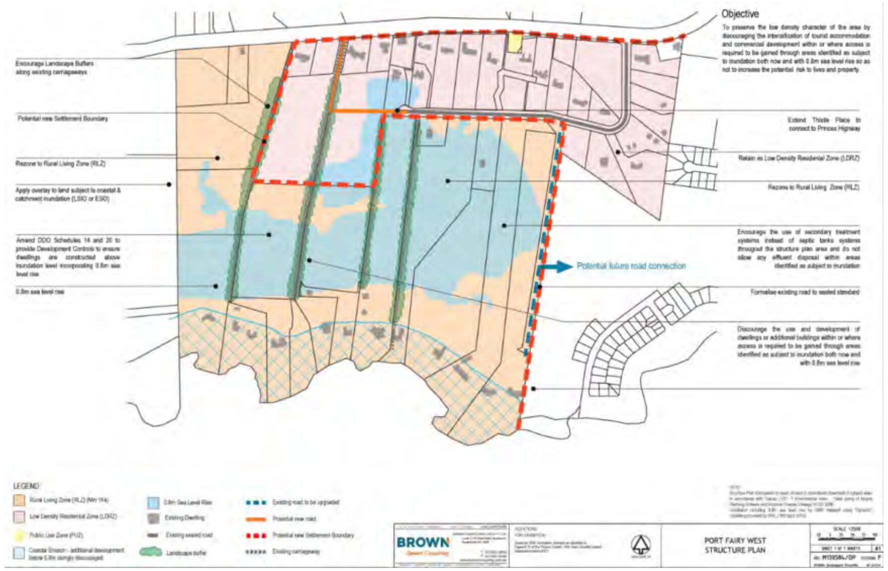
- Better road and footpath connections should be provided connecting the structure plan area to the east and extending Thistle Place to the west and up to Princes Highway;
- Require future development to respond to the capability of the land, do not allow development to be located within areas of inundation and require all dwellings to be serviced by aerated treatment systems rather than septic tanks;
- Limit tourism development to small scale accommodation in keeping with the low density/rural living character of the area;
- Encourage the discontinuation of existing carriageway easements where they are not required and properly landscaped where they are required.

The Structure Plan for Port Fairy West is shown in Figure 2.

FIGURE 1 PORT FAIRY WEST STRUCTURE PLAN – STUDY AREA

Source: Port Fairy West Structure Plan Report, Brown Consulting

FIGURE 2 PORT FAIRY WEST STRUCTURE PLAN



Source: Port Fairy West Structure Plan Report, Brown Consulting

2.5. CLIMATE CHANGE & COASTAL THREAT STUDIES

DRAFT MOYNE SHIRE COASTAL CLIMATE ADAPTATION PLAN, DISCUSSION PAPER

The Draft Moyne Shire Coastal Climate Adaptation Plan (Discussion Paper) was commissioned to identify the nature and extent of the impacts of climate change on the coastline over time.

The hazards identified can be described as continued erosion of sandy beaches and dunes along with inundation of low lying areas. Inundation is more likely to occur when a storm surge coincides with a high tide and is expected to increase in frequency and severity over time as sea levels rise.

The discussion paper provides an overview of the hazards facing the local coastline, provides an update on the research and studies undertaken over the past 20 years and explains what actions have been undertaken to date. The discussion paper provides an opportunity for community comment and feedback.

PORT FAIRY LOCAL COASTAL HAZARD ASSESSMENT

The Port Fairy Coastal Hazard Assessment (Water Research Laboratory, UNSW), provides the following key findings from the study:

COASTAL EROSION HAZARD

*With the rock revetment in place on East Beach, the areas most impacted by the recession and erosion hazards for the 2080 planning horizon are located around **Ocean Drive Beach** and **Pea Soup Beach**. In the case of the East Beach rock revetment failure, a significant number of beachfront properties located along **Griffith Street** would likely be impacted.*

COASTAL INUNDATION HAZARD

The areas most impacted by the coastal inundation hazard at present are located along Ocean Drive, the Moyne River Channel and the south of Belfast Lough. The inundation hazard along Ocean Drive is mainly the result of wave run up, with the potential risk of wave impact to buildings and hazard to the safety of people and vehicles. The inundation hazard along the Moyne River Channel and the south of Belfast Lough is due to elevated water levels resulting from the tide, storm surge and catchment flooding. For the 2080 planning horizon, additional properties would most likely be impacted along Ocean Drive due to increased wave overtopping and south of the Belfast Lough due to riverine catchment influence.

DEFEND PORT FAIRY

Defend Port Fairy is the accepted position of Council to protect Port Fairy against coastal erosion and coastal damage as a result of flooding and other extreme weather events. Defend Port Fairy includes a summary of the threats to Port Fairy, including:

East Beach Erosion

- Erosion of sand from East Beach is leaving holiday makers with no beach to enjoy.
- Erosion of the dunes is exposing homes and infrastructure to damage and risk of falling into the sea.

East Beach Rock Seawall

- Climate change and sea level rise are placing increasing pressure on existing defence structures. The existing rock seawall constructed in the 1950s to protect the dunes from erosion is failing.
- The rock seawall protects the surf lifesaving club, public car parks, public toilets and millions of dollars' worth of homes.

Dune Breach

- The dunes north of the rock wall are eroding and susceptible to breach.
- A breach at this point has the potential to flood Port Fairy.

Nightsoil Site

- The State Government owns the decommissioned nightsoil disposal site located in the dunes toward the northern end of East Beach.
- Rusty nightsoil cans, asbestos and miscellaneous forms of rubbish are now falling onto the beach as the dune continues to erode.

Municipal Tip

- A municipal landfill operated in the dunes at the north end of East Beach between the nightsoil site and the Port Fairy Golf Course during the 1980s and 1990s.
- For a period in 2013 the dune separating the waste in the landfill from the ocean eroded at a rate of one metre per month. This is significantly accelerated in comparison to the long term historical recession rates of 30cm per year.
- Waste material consisting of metal, plastic and paper is now being exposed in the dune face and spilling onto the beach.

South Beach Inundation

- Homes located along Ocean Drive are exposed to coastal inundation.
- Sea level rise threatens to flood homes and the Port Fairy Folk Music Festival site.

Potential treatment options for the threats include:

- Continue to upgrade the existing East Beach Rock Seawall to protect assets.
- Add 100,000m3 sand to East Beach to provide beach and protect sand dunes.
- Establish defensive mechanisms to protect the nightsoil and landfill sites to prevent waste spilling into the ocean.
- Seek funding to remove the waste at the former landfill site and re-establish the dune system.
- Restructure the shoreline rocks at South Beach to alleviate coastal inundation.

Council recently resolved to remove waste and landfill from the old tip site and to seek funding to remove and replace with rock and sand.

2.6. KEY FINDINGS

A review of regional and local strategies has revealed the following key findings in relation to the preparation of the Port Fairy Coastal and Structure Plan.

Port Fairy is identified as a district-sized settlement and medium population growth is expected.

Port Fairy is identified as a key tourism destination in the region, with a diverse population base, strong tourism and recreation role complemented by a specialist retail role, seasonal population, low proportion of permanent residents, and a fishing industry base. Strategy directs the provision of opportunities for a diverse range of tourism development, including increasing the supply of appropriate accommodation and tourism facilities.

Settlement growth is expected to avoid linear development along the coastal edge and along major transport routes, avoid flood prone areas and areas at risk from coastal hazard.

The provision of appropriate housing to meet the needs of the population is highly important, this includes provision of affordable housing and suitable housing for elderly people to cater for projected demographic change.

Port Fairy is under threat from coastal hazards and sea level rise. New residential development should not be located in areas that have the potential to be impacted by these threats now or in the future. In the case of the preparation of the Port Fairy West Structure Plan, a key outcome was the restriction on locating dwellings from areas of inundation and dwellings were to be treated by aerated treatment systems rather than septic tanks.

Key areas subject to coastal threats include South Beach and East Beach.

3. PLANNING FRAMEWORK

3.1. STATE PLANNING POLICY FRAMEWORK (SPPF)

The purpose of State policy in planning schemes is to inform planning authorities and responsible authorities of those aspects of State planning policy which they are to take into account and give effect to in planning and administering their respective areas. The State Planning Policy Framework provides a context for spatial planning and decision making by planning and responsible authorities.

An overview of the objectives of relevant State Planning Policies are include below, with a detailed overview provided in Appendix A:

- Clause 11 – Settlement - Planning is to anticipate and respond to the needs of existing and future communities through provision of zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure.
- Clause 11.02-1 Supply of Urban Land - To ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses.
- Clause 11.02-3 Structure Planning - To facilitate the orderly development of urban areas.
- Clause 11.05-1 Regional Settlement Networks - to promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework Plan.
- Clause 11.05-4 Regional Planning Strategies and Principles – to develop regions and settlements which have a strong identity, are prosperous and are environmentally sustainable.
- Clause 11.05-5 Coastal Settlement - to plan for sustainable coastal development.
- Clause 11.09 Great South Coast Regional Growth - to strengthen the region's economy through increased industry diversification, innovation and development.
- Clause 11.09-2 Sustainable Communities - to attract more people to the region.
- Clause 11.09-6 Environmental Assets – to build on the network of towns and the roles played by them.
- Clause 12 – Environmental and Landscape Values - Planning should help to protect the health of ecological systems and the biodiversity they support (including ecosystems, habitats, species and genetic diversity) and conserve areas with identified environmental and landscape values.
- Clause 12.02-1 Protection of Coastal Areas – to recognise and enhance the value of the coastal areas to the community and ensure sustainable use of natural coastal resources.
- Clause 12.02-2 Appropriate Development of Coastal Areas - to ensure development conserves, protects and seeks to enhance coastal biodiversity and ecological values.
- Clause 12.02-4 Coastal Tourism - to encourage suitably located and designed coastal and marine tourism opportunities.
- Clause 13 – Environmental Risk - planning should adopt a best practice environmental management and risk management approach which aims to avoid or minimise environmental degradation and hazards. Planning should identify and manage the potential for the environment, and environmental changes, to impact upon the economic, environmental or social well-being of society.
- Clause 13.01-1 Coastal Inundation & Erosion – to plan for and manage the potential coastal impacts of climate change.

The strategies outlined in Clause 13.01-1 include:

- In planning for possible sea level rise, an increase of 0.2 metres over current 1 in 100 year flood levels by 2040 may be used for new development in close proximity to existing development (urban infill).
- Plan for possible sea level rise of 0.8 metres by 2100, and allow for the combined effects of tides, storm surges, coastal processes and local conditions such as topography and geology when assessing risks and coastal impacts associated with climate change.
- Consider the risks associated with climate change in planning and management decision-making processes.
- For new greenfield development outside of town boundaries, plan for not less than 0.8 metre sea level rise by 2100.
- Ensure that land subject to coastal hazards are identified and appropriately managed to ensure that future development is not at risk.
- Ensure that development or protective works seeking to respond to coastal hazard risks avoids detrimental impacts on coastal processes.
- Avoid development in identified coastal hazard areas susceptible to inundation (both river and coastal), erosion, landslip/landslide, acid sulfate soils, bushfire and geotechnical risk.

- Clause 14 – Natural Resource Management - planning is to assist in the conservation and wise use of natural resources including energy, water, land, stone and minerals to support both environmental quality and sustainable development.
- Clause 14.01-1 Protection of Agricultural Land – to protect productive farmland which is of strategic significance in the local or regional context.
- Clause 15 – Built Environment and Heritage - planning should ensure all new land use and development appropriately responds to its landscape, valued built form and cultural context, and protect places and sites with significant heritage, architectural, aesthetic, scientific and cultural value.
- Clause 15.01 – Urban Design - to create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity.
- Clause 15.01-2 Urban Design Principles – to achieve architectural and urban design outcomes that contribute positively to local urban character and enhance the public realm while minimising detrimental impact on neighbouring properties.
- Clause 15.01-3 Neighbourhood and Subdivision Design - To ensure the design of subdivisions achieves attractive, liveable, walkable, cyclable, diverse and sustainable neighbourhoods.
- Clause 15.02-1 Energy and Resource Efficiency - to encourage land use and development that is consistent with the efficient use of energy and the minimisation of greenhouse gas emissions.
- Clause 15.03-1 Heritage Conservation - to ensure the conservation of places of heritage significance.
- Clause 15.03-2 Aboriginal Cultural Heritage – to ensure the protection and conservation of places of Aboriginal cultural heritage significance.
- Clause 16 – Housing – planning should provide for housing diversity, and ensure the efficient provision of supporting infrastructure.
  - New housing should have access to services and be planned for long term sustainability, including walkability to activity centres, public transport, schools and open space.
  - Planning for housing should include providing land for affordable housing.
- Clause 16.01-1 Integrated Housing – to promote a housing market that meets community needs.
- Clause 16.01-2 Location of Residential Development – to locate new housing in or close to activity centres and employment corridors and at other strategic redevelopment sites that offer good access to services and transport.
- Clause 17 Economic Development - planning is to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity.
  - Planning is to contribute to the economic well-being of communities and the State as a whole by supporting and fostering economic growth and development by providing land, facilitating decisions, and resolving land

use conflicts, so that each district may build on its strengths and achieve its economic potential.

- Clause 18 Transport - Planning should ensure an integrated and sustainable transport system that provides access to social and economic opportunities, facilitates economic prosperity, contributes to environmental sustainability, coordinates reliable movements of people and goods, and is safe.
- Clause 19 Infrastructure – planning for development of social and physical infrastructure should enable it to be provided in a way that is efficient, equitable, accessible and timely.
    - Planning is to recognise social needs by providing land for a range of accessible community resources, such as education, cultural, health and community support (mental health, aged care, disability, youth and family services) facilities.
    - Growth and redevelopment of settlements should be planned in a manner that allows for the logical and efficient provision and maintenance of infrastructure, including the setting aside of land for the construction of future transport routes.
    - Strategic planning should facilitate efficient use of existing infrastructure and human services. Providers of infrastructure, whether public or private bodies, are to be guided by planning policies and should assist strategic land use planning.
    - Planning authorities are to consider the use of development contributions (levies) in the funding of infrastructure.

3.2. LOCAL PLANNING POLICY FRAMEWORK (LPPF)

Local Planning Policies are tools used to implement the objectives and strategies of the Municipal Strategic Statement (MSS).

Relevant Local Planning Policies to this project are outlined below. A more detailed summary can be found in Appendix A.

- Clause 21.03 Factors Influencing Future Planning and Development – Regional Coastal Context Statement – the regional coastal context statement recognises Port Fairy's role as an activity node in the coastal environment with natural and cultural values, commercial fishing and boating activities, and tourism and recreation values. The heritage of Port Fairy in terms of its early European settlement is also acknowledged.
- Port Fairy is also recognised as a priority area requiring management of environmental threats, including erosion/sedimentation and turbidity, altered coastal processes and marine pollution.

A summary of key objectives includes:

- To define a sustainable urban/non-urban edge to townships;
- To maintain compact urban forms;
- To identify, protect and promote the conservation and enhancement of Moyne's heritage;
- To provide a range of housing options;
- To protect sites of Aboriginal cultural significance;
- To not support rural living and low density residential development, except in areas zoned for those purposes;
- To provide appropriate built form design guidelines;
- To achieve sustainability and efficiency in residential development;
- To protect the Neighbourhood Character of Port Fairy;
- To ensure that new development in Port Fairy respects built form and/or the coastal and riverine location of the area;
- To protect and enhance the natural and man-made assets of Moyne Shire;

- To provide an environment with the capacity to support a range of community and leisure facilities;
- To identify flood prone land and ensure that new development is compatible with flood hazards;
- To encourage the development of aged and special care accommodation within the Shire;
- To avoid residential and rural residential development on small rural lots or re-subdivision of existing lots that may form isolated developments;
- To manage development on the fringes of townships so that it enhances the character of the town's landscape setting;
- To retain the dominance of the landscape between townships;
- To avoid ribbon development along the coastal edge and along main roads such as the Great Ocean Road and Princes Highway and key tourist routes;
- To recognize that views form an important part of the amenity of a property and to provide for a reasonable sharing of views of significant landscape features.

Townships and Settlements

- Ensure that townships and settlements have a definite visual edge;
- Ensure that buildings and structures located at the edges of settlements are carefully sited to integrate with existing topography and vegetation;
- Prevent the privatisation of foreshores by requiring development adjacent to the coastal edge of settlements to maintain public access;
- Ensure that signage is located away from entrances and exits to townships wherever possible;
- Concentrate coastal tourist and commercial recreation development within existing settlements or close to existing settlements;
- Discourage residential and commercial development which are not dependent on a coastal location (i.e. require access to marine or estuarine waters or support coastal, estuarine or marine activity) from areas which are isolated or unrelated to settlements which contain adequate infrastructure and community services.

Clause 21.06 Environment - Clause 21.06 of the LPPF encourages protection and restoration of the natural environment, including waterways, landscaping, urban floodways and the coast.

The clause describes that the coast is under threat from the effects of climate change, including sea level rise and increased storm surges. Rising sea levels may threaten development from eroding shorelines, increased cliff instability and landward penetration of saline water within estuaries.

The potential risk hazard to coastal development needs to be considered in terms of siting, design and appropriateness to be located close to the coast and estuaries of the Shire.

- Clause 21.07 Economic Development
  - Commercial - *Port Fairy, Koroit and Mortlake are the principal retail and service centres in the Shire, and also perform important commercial, community and administrative functions. As far as retailing is concerned however, their role is limited to convenience shopping, weekly shopping and a modest range of clothing and comparison merchandise. In this regard, Warrnambool provides a number of larger stores offering higher order consumables such as durable household and non-food merchandise. Portland and to a lesser degree Hamilton also cater for similar needs, particularly for residents in the western part of the Shire.*
  - *Manufacturing - endeavours are mainly focused on the processing of primary products and resources, or the production of particular specialised products. There are numerous well-established businesses in the Shire, including Clarke's Pies in Mortlake, the dairy factories in Koroit and Allansford, BAM Stone, Sun Pharmaceuticals in Port Fairy.*
  - *Tourism - Tourism is a key sector of the local economy and has significant growth potential. Tourists are attracted to the various heritage buildings and towns in the Shire, of which the following in Port Fairy are of particular interest:*
    - the historic commercial and residential buildings in Port Fairy,
    - the Port Fairy Lighthouse, Battery Hill fortifications and historic lifeboat station,

- Motts Cottage, Port Fairy,
- Woodbine Homestead, Port Fairy.

The Shire has a well-established program of music festivals in Port Fairy, Koroit and Mortlake.

The Shire's historic character and beautiful landscapes are key attractions for tourists, who typically enjoy informal, independent travel around the various points of interest. As a result of visitors organising their own activities, existing tourism business relates to accommodation, food and some craft shopping. ***Some fishing charters exist, but in general the organised "guided tour businesses" are not present.***

The provision of accommodation needs for independent visitors has significant potential and needs to be encouraged. *High quality bed and breakfast or farm stay accommodation catering for a wide range of budgets has become popular in Port Fairy in particular, whilst cottage, house and flat hire provides longer term holiday accommodation for domestic visitors. Camping grounds are popular in summer months and youth hostels also provide low cost visitor accommodation.*

A range of dining opportunities exists throughout the Shire, from restaurants and cafes to take-away establishments. ***Given that the majority of accommodation is non-catering, the availability of both accommodation and restaurants is important****.*

The Great Ocean Road is a major component of the tourist infrastructure in the region. The number of travellers on the Great Ocean Road continues to expand and it compliments other attractions of southwest Victoria such as the whale nursery and the Shipwreck Coast.

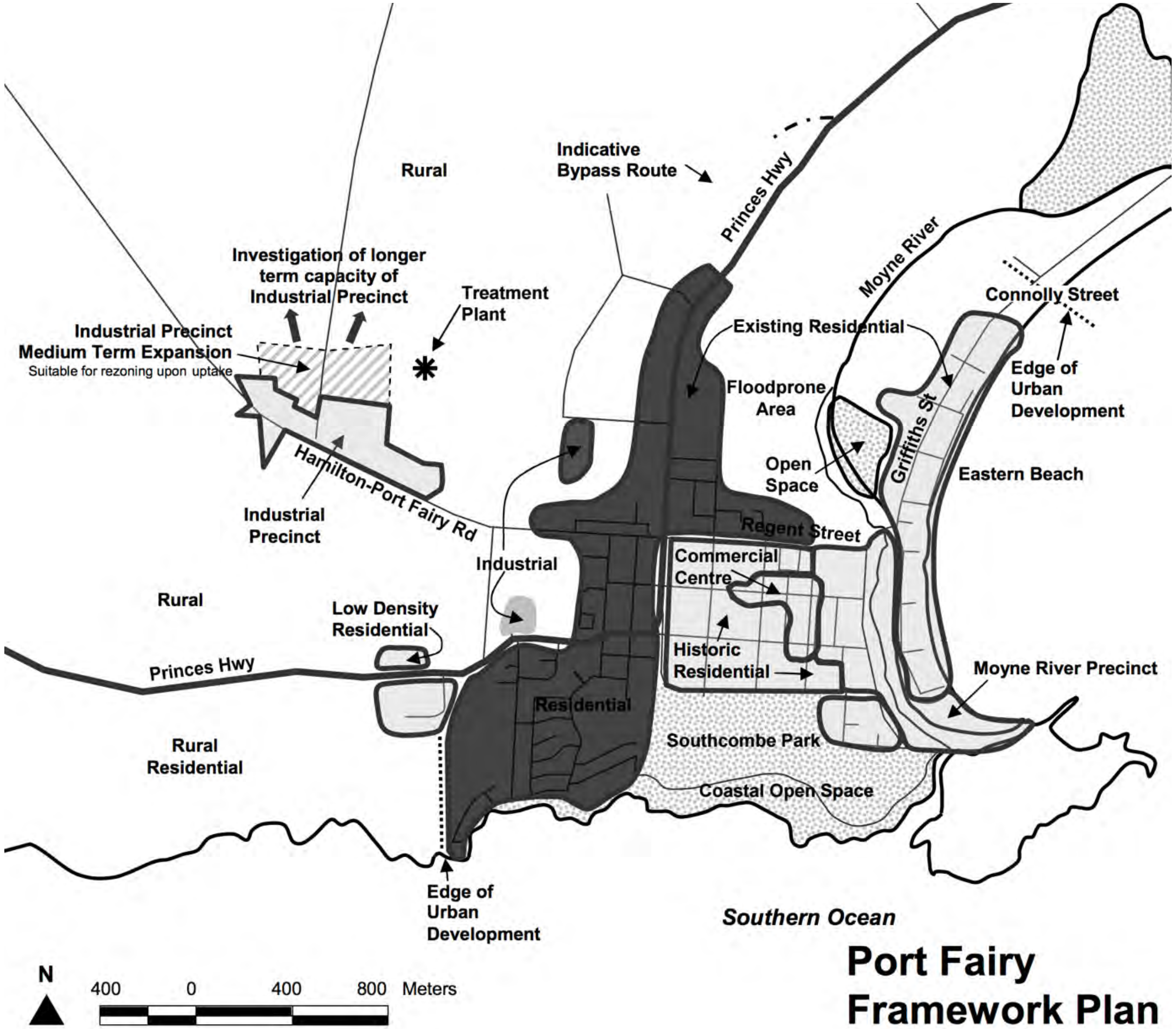
Port Fairy is the only activity node in the Moyne Shire, as identified in the Victorian Coastal Strategy 2014. There is potential for further development of tourism in the Shire.

- Clause 21.08 Infrastructure & Particular Uses – includes objectives related to appropriate use of infrastructure and services and appropriate provision of services and facilities in the Shire.
- Clause 21.09-3 Port Fairy - The vision for Port Fairy under Clause 21.09-3 is:
  - To maintain and build Port Fairy as a strong economically sustainable settlement that provides services for the local community.
  - To retain the distinctive character of Port Fairy based on the heritage features, the coastal location and high quality urban design.
  - ***To recognise the constraints of the Moyne River floodplain on the development of land.***

The Clause includes policy relevant to protecting urban character, housing subdivision, enhancing Port Fairy's role as a retailing, service and cultural centre, to focus industrial development within existing industrial areas and to promote Port Fairy as an important tourist destination, promotion of accessibility, protection of environmental assets and to mitigate against flooding potential.

The Port Fairy Framework Plan is included in Figure 3.

FIGURE 3 PORT FAIRY FRAMEWORK PLAN



Source: Moyne Shire Planning Scheme - Clause 21.09-3.1 p. 10

CLAUSE 22.01 SETTLEMENT AND HOUSING

- Clause 22.01-1 Aboriginal heritage - To promote the protection and appropriate management of Aboriginal cultural heritage values.
- Clause 22.01-2 Port Fairy Residential Heritage Precinct - To conserve and enhance the architectural and historic character of the buildings, works, objects, sites and streetscapes within the area.
  - *To accommodate a range of residential land uses within the area.*
  - *To encourage development of a type which is sympathetic to the existing character and appearance of the streetscapes and area generally.*
  - *To ensure new development and alterations to existing development are not visually intrusive or dominate their surroundings and play their part in retaining Port Fairy's character.*
- Clause 22.01-3 Port Fairy Commercial Heritage Precinct -To accommodate a range of retail, commercial and service uses within the town centre.
  - *To conserve and enhance the existing scale, character and architectural detail of the streetscapes and the area generally.*
  - *To ensure new development and alterations to existing development are not visually intrusive or dominate their surroundings and play their part in retaining Port Fairy's character.*

CLAUSE 22.02 – ENVIRONMENT

- Clause 22.02-1 – Coastal Areas - To protect the natural and cultural values of the coast.
  - To use and develop the coast in a sustainable manner.
  - To share responsibility for the integrated management and protection of the coastal zone.
  - *To recognise the Regional Coastal Context Statement.*
- Clause 22.02-10 Management of Coastal Landscapes - to ensure that coastal related development responds appropriately to the landscape setting, character and desired Preferred Character directions outlined in Clause 21.06-4.
  - *To maintain locally significant views and vistas that contribute to the character of the coastal and coastal hinterland region. To ensure that development is subordinate to the natural, visual and environmental landscape character and significance.*
  - *To implement the recommendations of both the Great Ocean Road Region Landscape Assessment Study 2003 and the Coastal Spaces Landscape Assessment Study 2006.*
  - *To respond to the desired future landscape character directions and management guidelines for each of the Landscape Character Areas outlined in the Great Ocean Road Region Landscape Assessment Study 2003 and the Coastal Spaces Landscape Assessment Study 2006.*

CLAUSE 22.03 ECONOMIC DEVELOPMENT

- *Clause 22.03-1 Industrial Development - to encourage well planned industrial development throughout the municipality setting out clear requirements for industrial development and dealing efficiently with proposals that meet these requirements.*
- *Clause 22.03-2 Residential and Industrial Interface - to protect the amenity of residential areas from the effects of industrial activity, whilst not impeding the productivity of industrial enterprises*

3.3. ZONING

The retail core of Port Fairy is within the Commercial 1 Zone (C1Z). The majority of the land within this area is subdivided into small shop allotments. The C1Z extends in an- L shape around 700m along Bank Street and Sackville Street (approximately 8 hectares).

Land surrounding the commercial centre is zoned General Residential (GRZ). The majority of this is standard residential allotments with freestanding houses. The GRZ extends in a northerly and westerly direction, as well as a strip of GRZ along the east beach. At either approach to the township, along the Princes Highway, land is zoned Low Density Residential (LDRZ) and an extensive area of Rural Living Zone (RLZ) buffers the township from the surrounding Farm Zone (FZ).

Caravan parks and open spaces are predominantly located on the beachside of the township, within the Public Park and Recreation Zone (PPRZ).

There is a 24.5 hectare strip of Mixed Use Zone (MUZ) at the northern approach to the township parallel with the Princes Freeway and an Industrial 1 Zone extending approximately 1 kilometre west of the central township along Port Fairy-Hamilton Road (refer to Figure 4) of approximately 39 hectares.

A map showing the zoning context of Port Fairy is provided on the following page.

3.4. OVERLAYS

The main overlays which impact development in Port Fairy are the Heritage Overlay (HO), the Land Subject to Inundation Overlay (LSIO), Flood Overlay (FO) and the Design and Development Overlay (DDO).

The Heritage Overlay (HO) mainly applies to the historic town centre, predominately around the commercial centre and the surrounding residential properties and the foreshore parklands.

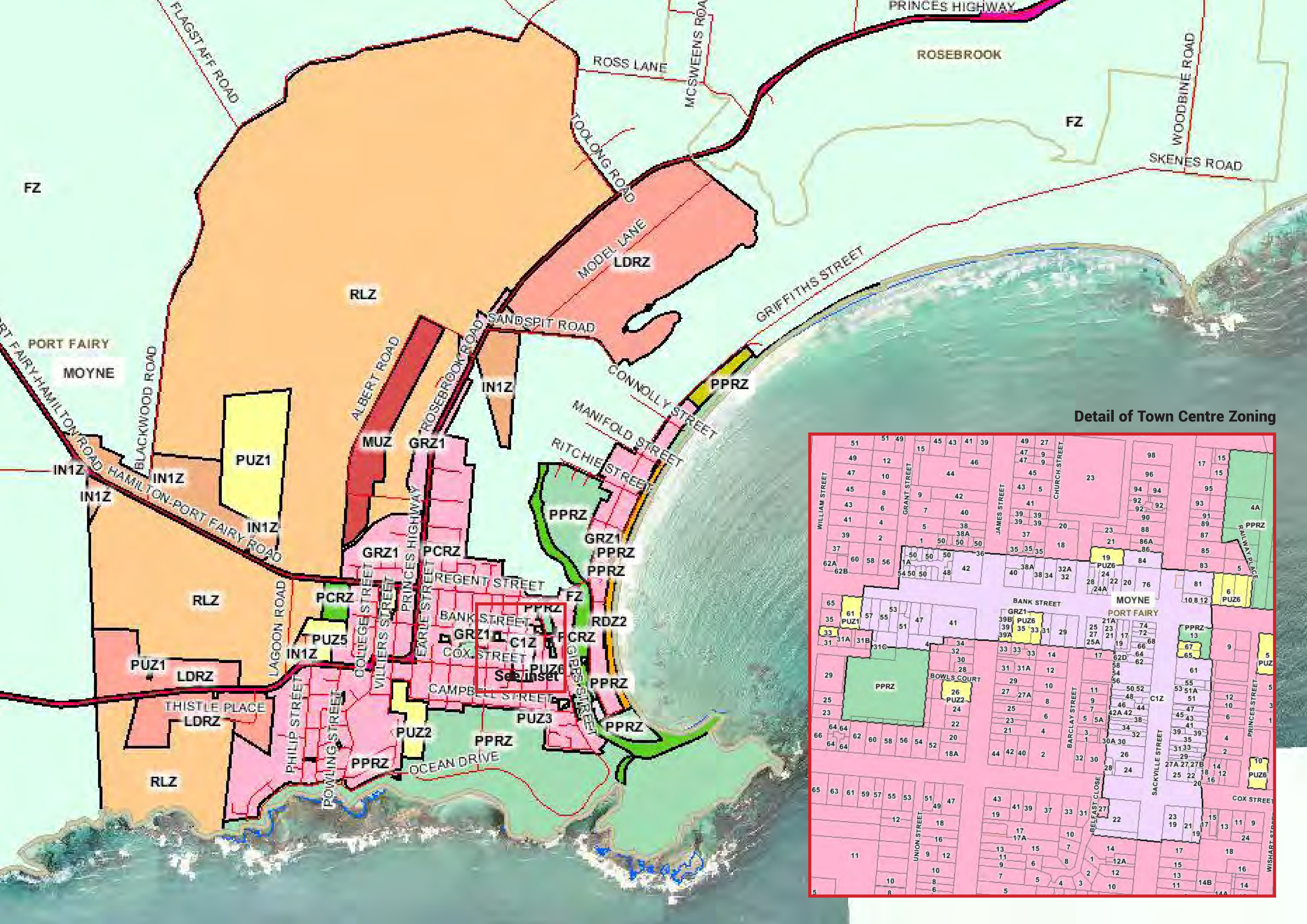
The Land Subject to Inundation Overlay (LSIO) applies to a large section of land opposite the main beach extending all the way to the FZ, limiting potential for development north of the existing township.

There is a significant Flood Overlay (FO) north of the township covering majority of the eastern coast.

The majority of the township is subject to a Design and Development Overlay (DDO) which controls building design in accordance with design precincts.

There is currently a Public Acquisition Overlay (PAO) by Vic Roads in place to reserve land for the purposes of the Port Fairy Bypass, running north south to the west of the township.

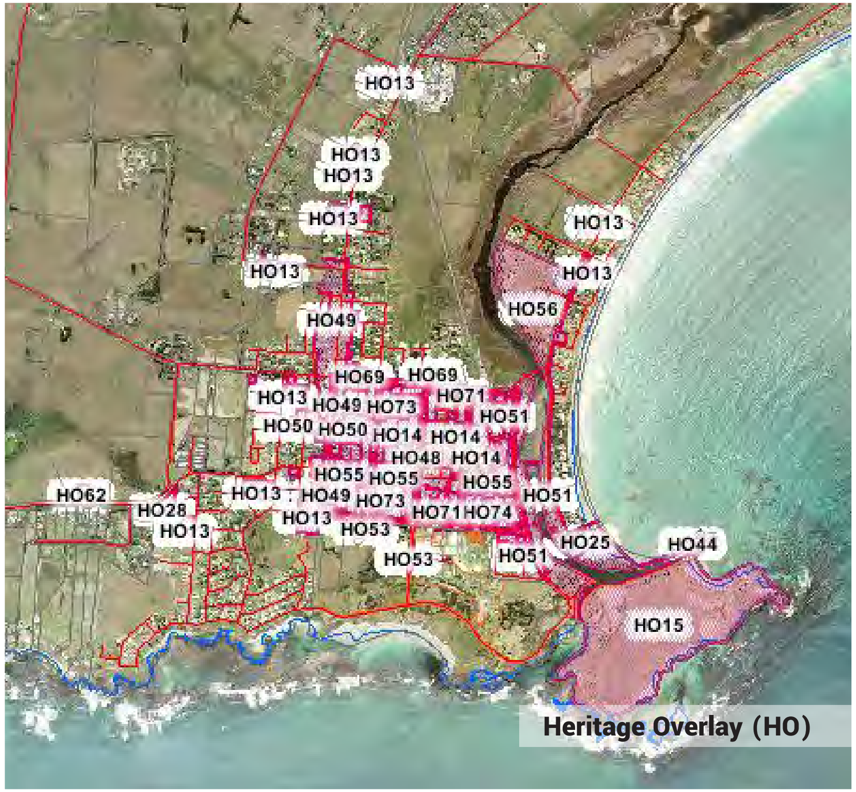
A map showing the relevant overlays is provided on page 22.



PRINCES HIGHWAY
ROSEBROOK
FZ
ROSS LANE
MCSWEENS ROAD
FLAGSTAFF ROAD
TOOLONG ROAD
WOODBINE ROAD
SKENES ROAD
MODEL LANE
LDRZ
RLZ
SANDSPIT ROAD
GRIFFITHS STREET
PORT FAIRY
MOYNE
PORT FAIRY-HAMILTON ROAD
HAMILTON-PORT FAIRY ROAD
BLACKWOOD ROAD
ALBERT ROAD
ROSEBROOK ROAD
IN1Z
PUZ1
MUZ
GRZ1
CONNOLLY STREET
MANIFOLD STREET
RITCHIE STREET
PPRZ
PCRZ
PRINCES HIGHWAY
REGENT STREET
BANK STREET
COX STREET
C1Z
PUZ6
See inset
RDZ2
GIPPS STREET
CAMPBELL STREET
PUZ3
PUZ5
PUZ2
LAGOON ROAD
COLLEGE STREET
VILLIERS STREET
EARLE STREET
PHILIP STREET
POWLING STREET
THISTLE PLACE
OCEAN DRIVE
Detail of Town Centre Zoning
WILLIAM STREET
GRANT STREET
JAMES STREET
CHURCH STREET
RAILWAY PLACE
BANK STREET
MOYNE
PORT FAIRY
BOWLS COURT
BARCLAY STREET
SACKVILLE STREET
PRINCES STREET
COX STREET
UNION STREET
BELFAST CLOSE
WISHART STREET

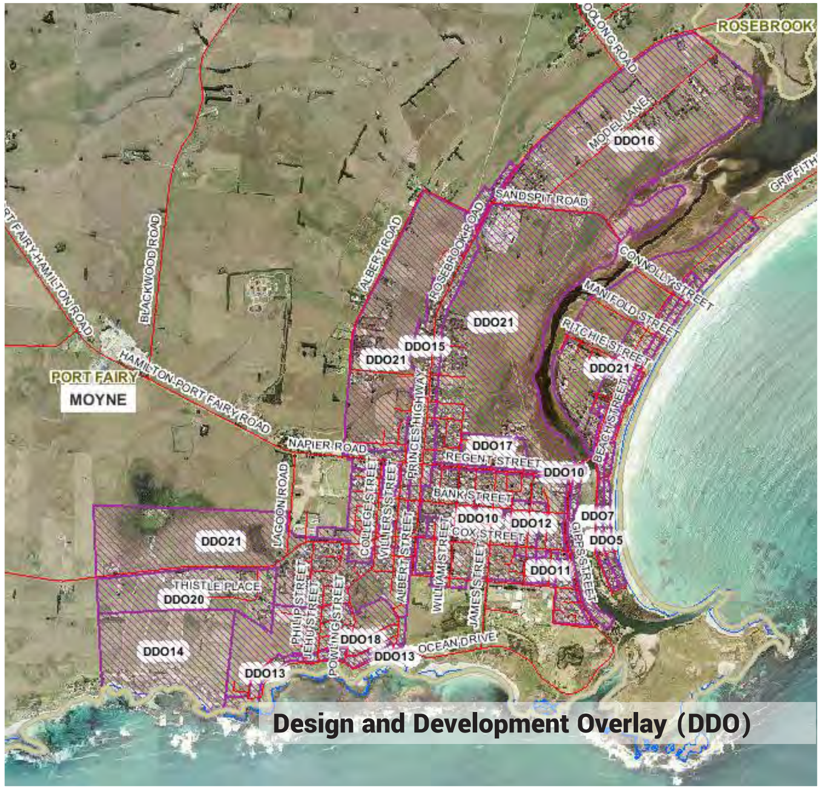
Flood Overlay (FO)

Land Subject to Inundation Overlay (LSIO)



Heritage Overlay (HO)

Public Acquisition Overlay (PAO)



Design and Development Overlay (DDO)

COASTAL INUNDATION AND HAZARDS

The Water Research Laboratory of the University of New South Wales was engaged by the Moyne Shire Council to undertake the Future Coasts – Port Fairy Coastal Hazard Assessment, which was completed in 2013. The main objective of the study was to provide Moyne Shire Council and other land and asset managers, with information which will assist in planning for and managing the projected impacts of climate change, encompassing the coastline from Cape Reamur to Cape Killarney.

The study found that approximately 271 buildings are vulnerable to the present day inundation hazard, which would increase to 444 for the 2080 planning horizon.

The Port Fairy Coastal Climate Adaption Plan map is provided at Appendix B. The map shows different flooding scenarios, including a present day scenario, and scenarios from 2050 to 2100. The map shows that significant areas of the established town are likely to be affected in the future, including areas along South and East Beach based on present day flood events and central Port Fairy based on the year 2100.

A further detailed assessment of potential sea level rise, coastal inundation and storm events is being undertaken as part of the Structure Plan process by Cardno. Results of this work are not yet available, however a preliminary map of areas that would be inundated under sea level rise scenarios and flood events has been provided and is included in Appendix B.

This assessment proceeds on the basis of current planning controls. Commentary is also provided on the potential impact on land supply of the coastal inundation and flooding assessment (map at Appendix B). Further information will be available once the Cardno work shows potentially impacted areas in greater detail.

3.5. KEY FINDINGS

A review of planning policy reveals the following key points in relation to the preparation of the Port Fairy Coastal and Structure Plan.

Key relevant local planning policy objectives include:

- Avoid ribbon development along the coastal edge and along key transport routes, including the Great Ocean Road and Princes Highway;
- Provide a range of housing options;
- Identify flood prone areas and ensure new development is compatible with flood hazards;
- To encourage development of aged care and special accommodation in the Shire;
- To manage development on the fringes of townships so that it enhances the character of the town's landscape setting.
- Ensure that townships and settlements have a definitive visual edge.
- Concentrate coastal tourist and commercial recreation development within existing settlements or close to existing settlements.

Port Fairy is recognised for its role as a convenience and weekly shopping centre, whilst Warrnambool provides a number of larger stores offering higher order retail goods and services.

Key manufacturing businesses located in Port Fairy are identified as BAM Stone, Sun Pharmaceuticals.

Important tourism assets are identified as the Port Fairy Lighthouse, Battery Hill fortifications and historic lifeboat station, Motts Cottage and Woodbine Homestead. Policy recognises that there is a limited number of guided tour operators. Policy also recognises the need for the provision of accommodation which caters to independent visitors.

Commercial zoned land is limited to the town centre of Port Fairy, which is surrounded by land in the General Residential Zone and subject to a Heritage Overlay. A large proportion of the town is affected by flood overlays and heritage overlays, which influence the location and form of development possible.

A Coastal Hazard Assessment was completed for Port Fairy in 2013, which forecasts the impact of sea level rise and coastal inundation on Port Fairy. This resulted in the Port Fairy Climate Adaption Plan map (Appendix B), which shows different flooding scenarios, including a present day scenario, and scenarios from 2050 to 2100. The land supply analysis in this report proceeds on the basis of current planning controls, however, commentary is also provided on the effect on supply as a result of the Coastal Hazard Assessment.

An additional study is currently being undertaken for Council by Cardno, which will further contribute to assessing the impact of coastal hazards and sea level rise on Port Fairy. A greater understanding of potential impacts on overall land supply will be possible once this work is complete.

PART B: ECONOMIC AND DEMOGRAPHIC CONTEXT

Part B of the report provides the following key sections:

- Economic profile of Moyne Shire including key industry sectors, regional output and value add industries, employment and key industry profiles; and
- Demographic profile, including a summary of key population attributes.

4. ECONOMIC PROFILE

4.1. INTRODUCTION

This section provides an overview of the economic profile of Moyne Shire including key industry sectors, regional output and value add industries, employment and key industry profiles. This section of the report primarily draws on access to REMPLAN data prepared for Moyne Shire.

4.2. ECONOMIC SUMMARY

Table 3 (on the following page) shows the economic summary for the Moyne Shire. Economic output data shows that the major industries in Moyne Shire are Manufacturing and Agriculture, Forestry and Fishing. These two industries also generate the greatest value added to the Shire's economy. The Construction and Rental, Hiring and Real Estate Services industries are also key economic contributors to the Shire.

Table 2 (opposite) shows the economic output and value added of Moyne (S) for each industry sector both as a dollar amount, a proportion of total output for the Shire and a proportion of regional output for the Barwon South West (BSW) Region.

While Moyne's most significant economic output comes from the Manufacturing industry, Barwon South-West has a major Manufacturing industry, with Moyne (S) contributing 5.9% of the total Manufacturing output for the Barwon South-West region. The Agriculture, Forestry & Fishing sector in Moyne provides 22.3% of the total regional output, which is the most significant regional output proportionately.

TABLE 2 ECONOMIC OUTPUT & VALUE ADDED, MOYNE (S) & BARWON SOUTH WEST 2016

INDUSTRY SECTOR	MOYNE (S) OUTPUT ($M)	% TOTAL SHIRE OUTPUT	% REGIONAL TOTAL SECTOR OUTPUT (BSW)	MOYNE (S) VALUE ADDED ($M)	% VALUE ADDED
Manufacturing	$773.92	38.9%	5.9%	$148.52	19.7%
Agriculture, Forestry & Fishing	$426.03	21.4%	22.3%	$198.33	26.3%
Construction	$233.73	11.7%	6.1%	$75.38	10.0%
Rental, Hiring & Real Estate Services	$139.22	7.0%	3.6%	$105.51	14.0%
Transport, Postal & Warehousing	$54.42	2.7%	4.0%	$24.32	3.2%
Public Administration & Safety	$51.87	2.6%	3.5%	$29.04	3.8%
Accommodation & Food Services	$51.39	2.6%	3.8%	$22.52	3.0%
Wholesale Trade	$41.40	2.1%	2.7%	$20.15	2.7%
Electricity, Gas, Water & Waste Services	$38.56	1.9%	3.6%	$16.58	2.2%
Retail Trade	$38.17	1.9%	1.9%	$22.61	3.0%
Health Care & Social Assistance	$34.78	1.7%	1.6%	$27.87	3.7%
Education & Training	$26.49	1.3%	1.7%	$20.21	2.7%
Professional, Scientific & Technical Services	$23.71	1.2%	1.6%	$11.84	1.6%
Financial & Insurance Services	$21.23	1.1%	1.1%	$15.05	2.0%
Other Services	$14.04	0.7%	2.3%	$6.68	0.9%
Administrative & Support Services	$11.09	0.6%	1.4%	$5.66	0.7%
Arts & Recreation Services	$4.87	0.2%	1.5%	$1.77	0.2%
Mining	$4.46	0.2%	1.5%	$2.29	0.3%
Information Media & Telecommunications	$1.42	0.1%	0.2%	$0.65	0.1%
Total	$1,990.78	100.0%		$754.95	

Source: Remplan, 2016

TABLE 3 ECONOMIC PROFILE – MOYNE SHIRE – 2016

INDUSTRY SECTOR	OUTPUT		JOBS		WAGES AND SALARY		LOCAL EXPENDITURE		VALUE ADDED	
	($M)	%	#	%	($M)	%	($M)	%	($M)	%
Manufacturing	$773.92	39%	1,094	19%	$80.22	27%	$241.78	52%	$148.52	20%
Agriculture, Forestry & Fishing	$426.03	21%	2,086	36%	$31.85	11%	$78.23	17%	$198.33	26%
Construction	$233.73	12%	431	7%	$39.46	13%	$69.52	15%	$75.38	10%
Rental, Hiring & Real Estate Services	$139.22	7%	12	0%	$0.90	0%	$11.15	2%	$105.51	14%
Transport, Postal & Warehousing	$54.42	3%	199	3%	$12.80	4%	$10.39	2%	$24.32	3%
Public Administration & Safety	$51.87	3%	242	4%	$24.32	8%	$8.92	2%	$29.04	4%
Accommodation & Food Services	$51.39	3%	346	6%	$12.57	4%	$7.23	2%	$22.52	3%
Wholesale Trade	$41.40	2%	119	2%	$12.76	4%	$5.92	1%	$20.15	3%
Electricity, Gas, Water & Waste Services	$38.56	2%	38	1%	$3.94	1%	$11.88	3%	$16.58	2%
Retail Trade	$38.17	2%	343	6%	$14.61	5%	$4.58	1%	$22.61	3%
Health Care & Social Assistance	$34.78	2%	343	6%	$24.37	8%	$2.25	0%	$27.87	4%
Education & Training	$26.49	1%	248	4%	$17.88	6%	$1.89	0%	$20.21	3%
Professional, Scientific & Technical Services	$23.71	1%	92	2%	$7.83	3%	$3.28	1%	$11.84	2%
Financial & Insurance Services	$21.23	1%	35	1%	$4.37	1%	$1.81	0%	$15.05	2%
Other Services	$14.04	1%	108	2%	$4.49	2%	$1.63	0%	$6.68	1%
Administrative & Support Services	$11.09	1%	62	1%	$4.55	2%	$1.54	0%	$5.66	1%
Arts & Recreation Services	$4.87	0%	30	1%	$1.08	0%	$0.94	0%	$1.77	0%
Mining	$4.46	0%	14	0%	$1.04	0%	$0.63	0%	$2.29	0%
Information Media & Telecommunications	$1.42	0%	3	0%	$0.29	0%	$0.09	0%	$0.65	0%
Total	$1,990.78	100%	5,845	100%	$299.31	100%	$463.64	100%	$754.95	100%

Source: Remplan, 2016

4.3. EMPLOYMENT

Table 4 shows employment by industry sector in Moyne Shire. Agriculture, Forestry and Fishing contributes the highest proportion of jobs to Moyne Shire at 35.7%, followed by Manufacturing (18.7%). Employment in the Agriculture, Forestry and Fishing sector in Moyne accounts for 23.8% of regional employment in the same sector.

TABLE 4 EMPLOYMENT BY INDUSTRY, MOYNE

INDUSTRY SECTOR	MOYNE JOBS	% OF MOYNE JOBS	% OF BARWON SW JOBS BY INDUSTRY SECTOR
Agriculture, Forestry & Fishing	2,086	35.7%	23.8%
Manufacturing	1,094	18.7%	6.9%
Construction	431	7.4%	4.7%
Accommodation & Food Services	346	5.9%	3.3%
Retail Trade	343	5.9%	1.9%
Health Care & Social Assistance	343	5.9%	1.7%
Education & Training	248	4.2%	1.9%
Public Administration & Safety	242	4.1%	3.4%
Transport, Postal & Warehousing	199	3.4%	4.2%
Wholesale Trade	119	2.0%	2.7%
Other Services	108	1.8%	2.3%
Professional, Scientific & Technical Services	92	1.6%	1.6%
Administrative & Support Services	62	1.1%	1.9%
Electricity, Gas, Water & Waste Services	38	0.7%	2.4%
Financial & Insurance Services	35	0.6%	1.1%
Arts & Recreation Services	30	0.5%	1.6%
Mining	14	0.2%	4.0%
Rental, Hiring & Real Estate Services	12	0.2%	0.7%
Information Media & Telecommunications	3	0.1%	0.2%
Total	5,845	100.0%	

Source: Remplan, 2016

Table 5 shows the most common industry sectors of employment for Port Fairy (UCL) residents in 2011. 2016 industry sector employment is not yet available. Health Care and Social Assistance, Accommodation and Food Services, Construction and Retail Trade were the primary industry sectors employing Port Fairy residents in 2011.

TABLE 5 INDUSTRY SECTOR OF EMPLOYMENT, USUAL RESIDENTS PORT FAIRY (UCL), 2011

INDUSTRY SECTOR	NUMBER	%
Health Care and Social Assistance	172	14.1%
Accommodation and Food Services	166	13.7%
Construction	145	11.9%
Retail Trade	122	10.0%
Education and Training	105	8.6%
Manufacturing	103	8.5%
Public Administration and Safety	82	6.7%
All other industries	321	26.4%
Total Employed	1,216	100%

Source: ABS Census 2011. Location of industry sector employment for the 2016 Census is not yet available at the time of preparation of this report.

The resident employment profile is weighted towards the retail, tourism and health sectors, reflecting the strong tourism role of the town and the presence of the hospital and supporting health services. Employment in other sectors such as Manufacturing, Education and Public Administration are likely to be strongly influenced by the presence of major employers in the town including Sun Pharmaceuticals, BAM Stone, schools and Council respectively.

4.4. KEY INDUSTRY PROFILES

This section identifies the three largest industries in Moyne (S) according to their economic impact and assesses the impact of each industry by the industry subsectors.

MANUFACTURING

Food Production is the most significant sub sector of the manufacturing sector, contributing over 70% of output to the manufacturing sector, this is followed by the Pharmaceutical Product Manufacturing sector (139 jobs), which contributes almost 20% of output to the Shire's manufacturing sector. The pharmaceutical sector is driven by Sun Pharmaceuticals located in Port Fairy.

Together these two sub sectors make up the majority of output, employment and value added to the Shire's Manufacturing sector.

Non-Metallic Mineral Product Manufacturing includes stone product manufacturing and stone cutting, dressing polishing or shaping for which BAM Stone is the major industry in Port Fairy. This this sector employees 42 people.

TABLE 6 ECONOMIC IMPACT OF MANUFACTURING SECTOR, MOYNE 2011

	OUTPUT ($M)		EMPLOYMENT		VALUE ADDED	
Industry Sector	$M	%	Jobs	%	$M	%
Food Product Manufacturing	$546.22	70.58%	844	77.15%	$104.71	70.50%
Pharmaceutical Product Manufacturing	$140.80	18.19%	139	12.71%	$23.68	15.94%
Non-Metallic Mineral Product Manufacturing	$19.17	2.48%	42	3.84%	$6.04	4.07%
Beverage Product Manufacturing	$17.33	2.24%	14	1.28%	$6.88	4.63%
Basic Chemical, Cleaning & Polymer Manufacturing	$14.36	1.86%	9	0.82%	$2.32	1.56%
Petroleum & Coal Product Manufacturing	$13.93	1.80%	5	0.46%	$1.34	0.90%
Metal & Metal Product Manufacturing	$10.02	1.29%	14	1.28%	$1.23	0.83%
Technical Equipment & Appliance Manufacturing	$8.71	1.13%	11	1.01%	$1.27	0.86%
Saw Mill, Wood & Paper Product Manufacturing	$1.61	0.21%	5	0.46%	$0.51	0.34%
Furniture Manufacturing	$1.01	0.13%	5	0.46%	$0.22	0.15%
Printing (including the reproduction of recorded media)	$0.76	0.10%	4	0.37%	$0.33	0.22%
Apparel Manufacturing	$0.00	0.00%	0	0.00%	$0.00	0.00%
Transport Equipment & Parts Manufacturing	$0.00	0.00%	0	0.00%	$0.00	0.00%
Other Manufactured Products	$0.00	0.00%	0	0.00%	$0.00	0.00%
Sub-Total	$773.92	100.00%	1,094	100.00%	$148.52	100.00%

Source: Remplan, 2016

AGRICULTURE FORESTRY & FISHING

The Sheep, Grains, Beef and Dairy Cattle sector is the largest and dominant sub sector of the Agriculture, Forestry and Fishing sector, contributing over 91% in output, over 95% in employment and over 94% in value added.

The Aquaculture and Poultry and Other Livestock sector provide diversity to the Agriculture, Forestry and Fishing sector. Southern Ocean Mariculture is an Abalone farm, located approximately 4.5km west of Port Fairy, leveraging off Port Fairy's strategic advantages for Abalone Farming.

TABLE 7 ECONOMIC IMPACT OF AGRICULTURE, FORESTRY AND FISHING SECTOR, MOYNE 2011

	OUTPUT		EMPLOYMENT		VALUE ADDED	
Industry Sector	$M	%	Jobs	%	$M	%
Sheep, Grains, Beef & Dairy Cattle	$390.98	91.77 %	1,992	95.49 %	$186.60	94.09 %
Poultry & Other Livestock	$2.15	0.50%	8	0.38%	$1.01	0.51%
Other Agriculture	$6.87	1.61%	26	1.25%	$3.88	1.96%
Aquaculture	$3.91	0.92%	9	0.43%	$2.14	1.08%
Forestry & Logging	$0.00	0.00%	0	0.00%	$0.00	0.00%
Fishing, Hunting & Trapping	$2.17	0.51%	6	0.29%	$1.17	0.59%
Agriculture, Forestry & Fishing Support Services	$19.96	4.69%	45	2.16%	$3.53	1.78%
Sub-Total	$426.04	100%	2,086	100%	198	100%

Source: Remplan, 2011

CONSTRUCTION

Heavy & Civil Engineering Construction contributes the highest economic output and value added to the Construction Sector, however, Construction Services contributes the highest number of jobs.

The non-residential building construction sector only contributed 1.56% of output to the sector.

TABLE 8 ECONOMIC IMPACT OF CONSTRUCTION SECTOR, MOYNE 2011

	OUTPUT		EMPLOYMENT		VALUE ADDED	
Industry Sector	$M	%	Jobs	%	$M	%
Heavy & Civil Engineering Construction	$123.04	52.64%	114	26.45%	$44.44	58.95%
Construction Services	$68.00	29.09%	224	51.97%	$22.44	29.77%
Residential Building Construction	$39.05	16.71%	88	20.42%	$7.61	10.10%
Non-Residential Building Construction	$3.65	1.56%	4	0.93%	$0.88	1.17%
Sub-Total	$233.73	100%	431	100%	$75.38	100%

Source: Remplan, 2011

DISCUSSION

These key industry sectors are likely to drive ongoing economic opportunities for Port Fairy. Given the significant agricultural role and output in Moyne, Port Fairy is well located to accommodate businesses which add value to primary produce, in particular food processing. Although many major businesses in the region are located in Warrnambool, the presence in Port Fairy of Sun Pharmaceuticals indicates that other large industrial businesses could also be attracted to the location if suitable land is provided and a locational advantage can be achieved for the business.

The significant presence of the construction industry in Moyne will be supported by ongoing residential growth and the tourism industry in Port Fairy – it is important for the Structure Plan to ensure that there is sufficient commercial and industrial land to facilitate economic activity that is both population-led and regional in economic role.

Although a Public Acquisition Overlay (PAO) exists to safeguard the future reservation for the Port Fairy Bypass, the timing of any State government commitment to fund and deliver this road is unknown. The current industrial estate is well located in terms of future access to the bypass, and has existing strategic support for long term expansion to the north.

Many Port Fairy residents are employed in the health, retail and tourism industries. Health is expected to be a growth industry across the State, primarily due to the general ageing of the population. This is particularly relevant for Port Fairy, with a significant proportion of the population already at retirement age. Economic opportunities exist for business activity in the health sector, particularly businesses ancillary and complementary to the Port Fairy Hospital which is currently undergoing significant investment and upgrades. It is important that the Structure Plan encourages opportunities to accommodate health businesses both in the town centre and near the hospital.

The role of the tourism industry is central to the economy of Port Fairy and of high importance to the broader Moyne economy. Section 15 of this report provides an analysis of the economic impact of tourism to the Moyne Shire and the wider region. In terms of output and employment, industries generally supported by tourism (Accommodation and Food Services, Retail Trade and Arts and Recreation Services) generate $95m in output and employ 719 people across Moyne.

Industrial and tourism land supply and demand issues are discussed later in this report.

4.5. KEY FINDINGS

The two most significant industries in Moyne are Agriculture, Forestry and Fishing and Manufacturing. Port Fairy's economy is somewhat different to that of the Shire, however, with a stronger reliance on tourism, health and retail, and a lower proportion of employment in manufacturing.

Population growth in Port Fairy will present the opportunity for further local economic growth and activity in industries such as construction, health and education, while the ageing population across Victoria (and in Port Fairy in particular) will generate additional demand for health services. This is a key economic opportunity for Port Fairy, given recent investment in the hospital precinct.

Broader economic opportunities may exist to attract food processing businesses to Port Fairy, however the current business mix indicates that a specific locational advantage is the main attraction for locating larger industrial businesses in Port Fairy.

5. DEMOGRAPHIC PROFILE

5.1. INTRODUCTION

This section of the report provides a demographic profile of the residential population of Port Fairy. Data is primarily sourced from the 2016 ABS Census (the most recent comprehensive data available at the time this report was prepared) and supplemented by other sources including Victoria in Future, ABS Building Approvals and ABS Estimated Resident Population (ERP) data.

See Appendix D for data areas and definitions.

5.2. POPULATION & POPULATION GROWTH

Table 9 shows the population of Port Fairy UCL (Urban Centre Locality) from the 2001, 2006, 2011 and 2016 Census. The population of Port Fairy UCL was 3,028 in 2016, with annual growth of 1.22% between 2001 and 2016. The population increased at a higher rate between 2011 and 2016 at 1.33% per annum.

TABLE 9 ABS CENSUS DATA – PORT FAIRY (UCL) 2001, 2006, 2011

	2001	2006	2011	2016	GROWTH RATE 2001-2016	GROWTH RATE 2011-2016
Port Fairy (UCL)	2,523	2,599	2,835	3,028	1.22%	1.33%

Source: ABS Census 2001, 2006, 2011 and 2016

POPULATION GROWTH

Recent and projected population growth rates for the region and neighbouring towns have been assessed using a number of methods, including:

- ABS Regional Population Growth, 2005 – 2015;
- Victoria in Future 2016 projections;
- Building approvals, 2005 – 2015; and
- ABS Census, 2001 – 2016

ABS GROWTH RATES

Historical ABS growth rates over the past 10 years show that the neighbouring council of Warrnambool experienced population growth of 0.97% per annum, between 2005 and 2015, with Moyne Shire experiencing significantly lower growth of 0.37% per annum. The Moyne-West SA2 (for which Port Fairy is the primary population centre) recorded comparable growth to Warrnambool at 0.93% per annum.

Table 10 provides a summary of these growth rates.

TABLE 10 ESTIMATED POPULATION GROWTH RATES, 2005-2015

LOCAL GOVERNMENT AREA	AVERAGE ANNUAL GROWTH RATE
Moyne (S)	0.37%
Warrnambool (C)	0.97%
Moyne - West (SA2)	0.93%

Source: ABS Regional Population Growth, 2005 – 2015

VICTORIA IN FUTURE

Victoria in Future 2016 projects population in Warrnambool (C) and Moyne (S) to continue to grow at rates comparable to recent growth. The *Victoria in Future* data region which includes Port Fairy is the Macarthur-Port Fairy VIFSA, which is projected to have relatively strong growth, at a rate of 0.75% per annum. This area includes Port Fairy, surrounding rural areas and settlements and towns of Koroit, Yambuk, Macarthur and Hawkesdale.

TABLE 11 VIF 2016 GROWTH RATES, 2011 - 2031

REGION	GROWTH RATE (2011-2031)
Warrnambool (C)	0.85%
Moyne (S)	0.38%
Macarthur-Port Fairy District (VIFSA)	0.75%
Mortlake-Woolsthorpe District (VIFSA)	-0.15%

Source: Victoria in Future 2016

RESIDENTIAL BUILDING APPROVALS

Residential building approvals in the Moyne Shire Council area recorded 1,117 new dwellings approved between 2005 and 2015. This equates to 102 new dwellings approved per annum across the Shire. It should be noted that not all of these dwellings would necessarily have been constructed and many would be used as holiday homes and/or holiday rentals.

5.3. AGE PROFILE

Table 12 shows the median age of residents of the Port Fairy UCL in 2016. The table shows that the median age of Port Fairy residents of 50 years is significantly higher than other surrounding regions as well as the median for Regional Victoria.

TABLE 12 MEDIAN AGE, 2016

REGION	MEDIAN AGE
Port Fairy (Suburb)	50 years
Moyne (S)	43 years
Warrnambool (C)	41 years
Regional Victoria	43 years

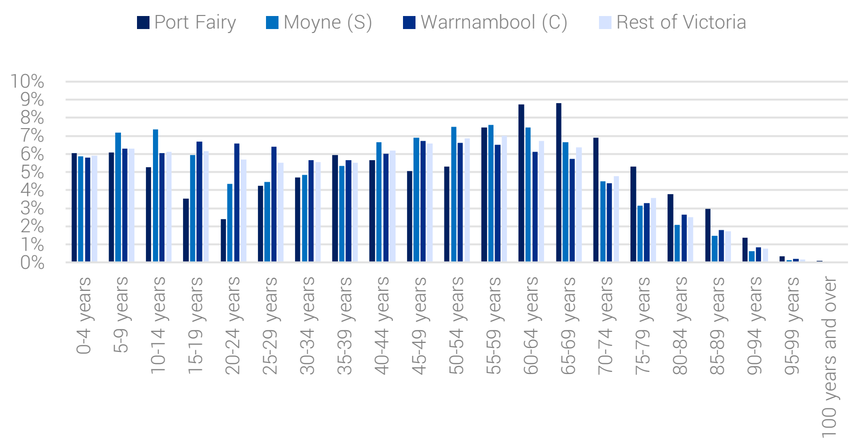
Source: ABS Census, 2016. Note: Fort Fairy (Suburb) was used as median age for Port Fairy (UCL) is not yet available.

CURRENT AGE PROFILE

Figure 6 shows the age profile of Port Fairy (UCL), Moyne (S) and Regional Victoria as at 2016. Port Fairy clearly has the largest proportion aged 60 and over.

The age profile confirms that Port Fairy is a residential location that is popular for retirees with significantly greater proportions of residents within each age bracket from 60+ years than Warrnambool and Regional Victoria.

FIGURE 6 AGE PROFILE 2016, PORT FAIRY (UCL), MOYNE (S), WARRNAMBOOL (C), REGIONAL VICTORIA.

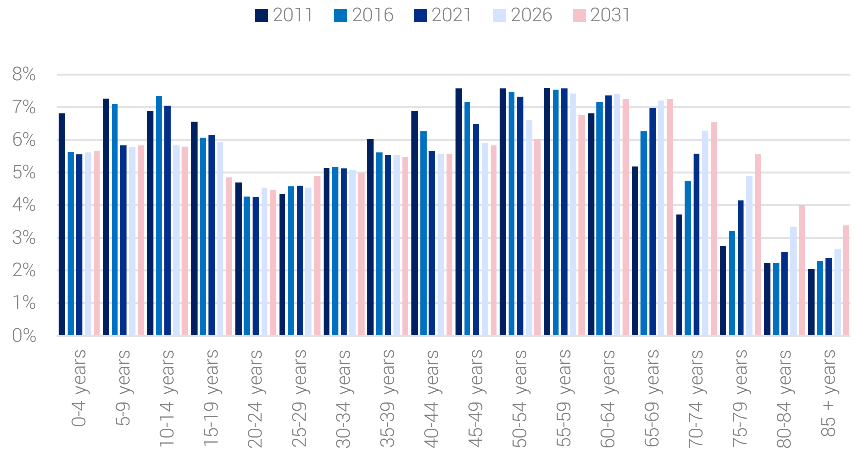


Source: ABS Census, 2016

PROJECTED AGE PROFILE

Figure 7 shows the age profile change over the period 2011 to 2031 in Moyne (S). The population is projected to age, with a much greater proportion anticipated to be over the age of 65 by 2031 (27%, compared with 18% in 2016).

FIGURE 7 PROJECTED AGE PROFILE CHANGE, MOYNE (S)



Source: Victoria in Future 2016

5.4. LABOUR FORCE STATUS

Table 13 shows the labour force status of Port Fairy (UCL) residents in 2011. 2016 labour force data is not yet available. A greater proportion of residents were not in the labour force (43%), when compared with Warrnambool, Moyne and regional Victoria. This is likely to be due to the age profile and many residents being past the age of retirement. As a result, a lower proportion of Port Fairy residents are employed full time when compared to Moyne (S) or Warrnambool (C).

TABLE 13 LABOUR FORCE STATUS

LABOUR FORCE STATUS	PORT FAIRY (UCL)	WARRNAMBOOL (C)	MOYNE (S)	REGIONAL VICTORIA
Employed, worked full-time	31.0%	36.5%	39.3%	34.4%
Employed, worked part-time	19.8%	21.8%	21.4%	19.7%
Employed, away from work	4.3%	4.1%	4.8%	4.0%
Unemployed, looking for full-time work	1.8%	1.8%	1.5%	1.9%
Unemployed, looking for part-time work	0.6%	1.4%	1.0%	1.2%
Not in the labour force	42.5%	34.4%	32.0%	38.7%
Total	100%	100%	100%	100%

Source: ABS Census, 2011. Note: Labour force information for the 2016 Census is not yet available at the time of preparation of this report.

5.5. INCOME

The median weekly household income in Port Fairy was lower than Moyne and Warrnambool in 2016, at a median of $1,111 per week. This is reflective of the labour force status and the lower proportion of people working full-time.

Table 15 shows that while the greatest proportion of residents earn within the income bracket of $400-599 per week (the most common for each assessed region), there is a greater proportion of the population that earn below this income bracket as compared to Moyne (S) and Warrnambool (C).

There is also a slightly higher proportion of very high income earners in Port Fairy (4%) compared with Warrnambool and Regional Victoria (3%).

TABLE 14 MEDIAN WEEKLY HOUSEHOLD INCOME, 2016

REGION	MEDIAN INCOME
Port Fairy (UCL)	$1,111
Moyne (S)	$1,225
Warrnambool (C)	$1,145
Rest of Vic (GCCSA)	$1,124

Source: ABS Census, 2016

TABLE 15 RANGE OF INDIVIDUAL INCOMES, VARIOUS LOCATIONS, 2016

INDIVIDUAL WEEKLY INCOME (ANNUAL INCOME IN BRACKETS)	PORT FAIRY (UCL)	MOYNE (S)	WARRNAMBOOL (C)	REGIONAL VICTORIA
Negative income	0%	1%	0%	1%
Nil income	6%	7%	6%	7%
$1-$149 ($1-$7,799)	3%	5%	5%	5%
$150-$299 ($7,800-$15,599)	7%	8%	8%	9%
$300-$399 ($15,600-$20,799)	11%	10%	10%	12%
$400-$499 ($20,800-$25,999)	14%	10%	11%	11%
$500-$649 ($26,000-$33,799)	12%	10%	10%	10%
$650-$799 ($33,800-$41,599)	9%	9%	10%	9%
$800-$999 ($41,600-$51,999)	9%	10%	11%	9%
$1,000-$1,249 ($52,000-$64,999)	9%	10%	9%	9%
$1,250-$1,499 ($65,000-$77,999)	6%	6%	5%	5%
$1,500-$1,749 ($78,000-$90,999)	5%	5%	4%	4%
$1,750-$1,999 ($91,000-$103,999)	3%	3%	3%	3%
$3,000 or more ($156,000 or more)	2%	2%	2%	2%
$2,000-$2,999 ($104,000-$155,999)	4%	3%	3%	3%
Total	100%	100%	100%	100%

Source: ABS Census 2016. Note: Labour force information for the 2016 Census is not yet available at the time of preparation of this report.

5.6. SIEFA INDEX

The SIEFA index of disadvantage shows that Port Fairy (Suburb) residents are slightly is only slightly disadvantaged in terms of socio-economic profile, given that 1000 is the median index of advantage/ disadvantage. While Moyne (S) is slightly advantaged with an index value of 1,005, Warrnambool (C) is at a greater disadvantage with an index of 970.

The SIEFA Index for the 2016 Census is not yet available.

TABLE 16 SIEFA INDEX, VARIOUS LOCATIONS, 2011

AREA	SIEFA SCORE
Port Fairy (Suburb)	998
Moyne (S)	1,005
Warrnambool (C)	970

Source: ABS Census of Population and Housing. Note: SEIFA Indrex for the 2016 Census is not yet available at the time of preparation of this report.

5.7. MIGRATION

Table 17 shows the migration of the residents of Port Fairy (UCL) by identifying their place of usual residence as of 1 year ago, and 5 years ago by LGA from the 2011 Census. Migration data for the 2016 Census is not yet available. The most significant migration to Port Fairy was from Warrnambool (C). Some Port Fairy residents were also attracted from as far away as Geelong.

TABLE 17 PREVIOUS PLACE OF RESIDENCE OF CURRENT PORT FAIRY (UCL) RESIDENTS BY LGA, 2011

LGA	PLACE OF RESIDENCE 1 YEAR AGO	PLACE OF RESIDENCE 5 YEARS AGO
Moyne (S)	2449	1905
Warrnambool (C)	31	95
Southern Grampians (S)	4	27
Glenelg (S)	6	23
Greater Geelong (C)	11	23
Corangamite (S)	4	15
Total	2614	2359

Source: ABS Census 2011. Note: Migration information for the 2016 Census is not yet available at the time of preparation of this report.

5.8. LOCATION OF WORK

Table 18 shows the location of work for Port Fairy UCL residents in 2011. The Location of work for the 2016 Census is not yet available. The table shows that of the 1,081 employed residents, 97% worked in the Warrnambool and South West (SA4) region.

Table 18 also identifies more specific worker locations within the Warrnambool and South West region (SA2). It shows that residents of Port Fairy largely worked within the Moyne-West SA2, in which Port Fairy is located. 26% of employed Port Fairy residents worked in Warrnambool.

TABLE 18 LOCATION OF WORK BY SA4 & SA2, PORT FAIRY (UCL), 2011

REGION (SA4)	PORT FAIRY (UCL)	%
Warrnambool and South West	1050	97.1%
Melbourne - Inner	12	1.1%
Geelong	6	0.6%
Melbourne - West	5	0.5%
Hume	4	0.4%
North West	4	0.4%
Total	1,081	100.0%
Warrnambool and South West Region (SA2s)		
Moyne - West	733	69.9%
Warrnambool - South	202	19.3%
Warrnambool - North	74	7.1%
Portland	16	1.5%
Hamilton (Vic.)	15	1.4%
Moyne - East	6	0.6%
Corangamite – South	3	0.3%
Subtotal of Warrnambool and South West	1049	97.1%
Other SA4	31	2.9%
Total	1049	100.0%

Source: ABS Census, 2011. Note: Location of work information for the 2016 Census is not yet available at the time of preparation of this report.

5.9. KEY FINDINGS

The population of Port Fairy in 2016 was 3,024 persons. The population increased at an average rate of 1.21% per annum between 2001 and 2016, although boundary changes indicate that this is likely to be a slight over-estimate. A rate of growth in the order of 1% per annum is estimated to have actually occurred over this period.

There are no official estimates of population at the local (township) level, however the population of the broader Moyne West are increased at a rate of 0.9% per annum between 2011 and 2015.

Population projections (Victoria in Future) are for the region to continue to experience population growth at a rate of 0.75% per annum. it is likely that Port Fairy will experience a higher growth rate than the overall region.

Port Fairy has an old and ageing resident population with a median age of 50 years and projections for a significant increase in the proportion of the population aged over 65 years (increasing from 18% of the Moyne population to 27% by 2031).

Lone person households and couples without children make up 65% of the households in Port Fairy - this is 10% higher than the Regional Victoria average.

43% of the Port Fairy population are not in the workforce. This is 10% higher than the rate for Moyne Shire, reflecting the popularity of Port Fairy as a retirement destination. This is reinforced by the age profile.

The most common origin of residents who have recently moved to Port Fairy is Warrnambool, followed by other municipalities in the south-west of Victoria including Southern Grampians, Glenelg and Corangamite. This reflects the popularity of Port Fairy as a retirement destination for regional and rural residents (including farmers), and also that others are moving from major centres such as Warrnambool and Geelong, most likely for lifestyle reasons.

70% of Port Fairy's employed population work within the local SA2 (Moyne-West), while 26% travel to Warrnambool, demonstrating the strong economic relationship between Port Fairy and Warrnambool. This data confirms that Port Fairy is utilised as a residential 'dormitory' for a segment of the local population.

6. HOUSING MARKET PROFILE

6.1. INTRODUCTION

This section provides a profile of the housing market characteristics in Port Fairy.

6.2. DWELLING OCCUPANCY

Table 19 shows the dwelling types in the Port Fairy UCL, compared with Moyne (S) and Warrnambool (C). Port Fairy had a low proportion of occupied private dwellings in 2016 (62%) compared with the two municipalities, reflecting the presence of a substantial holiday home and short-term rental sector.

TABLE 19 DWELLING OCCUPANCY, 2016

	PORT FAIRY (UCL)		MOYNE (S)		WARRNAMBOOL (C)		REGIONAL VICTORIA
Dwelling Occupancy	No.	%	No.	%	No.	%	%
Occupied private dwellings	1,285	62%	6,372	79%	13,549	89%	84%
Unoccupied private dwellings	762	37%	1,681	21%	1,587	10%	16%
Non-private dwellings	13	1%	22	0%	46	0%	0%
Total	2,065	100%	8072	100%	15183	100%	100%

Source: ABS Census 2016

Table 20 shows the projected housing occupancy rates for both Moyne Shire and the Macarthur-Port Fairy VIFSA. Occupancy rates are expected to decline slightly over the next 20 years.

TABLE 20 VIF 2016 PROJECTIONS OF HOUSING OCCUPANCY, 2011 - 2031

	2011	2016	2021	2026	2031
Moyne (S)	83.6%	82.1%	80.5%	79.6%	78.8%
Macarthur-Port Fairy District VIFSA	81.9%	81.5%	80.7%	79.9%	79.3%

Source: Victoria in Future 2016

6.3. DWELLING TYPES

Table 21 shows dwellings type in Port Fairy, compared with Moyne (S) and Warrnambool (C). The majority of housing stock in Port Fairy was detached (separate) housing (86%), followed by semi-detached dwellings (9%). Port Fairy had a significantly lower proportion of semi-detached and flats, units and apartments in 2016 (11%), compared to Warrnambool (22%).

TABLE 21 DWELLING TYPES, 2016

DWELLING TYPE	PORT FAIRY (UCL)		MOYNE (S)		WARRNAMBOOL (C)		REGIONAL VICTORIA
	No.	%	No.	%	No.	%	%
Separate house	1,766	86%	7,614	95%	11,906	77%	88%
Semi-detached	176	9%	216	3%	2,038	13%	7%
Flat, Unit or apartment	41	2%	51	1%	1,364	9%	3%
Other	68	3%	127	2%	171	1%	1%
Total	2,051	100%	8,008	100%	15,479	100%	100%

Source: ABS Census 2016

6.4. DWELLING SIZE

Table 22 shows a comparison of the dwellings sizes (bedrooms) between Port Fairy (UCL), Moyne (S) and Warrnambool (C). The most common dwelling size in Port Fairy was three bedrooms (49%), with almost a quarter of the dwelling stock containing two bedrooms (22%). Only 3% of dwellings in Port Fairy contained one bedroom (37 dwellings).

TABLE 22 NUMBER OF BEDROOMS, 2016

NUMBER OF BEDROOMS	PORT FAIRY (UCL)		MOYNE (S)		WARRNAMBOOL (C)		REGIONAL VICTORIA
	No.	%	No.	%	No.	%	%
Three bedrooms	571	49%	2,875	49%	6,101	49%	51%
Two bedrooms	253	22%	791	13%	2,578	21%	17%
Four bedrooms	254	22%	1,660	28%	2,763	22%	24%
One bedroom	37	3%	140	2%	411	3%	3%
Five bedrooms	43	4%	285	5%	420	3%	3%
Six bedrooms or more	6	1%	85	1%	90	1%	1%
None (includes bedsitters)	5	0%	20	0%	36	0%	0%
Total	1,168	100 %	5860	100 %	12,408	100%	100%

Source: ABS Census 2016

6.5. HOUSEHOLD SIZE

Table 23 shows the average household size for Port Fairy (UCL), Moyne Shire and Warrnambool City in 2016. The average household size in Port Fairy was 2.3 people, which was less than the average in Moyne Shire (2.5), but the same as Warrnambool (2.4).

TABLE 23 AVERAGE HOUSEHOLD SIZE, 2016

	PORT FAIRY (UCL)	MOYNE (S)	WARRNAMBOOL (S)
Average Household Size (people)	2.3	2.5	2.3

Source: ABS Census 2016

Table 24 shows that the average household size in Moyne (S), according to Victoria in Future, is projected to decrease from 2.51 persons in 2011 to 2.27 persons in 2031. The 2016 household size of Port Fairy (UCL) was 2.3 people per household. An equivalent proportional decrease would result in an average household size of 2 persons in Port Fairy by 2031.

TABLE 24 PROJECTED AVERAGE HOUSEHOLD SIZE, MOYNE (S), 2011 – 2031

	2011	2016	2021	2026	2031
Moyne (S) (people)	2.51	2.43	2.37	2.31	2.27

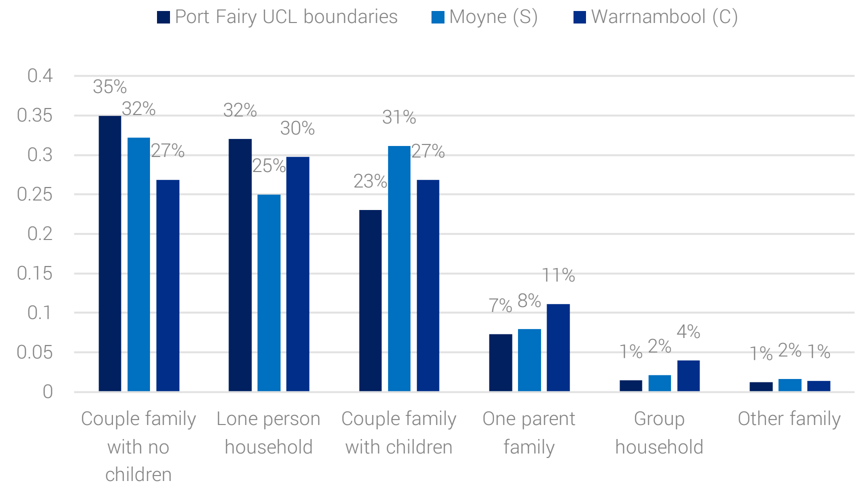
Source: Victoria in Future 2016

6.6. HOUSEHOLD COMPOSITION

Figure 8 shows the household composition of Port Fairy (UCL) in 2016, compared to Moyne (S) and Warrnambool (C).

The data shows that Port Fairy had a higher proportion of couple households without children and lone person households when compared to the other areas, with the lowest proportion of family households with children. This data reinforces that Port Fairy has traditionally been a lifestyle destination for older couples and not traditionally a family housing market. This data also reflects the low average household size of 2.3 people in 2016.

FIGURE 8 HOUSEHOLD COMPOSITION, 2016

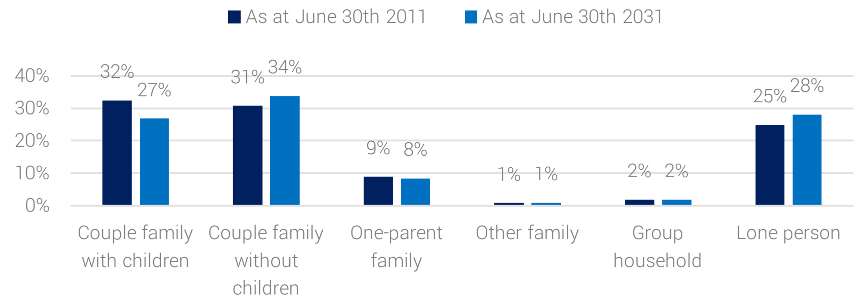


Source: ABS Census 2016

Figure 9 shows the projected change in household composition in Moyne (S) between 2011 and 2031[2]. The proportion of families with children is projected to decrease by approximately 5%, whilst the proportion of households without children and lone person households are each projected to increase by 3%.

If regional data is an indicator of the projected household composition in Port Fairy, then family households can be expected to decrease while couple and lone person households can be expected to increase. However, it is noted that Port Fairy operates as a somewhat isolated housing market with unique characteristics that may not reflect broader regional or municipal trends.

FIGURE 9 CHANGE IN FAMILY COMPOSITION FROM 2011 TO 2031, MOYNE (S)



Source: VIF 2016

[2] Household projection data is only available at the regional level

6.7. DWELLING TENURE

48% of dwellings in Port Fairy were owned outright in 2016, which was higher than in Moyne (43%) and Warrnambool (36%). A smaller proportion of dwellings were owned with a mortgage in Port Fairy when compared to Warrnambool.

A quarter of dwellings were being rented in Port Fairy in 2011, which compares to 31% in Warrnambool (this includes holiday rentals as well as permanent rentals).

TABLE 25 TENURE, 2016

	PORT FAIRY (UCL)		MOYNE (S)		WARRNAMBOOL (C)	
	No.	%	No.	%	No.	%
Owned outright	551	48%	2,505	43%	4,325	35%
Owned with a mortgage	299	26%	2,032	35%	3,961	32%
Rented	290	25%	991	17%	3,867	31%
Being occupied rent-free	9	1%	234	4%	78	1%
Being purchased under a shared equity scheme	0	0%	8	0%	14	0%
Being occupied under a life tenure scheme	4	0%	20	0%	80	1%
Other tenure type	4	0%	39	1%	43	0%
Total	1,157	100%	5,829	100%	12,368	100%

Source: ABS Census 2016

6.8. COST OF HOUSING

MEDIAN HOUSE PRICES

Table 26 shows the median house prices for Port Fairy, compared to Warrnambool, Moyne Shire and Koroit. Port Fairy has consistently attracted a higher price for housing compared with competing locations in the region.

The median house price for Port Fairy in 2015 was $450,000, which was over $100,000 more than the median Warrnambool price and more than $150,000 than the median price in Koroit.

Over the ten-year period 2005–2015, house prices grew at a rate of 4.40% per annum in Port Fairy, outpacing growth in Warrnambool and Koroit, but less than the Moyne average. Lower prices in Warrnambool and Koroit are likely to be more attractive to the family household market, in comparison to Port Fairy.

TABLE 26 MEDIAN HOUSE PRICES, 2005 - 2015

	PORT FAIRY	WARRNAMBOOL	MOYNE SHIRE	KOROIT
2005	$292,500	$254,000	$207,500	$208,000
2006	$300,000	$270,000	$226,000	$210,000
2007	$345,000	$279,000	$255,000	$240,000
2008	$294,000	$295,000	$250,000	$254,000
2009	$331,500	$295,000	$250,000	$210,000
2010	$392,000	$320,000	$300,000	$236,000
2011	$382,500	$320,000	$293,000	$266,000
2012	$410,000	$316,000	$320,000	$287,000
2013	$400,000	$325,000	$305,000	$275,000
2014	$427,500	$323,000	$318,500	$300,000
2015	$450,000	$330,000	$340,000	$292,500
Growth rate 2005-2015	4.40%	2.65%	5.06%	3.47%

Source: Valuer General, 2015

MEDIAN UNIT PRICE

Table 27 shows the median unit price for Port Fairy, compared with Warrnambool and Moyne Shire.

The median unit price in Port Fairy has been consistently higher than in Warrnambool. In 2015, the median unit price in Port Fairy was $331,000, compared to $257,000 in Warrnambool.

TABLE 27 MEDIAN UNIT PRICE, 2005 TO 2015.

	PORT FAIRY	WARRNAMBOOL	MOYNE SHIRE
2005	$265,000	$199,000	$250,000
2006	$282,500	$215,000	$245,500
2007	$305,000	$230,000	$278,000
2008	$289,000	$216,500	$258,000
2009	$331,000	$225,000	$317,000
2010	$315,000	$259,000	$288,500
2011	$377,500	$251,500	$360,000
2012	$340,000	$255,000	$283,500^
2013	$460,000	$258,000	$337,500
2014	$377,500	$256,000	$365,000
2015	$331,000	$257,000	$325,000
Growth rate 2005-2015	2.25%	2.59%	2.66%

Source: Valuer General, 2015

MEDIAN VACANT LAND PRICE

Table 28 shows the median vacant land price for Port Fairy, compared to Warrnambool, Moyne Shire and Koroit.

The median vacant land price in Port Fairy has remained significantly higher than in Warrnambool, Moyne and Koroit over the past 10 years.

The median vacant land price in Koroit was approximately $85,000 less than that of Port Fairy and $40,000 less than that of Warrnambool, which is likely to attract families and first home buyers.

TABLE 28 MEDIAN VACANT LAND PRICE, 2005 TO 2015

	PORT FAIRY	WARRNAMBOOL	MOYNE SHIRE	KOROIT
2005	$135,000	$100,000	$72,500	$73,500
2006	$135,000	$120,000	$70,000	$79,500
2007	$140,000	$131,000	$82,000	$88,000
2008	$142,000	$125,000	$99,900	$88,500
2009	$138,500	$130,000	$115,000	$80,000
2010	$147,000	$132,000	$125,000	$80,000
2011	$165,000	$140,000	$125,000	$101,000
2012	$160,000	$142,500	$99,500	$99,500
2013	$175,000	$152,000	$150,000	$119,000
2014	$215,000	$145,000	$115,000	$101,500
2015	$185,000	$140,000	$134,250	$100,000
Growth rate 2005-2015	3.20%	3.42%	6.35%	3.13%

Source: Valuer General, 2015

6.9. RENTAL HOUSING

Table 29 shows median rental data between December 2005 and March 2016 for Moyne (S). As of March 2016, there were a total of 51 dwellings that were rented on a permanent/long term basis. 2011 ABS data for Moyne notes that 939 dwellings were used for rent in Moyne (S). This suggests that a very high proportion of rental dwellings in Moyne are available for short term (holiday) rent, rather than long term rent (permanent residents). In a popular tourism destination such as Port Fairy, holiday rentals can often generate higher rental income than permanent rentals, while owners can also use the property as a holiday house at certain times of the year.

The median regional rent in Regional Victoria during the March 2016 quarter was $280 per week. The data in table 33 shows that the majority of rental properties in Moyne (S) as of March 2016 had rental rates greater than $280 per week. There are currently no one bedroom properties listed as available for rent in Moyne.

This information indicates that there is both a shortage of rental stock available for permanent residents and a lack of affordable rental housing in Port Fairy.

TABLE 29 MEDIAN RENTAL DATA BY YEAR, MOYNE (S), DEC 2005 – MAR 2016

		DEC-05	DEC-06	DEC-07	DEC-08	DEC-09	DEC-10	DEC-11	DEC-12	DEC-13	DEC-14	DEC-15	CURRENT MAR-16
1 Bedroom Flat	Count	-	-	-	-	-	-	-	-	-	-	-	-
	Median	-	-	-	-	-	-	-	-	-	-	-	-
2 Bedroom Flat	Count	8	7	6	7	6	8	7	10	6	9	9	-
	Median	$188	$190	$183	$165	$220	$225	$215	$240	$250	$275	$280	-
2 Bedroom House	Count	13	13	7	12	12	11	9	9	13	9	9	12
	Median	$180	$175	$190	$178	$183	$240	$200	$200	$250	$275	$280	$255
3 Bedroom House	Count	20	31	27	27	27	33	38	30	29	30	38	30
	Median	$178	$190	$200	$212	$250	$260	$280	$243	$270	$268	$280	$300
4 Bedroom House	Count	-	-	1	5	7	9	6	11	10	9	7	9
	Median	-	-	$193	$215	$270	$330	$345	$320	$350	$375	$330	$350

Source: Department of Health and Human Services, 2016

6.10. KEY FINDINGS

The Port Fairy housing stock is characterised by freestanding dwellings, many of which have significant heritage value, along with beachside holiday homes and a range of other dwellings generally with 3 or more bedrooms.

A significant proportion of dwellings in Port Fairy are unoccupied (37% in 2016), reflecting the substantial holiday home and holiday rental sector. The majority of the dwelling stock is detached housing (86%), with 9% semi-detached dwellings and 2% flat, units or apartments. Based on observations, many of the smaller and non-detached dwellings are holiday rentals and therefore not available to permanent residents.

More than three quarters of the dwelling stock has three or more bedrooms, with majority of the remaining stock containing two bedrooms. Only 3% of dwellings had one bedroom. The size of dwellings and number of bedrooms is in stark contrast to the age and household types of the Port Fairy population, with a median household size of 2.3 persons per dwelling and 67% of households in 2016 having only 1 or 2 people (lone person households or couples without children). Given that projections are for a further ageing of the population and proportional increases in lone person and couple only households, there is a clear market gap for smaller dwellings and units in Port Fairy. This gap is likely to increase in the future.

House prices in Port Fairy are significantly higher than nearby towns of Warrnambool and Koroit. The attractiveness of Port Fairy as a tourism destination and therefore for holiday home owners increases competition – this factor, combined with a relatively limited supply of new residential land, places upward pressure on local housing prices.

The high cost of housing - both in terms of purchase prices and rents - restricts opportunities to live in Port Fairy for some market segments, especially first home buyers, young families and some smaller households. This is further exacerbated by the large proportion of non-resident dwellings dedicated to short term (holiday) rentals, limiting the number of properties available for longer term rent.

The limited supply of long term rental properties has resulted in high median rents and an absence of smaller and more affordable rental properties, a key gap in the local housing market. Affordable rental housing is particularly important to service employees within the tourism industry, which typically relies on a younger workforce, has lower wages and is more seasonal than other industries. Anecdotally, demand for long term rental accommodation exceeds supply in Port Fairy.

Discussions with local real estate agents indicated that the short term/holiday rental market is becoming saturated, underpinned by an increase in supply generated by short stay accommodation platforms such as Air BnB. This has led to a recent shift towards buyers of investment properties (many of which are purchased as 'future' holiday or retirement homes) choosing to make the property available on the long term rental market. However, a significant proportion of the dwelling stock remains unsuitable to the long term rental market, given the large dwelling sizes and high rents.

Given the comparatively cheaper cost of housing and vacant land in both Koroit and Warrnambool, young families and first home buyers are more attracted to these markets, both of which are within 25 minutes drive of Port Fairy. However, anecdotally there has been an increase in the number of young families moving to Port Fairy (in the last 5 years), indicating a slight shift from the traditional retiree market.

It is important that a greater diversity of housing options is provided in Port Fairy in order to meet the needs of the local population and to limit housing affordability pressures.

PART C: HOUSING SEGMENT ANALYSIS AND FORECAST DEMAND

Part C of the report provides the following key sections:

- Residential Land Supply; and
- Demand for Residential Land.

7. RESIDENTIAL LAND SUPPLY

7.1. INTRODUCTION

This section of the report provides analysis of existing residential land supply in Port Fairy. Outcomes of the supply analysis will be matched against the demand assessment to determine the need for additional residential land in Port Fairy.

7.2. LOT SUPPLY

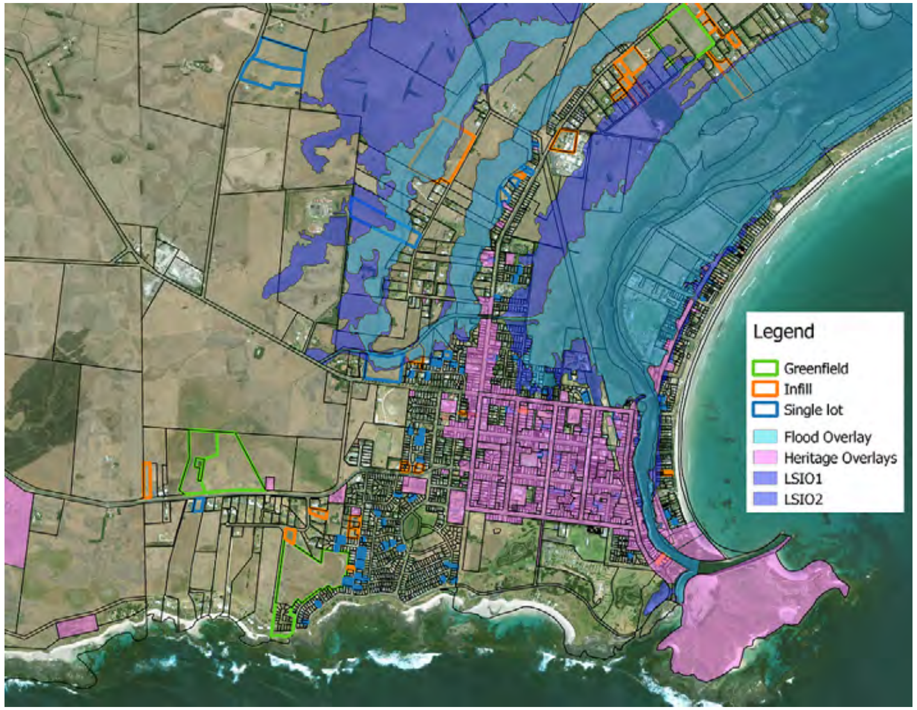
An assessment of current vacant lots was undertaken utilising the Council rates database, aerial photography and site visits. Vacant lots have been categorised into single lots, infill lots and Greenfield lots based on their capacity to be subdivided as follows:

- Single Lot – Vacant lots with capacity for 1 lot (i.e. no subdivision potential identified);
- Infill – Larger vacant lots with capacity of 3 to 10 lots through subdivision; or
- Greenfield –Large vacant lots with the capacity to be subdivided into 10 or more lots.

Any lots or parts of lots subject to flooding (i.e. covered by the LSIO) were excluded from the assessment, any lots subject to the Heritage Overlay were assumed not to present opportunities for subdivision, and lots currently in use for non-residential uses (eg. schools, caravan parks, churches, etc) are not included as 'supply'.

Figure 10 shows the Heritage Overlays (HO), Flood Overlay (FO) and Land Subject to Inundation Overlays (LSIO) that apply to Port Fairy.

FIGURE 10 VACANT LOT SUPPLY AND OVERLAYS, PORT FAIRY, 2016



Source: Vic Maps, 2016

VACANT LOT SUPPLY & LOT CAPACITY

Table 30 shows that the majority of vacant parcels in Port Fairy are single lots within the General Residential Zone (GRZ). There are a small number of lots large enough to be subdivided for infill development in the General Residential Zone (assuming a lot size of 500sqm), with some limited opportunities for subdivision of land in the Low Density Residential Zone (LDRZ).

As shown in Table 31, it is estimated that vacant land in Port Fairy has capacity to accommodate 381 lots / dwellings.

In order to acknowledge that not all owners of these potential sites will have the capacity or intention to subdivide or sell the property over the next 15 years, a discount is applied to the lot capacity. Discounts used for land supply studies typically range from 5% to 15%, depending on the characteristics of the local property market. Given that there is a strong holiday home market in Port Fairy, it is likely that a number of vacant lots are being held for future construction of a holiday home – as such a discount at the upper end of the range (15%) has been adopted. The discounted total lot capacity of Port Fairy is 324 lots.

Figure 11 (on the following page) shows the location of vacant lots by category, along with those lots deemed 'undevelopable' at present due to flooding, heritage and non-residential uses.

It should be noted that this is a basic supply assessment which considers vacant lots only, and assumes a minimum subdivision size of 500sqm in the General Residential Zone. This supply will generally meet the needs of markets seeking detached dwellings, which currently constitutes the majority of the Port Fairy market.

This does not include a detailed 'capacity' assessment of the dwelling yield that may be possible if individual lots that are currently occupied are redeveloped, for example to create units or shop-top housing in areas close to the town centre. It is likely that this form of development will continue in Port Fairy at a relatively slow rate, primarily targeted to the holiday rental market. The different markets including detached dwellings and units are discussed further in the Residential Demand section.

TABLE 30 VACANT LOT SUPPLY BY SUPPLY TYPE AND ZONE, PORT FAIRY (SUBURB), 2016

	NUMBER OF PROPERTIES			INDICATIVE LOT SIZE (SQM)	MULTIPLE LOT CAPACITY		
Zone	Single lot	Multiple lot	Total		Infill	Greenfield	Total
GRZ	79	14	93	500	42	198	240
LDRZ	14	5	19	4,000	13	26	39
RLZ	9	0	9	40,000	0	0	0
Total	102	19	121		55	224	279

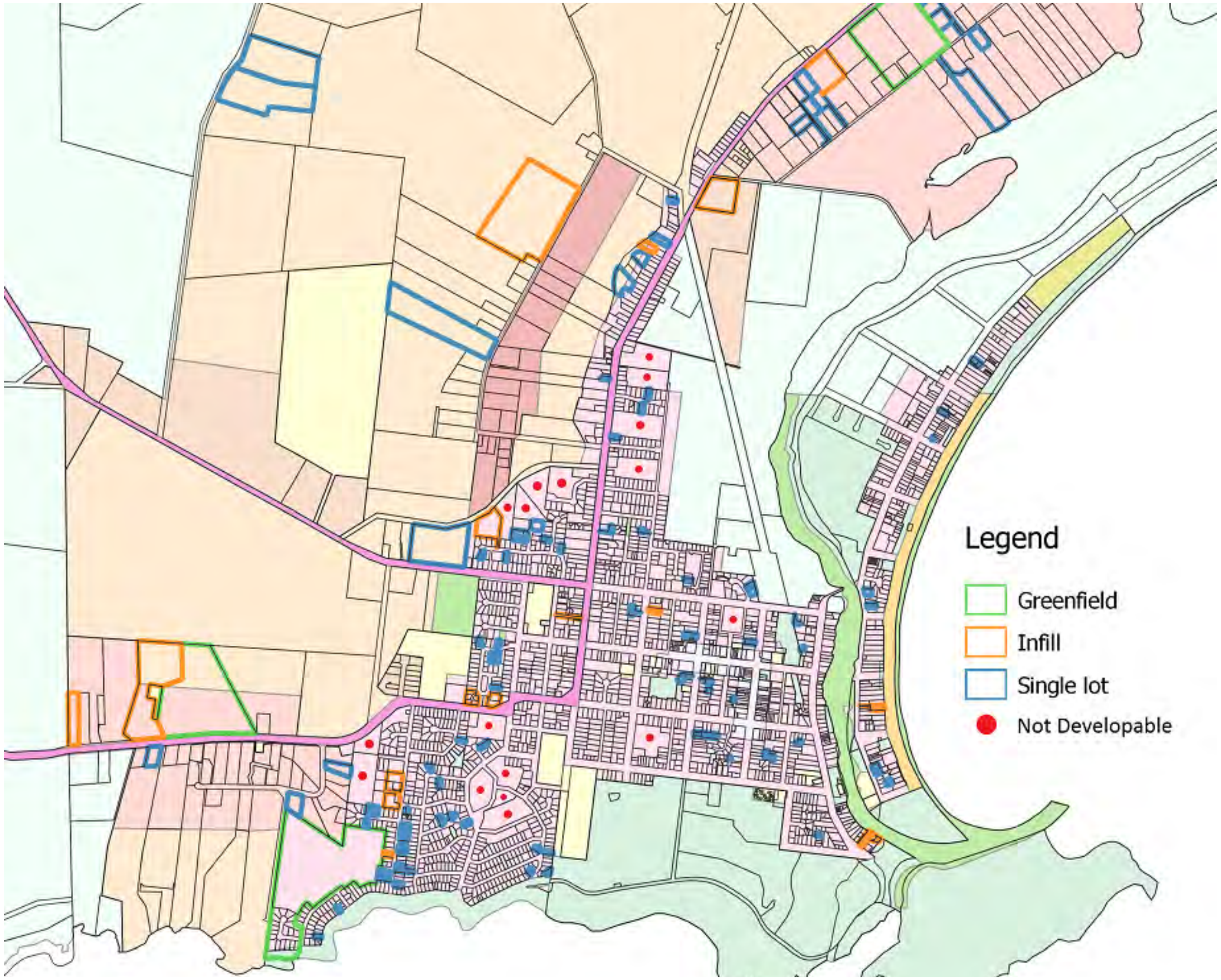
Source: Moyne Shire Council, 2016, compiled by Urban Enterprise, 2016

TABLE 31 LOT CAPACITY SUMMARY, PORT FAIRY (SUBURB), 2016

ZONE	SINGLE LOT	INFILL	GREENFIELD	TOTAL	15% DISCOUNT	DISCOUNT TOTAL
GRZ	79	42	198	319	48	271
LDRZ	14	13	26	53	8	45
RLZ	9	0	0	9	1	8
Total	102	55	224	381	57	324

Source: Moyne Shire Council, 2016, compiled by Urban Enterprise, 2016

FIGURE 11 RESIDENTIAL LAND SUPPLY, PORT FAIRY, 2016



Source: Moyne Shire Council, 2016, compiled by Urban Enterprise, 2016

Table 32 provides a summary of Greenfield sites identified as potential candidates for future residential subdivision. The summary shows the zoning, the minimum lot size attributed to that lot zone and therefore the approximate lot capacity of the site. Only one of these sites is within the GRZ.

TABLE 32 SUMMARY OF GREENFIELD SITES, PORT FAIRY, 2016

CODE	ASSESSMENT NO	ADDRESS	GROSS LAND AREA (SQM)	NDA (@70% GDA)	ZONE	MIN. LOT SIZE (SQM)	LOT CAPACITY
A	506756	Ocean Drive Port Fairy 3284	141,689	99,182	GRZ	500	198
B	507091	Princes Highway Port Fairy 3284	81,220	56,854	LDRZ	4000	14
C	507105	Princes Highway Port Fairy 3284	83,170	58,219	LDRZ	4000	14

Source: Moyne Shire Council, 2016, compiled by Urban Enterprise, 2016

Figure 12 shows the location of vacant greenfield lots in Port Fairy.

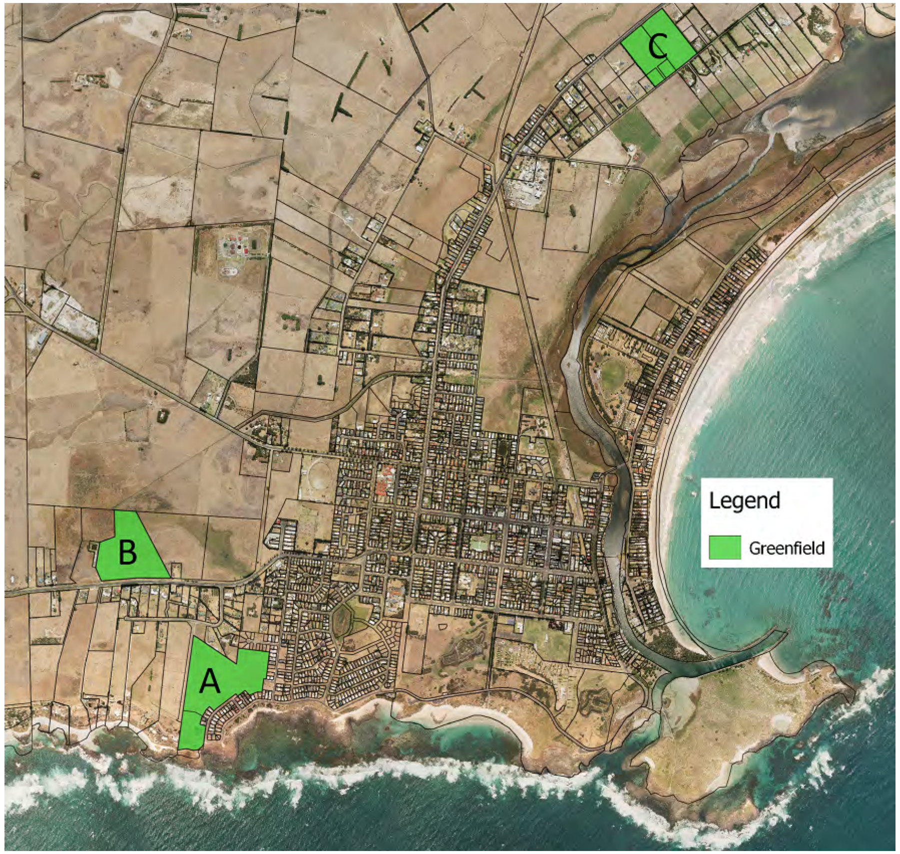
EFFECT OF COASTAL INUNDATION ON LOT SUPPLY

The residential supply assessment has been undertaken having regard to current planning controls, including the current boundaries of the Flood Overlay (FO), Land Subject to Inundation Overlay (LSIO) and Heritage Overlay (HO).

Site A, shown in Figure 12, is the only greenfield site within the GRZ that is not affected by planning overlays that would restrict development. Under the current controls, it is estimated that the site could be subdivided to create in the order of 168 lots, comprising 52% of the total potential residential lot capacity identified across Port Fairy.

Although the site is not currently affected by the FO or LSIO, the Coastal Hazard Assessment (see Appendix B) shows that this site is subject to flooding and coastal inundation based on a Present Day 50-year Average Occurrence Interval (ARI). If changes to planning controls reduce the potential lot supply available on this site, due to flooding risk, this would significantly affect the overall residential land supply available in Port Fairy.

FIGURE 12 VACANT GREENFIELD LOTS, PORT FAIRY, 2016



7.3. COMPETING SUPPLY

Warrnambool is the key location which offers competitive housing supply to Port Fairy. It is located approximately 25 minutes from Port Fairy and has a significant regional housing and job market, whilst providing regional and seaside living amenity.

In 2012, the Victorian State Government's Urban Development Program undertook an analysis of residential land supply in Warrnambool, which identified that Warrnambool had over 24 years land supply. As a result of more recent rezoning of land, and reported in the *Warrnambool Residential Land Supply Report 2015*, Warrnambool has an estimated 2.5 years supply of development ready minor infill lots and approximately 25.5 years of supply of zoned residential land across the municipality.

The following lot supply is available in Warrnambool as of 2015:

- 4,930 zoned broad acre lots (78% of supply);
- 757 major infill lots and 12 (unzoned) future residential supply (12% of supply); and
- 622 development ready minor infill lots (10% of supply).

TABLE 33 RESIDENTIAL LOT POTENTIAL BY SUPPLY TYPE AND PRECINCT, 2015

	BROAD ACRE	MAJOR INFILL	MINOR INFILL	FUTURE RESIDENTIAL (UNZONED)	TOTAL
Warrnambool (Central)	0	27	15	0	42
Warrnambool (West)	0	79	50	0	129
Warrnambool (North)	0	0	2	0	2
Warrnambool (Botanic)	0	0	32	0	32
Warrnambool (East / Racecourse)	0	80	33	0	113
Warrnambool (South East / Hopkins)	650	254	49	0	953
Warrnambool (South / Merrivale)	0	197	105	12	314
Warrnambool (North East)	690	120	172	0	982
Warrnambool (North Merri)	2,300	0	50	0	2,350
Dennington	1,250	0	34	0	1,284
Allansford	0	0	19	0	19
Bushfield / Woodford	40	0	61	0	101
Total	4,930	757	622	12	6,321

Source: Warrnambool City Council - Warrnambool Residential Land Supply Report, 2015

CHARACTERISTICS OF THE WARRNAMBOOL HOUSING MARKET

The following information on the Warrnambool Housing Market has been sourced from the *Warrnambool City Wide Housing Strategy 2013:*

- Based on forecast growth and household sizes, 225 new dwellings need to be constructed per year to meet demand;
- Over 80% of the City's population growth is predicted to occur within greenfield growth areas;
- Limited growth is expected to occur within established urban areas;
- Over the next 20 years, the number of people aged 70 and over is expected to nearly double. Significant growth is also forecast to occur within the 35-49 age group;
- By 2031, four bedroom dwellings may represent 1 in 4 of all housing stock (increase from 1 in 6 in 2001);
- Growth of lone person households is expected to outstrip construction of 1 and 2 bedroom dwellings.

KOROIT

Koroit is also a competing residential land supply market. Small stages of Greenfield development are progressing in Koroit, and at least 8ha of Greenfield land is still available in the General Residential Zone. It is expected that Koroit will continue to attract families and first home buyers due to the cheaper land and close proximity to employment in Warrnambool than Port Fairy.

7.4. KEY FINDINGS

The assessment of vacant lots and subdivision capacity (as at September 2016) found that there is a potential total lot capacity in Port Fairy of 324 lots (after discounting). 228 of these lots are within 'greenfield' sites, with the balance smaller infill sites and single vacant lots.

Only one greenfield site was identified in the GRZ, with capacity for an additional 198 lots. Although not affected by overlays, this site was assessed as being subject to inundation as part of the Coastal Hazard Assessment prepared for Port Fairy. If the future residential lot yield is partly or wholly constrained, this would significantly reduce the overall supply of residential land in Port Fairy, given that this site comprises 62% of the GRZ greenfield lot capacity and over 50% of total residential lot capacity of the town.

There are significant constraints to residential land development created by flooding and heritage controls. The lack of competition in the greenfield subdivision market is likely to lead to high land prices and increased risk that the rate of new supply being made available will decrease.

It is expected that additional dwellings will be constructed through redevelopment of sites for units and shop-top housing, however many of these are likely to be made available to the holiday rental market as opposed to permanent residents.

Warrnambool is a key location for competitive housing supply, located only 25 minutes from Port Fairy with access to a significant jobs market, housing choice and seaside and regional lifestyle and amenity.

Warrnambool has an estimated 25 year supply of residential land for housing growth. Therefore, Warrnambool is unlikely to face a shortage of land for residential development and will be able to absorb demand over a 25-year period. Further land is available for new residential lots in Koroit.

Port Fairy's supply of land and housing is suited to the holiday home, lifestyle and early retiree markets. The higher prices for land and housing make Port Fairy less attractive to the family and first home buyer markets, for which Warrnambool is expected to see growth.

8. DEMAND FOR RESIDENTIAL LAND

8.1. INTRODUCTION

This section of the report provides analysis of demand for residential land in Port Fairy. The assessment considers the following factors:

- Population growth;
- Residential development activity;
- Average household size;
- Housing market profile; and
- Property market data.

8.2. POPULATION GROWTH RATES

Table 34 provides a summary of the population growth rates for regions most closely aligned to Port Fairy.

TABLE 34 SUMMARY AND AVERAGE OF ANNUAL GROWTH RATES

MEASURE AND TIMEFRAME	STATISTICAL AREA	AVERAGE ANNUAL GROWTH RATE
ABS Historical Growth Rate 2001-2016	Port Fairy (UCL)	1.22%
ABS Historical Growth Rate 2006-2016	Port Fairy (UCL)	1.54%
ABS Historical Growth Rate 2011-2016	Port Fairy (UCL)	1.33%
Victoria in Future 2011-2031	Macarthur-Port Fairy District (VIFSA)	0.75%
ABS Regional Growth Rate 2005-2015	Moyne - West (SA2)	0.93%

8.3. RESIDENTIAL DEVELOPMENT ACTIVITY

MOYNE WEST DWELLING APPROVALS

Yearly dwellings approval data from the ABS for Moyne-West (SA2) is shown in Table 35. Over the previous 5 years (2011/12 to 2015/16) there was an average of 71 dwelling approvals per annum in Moyne-West (SA2).

TABLE 35 ABS DWELLING APPROVALS, MOYNE-WEST (SA2), JUNE 2011 – JUNE 2016

	HOUSES	OTHER RESIDENTIAL BUILDINGS	TOTAL DWELLINGS
2011-12	87	4	92
2012-13	80	0	80
2013-14	47	5	52
2014-15	69	7	76
2015-16	58	0	58
Total	341	16	357
Average p.a	68	3	71

Source: ABS Dwelling Approvals, 2011-2016

PORT FAIRY DWELLING APPROVALS

Table 36 shows net new dwelling approvals in Port Fairy between 2006 and July 2016 (i.e. new dwellings minus dwellings demolished), sourced from Council's building approvals register.

Over the period 2006 to 2015, Port Fairy had a net additional dwellings rate of 30 dwellings per annum, which includes an average of 25.5 new single unit approvals and an average of 4.6 dwellings in new multi-unit development approvals.

TABLE 36 NET ADDITIONAL DWELLING APPROVALS, PORT FAIRY (SUBURB), 2006-2016 (YTD)

	NUMBER OF NEW SINGLE DWELLING APPROVALS	NUMBER OF DWELLINGS AS PART OF NEW MULTI-UNIT DEVELOPMENT APPROVALS	TOTAL
2006	15	20	35
2007	26	0	26
2008	26	9	35
2009	22	2	24
2010	30	0	30
2011	36	2	38
2012	33	4	37
2013	20	0	20
2014	21	0	21
2015	26	9	35
2016 (year to date, end of July)	15	0	15
Total	270	46	316
Dwellings p.a. (2006 –15)	25.5	4.6	30.1

Source: Moyne Shire Council, 2016

*Include 2016 figure, on a pro rata basis

NET ADDITIONAL BUILDING APPROVALS BY ZONE

Table 37 shows the net additional building approvals by zone across the years from 2006 to 2016 (YTD). The 2016 year is incomplete, so it is not included in any calculations or graphics to show the trends of the past 10 years. The majority of residential building approvals occurred within the GRZ (81%).

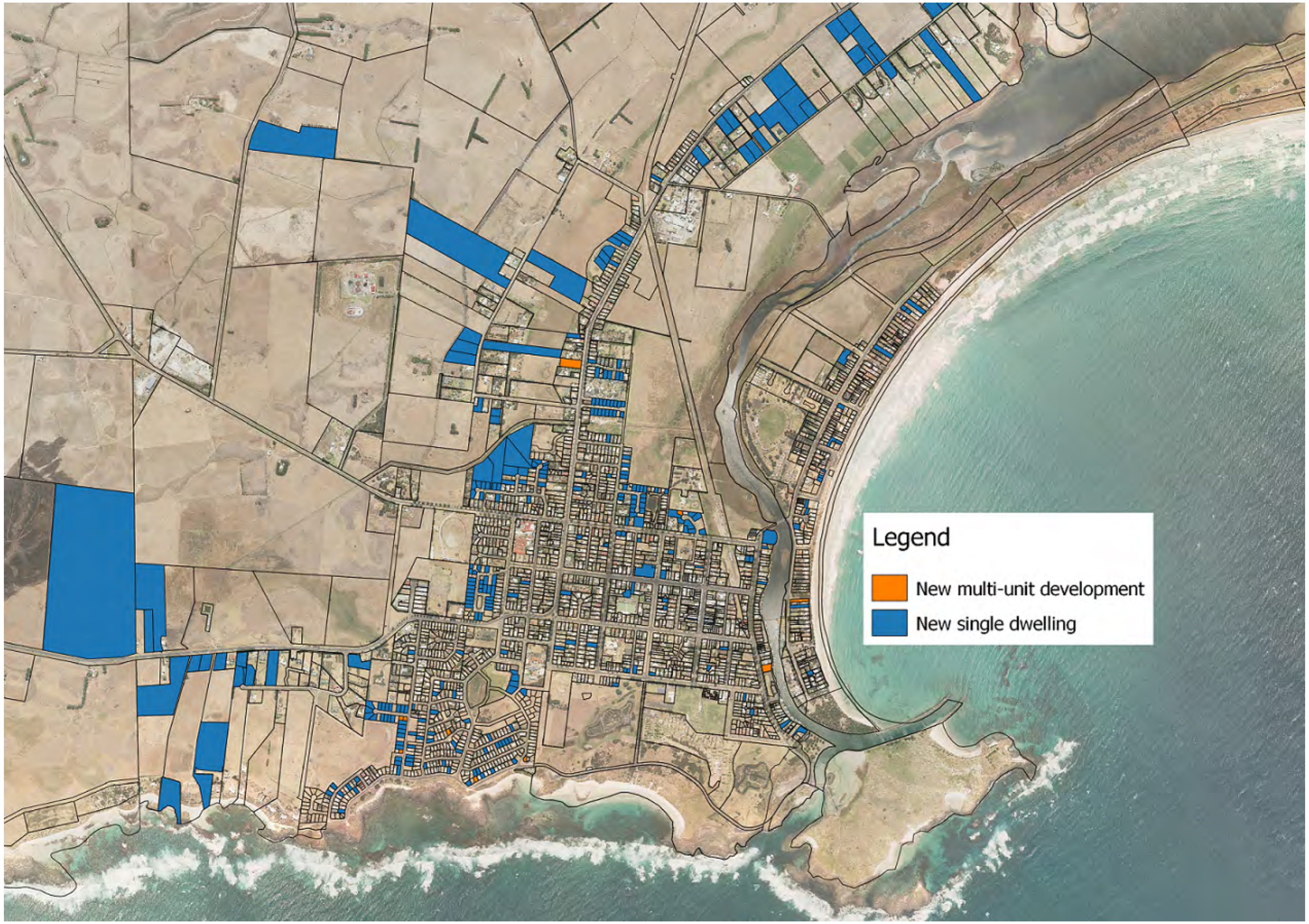
TABLE 37 NET ADDITIONAL DWELLING APPROVALS BY ZONE, PORT FAIRY (SUBURB), 2006-2016

ZONE	% OF TOTAL
Commercial 1 Zone	2%
Low Density Residential Zone	11%
Mixed Use Zone	1%
General Residential Zone	81%
Rural Living Zone	5%
Total	100%

Source: Moyne Shire Council, 2016

Figure 13 shows the location of building permits for new dwellings in Port Fairy over the period. The majority of permits are for single dwellings within Greenfield developments, with a significant number of permits also approved for low density dwellings to the north and west.

FIGURE 13 LOCATION OF BUILDING PERMITS FOR NEW DWELLINGS, PORT FAIRY, 2005 - 2016



Source: Moyne Shire Council, 2005-2016

8.4. NON-RESIDENT RATEPAYERS

Table 38 shows the residential location of the owners of dwellings in Port Fairy as of 2016, derived from the Council rates database. 60% of dwellings are owned by residents of Port Fairy, while 40% are owned by people living outside of the Port Fairy postcode. The 60% represents an approximation of the owner/occupier population, while the 40% represents an approximation of holiday houses and holiday rental dwellings in the town.

TABLE 38 ADDRESS OF RESIDENTIAL RATE PAYERS IN PORT FAIRY, 2016

ZONE	PORT FAIRY	OTHER
GRZ	1073	778
LDRZ	56	8
RLZ	47	3
Total	1176	789
% of total	60%	40%

Source: Moyne Shire Council, 2016

Table 39 shows the residential locations of owners from outside Port Fairy. 13% of all dwellings in Port Fairy are owned by a person or company with a Melbourne address.

TABLE 39 BREAKDOWN OF "OTHER" LOCATIONS OF OWNERSHIP, PORT FAIRY, 2016

LOCATION	% OF DWELLINGS
Melbourne	13%
Warrnambool	4%
Hamilton	4%
Moyne Shire (excl. Port Fairy)	4%
Geelong	2%
Corangamite Shire	2%
Ballarat	2%
Southern Grampians Shire	1%
Portland	1%
Horsham	1%
Ararat	1%
New South Wales	1%
South Australia	1%
Queensland	1%
Golden Plains	1%
Total	40%

Source: Moyne Shire Council, 2016

Since the 2011 Census, a number of new subdivisions have been made available to the market. During the period 2011 to 2016, of the 142 dwellings approved for construction in Port Fairy, 73% are owned by residents of Port Fairy. This rate is higher than the 60% of dwellings owned by local residents, indicating an increase in owner/occupier purchasers stimulated by the new land releases.

Many of these new subdivisions are located away from the coast and therefore are likely to be less attractive to holiday home buyers and investors. A site visit revealed that many dwellings in recent subdivisions appear to be occupied by young families, suggesting steady demand for new lots from permanent residents in addition to ongoing demand for holiday homes.

TABLE 40 OWNER LOCATIONS OF DWELLINGS CONSTRUCTED BETWEEN 2011 AND 2016

ZONE	PORT FAIRY RESIDENTS	NON-LOCAL RATEPAYERS	TOTAL
GRZ	84	37	121
LDRZ	11	2	13
RLZ	8	0	8
Total	103	39	142
% of total	73%	27%	100%

Source: Moyne Shire Council, 2016

8.5. SUBDIVISIONS IN RESIDENTIAL ZONES

Table 41 shows the residential subdivisions that have occurred each year between 2006 and 2016, including the number of additional lots created, within the following categories:

- Two lot subdivisions (i.e. creating one additional lot);
- Infill – A subdivision that creates between two and nine new lots; and
- Greenfield – A subdivision that creates ten or more new lots.

Over the period, an average of 25 new residential lots were created by subdivision per annum. Only 78 lots were created through Greenfield subdivisions – these took place in 2007, 2010 and 2012, indicating a relative lack of growth area land available and a reliance on many smaller subdivisions to bring new land to the market.

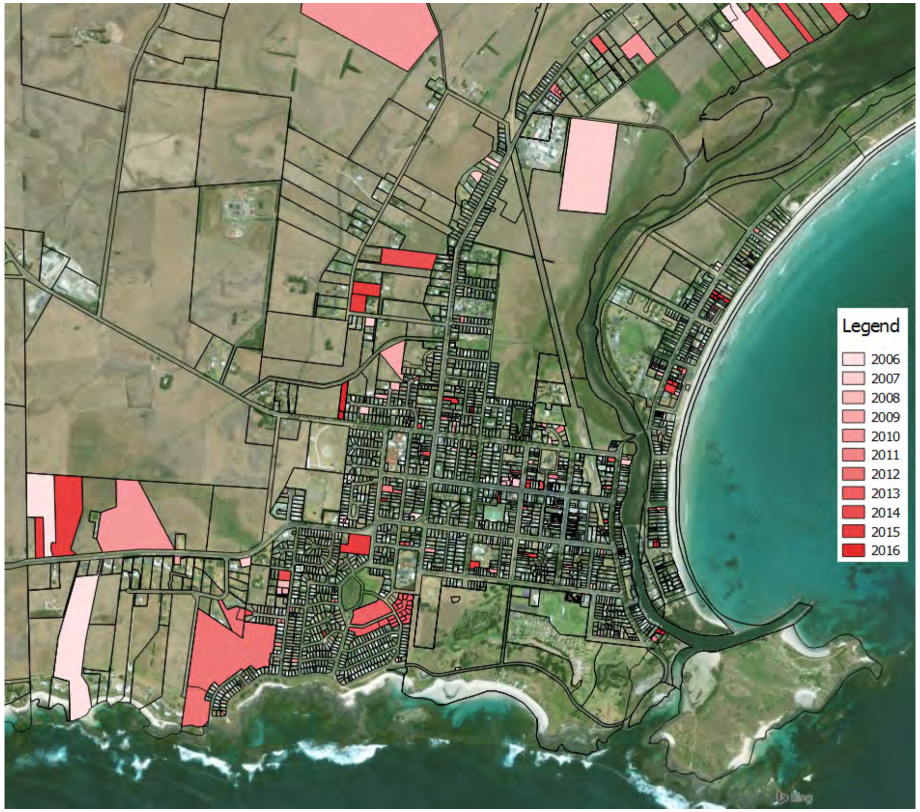
The location of subdivisions is shown in Figure 14.

TABLE 41 LOTS CREATED BY SUBDIVISION TYPE BY YEAR, PORT FAIRY, 2006-2016

	TWO LOT SUBDIVISIONS	INFILL	GREENFIELD	TOTAL
2006	10	13	0	23
2007	8	7	40	55
2008	9	11	0	20
2009	5	8	0	13
2010	12	10	17	39
2011	12	11	0	23
2012	7	0	21	28
2013	5	10	0	15
2014	6	10	0	16
2015	13	0	0	13
2016	8	0	0	8
Total	95	80	78	253
%	38%	32%	31%	100%
Average p.a. (2006-2015)	9 lots	8 lots	8 lots	25 lots

Source: Moyne Shire Council 2016

FIGURE 14 SUBDIVISIONS BY YEAR, PORT FAIRY, 2006-2016



Source: Moyne Shire Council, 2016

8.6. DWELLING DEMAND PROJECTIONS

Two different methods have been used to calculate projected demand. These include:

- Method 1 – Historic Building Approval Rate
  - This basic method assumes that the 10 year average of dwellings approved for construction in Port Fairy will continue into the future. The historical dwelling approval rate for Port Fairy was 30 dwellings per annum over the past 10 years, including 25 separate dwellings and 5 units per annum.
- Method 2 – Population Growth Scenarios
  - This more detailed method utilises various growth rate scenarios based on recent population growth and projected growth for regions incorporating Port Fairy. Growth rates / scenarios include:
    - Low Growth Rate of 0.75% per annum (Victoria in Future 2016 projection for Macarthur-Port Fairy District VIFSA).
    - Medium Growth Rate of 1.22% per annum, based on the ABS Census population growth rate between 2001 and 2016.
    - High Growth Rate of 1.5% per annum, based on the Census population growth rate between 2006 and 2016 of 1.54%.
  - Other assumptions utilised to model dwelling demand using this method include:
    - Population of 3,028 in 2016 (ABS);
    - A dwelling occupancy rate of 62%; and
    - An average household size of 2.2.

Table 42 summarises the projected annual dwelling requirement under each method, and the projected years supply based on the estimated current lot capacity of 324 lots.

Based on recent building approvals, it has been assumed that 15% of all dwellings required will be in multi-unit developments, and therefore will not require the creation of new lots calculated in the supply assessment.

As shown in Table 42, it is calculated that there is currently between 12 and 13 years supply of residential land in Port Fairy (August 2017). Given that there has been a relative lack of greenfield supply made available to the market in recent years, it is likely that underlying demand is at the upper end of the scenarios analysed and therefore that land supply is at the lower end of the range.

The high growth scenario would result in only 10 years supply, and a lower growth rate would result in 22 years supply, however each of these scenarios are considered less likely than the Method 1 scenario and the Medium Growth scenario which more closely reflect recent population growth and dwelling construction activity.

Each of these methods takes into account that a significant proportion of dwellings in Port Fairy will continue to be used as holiday homes and holiday rentals – this is expected to continue into the future.

TABLE 42 DWELLING DEMAND PROJECTIONS, PORT FAIRY

PROJECTION METHOD / SCENARIO	AVERAGE NEW DWELLINGS PER ANNUM	DETACHED DWELLINGS PER ANNUM (85%)	PROJECTED YEARS SUPPLY BASED ON LOT SUPPLY
Method 1: Historic Building Approval Rate	30	26	12 years
Method 2 – Population Growth Rates			
Low Growth Rate (0.75%)	18	15	22 years
Medium Growth Rate (1.22%)	30	26	13 years
High Growth Rate (1.5%)	39	33	10 years

Source: Moyne Shire Council, 2016, Victoria in Future 2016, compiled by Urban Enterprise, 2017

8.7. KEY FINDINGS

Building approvals in Port Fairy (Suburb) between 2005 and 2015 resulted in a net additional dwellings rate of 30 dwellings per annum, including 25 separate dwellings and 5 units per annum.

Over the past 10 years, 25 additional residential lots have been created through subdivisions per annum, with the most common type being 2 lot subdivisions. The release of new residential land in Port Fairy has relied on multiple small subdivisions, with limited Greenfield land available. This may have restricted the rate of new dwelling construction over the past 10 years.

Based on recent population growth, dwelling construction activity and State government projections, it is expected that between 18 and 39 new dwellings will be required each year in Port Fairy to meet population and tourism demand. It is estimated that 85% of these dwellings will be separate dwellings, with the remainder being units. It is likely that demand for units will increase over the planning period.

There is currently between 12 and 13 years of residential land supply in Port Fairy (August 2017). Given that there has been a relative lack of greenfield supply made available to the market in recent years, it is likely that current supply is at the lower end of this range.

It will be important for ongoing opportunities for unit developments to be made available, to support a range of markets including holiday rentals, permanent rentals and retirees seeking to downsize.

PART D: COMMERCIAL AND INDUSTRIAL LAND ASSESSMENT

Part D of the report provides the following key sections:

- Commercial Land Assessment;
- Industrial Land Assessment.

9. COMMERCIAL LAND ASSESSMENT

9.1. INTRODUCTION

This section of the report provides an assessment of the supply and demand for commercial land / space in Port Fairy. Urban Enterprise was informed of the recent work undertaken on the *Port Fairy Town Centre Car Parking Strategy – Economic Assessment* July 2016 prepared by Tim Nott for Moyne Shire Council. Council has advised Urban Enterprise to utilise the work completed by Tim Nott for the purposes of this report. When appropriate key assumptions are verified with the findings from this report.

9.2. COMMERCIAL LAND SUPPLY

PORT FAIRY TOWN CENTRE

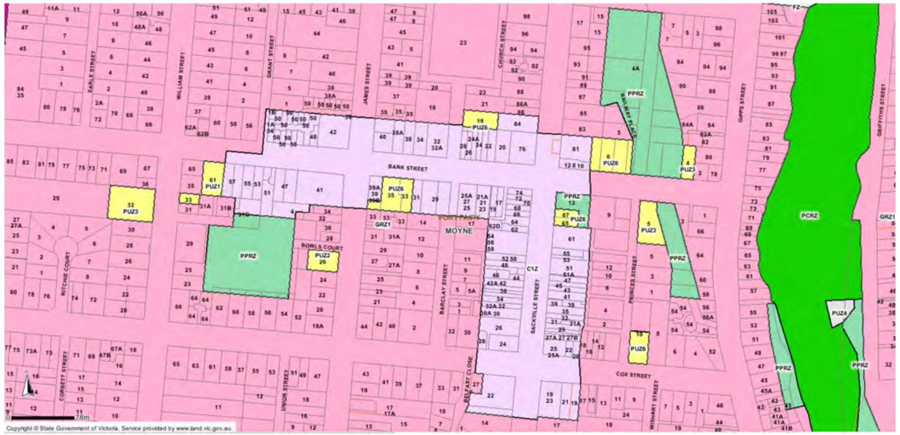
The commercial land supply assessment of the Port Fairy Town Centre prepared by Tim Nott relates to the area identified in Figure 15.

FIGURE 15 PORT FAIRY TOWN CENTRE – STUDY AREA

Source: Tim Nott via Moyne Shire Council

Figure 16 shows the current zoning context of the Port Fairy town centre. The majority of the land is zoned Commercial 1 Zone (C1Z) with scattered parcels of land zoned Public Use Zone (PUZ) and Public Park and Recreation Zone (PPRZ).

FIGURE 16 PORT FAIRY TOWN CENTRE - ZONING



COMMERCIAL FLOORSPACE IN PORT FAIRY TOWN CENTRE

The assessment of commercial floorspace in the Town Centre, estimates a total of 36,549 square metres of non-residential floorspace. The majority of floor space consists of retail space (42%) and hotel and accommodation space (34%).

The primary retail floor space activities consist of non-food goods, food services and food, groceries and liquor. Commercial floor space other than retail comprises primarily hotel and accommodation, office and community space. There are also four banks located in town, which is unique for a town the size of Port Fairy.

Interestingly, vacant shop space comprised only 1% of commercial floor space. This is very low for a regional Town Centre and as noted in the report, the low vacancy rate suggests that demand may be outstripping supply[3].

[3] Tim Nott - *Port Fairy Town Centre Car Parking Strategy – Economic Assessment* July 2016 p.3

TABLE 43 COMMERCIAL FLOORSPACE IN PORT FAIRY TOWN CENTRE, 2016

ACTIVITY	FLOORSPACE	SHARE
	sqm	%
Food, groceries and liquor*	3,230	9%
Non food goods*	6,850	19%
Food service#	4,565	12%
Retail services^	714	2%
Sub Total Retail	*15,359*	*42%*
Hotel and accommodation	12,455	34%
Office	4,062	11%
Automotive	672	2%
Community	3,553	10%
Vacant shop space	448	1%
Total Commercial Floorspace	36,549	100%

Source: Moyne Shire Council Survey, compiled by Tim Nott

*Food, groceries and liquor – supermarkets, general stores, liquor outlets, specialty food outlets (butchers, bakers, green grocers etc).

**Non-food goods – clothing (clothes, shoes, Manchester), households goods (homewares, hardware, furniture, floor coverings, curtains and blinds, electronic goods), recreational goods (sporting goods, toys, bookshops, newsagents), other goods (chemists, florists, jewellers, second hand goods etc).

#Food service – cafes, restaurants and take away food outlets

^Retail services – hairdressers, beauty parlours, video rental, clothing and household goods repairs.

AVAILABILITY OF COMMERCIAL ZONED LAND

Analysis of existing Commercial 1 zoned land in the town centre using aerial imagery from 2013 (most recent available), cross checked with planning and building permit data shows that there are limited vacant sites or opportunities for significant expansion of commercial floorspace within existing commercial zoned land. 40 Bank Street, on the corner of Bank and James Street appears to contain a parcel of vacant land of approximately 590 square metres, which fronts Bank Street. This land appears to be vacant but associated to a dwelling orientated to James Street, however, there may be some scope for future redevelopment for commercial related uses on this site.

There may be opportunity for redevelopment of existing commercial sites, however, there are currently no vacant commercially zoned sites available. Council has recently submitted Amendment C63 to the Moyne Planning Scheme which proposes to rezone land at 6 Bank Street, Port Fairy. The site is currently in Council ownership and Council has determined that the site is surplus to its future needs and intends to sell the land. The site is located on Bank Street adjacent to Railway Place. The proposed rezoning is from Public Use Zone 6 (PUZ6) to part Commercial 1 Zone and part Public Park and Recreation Zone (PPRZ). The majority of the site will be rezoned to C1Z, yielding approximately an additional 1,800 square metres of available commercial land in the town centre. A site of this size may be able to accommodate a small supermarket or group of specialty shops /hospitality uses subject to on-site car parking requirements

RETAIL SALES

The *Port Fairy Town Centre Car Parking Strategy – Economic Assessment* includes an assessment of retail sales in the Town Centre. Total retail sales in the town centre are estimated at $73.1 million in 2016, as shown in Table 44.

TABLE 44 ESTIMATE OF RETAIL SALES IN PORT FAIRY TOWN CENTRE, 2016

ACTIVITY	FLOORSPACE	SHARE	SALES PER SQUARE METRE	RETAIL SALES
	sqm	%	$/sqm	$m
Food, groceries and liquor	3,230	9%	$8,000	$25.8
Non food goods	6,850	19%	$4,000	$27.4
Food service	4,565	12%	$3,800	$17.3
Retail services	714	2%	$3,500	$2.5
Total Retail	15,359	42%	$4,759	$73.1

Source: Tim Nott, 2016

The estimates in Table 44 are noted to be based on industry standards and adjusted for local conditions and the type of stores that are present. In this case, the sales per square metre have been judged to be slightly less than industry standard given that:

- The shop area appears to be much larger than the measured gross leasable floor area in many cases (and this is typical of older premises in strip centres);
- There is usually a strong seasonal element to sales in a holiday destination such as Port Fairy;
- There are few chain stores that typically drive up average sales performance.
- The Port Fairy town centre was noted to serve two main retail functions:
- It is a small neighbourhood centre providing food, groceries and convenience items; and
- It is a tourist centre catering for the many thousands of visitors who come to the town each year.[4]

Tourism plays a major role in the vitality and viability of the town centre. Tourism visitation provides opportunity for a greater diversity and quantity of stores, restaurants and cafes that would otherwise not be possible if solely reliant on the permanent resident population.

[4] Tim Nott - *Port Fairy Town Centre Car Parking Strategy – Economic Assessment* July 2016 p.4

9.3. TRADE AREA

The *Port Fairy Town Centre Car Parking Strategy – Economic Assessment* July 2016 provides an assessment of the retail trade area for the Port Fairy Town Centre.

According to the report, the trade area has been set based on the following factors:

- The trade area of the town centre is an area from which residents naturally visit to obtain particular goods and services;
- At the boundary of the trade area, residents may choose from two or more centres that provide equivalent services;
- The extent of a trade area is influenced mainly by the location of competing centres and the travel patterns of residents;
- Area has been set with reference to the location of surrounding centres that have supermarkets and the boundaries of relevant Statistical Area 1s.

The Port Fairy trade area is shown in Figure 17.

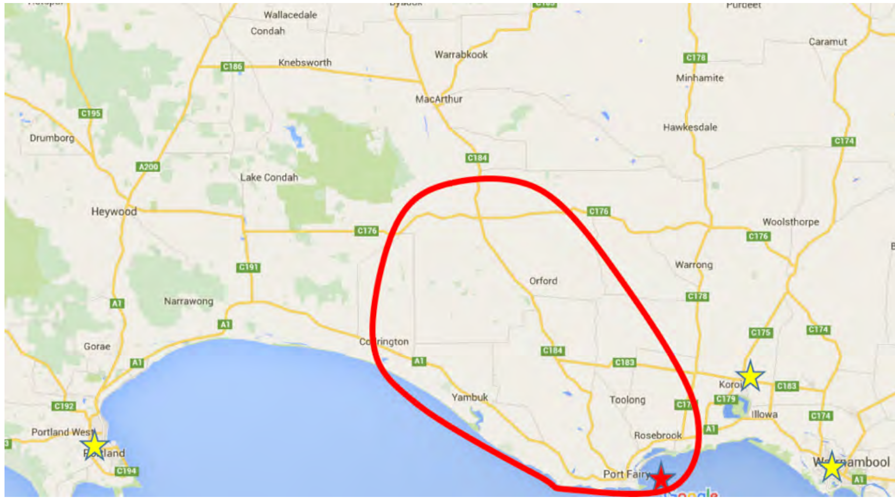
The population of this trade area is estimated at 4,704 in 2016.

The characteristics of the trade area population, based on 2011 Census data is that the Port Fairy trade area is older and with slightly higher incomes per person.

The trade area population is forecast to grow from 4,704 in 2016 to 5,647 in 2036, a growth of 943 residents over the period, at an annual growth rate of 0.9%.

The growth rate of 0.9% per annum is acceptable and aligns with Urban Enterprise's projected average growth rate of 1.04%. Given the growth rate of 0.9% accounts for areas outside of the primary population centre of Port Fairy, this accounts for the 0.14% difference.

FIGURE 17 PORT FAIRY RETAIL TRADE AREA



Source: Source: Tim Nott, base map Google Maps

9.4. RETAIL SPENDING

Estimates for total retail spending are provided in Table 45, compiled by Tim Nott, utilising Marketinfo[5] data, and adjusted for Port Fairy based on the difference in household income per person. Overall, trade area residents are estimated to have annual retail expenditure of $65.1 million in 2016.

[5] Marketinfo -microsimulation model that provides estimates of spending in small areas based on data from the household expenditure survey

TABLE 45 ESTIMATED ANNUAL RETAIL SPENDING, PORT FAIRY TRADE AREA RESIDENTS, 2016

	REGIONAL VICTORIA 2016 ($)	RETAIL SPENDING PER PERSON IN PORT FAIRY TRADE AREA ($)	TOTAL RETAIL SPENDING ($M)
Food, groceries and liquor	$5,940	$6,059	$28.5
Non-food	$6,240	$6,365	$29.9
Food catering	$960	$979	$4.6
Retail services	$430	$439	$2.1
Total retail spending	$13,570	$13,841	$65.1

Source: Tim Nott

SHARE OF RETAIL SPEND

Table 46 provides an estimate of the proportion of retail sales in Port Fairy that is attributable to residents in the retail trade area catchment and how much is attributable to visitors.

Given the significant role tourism plays in Port Fairy in supporting the viability of the Port Fairy town centre, there is a significantly higher proportion of spending attributable to visitors than is usually the case for regional Victorian towns with a similar permanent resident population.

TABLE 46 BALANCE OF SPENDING AT PORT FAIRY TOWN CENTRE, 2016

	SALES	SALES TO VISITORS		SALES TO TRADE AREA RESIDENTS	TOTAL SPENDING BY RESIDENTS	SHARE OF RESIDENT SPENDING TO PORT FAIRY
	$m	%	$m	$m	$m	%
Food, groceries and liquor	$25.8	45%	$11.6	$14.2	$28.5	50%
Non-food	$27.4	45%	$12.3	$15.1	$29.9	50%
Food catering	$17.3	80%	$13.9	$3.5	$4.6	75%
Retail services	$2.5	45%	$1.1	$1.4	$2.1	67%
Total retail	$73.1	53%	$39.0	$34.1	$65.1	52%

Source: Tim Nott

The share of sales to visitors is based on the professional judgement of Tim Nott, with consideration of the likely balance of spending by residents. A check was completed of tourism visitor spend by Tim Nott to verify overnight visitor spend in Moyne Shire, as shown in Table 47.

The table shows that expenditure by overnight visitors to Moyne Shire amounted to $78 million. Urban Enterprise has conducted an independent analysis of visitor expenditure to Port Fairy[6] (see section 15), which accounts for overnight and daytrip visitor expenditure, as well as independently accounting for the holiday home sector. Urban Enterprise's assessment resulted in an estimated expenditure of $70.4 million to Moyne West (SA2). It is therefore apparent that Moyne West, for which Port Fairy is the primary destination, attracts the vast majority of tourism expenditure in Moyne.

[6] Visitation data sourced for Moyne West (SA2) of which Port Fairy is the principle tourism destination

TABLE 47 OVERNIGHT VISITOR SPEND IN MOYNE SHIRE, 2014

	VISITOR NIGHTS IN MOYNE	TOTAL SPEND PER NIGHT	TOTAL SPENDING	RETAIL SPEND PER NIGHT	TOTAL RETAIL SPENDING
Internationals	52	$95	$4.9	$47	$2.4m
Domestic	551	$132	$72.7	$65	$35.6m
Total	603		$77.7		$38.1m

Source: Tourism Research Australia, 2015; Tim Nott

9.5. FORECAST DEMAND FOR RETAIL FLOORSPACE

The *Port Fairy Town Centre Car Parking Strategy – Economic Assessment* July 2016 prepared by Tim Nott provides an estimate of forecast demand for retail floor space in the Port Fairy Town Centre, utilising the preceding analysis prepared by Tim Nott as well as a number of assumptions, including:

- *The trade area residents will experience real growth in retail spending of 1% per year on average over the period. This has been the average growth in retail spending since the early 1980s. Combined with population growth averaging 0.9% over the period to 2036, overall spending by trade area residents is expected to grow by 1.9% per year over the period.*
- *The share of retail spending by trade area residents flowing to Port Fairy town centre will remain constant at 52%. This spending contributes 47% of sales at the town centre.*
- *The share of sales to visitors remains constant at 53% of the total. This implies that sales to visitors also grow by an average of 1.9% per year. (This appears to be well within the bounds of possibility given that Tourism Research Australia is currently forecasting that growth in domestic visitation will grow by 2.6% per year for the ten year period until 2024-25.)*
- *The capacity of Port Fairy town centre to accommodate the predicted growth in building area and the concomitant car-parking is more or less unfettered.*

The forecast should be considered a scenario based on the assumptions outlined above. The following chart highlights the forecast growth in the floor space of the various retail categories.

The **forecast projects demand growth will support 5,000 square metres of additional retail floor space over 20 years** including:

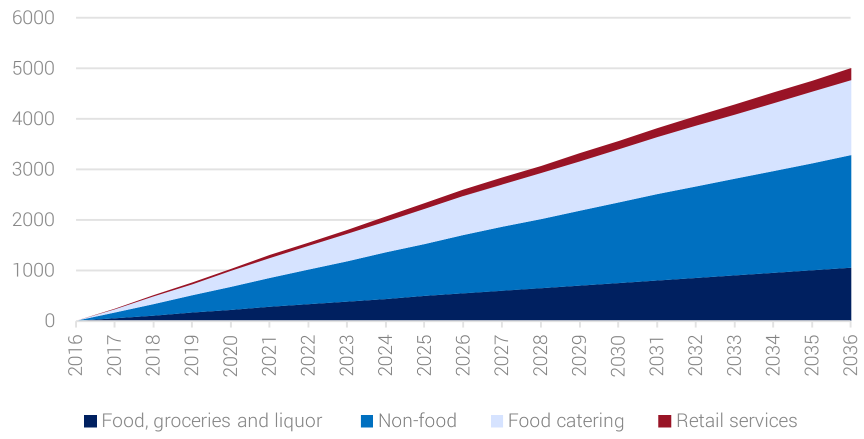
- 1,100 square metres of food, groceries and liquor;
- 2,200 square metres of non-food retail;
- 1,500 square metres of food service; and
- 200 square metres of retail services.

Other relevant findings from the forecast include:

- *Most of this space would be located in small and medium sized stores of the type which are already in the centre;*
- *There would be sufficient demand for a new supermarket broadly equivalent to the existing supermarket, or alternatively, the existing supermarket could double in size, which would require a significant site or substantial redevelopment;*
- *The retail offering of the centre is forecast to grow by one third over the next 20 years to meet demand based on existing trends continuing.*

The forecast growth in retail floorspace in the Port Fairy town centre from 2016 to 2036 is shown in Figure 18.

FIGURE 18 FORECAST GROWTH IN RETAIL FLOORSPACE, PORT FAIRY TOWN CENTRE, 2016 TO 2036



Source: Tim Nott, 2016

9.6. FORECAST DEMAND FOR NON-RETAIL SPACE

The report prepared by Tim Nott also estimates forecast demand for non-retail space in the Port Fairy Town Centre. The forecast is based on the assumption that the balance between retail and non-retail uses will remain constant over the forecast period.

Table 48 provides a summary of all non-residential floorspace in the town centre. The table shows that retail and hotel and accommodation space takes up a significant proportion of the available commercial floorspace in the town centre. This highlights the demand for tourism related uses in the town centre of Port Fairy. Community and automotive floorspace has been excluded.

TABLE 48 FORECAST FOR ALL NON-RESIDENTIAL FLOORSPACE, PORT FAIRY TOWN CENTRE, 2036

LAND USE	FLOORSPACE, 2016 (SQM)	GROWTH 2016-2036 (SQM)	FLOORSPACE, 2036 (SQM)
Retail	15,359	5,001	20,360
Office	4,062	1,323	5,385
Hotel and accommodation	12,455	4,056	16,511
	31,876	10,380	42,256

Source: Tim Nott, adjusted by Urban Enterprise to exclude community and automotive floorspace to align with the analysis in

The overall forecast for growth in retail and commercial floorspace equates to 10,400 square metres over the period 2016 to 2036.

Assuming the rezoning of the site located at 6 Bank Street is approved, the site will add 1,852 square metres of commercial land to the Port Fairy town centre. Retail and commercial developments usually have a site coverage of between 30% and 50% to allow for on-site car parking, or higher if on street parking can be utilised. Assuming 50% site coverage, the rezoning could create the opportunity for approximately 900 square metres of additional commercial floorspace, which would reduce the required commercial floorspace from 10,400 square metres to approximately 9,500 square metres by 2036.

9.7. KEY FINDINGS

The following key findings in relation to supply and demand for commercial land in Port Fairy are sourced from the Port Fairy Town Centre Car Parking Strategy – Economic Assessment July 2016 prepared by Tim Nott. The findings include:

- The majority of floor space consists of retail space (42%) or hotel and accommodation space (34%).
- At the time of survey, the town centre had very low shop vacancy (1%), suggesting demand is outstripping supply;
- The Port Fairy town centre is a small neighbourhood centre providing food, groceries and convenience items, as well as being a tourist centre catering for the many thousands of visitors who come to the town each year.
- Tourism visitation is a key driver of the vitality and viability of the town centre, supporting a greater diversity and quantity of stores, restaurants and cafes that would otherwise not be possible if solely reliant on the permanent resident population.
- There is a significantly higher proportion of spending attributable to visitors than is usually the case for regional Victorian towns with a similar permanent resident population.
- The overall forecast is for growth in commercial floorspace of 10,400 square metres over the period to 2036. 5,000 square metres of additional retail floorspace is required including 1,100 square metres of food, groceries and liquor; 2,200 square metres of non-food retail; 1,500 square metres of food service; and 200 square metres of retail services.
- Most of this space would be located in small and medium sized stores of the type which are already in the centre;
- There would be sufficient demand for a new supermarket or doubling the size of the existing supermarket.
- Amendment C63 to the Moyne Planning Scheme will result in an additional 1,852 square metres of commercial land being made available in the town centre, which could accommodate in the order of 800 – 1,000 square metres of additional commercial floorspace subject to on-site parking requirements. The availability of this land will likely reduce the overall commercial floorspace requirement to 9,500 square metres by 2036.

9.8. ISSUES & OPPORTUNITIES

Demand for the retail offering of the Port Fairy town centre is forecast to grow by one third over the next 20 years. Accommodating increased floorspace in the town centre without compromising the existing unique character of the town centre will be important to ensure the continuing attractiveness of the town centre as a retail, commercial and tourist destination.

It is important to maintain the primacy of the Port Fairy town centre, particularly for retail, food and dining, office and retail uses. There may be opportunity for some existing uses (such as mechanics, panel beaters) to be relocated outside the town centre to accommodate additional retail and commercial floorspace in the town.

Any proposals for anchor retailers, such as an additional supermarket should be discouraged from locating outside of the town centre, with potentially significant negative consequences on maintaining the vibrancy and vitality of the existing town centre.

The land required to accommodate retail and commercial floorspace requirements will depend on the availability of strategic development sites within the town, especially the provision of commercial space at upper levels. Retail and commercial developments usually have a site coverage of between 30% and 50% to allow for on-site car parking, or higher if on street parking can be utilised. Assuming 50% site coverage, an additional 1.9 ha of commercial land would be required to accommodate the projected 9,500 sqm of retail and commercial floorspace required.

The demand for increased commercial space may provide the opportunity to connect the Port Fairy town centre with the riverfront through an extension of the commercial area toward the river. Rezoning of 6 Bank Street via Amendment C63 could contribute to this objective.

6 Bank Street provides opportunity to satisfy underlying demand for additional new supermarket space. As noted by Tim Nott, there is sufficient demand for a new

supermarket or doubling of the size of the existing supermarket, with demand for approximately 1,100 square metres of food, groceries and liquor retail floorpsace. The current supermarket provides approximately 500-600 square metres of floorspace. Typically, the provision of supermarket floorspace is 0.35 square metres per capita. Based on the estimated 2016 population of Port Fairy of 3,000 residents, there is current demand of approximately 1,050 square metres of supermarket floorspace to cater to the resident population. Further, the presence of a significant visitor population in Port Fairy would significantly increase this baseline demand in peak periods. Although the site is likely not large enough to accommodate a full line supermarket, there may be opportunity for a smaller scale supermarket, similar to the scale of the existing supermarket on Sackville Street. A supermarket on this site would provide a retail anchor to the north-east of town and promote a greater connection of the town with the river environs. A supermarket could be developed as part of a mixed-use development, incorporating a supermarket on the ground floor and other commercial uses (accommodation, office) above. The suitability of a supermarket on this site would be subject to planning and car parking requirements, however, there may be opportunity to offset the requirement for car parking with new on street parking. Few other opportunities exist for commercial development within the existing town centre without consolidation of sites.

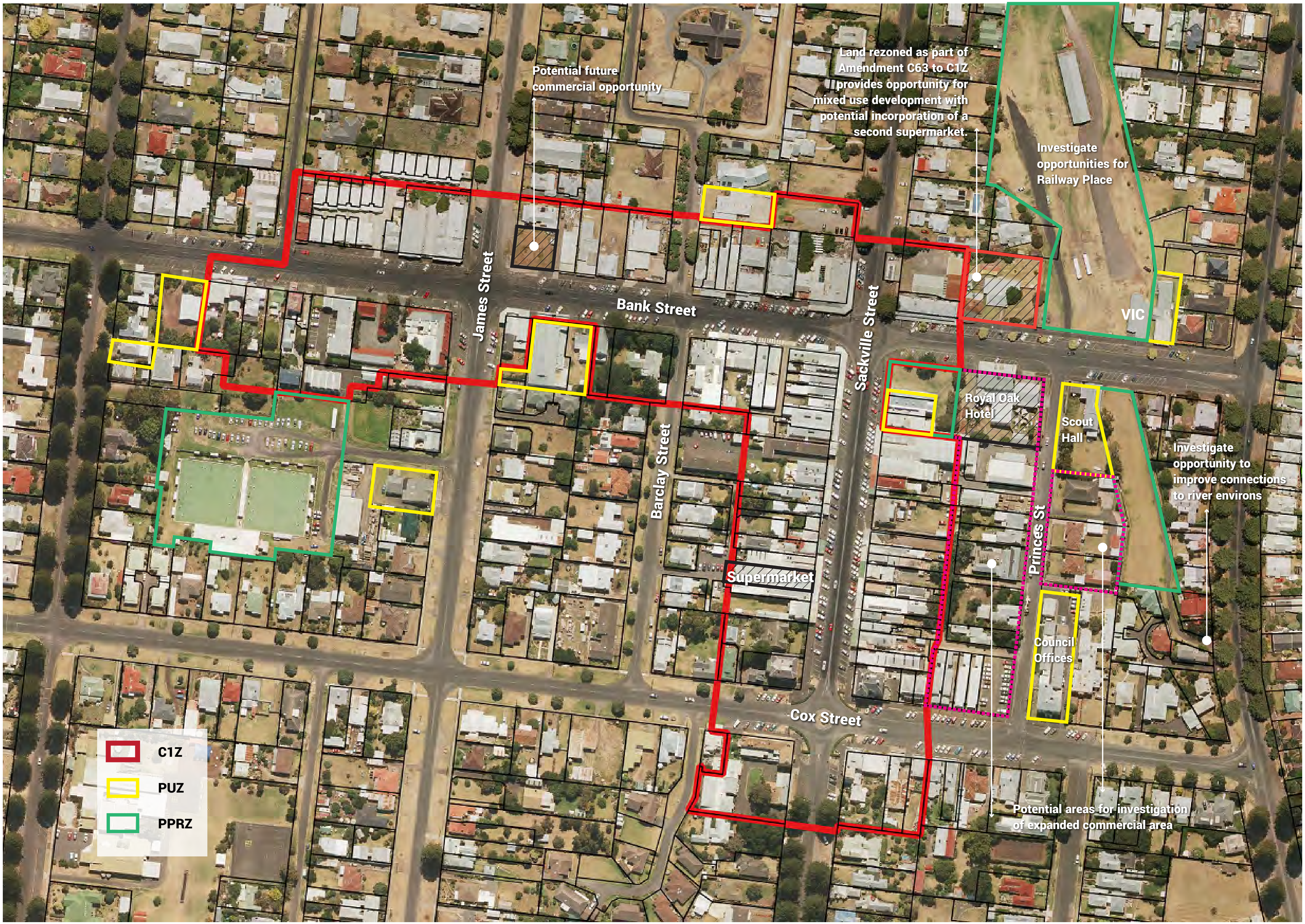
Princes Street, between Cox Street and Bank Street may provide an opportunity for expansion of the town centre for appropriate commercial uses. Princes Street is bookended by Council's offices on the corner of Princes Street and Cox Street, the Port Fairy Scout Hall on the corner of Bank Street and Princes Street and the Royal Oak Hotel on the corner of Bank Street and Princes Street.

Lots on the west side of Princes Street back onto the commercial zoned lots fronting Sackville Street and lots on the east side of Princes Street back onto Fishermans Walk (former rail reserve). It is estimated that these land parcels have a gross area of 12,700 square metres, which may provide additional commercial space to absorb future demand. However, opportunities for development of some land parcels may be constrained by heritage buildings and/or other factors. There is opportunity to investigate the potential of this land to transition to commercial uses, taking into consideration the relationship with the existing commercial centre, Fishermans Walk, differing land use interfaces and the potential to improve connections to the river environs and beaches.

There may be opportunity to explore potential commercial uses in Railway Place that would complement the tourism role of Port Fairy. A masterplan was completed for Railway Place in 2011. The Masterplan for Railway Place could be reviewed, taking into consideration the rezoning of 6 Bank Street and the objective to improve connections of the town centre to the river environs and beaches. Potential opportunities may include a bistro and/or events space or boutique brewery/distillery with capacity to hold events that temporarily utilise the surrounding open space. Consideration could also be given to its use as a tourist hub, leveraging off its association with the Warrnambool-Port Fairy Rail Trail and the Port Fairy Visitor Information Centre . The south side of Cox Street should also be considered. A summary of town centre commercial opportunities is shown in Figure 19.

Encouraging complementary uses to the neighbourhood commercial centre and tourism role of the Port Fairy town centre is important to ensure the continued vibrancy of the centre. Shop-top development should be encouraged to increased land use efficiency and opportunities for additional accommodation and commercial floorspace at upper levels.

The tourism section of this report identifies further opportunities to accommodate hospitality and retail floorspace in proximity to the riverfront.


Potential future commercial opportunity
Land rezoned as part of Amendment C63 to C1Z provides opportunity for mixed use development with potential incorporation of a second supermarket.
Investigate opportunities for Railway Place
Bank Street
James Street
Sackville Street
Barclay Street
Princes St
Cox Street
VIC
Royal Oak Hotel
Scout Hall
Investigate opportunity to improve connections to river environs
Supermarket
Council Offices
Potential areas for investigation of expanded commercial area
C1Z
PUZ
PPRZ

10. INDUSTRIAL LAND ASSESSMENT

10.1. INTRODUCTION

This section of the report provides an assessment of industrial land in Port Fairy. In 2012, Spatial Economics prepared the Urban Development Program (UDP) Regional Industrial Report for the Moyne Shire Council. This report has been drawn on in regard to the assessment of industrial land in Port Fairy.

10.2. PLACE OF WORK EMPLOYMENT DATA

ABS Place of Work industry of employment data is only available for Moyne West (SA2) (for map of SA2 refer to Appendix C).

In 2011, there were 767 people employed in the Moyne West (SA2) in Agriculture, Forestry and Fishing. These jobs are primarily located outside of Port Fairy in the rural hinterland.

Other major industries of employment in the Moyne SA2 included Manufacturing (495 jobs), Accommodation and Food Services (296 jobs), Construction (266 jobs), Health Care and Social Assistance (251 jobs), and Retail Trade (240 jobs).

There were 916 people employed in industries which generally require land in an industrial zone, including Manufacturing, Construction, Transport, Postal and Warehousing and Wholesale Trade.

Based on the locations of industrial land across the SA2, it is expected that a significant proportion of these jobs are located in Port Fairy, with a smaller proportion in Koroit and rural areas.

TABLE 49 EMPLOYMENT BY INDUSTRY – MOYNE WEST SA2, 2011

	MOYNE WEST (SA2)
Agriculture, Forestry and Fishing	767
Manufacturing	495
Accommodation and Food Services	296
Construction	266
Health Care and Social Assistance	251
Retail Trade	240
Public Administration and Safety	196
Education and Training	152
Transport, Postal and Warehousing	111
Professional, Scientific and Technical Services	66
Other Services	63
Administrative and Support Services	49
Wholesale Trade	44
Electricity, Gas, Water and Waste Services	22
Arts and Recreation Services	21
Financial and Insurance Services	19
Mining	14
Rental, Hiring and Real Estate Services	11
Information Media and Telecommunications	4
Inadequately described	31
Not stated	6
Not applicable	0
Total	3124

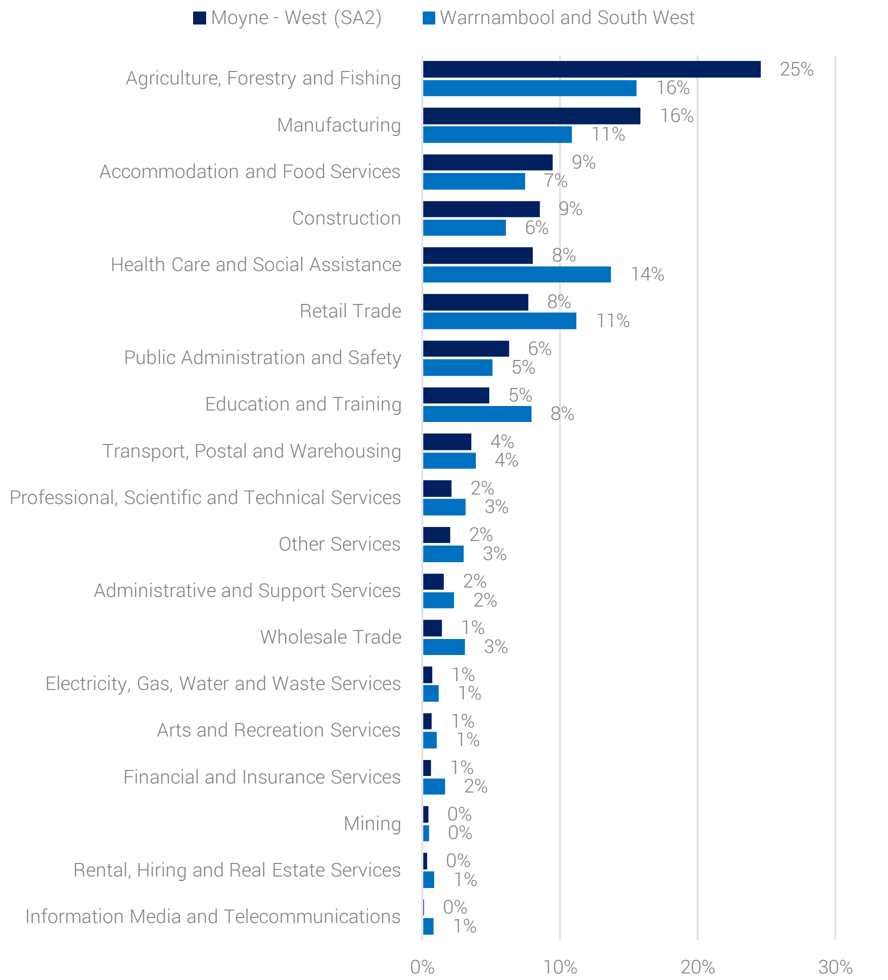
Source: ABS Census, 2011. Note: Employment by industry information for the 2016 Census is not yet available at the time of preparation of this report.

PROPORTIONAL INDUSTRY OF EMPLOYMENT

Figure 20 shows the place of work data for workers in the Moyne West (SA2), compared to workers in Warrnambool and South West region.

The data shows that comparatively Moyne – West (SA2) had a higher proportion of workers in Agriculture, Forestry and Fishing, Manufacturing, Accommodation and Food Services and Construction.

FIGURE 20 PROPORTIONATE INDUSTRY OF EMPLOYMENT – MOYNE WEST VS. WARRNAMBOOL & SOUTH WEST



Source: ABS Census, 2011. Note: Employment by industry information for the 2016 Census is not yet available at the time of preparation of this report.

10.3. OVERVIEW OF INDUSTRIAL LAND IN PORT FAIRY

The following information has been sourced from the Urban Development Program Regional Industrial Report 2012 for the Shire of Moyne published by the Department of Transport, Planning and Local Infrastructure (the UDP Industrial Report).

The report provides information on industrial supply and demand for the Shire of Moyne.

Boundaries used for the classification of industrial land are shown in Figure 21.

FIGURE 21 LOCATION OF SUBURBS AND STATISTICAL LOCAL AREAS - MOYNE

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development, 2012

INDUSTRIAL SUBDIVISION ACTIVITY

Table 50 shows the number of industrial subdivisions by lot size, 2006 to 2012 for Moyne Shire by various geographic areas.

From July 2006 to March 2012, there were 13 industrial land subdivisions in Moyne Shire, with the majority of subdivisions in Mortlake.

There were only 2 subdivisions of zoned industrial land in Port Fairy, both of which were less than 0.1 hectares.

TABLE 50 NUMBER OF INDUSTRIAL SUBDIVISONS BY LOT SIZE, 2006 – 2012

SLA/SUBURB/LGA	LESS THAN 0.1HA	0.1 TO 0.5 HA	0.5 TO 1 HA	1 TO 5 HA	5 TO 10 HA	10+ HA	TOTAL LOTS
Moyne (s) – North-east	0	0	1	9	0	1	11
Mortlake (Vic)	0	0	1	9	0	1	11
Moyne (S) - South	2	0	0	0	0	0	2
Port Fairy	2	0	0	0	0	0	2
Moyne (S)	2	0	1	9	0	1	13

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development, 2012

INDUSTRIAL LAND STOCKS

As of 2012, there was 29.7 hectares of occupied / unavailable industrial land in Port Fairy with 23.7 hectares of land identified as supply (i.e. available). Therefore 44% of zoned industrial land was vacant.[7]

All industrial land in Port Fairy is within the Industrial 1 Zone.

In 2012, there was a total of 41.5 gross hectares of land in Moyne identified as future (unzoned) industrial stock, of which 32 hectares is located in Port Fairy (refer to Figure 25- adjacent to BAM Stone and C45 land), as shown in Table 51.

Table 51 also shows that in 2012 Koroit had limited available supply of Industrial 1 Zone land.

TABLE 51 GROSS AREA (HECTARES) OF INDUSTRIAL LAND STOCK, 2012

SUBURB / LGA	IN1Z			IN3Z			FUTURE (UNZONED)
	unavailable	Supply	Land area vacancy rate %	unavailable	Supply	Land area vacancy rate %	
Koroit	16.4	1.0	6%	0.5	2.0	81%	41.5
Port Fairy	29.7	23.7	44%	0	0	0%	32.1
Koroit (% of land in SLA)	35.5%	-	-				
Port Fairy (% of land in SLA)	64.5%	-	-				
Sub Total: Moyne (S)-South (SLA)	*46.1*	*24.7*	*35%*	*0.5*	*2.0*	*81%*	*41.5*
Moyne (S)	51.7	48.3	48%	0.5	2.0	81%	41.5

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development, 2012

LOT SIZE DISTRIBUTION

Table 52 shows the number of zoned industrial lots in Port Fairy and Moyne Shire as of 2012, by selected lot size ranges. In 2012, there were 27 unavailable industrial lots in Port Fairy and 5 lots of industrial zoned supply.

There were only 2 lots of less than 1 hectare available as supply in Port Fairy and only 1 available lot less than 1 hectare available in Koroit. The majority of gross supply of INZ1 land is within large parcels of zoned land. There is very limited opportunity for industrial businesses with smaller land size requirements to establish in Port Fairy, which means potentially forfeit economic growth. The UDP Industrial Report notes that consideration could be given to encouraging development of smaller lot sizes to accommodate small local business.[8]

TABLE 52 NUMBER OF INDUSTRIAL ALLOTMENTS BY LOT SIZE COHORT, 2012

SUBURB / LGA		PORT FAIRY	KOROIT
LESS THAN 0.1 HECTARES	unavailable	5	1
	Supply	0	0
0.1 TO 0.5 HECTARES	unavailable	14	3
	Supply	1	0
0.5 TO 1 HECTARES	unavailable	1	1
	Supply	1	0
1 TO 5 HECTARES	unavailable	4	4
	Supply	2	2
5 TO 10 HECTARES	unavailable	3	1
	Supply	0	0
10+ HECTARES	unavailable	0	0
	Supply	1	0
Total Lots	unavailable	27	10
	Supply	5	2

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development, 2012

[7] Spatial Economics - Urban Development Program Regional Industrial Report 2012 for the Shire of Moyne published by the Department of Transport, Planning and Local Infrastructure, 2012 p.12

[8] Spatial Economics - Urban Development Program Regional Industrial Report 2012 for the Shire of Moyne published by the Department of Transport, Planning and Local Infrastructure, 2012 p.16

CONSUMPTION OF INDUSTRIAL LAND

The UDP Industrial Report provides analysis of the historical consumption rate of industrial land, with the following findings:

- From 2007 to 2012 on an average annual basis, 0.7 hectares per annum of industrial land has been consumed, predominately in Mortlake at an annual rate of 0.6 hectares.
- There was little industrial consumption in Port Fairy or Koroit.

YEARS OF SUPPLY

The UDP Industrial Report provides analysis of the number of years supply of industrial zoned land in Port Fairy. In total, there is in excess of 15 years industrial zoned land across the municipality of Moyne based on the average annual rate of land consumption in the period 2007 to 2012.

In terms of future (unzoned) industrial land stocks it was estimated that there is in excess of 15 years of additional supply in Port Fairy and in Moyne Shire.

The UDP Industrial report also included two additional demand scenarios which tested a 25% and 50% increase in the demand for industrial land. Both scenarios still resulted in 15 + years of supply.

It is possible, however, that the existing land supply is not well matched to future demand for industrial land in the Shire, especially given the lack of smaller lots available. As a result, small industrial businesses would be likely to locate in Warrnambool instead of Port Fairy.

Population growth in recent years (and projected growth) will generate ongoing demand for localised industrial uses.

TABLE 53 YEARS OF SUPPLY OF INDUSTRIAL LAND STOCKS

SUBURB/LGA	NET DEVELOPABLE AREA (HECTARES)				YEARS OF SUPPLY (YEARS)			
	IN1Z	IN3Z	Total	Future (unzoned)	IN1Z	IN3Z	Total	Future (unzoned)
Port Fairy (S)	21.2	0	21.2	25.7	15 +		15 +	15 +
Moyne (S)	**45.7**	**2.0**	**47.6**	**31.3**	**15 +**	**15 +**	**15 +**	**15 +**

Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development, 2012

LOCATION OF MAJOR SUPPLY

The majority of zoned industrial land supply in Port Fairy is located along Hamilton-Port Fairy Road. This land was rezoned in 2010 through Planning Scheme Amendment C45, which rezoned the land from Farming Zone and Rural Living Zone to Industrial 1 Zone.

Amendment C45 rezoned 37 hectares of land in vicinity of Blackwood Road and Hamilton – Port Fairy Road, Port Fairy to provide adequate industrial land capacity within the Moyne Shire.

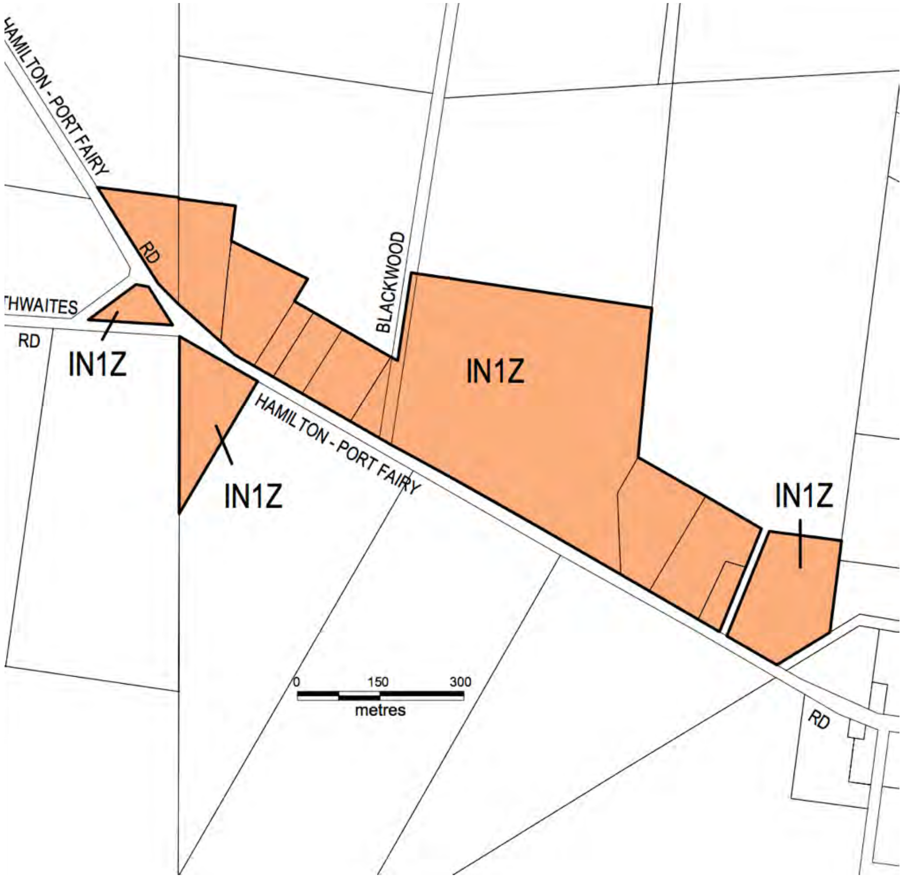
The land was rezoned after a need was identified in the Priority Development Panel Report. Which identified an urgent need for additional industrial land supply within the Moyne / Warrnambool sub-region, which is constraining the area's capacity to respond to demonstrated demand and its capacity to capitalise on new investment and employment opportunities.[9]

The land as part of the rezoning is shown in Figure 22.

The outcome of the Amendment was the creation of a new industrial precinct to the west of Port Fairy encompassing the BAM Stone works and adjacent service facilities.

[9] Amendment C45 – Moyne Planning Scheme – Explanatory Report

FIGURE 22 LAND REZONED AS PART OF AMENDMENT C045



Source: (former) Department of Planning and Community Development, Part of Planning Scheme Maps 34 and 35

MAJOR OCCUPIERS OF INDUSTRIAL LAND

Major manufacturing employers Sun Pharmaceuticals (approximately 139 jobs), located on the Princes Highway at the corner of Princes Highway and Sandspit Road and BAM Stone (approximately 42 jobs), located at the corner of Hamilton Port Fairy Road and Blackwood Road, accounts for a large proportion of manufacturing employment in Port Fairy and are the two primary users of industrial land in Port Fairy.

Sun Pharmaceuticals occupies an Industrial 1 Zone parcel of land that is approximately 6.8 hectares in size and is located directly adjacent to an undeveloped parcel of IN1Z land to the south (approximately 5.7 hectares).

BAM Stone occupies multiple parcels of IN1Z land on Hamilton Port Fairy Road, covering a total of approximately 11.3 hectares. The site is located adjacent to large undeveloped IN1Z lots, rezoned as part of Amendment C45.

The industrial subdivision on Awabi Court includes 11 industrial lots, of which South West Seafoods was the main proprietor. This subdivision appears to have one vacant lot, which is recognised as supply in the UDP Report. The lot appears to be vacant, however, it does not appear to be on the market and therefore may not be actual supply.

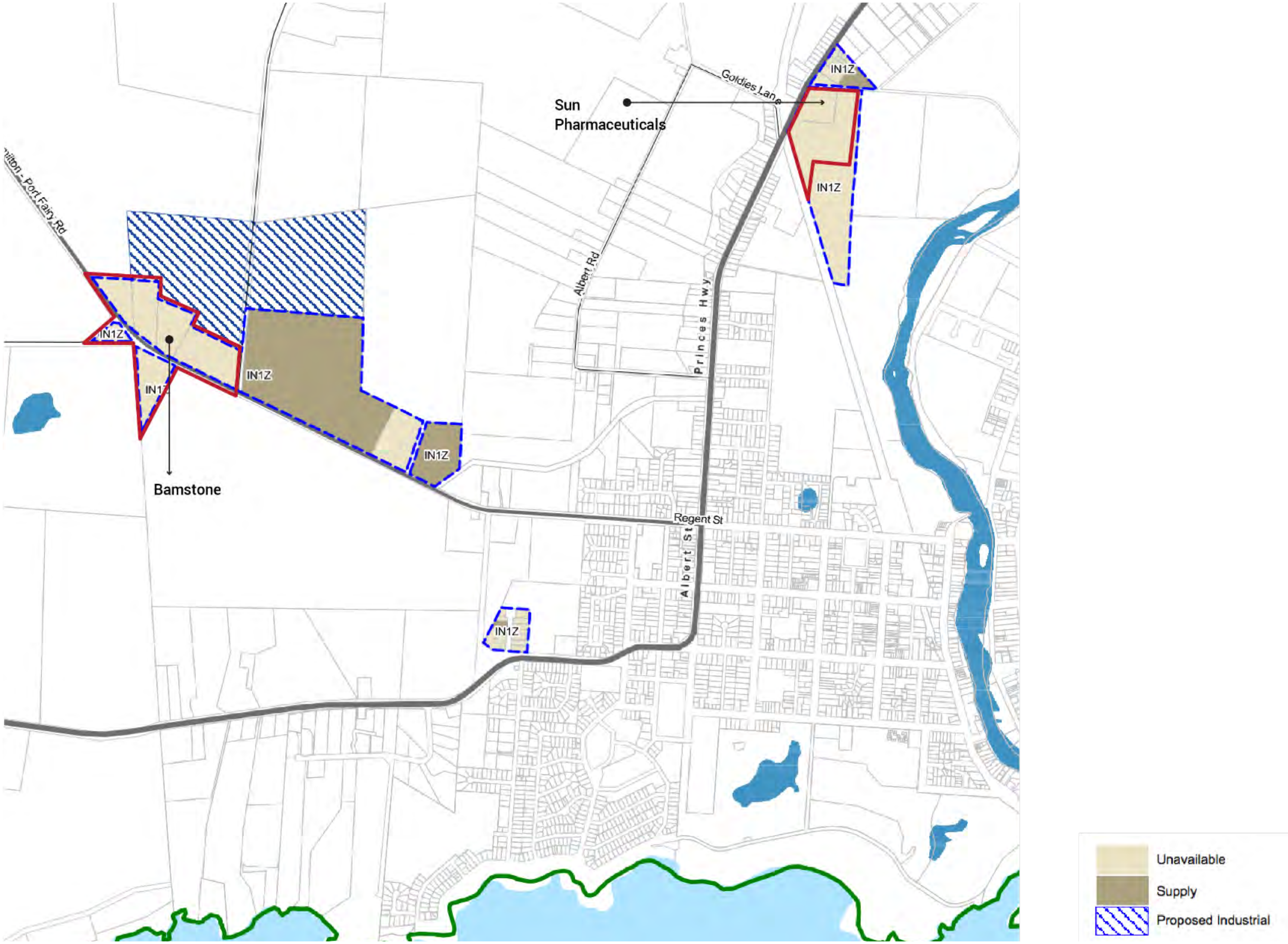
Industrial businesses located adjacent on the Princes Highway, adjacent to Sun Pharmaceuticals include a car tyre and battery service centre, car mechanic, trailer sales business and smash repairs business, with one vacant lot. Industrial businesses in town include a trade supplies business.

GROUNDTRUTHING 2012 SUPPLY LEVELS

Inspection of the industrial precinct along Hamilton-Port Fairy Road shows that the land remains undeveloped, apart from land to the west of Blackwood Road (BAM Stone) and a parcel in the east of the precinct, both of which were occupied prior to the Amendment.

The remaining supply of industrial lots, as indicated by the Urban Development Program in 2012 and shown in Figure 23 also appear to be vacant. This is supported by recent building permit data between 2007 and 2016 which shows zero building permits issued in the IN1Z in Port Fairy.

FIGURE 23 URBAN DEVELOPMENT PROGRAM – INDUSTRIAL LAND IN PORT FAIRY



Source: Spatial Economics Pty Ltd and (former) Department of Planning and Community Development, 2012 – annotated by Urban Enterprise

10.4. FUTURE DEMAND

Demand for industrial land in Port Fairy will generally be driven by two types of businesses:

- Large regional/export industrial businesses, generally requiring large sites in proximity to transport infrastructure and separate from residential areas; and
- 'Local industrial' businesses that primarily serve demand generated by the local population. This type of business activity is generally closely linked to the scale of the local population and growth and requires smaller lots that are accessible to local residents and businesses, often close to the town centre.

Major industrial land occupiers in Port Fairy include Sun Pharmaceuticals and BAM Stone which occupy a total of 8.5ha and employ approximately 180 people. 'Local' industrial operations include storage for events and businesses, car-related services and smaller workshops. There are also some smaller industrial businesses located in the Town Centre, including mechanics and trade supplies.

In this section, 'local industrial' refers to small industrial businesses which primarily serve the needs of the local population and business base. Larger regional/export businesses are not included in the definition of local industrial business (ie. BAM Stone and Sun Pharmaceuticals).

The following assessment considers the likely future demand for 'local' industrial land.

10.4.1. LOCAL INDUSTRIAL DEMAND

Population growth will lead to additional demand for local industrial businesses such as mechanics, trade supplies, construction businesses, small workshops, engineering businesses etc. At present, very few opportunities exist for these businesses to establish. There is also limited opportunity for other businesses that could be established that are not 'industrial' uses but are attracted to cheap land and planning permission to run a business, such as recreation facilities, storage, art studios, and 'maker' spaces.

Given the limited opportunities to locate businesses with requirements for smaller industrial lots, it is likely that businesses would seek these opportunities in Warrnambool, thus resulting in forfeited economic activity for Port Fairy and Moyne Shire.

CURRENT LOCAL INDUSTRIAL FLOORSPACE

There is 7.8 ha of occupied 'local' industrial land in Port Fairy within the following Precincts:

- Precinct 1 – Located north of the township, at the corner of Princes Highway and Sandspit Road;
- Precinct 2 – Located west of the township, on Hamilton-Port Fairy Road, near Thwaites Road; and
- Precinct 3 – Located on the western edge of the township, on Awabi Court.

Commercial land in the town centre also accommodates some industrial businesses not within an industrial zone.

Table 54 shows the distribution of local industrial floorspace by precinct. The table also shows the amount of private storage floorspace, which is unlikely to contribute to employment in the region.

TABLE 54 INDUSTRIAL FLOORSPACE BY PRECINCT, PORT FAIRY, 2016

AREA	LOCAL FLOORSPACE (SQM)
Precinct 1	1,434
Precinct 2	1,839
Precinct 3	5,219
Town Centre	563
Total Local	9,055
Storage	2,364
Total (excl. storage)	6,691

Source: Moyne Shire Rate database, 2016, assessed by Urban Enterprise

LOCAL EMPLOYMENT

The Port Fairy Destination Zone (DZ) contained 271 jobs that would typically require land in an industrial zone in 2011.[10] It is estimated that 181 jobs were in the larger export businesses of Sun Pharmaceuticals and BAM Stone. The balance (90 jobs) is likely to be within 'local' industrial businesses.

Table 55 shows the breakdown of individual employment in Port Fairy.

TABLE 55 LOCAL INDUSTRIAL EMPLOYMENT SCENARIOS, PORT FAIRY, 2016

	JOBS
Port Fairy (DZ) Employment	271
Less	
Sun Pharmaceuticals	139
BAM Stone	42
Local Industrial Jobs	90
Population (2016)	3,028
Residents per 'local' industrial job	34

Source: Remplan, 2016 / Urban Enterprise, 2017

This level of employment results in an average 'local' industrial employment density of approximately 80 square metres per job. This is relatively low, and likely to be impacted by the significant floorspace dedicated to private storage.

The resident population of Port Fairy as of 2016 was 3,028 people, resulting in one 'local' industrial job per 34 residents.

[10] Source: ABS Census. Industries include Manufacturing, Transport, Postal & Warehousing, Wholesale Trade and Construction

PROJECTIONS OF FUTURE LOCAL INDUSTRIAL LAND DEMAND

The medium population growth scenario (1.22%) used in this report estimates that the population of Port Fairy by 2042 will increase by 1,122 persons between 2016 and 2042.

Assuming that the jobs/population ratio of 1 job per 34 population remains constant over time, population growth would lead to demand for an additional 33 local industrial jobs between 2016 and 2042.

At an average employment density of 80 square metres per job, an additional 2,640 square metres would be required to accommodate this growth. At the current average site coverage of 11.5%, 2.3ha of additional local industrial land would be required.

TABLE 56 LOCAL INDUSTRIAL LAND DEMAND, 2016-2041, PORT FAIRY

Additional Population (2016-2042 @ 1.22% growth)	1,122 people
Population/job	34
Additional Local Industrial Jobs	33
Employment Density	80 sqm/job
Additional Industrial Floorspace	2,640 sqm
Site coverage	11.50%
Estimated Industrial Land required	2.3 ha

Source: Urban Enterprise, 2017

There are three local industrial businesses operating within the town centre of Port Fairy. These parcels are likely to be better suited to commercial or residential uses in the future.

These sites occupy 1,636 square metres of land and provide 536sqm of floorspace. Relocation of these sites to industrial land outside the town centre will add to the land area requirements by 2042, raising the industrial land area requirement by approximately 0.2ha to a total of 2.5ha. The likelihood of these businesses being replaced by higher value commercial and/or retail uses is also identified in Tim Nott's assessment as discussed earlier in this report.

There is currently limited land supply available for local industrial businesses based on the land supply assessment. Table 52 shows that there is supply of only 2 lots less than 1 hectare. The remainder of the vacant lot supply is within 3 other large parcels of industrial zoned land.

The requirement of 2.3 hectares of local industrial land would need to be provided through either subdivision of existing larger lots, or zoning of new industrial land. There is limited evidence of recent subdivisions, therefore it uncertain as to whether new smaller lots will be made available through existing zoned land.

10.5. KEY FINDINGS

Moyne West has a higher proportion of workers in the Accommodation and Food Services Sector (of which the majority are likely located in Port Fairy) when compared with Warrnambool and South West Region, reinforcing the importance of tourism as an economic driver of Port Fairy and Moyne.

In 2011, 916 people were employed in Moyne West in industry sectors typically requiring industrial land.

The UDP Industrial Report for Moyne Shire, was prepared in 2012 by Spatial Economics and identified a 15 + year supply of industrial land in Port Fairy. Assessment of recent building approvals and ground truthing of industrial land affirms that there has been no development of existing vacant zoned industrial land since 2012.

The majority of supply of IN1Z land is in large lots, and would suit larger businesses.

There is no supply of IN3Z land in Port Fairy, and there is no future supply of micro industrial lots (less than 1,000sqm), however there are 5 occupied sites in this size range and it is likely that population growth will lead to additional demand for this lot size.

An assessment of the future demand for local industrial lots in Port Fairy estimates that an additional 2.3ha of local industrial land would be required to 2042. Relocation of current industrial uses from the town centres to areas outside of the town centre will raise the local industrial land requirement to approximately 2.5ha.

10.6. ISSUES & OPPORTUNITIES

Take up of large industrial lots has been slow in Port Fairy and across Moyne Shire. In Port Fairy, 37 hectares of former Farming Zone and Rural Living Zone land rezoned in 2010 to IN1Z has remained undeveloped.

Although the UDP found that there is significant supply of industrial land in Port Fairy which, on past development rates, equates to more than 15 years supply, slow take up of larger industrial lots may suggest that this type of industrial land is not well aligned to meeting demand. This land is strategic industrial land for major industrial operations. This land should be retained on the town periphery, near the proposed bypass route.

The two clusters of smaller industrial lots are well utilised, with only 2 vacant lots identified. Existing uses include storage for events and businesses, car-related services and small workshops. The presence of existing industrial businesses within the Commercial 1 Zone, such as trade supplies and mechanics, presents the opportunity to facilitate commercial and retail growth if these businesses have suitable alternative premises to relocate to.

The limited supply of smaller industrial lots and likely ongoing population driven demand indicates an opportunity for smaller/micro sized industrial lots in appropriate locations in Port Fairy. This is supported by the UDP Industrial report which suggests that consideration could be given to encouraging development of smaller lot sizes to accommodate small local business.[11] Demand for these lots

[11] Spatial Economics - Urban Development Program Regional Industrial Report 2012 for the Shire of Moyne published by the Department of Transport, Planning and Local Infrastructure, 2012 p.16

are generally population driven and as the population grows so too will demand for industrial land to cater to these uses.

There is estimated demand for an additional 2.3ha of local industrial land required to 2042. Relocation of current industrial uses from the town centres to areas outside of the town centre would increase the local industrial land requirement to approximately 2.5ha.

Additional supply of smaller industrial lots may provide opportunity for industrial uses that complement the tourism role of the town, through opportunity for microbreweries, distilleries, artisan makers and creative industries that require appropriately zoned industrial land, which is usually cheaper land in proximity to the town centre and tourism attractors.

An important consideration for industrial land in small towns such as Port Fairy is ensuring that there is sufficient land for established industrial businesses to operate and to expand if required. Both major industrial businesses (BAM Stone and Sun Pharmaceuticals) appear to control vacant land in the Industrial 1 Zone adjacent to their current operations, indicating that each could expand unencumbered if demand warrants. There are also a number of larger sites that could accommodate new larger format manufacturing, transport or construction businesses. This indicates that new large format industrial land is not required to provide strategic opportunities for economic growth. However, the Structure Plan should recognise the importance of these larger parcels in accommodating both existing and potential businesses and protect operations from reverse amenity impacts if required.

PART E: TOURISM ANALYSIS

Part D of the report provides tourism analysis for the project, including:

- Strategic context, including relevant tourism strategies and plans;
- Assessment of visitation and visitor markets;
- Commercial accommodation supply;
- Tourism product in Port Fairy;
- Visitation projections;
- Future accommodation needs;
- Tourism Product and Infrastructure Development Opportunities.

Data and analysis in this section is supported by consultation with various tourism stakeholders, including Moyne Shire Council officers, Great Ocean Road Tourism, Port Fairy Tourism, accommodation businesses and events co-ordinators.

11. STRATEGIC TOURISM CONTEXT

11.1. INTRODUCTION

This section of the report provides analysis of existing strategic documents, publications, strategies and plans specifically relating to tourism in Port Fairy and the wider region.

11.2. REGIONAL STRATEGIES & PLANS

THE SHIPWRECK COAST MASTER PLAN

The Shipwreck Coast Master Plan was published in 2015. The Master Plan presents a plan for the future of the Shipwreck Coast. It aims to help protect the region's extensive natural and cultural assets and provide rich and engaging visitor experiences to support a sustainable tourism industry and the regional economy.

The Plan provides the framework for future investment along the Shipwreck Coast.

The Shipwreck Coast does not directly relate to Port Fairy, however, investment in the Great Ocean Road region may promote increased visitor dispersal further along the coast towards Port Fairy and potentially increase the proportion of touring and overnight visitors in the region.

STRATEGIC MASTERPLAN FOR THE GREAT OCEAN ROAD REGION VISITOR ECONOMY 2015-2025

The Strategic Masterplan was prepared by Great Ocean Road Regional Tourism (GORRT) in association with participating local government authorities, local tourism organisations, industry and community leaders, and other key stakeholders and industry partners.

The primary objective of the Plan is to increase the yield generated from tourism visitation through the provision of quality visitor experiences, providing significant economic benefits to local communities.

Key issues and opportunities identified in the Masterplan include:

- High visitation and low yield per visitor;
- Limited seasonal dispersal;
- Limited geographic dispersal;
- Poor maintenance and development of publicly-managed visitor assets at many locations;
- Further product development and investment is required to match visitor demand;
- Variable quality of customer service across the region;
- Congestion in peak periods and at popular locations;
- Strengthening of community engagement and support for tourism;
- Growth needed in business participation and engagement in tourism; and
- Increase industry capacity and development.

Key strategies identified include:

- Development – To maintain and develop the visitor infrastructure, product and experiences of the region, its destinations, attractions and facilities to meet/exceed sustainable standards consistent with competitive demand expectations.
- Marketing – to market the region, its destinations and experiences to target markets to maximise visitor economy yield and dispersal outcomes.
- Management – to manage visitor growth to minimise impacts on communities and the environment, and to develop the capacity of the industry to maximise the sustainable growth of the region's visitor economy.

11.3. LOCAL STRATEGIES AND PLANS

PORT FAIRY DESTINATION ACTION PLAN 2015-2017

The Port Fairy Destination Action Plan identifies priority strategies and actions which if implemented over three years will enhance the competitiveness of Port Fairy as a primary visitor destination of the Great Ocean Road region.

Success Factors identified are as follows:

1. Strong local tourism organisations focussed on their core role of visitor servicing.
2. Strong regional tourism organisations focussed on their core role of regional marketing and development.
3. Local government support.
4. Strong, consistent and effective leadership by individuals and/or organisations.
5. Strategic planning for the economic, social, environmental and cultural objectives supported by local destination plans.
6. Consistent visitor service excellence.
7. Research driven cooperative marketing.
8. A breadth and depth of tourism infrastructure, products and events matched to market demand.
9. Risk management plans.
10. Supportive communities which understand and value tourism.

Values identified include:

- Authentic village lifestyle, genuine, relaxing.
- Historic authenticity.
- Destination of choice (Port Fairy Tourism Association Strategy).
- Cultural Significance.
- Collaboration/networking/engagement/support.
- Cohesive and inclusive community.
- Community pride.
- Diversity of experiences.
- Creative and cultural.

What we do well

- Folk Festival/community involvement.
- Boutique shopping.
- Nature based experiences including Tower Hill, Griffiths Island, Mutton Birds.
- Beaches/safe swimming.

Challenges/barriers

- Knowing and understanding our target market.
- Signage way-finding.
- Collaboration/networking.
- Community engagement/support.

Opportunities

1. Develop Port Fairy Brand positioning.
2. Proceed with the wharf development.
3. Signage/way-finding.
4. Product development.
5. IT/digital visitor planning strategies.
6. Development of unique experiences.
7. Collaboration/networking locally.
8. Tourism administration costs.

Priority 2 of the Action Plan is to '**develop and maintain infrastructure, product and experiences to match visitor demand, improve seasonal dispersal and to complement the positioning'**. Actions include:

- Public visitor sites, beaches and amenities to be well maintained year round;
- Historic points of interest to be signed and supported by route marked walking tours (self and guided in peak periods);

- Support the development of Gourmet Port Fairy (restaurants/cafes) including the Gourmet Trail – feature local produce, seafood/abalone, buffalo cheese, wine and farm experiences.
- Enhance the Tower Hill visitor experience via an integrated operational business model and visitor centre, featuring nature based/wildlife, indigenous culture and volcanic interpretation and tours including Koroit village.
- Feasibility study re Abalone hatchery epicurean experience.
- Continue to support and continuously improve the signature events program – Folk Festival, Moyneyana Festival, Spring Music Festival, Winter weekends. Develop other seasonal events.
- Develop walking and bike paths.
- Continue to support the VIC including familiarisation experiences for business and locals.
- Review and improve visitor way-finding road signing, including multilingual signage.

11.4. KEY FINDINGS

A review of regional strategies and plans relating to Port Fairy has revealed the following key objectives and directions which are relevant to the preparation of the Port Fairy Coastal and Structure Plan. These include providing authentic local experiences, strengthening town connections with nature based assets (including parks), harness local creativity, provide a range of transport, accommodation and dining options, create both day time and night time visitor experiences, cater to emerging visitor markets and manage peak period visitation to maximise benefit and minimise negative impacts.

Local strategies recognise the authentic and relaxing village lifestyle appeal of Port Fairy, with heritage and cultural significance that provides a variety of experiences. Local strategy recognises Port Fairy's strengths in events (particularly the Folk Festival), boutique shopping, nature based experiences and beaches/swimming.

Local tourism actions proposed include signing local and historic points of interest for the development of walking tours, supporting development of gourmet Port Fairy, enhancing the Tower Hill visitor experiences, developing an Abalone epicurean experience, supporting and continually developing the events program, developing walking and bike paths, improving and implementing way finding and road signage, wharf activation and tour (guided and unguided) and itinerary development with existing tourism business operators.

12. TOURISM MARKET ANALYSIS

12.1. INTRODUCTION

This section of the report provides an assessment of visitation trends and the visitor market to Port Fairy. It draws on data collected from Tourism Research Australia's National Visitor Survey (NVS) and International Visitor Survey (IVS) to provide trend and demographic data for domestic and overnight visitors to the region. Analysing visitor markets provides a snapshot of visitor market trends and preferences across the region. It enables analysis of the visitor market profile that will frame the identification of target market segments and tourism product/infrastructure opportunities.

12.1.1. DATA SOURCES

The main data sources used in the analysis of visitation and the visitor market are Tourism Research Australia's National Visitor Survey (NVS) and International Visitor Survey (IVS).

NATIONAL VISITOR SURVEY (NVS)

Tourism Research Australia is responsible for conducting the National Visitor Survey. 120,000 Australian residents are interviewed annually about their travel, capturing interstate and intrastate visitation. Information that the NVS provides includes visitor destinations, origins, activities, travel methods, activities and expenditure. Daytrips are only included in the NVS if the respondent travelled more than 40kms from their residence, and spent more than 4 hours at the destination.

It is noted that Warrnambool is only 25 km from Port Fairy by Warrnambool residents are not counted in the NVS data.

INTERNATIONAL VISITOR SURVEY (IVS)

Tourism Research Australia also conducts the International Visitor Survey. The IVS is conducted in the departure lounges of 8 international airports in Australia: Sydney, Melbourne, Brisbane, Cairns, Perth, Adelaide, Darwin and the Gold Cost. 40,000 departing tourists are interviewed about their time in Australia. The IVS only relates to overnight international visitors. Daytrip visitors to a destination are not counted in the IVS.

AVERAGES

The majority of tourism data has been presented as a 5 year average, inclusive of the year ending March 2012 to the year ending March 2016. This is to ensure a more statistically reliable survey sample, than is available at the SA2 level for individual years.

12.1.2. BENCHMARKING REGIONS

The tourism profile for Port Fairy is benchmarked with other coastal destinations in Victoria and the broader Great Ocean Road region to identify any differences in the visitor profile. The regions benchmarked with Port Fairy include:

- Warrnambool;
- Lakes Entrance; and
- The Great Ocean Road region.

TRA data is provided for SA2s. The following SA2s have been analysed for each destination:

- Port Fairy (Moyne West SA2);
- Warrnambool (Warrnambool South SA2);
- Lakes Entrance (Lakes Entrance SA2); and

- Great Ocean Road Region (total of SA2 regions of the Great Ocean Road region).

Although the Moyne West SA2 extend to the rural areas and small townships beyond Port Fairy, it is expected that the vast majority of visitors to the SA2 would visit Port Fairy, given the concentration of tourism product, accommodation and events in the town relative to elsewhere in the SA2 (the only exception being Tower Hill / Koroit). Moyne West SA2 is referred to as Port Fairy from here on in.

12.2. VISITATION SUMMARY

Table 57 provides an overview of visitation to Port Fairy.

Over the 5-year period between year ending March 2012 and March 2016, Port Fairy attracted on average 237,133 annual visitors, 67% of which were domestic overnight visitors.

TABLE 57 VISITATION SUMMARY, PORT FAIRY

	VISITORS		VISITOR NIGHTS
	#	%	
Domestic Overnight Visitors (5 Year Average)	157,822	67%	474,785
Domestic Daytrip Visitors (5 Year Average)	61,729	26%	
International Overnight (5 Year Average)	17,581	7%	45,640
Total (5 Year Average)	237,133	100%	520,425

Source: Tourism Research Australia – National & International Visitor Survey, Data for year ending March 2016 - accessed August 2016

12.3. DOMESTIC OVERNIGHT VISITOR MARKET

This section of the report provides a profile of domestic overnight visitors to Port Fairy, benchmarked against other Victorian coastal destinations, utilising TRA National Visitor Survey data over a five-year period between 2012 and 2016.

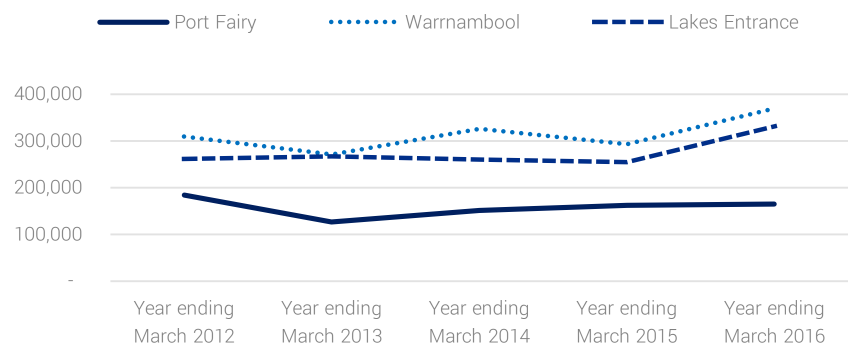
VISITATION

Port Fairy attracted an average of 157, 822 annual domestic overnight visitors between 2012 and 2016.

Figure 24 shows domestic overnight visitation between 2012 and 2016 to Port Fairy, and compares visitation trends with Warrnambool and Lakes Entrance.

The graph shows that visitation to Warrnambool and Lakes Entrance has increased over the period, with visitation to Port Fairy plateauing. Visitation to Port Fairy is currently below 2012 levels, however, there has been growth between 2013 and 2016. Some caution needs to be taken when interpreting visitation data for individual years given a smaller sample size at the SA2 level.

FIGURE 24 DOMESTIC OVERNIGHT VISITATION – 2012-2016

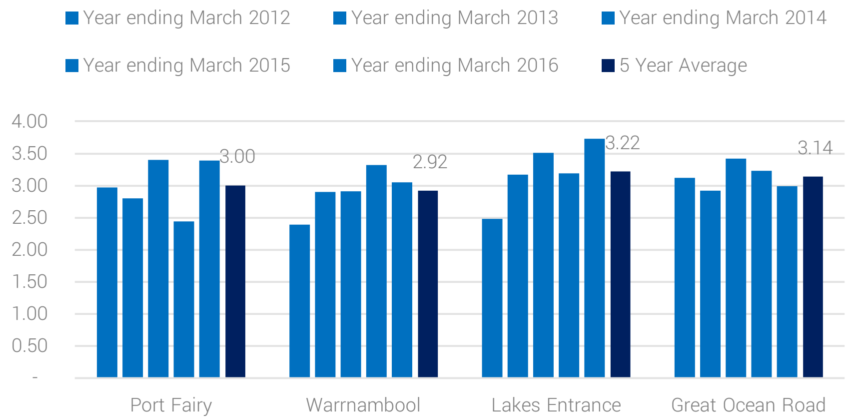


Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – accessed August 2016

VISITOR NIGHTS

Figure 25 shows the average length of stay for Port Fairy and benchmark destinations from 2012-2016. Over the past 5 years, domestic overnight visitors have stayed in Port Fairy for an average of 3.0 nights, a similar length of stay to the benchmark destinations.

FIGURE 25 DOMESTIC OVERNIGHT VISITATION



Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

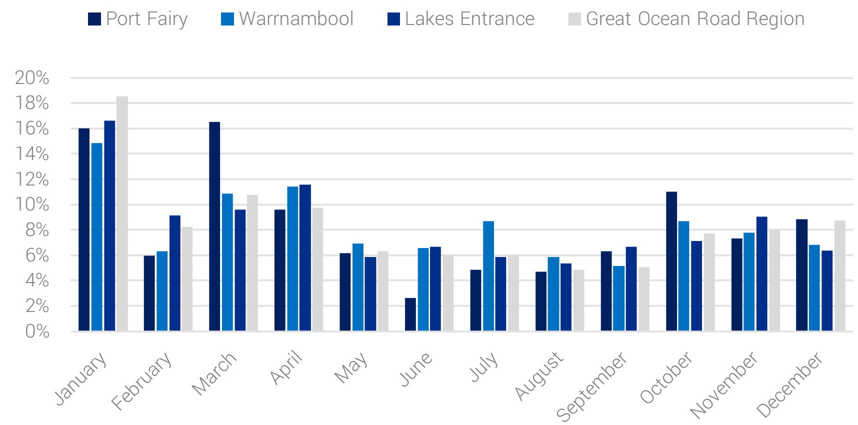
SEASONALITY

Figure 26 shows the month domestic overnight visitors returned from their trip to Port Fairy and benchmark destinations.

The chart shows that the majority of visitors to all destinations return in January. However, there is a spike in March for visitors to Port Fairy, coinciding with the Port Fairy Folk Festival. This demonstrates the value of the festival to tourism visitation in Port Fairy and generating visitation to the region in the shoulder season, particularly when compared with the benchmark destinations.

The data shows that Port Fairy typically performs well in the shoulder seasons (March-May and September to November) when compared to benchmark destinations, particularly in the months of March and October, however, the remaining shoulder period months are underperforming against benchmark destinations.

FIGURE 26 MONTH RETURNED FROM TRIP – DOMESTIC OVERNIGHT VISITORS



Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

REASON FOR STOPOVER

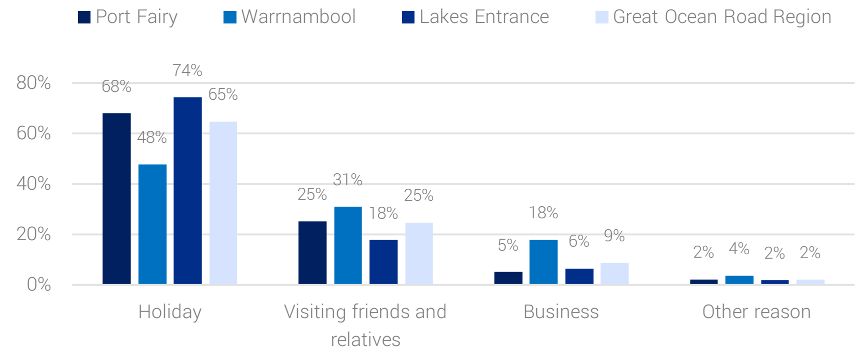
Figure 27 shows the reason for domestic overnight visitors to stopover in Port Fairy and compared to benchmark destinations.

Unsurprisingly, visiting Port Fairy for a holiday is the most common reason for visit at 68% of visitation, followed by visiting friends and relatives (25%).

Port Fairy attracts a higher proportion of visitors for holiday purposes when benchmarked with Warrnambool, due to Warrnambool's larger business and VFR market.

Lakes Entrance attracts a higher proportion of holiday visitors when compared to Port Fairy.

FIGURE 27 REASON FOR STOPOVER – DOMESTIC OVERNIGHT VISITORS



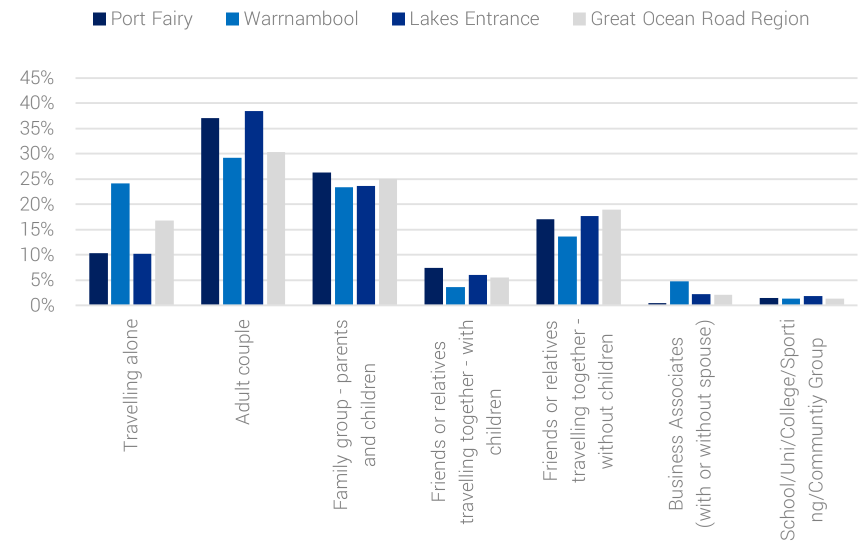
Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

TRAVEL PARTY TYPE

Figure 28 shows the travel party type of domestic overnight visitors over a 5-year average to Port Fairy and benchmark destinations.

The primary travel party type to Port Fairy was adult couples (37%), followed by family group –parents and children (26%) and friends and relatives – travelling together without children (17%).

FIGURE 28 TRAVEL PARTY TYPE – DOMESTIC OVERNIGHT VISITORS



Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

STOPOVER ACCOMMODATION

Table 58 provides the accommodation profile of domestic overnight visitors to Port Fairy and benchmark destinations using a 5-year average.

The data shows that the most common form of accommodation stayed in for domestic overnight visitors to Port Fairy is ‘other private accommodation’ which suggests visitors staying with friends or relatives. This is followed by caravan park or commercial camping ground (22%), rented house/apartment/flat or unit (18%) and standard hotel/motor inn (15%). Only 2% of visitors stayed in a luxury hotel, compared with 6% - 7% in benchmark destinations.

TABLE 58 ACCOMMODATION – DOMESTIC OVERNIGHT VISITORS

	PORT FAIRY	WARRN AMBOOL	LAKES ENTRANCE	GREAT OCEAN ROAD REGION
Other Private Accommodation	31%	35%	19%	38%
Caravan park or commercial camping ground	22%	16%	23%	15%
Rented house/apartment/flat or unit	18%	7%	11%	11%
Standard hotel/motor inn (below 4 star)	15%	28%	28%	15%
Own property	4%	1%	4%	10%
Guest house or Bed & Breakfast	4%	0%	2%	2%
Serviced apartment	2%	3%	5%	2%
Luxury hotel or luxury resort (4 or 5 star)	2%	6%	7%	6%
Backpacker or hostel	1%	1%	0%	1%
Other Accommodation	0%	2%	0%	1%
Other commercial accommodation	0%	0%	0%	0%

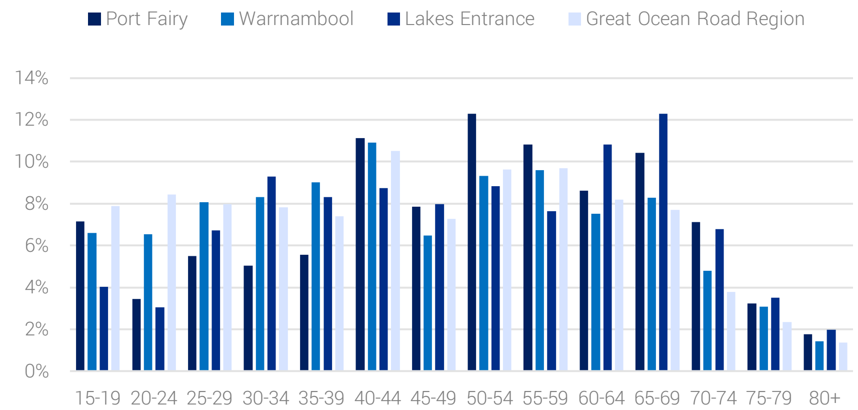
Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

AGE PROFILE

Figure 29 shows the age profile of domestic overnight visitors to Port Fairy and benchmark destinations from 2012-2016. The data shows that the majority of visitors to Port Fairy are in the age bracket between 35 and 54 years of age.

Compared to the age profile of benchmark destinations, Port Fairy attracts a smaller proportion of visitors aged under 34 when compared to the Great Ocean Road region, Warrnambool and Lakes Entrance.

FIGURE 29 AGE PROFILE – DOMESTIC OVERNIGHT VISITORS



Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

ACTIVITY PROFILE

Table 59 provides the top 20 activities undertaken by domestic overnight visitors to Port Fairy, compared to the benchmark destinations.

The most popular activities undertaken by domestic overnight visitors to Port Fairy include eat out / dine out at restaurants or café (70%), followed by sightseeing/looking around (45%), going to the beach (44%), visiting friends and relatives (33%), go shopping for pleasure (29%), go to pubs, clubs, discos etc. (23%).

The activity profile for Port Fairy is relatively comparable with the benchmarking destinations. Generally, a higher proportion of visitors to Port Fairy eat out / dine out (+6%), go sightseeing (+9%), attend festivals / events (+10%), attend theatre, concerts, performing arts (+7%).

A smaller proportion go bushwalking / rainforest walks (-5%), visit national parks / state parks (-3%), fishing (05%) and have picnics or BBQs (-3%).

TABLE 59 TOP 20 ACTIVITIES UNDERTAKEN IN PORT FAIRY – 5 YEAR AVERAGE

	PORT FAIRY	WARRNAMBOOL	LAKES ENTRANCE	GREAT OCEAN ROAD REGION	BENCHMARKING DESTINATIONS AVERAGE	% DIFFERENCE WITH BENCHMARKED AVE/PORT FAIRY
Eat out / dine at a restaurant and/or cafe	70%	63%	68%	61%	64%	6%
Sightseeing/looking around	45%	33%	40%	36%	36%	9%
Go to the beach	44%	36%	42%	54%	44%	0%
Visit friends & relatives	33%	39%	23%	38%	33%	0%
Go shopping for pleasure	29%	23%	24%	24%	24%	5%
Pubs, clubs, discos etc.	23%	23%	26%	23%	24%	-1%
Go to markets	15%	7%	11%	11%	10%	6%
Attend festivals / fairs or cultural events	14%	4%	3%	5%	4%	10%
Visit national parks / state parks	11%	13%	12%	15%	13%	-3%
Bushwalking / rainforest walks	9%	11%	13%	18%	14%	-5%
Visit history / heritage buildings, sites or monuments	9%	9%	2%	6%	6%	2%
Attend theatre, concerts or other performing arts	8%	3%	0%	2%	2%	7%
Go on a daytrip to another place	8%	9%	6%	8%	7%	1%
Visit museums or art galleries	7%	10%	3%	6%	6%	1%
Picnics or BBQs	6%	8%	9%	10%	9%	-3%
Surfing	5%	1%	0%	6%	3%	3%
Fishing	5%	4%	19%	6%	10%	-5%
Exercise, gym or swimming	4%	3%	4%	4%	4%	1%
Golf	4%	2%	4%	3%	3%	1%
Water activities / sports	4%	2%	6%	3%	4%	0%

Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 - 5 Year Average - accessed August 2016

HOME STATE / REGION

Table 60 shows the home state / region of domestic overnight visitors to Port Fairy as an average between 2012 and 2016.

The majority of visitors originated in Victoria (45% from Melbourne, 32% from the rest of Victoria), followed by 12% of visitors from South Australia and 8% from New South Wales.

TABLE 60 HOME STATE / REGION

	% OF DOMESTIC O/N VISITORS TO PORT FAIRY
Victoria	77%
Melbourne	*45%*
Other Victoria	*32%*
South Australia	12%
New South Wales	8%
Queensland	2%
Western Australia	1%
Tasmania	0.2%
Northern Territory	0.1%
ACT	0.2%
Total	100%

Source: Tourism Research Australia – National Visitor Survey, Data for year ending March 2016 – 5 Year Average - accessed August 2016

12.4. INTERNATIONAL VISITOR MARKET

This section of the report provides a profile of the international overnight visitor market to Port Fairy, benchmarked with other Victorian coastal destinations, utilising TRA International Visitor Survey data over a five-year period between 2012 and 2016.

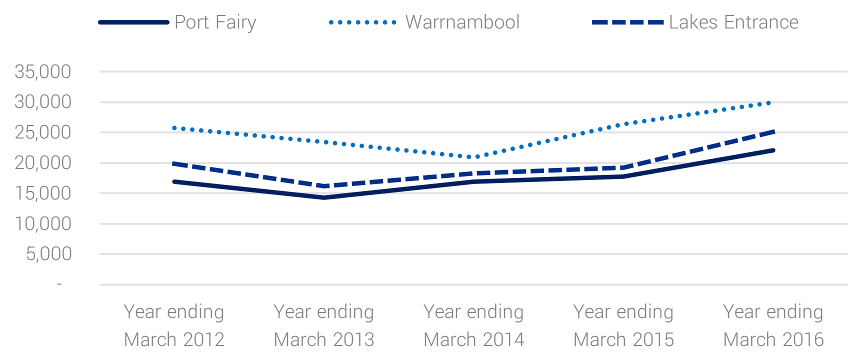
visitation

An average of 17,581 annual international overnight visitors visited Port Fairy each year between 2012 and 2016.

Relative to the benchmark destinations, a comparable number of international visitors visited Lakes Entrance, whilst a greater number visited Warrnambool.

International visitation to Port Fairy has shown growth over the past 5 years, contrasting with domestic overnight visitation which has not increased significantly over the past 5 years.

FIGURE 30 INTERNATIONAL OVERNIGHT VISITATION – 2012-2016

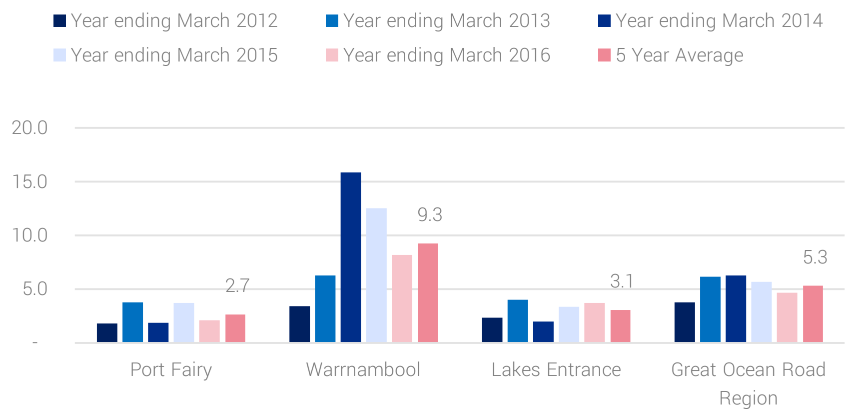


Source: Tourism Research Australia – International Visitor Survey, Data for year ending March 2016 –- accessed August 2016

VISITOR NIGHTS

Figure 31 shows the average length of stay for international visitors to Port Fairy and benchmark destinations. Over the past 5 years, international overnight visitors stayed in Port Fairy for an average of 2.7 nights, a similar length of stay Lakes Entrance. The average length of stay is longer for both Warrnambool and the Great Ocean Road region.

FIGURE 31 INTERNATIONAL OVERNIGHT VISITATION LENGTH OF STAY



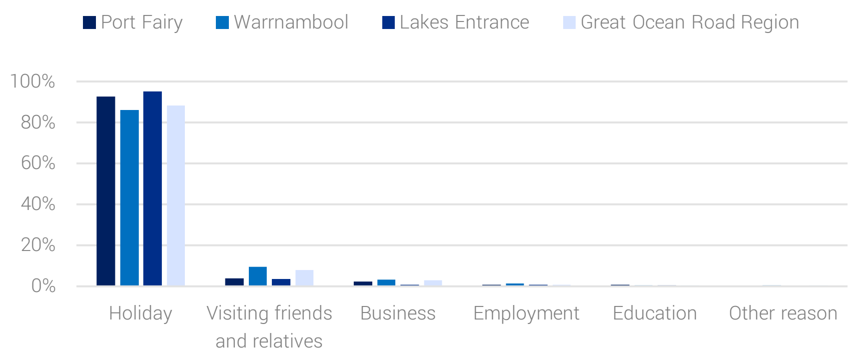
Source: Tourism Research Australia – International Visitor Survey, Data for year ending March 2016– 5 Year Average - accessed August 2016

REASON FOR STOPOVER

Figure 32 shows the reason for stopover for international overnight visitors to Port Fairy, compared to benchmark destinations.

Unsurprisingly, visiting Port Fairy for a holiday is the most common reason for visit at 93% of visitation, which is generally aligned with Warrnambool, Lakes Entrance and the Great Ocean Road region.

FIGURE 32 REASON FOR STOPOVER – INTERNATIONAL VISITORS



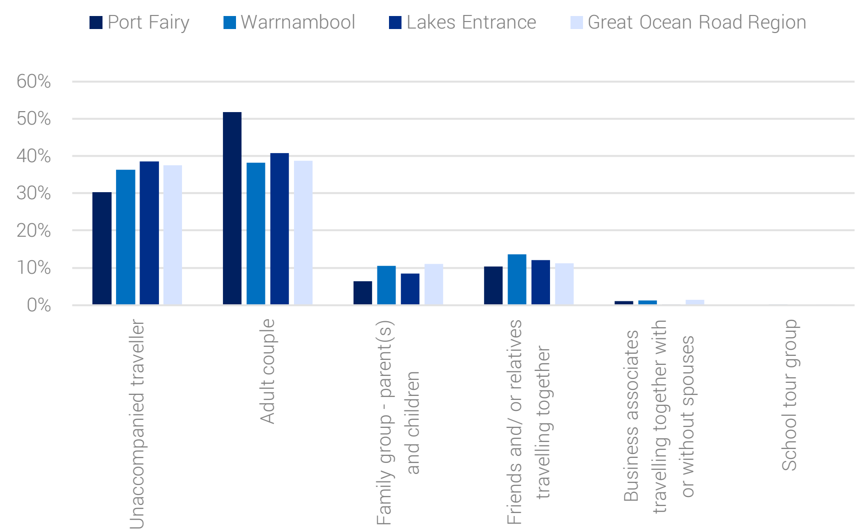
Source: Tourism Research Australia – International Visitor Survey, Data for year ending March 2016– 5 Year Average - accessed August 2016

TRAVEL PARTY TYPE

Figure 33 shows the travel party type of international overnight visitors over a 5-year average to Port Fairy and benchmark destinations.

The primary travel party type to Port Fairy was adult couples (52%), followed by unaccompanied traveller (30%). Port Fairy attracts a noticeably higher proportion of adult couples when compared to the benchmark destinations, which average in the order of 40% of all travel parties.

FIGURE 33 TRAVEL PARTY TYPE – INTERNATIONAL VISITORS



Source: Tourism Research Australia – International Visitor Survey, Data for year ending March 2016– 5 Year Average - accessed August 2016

STOPOVER ACCOMMODATION

Table 61 provides an accommodation profile of international overnight visitors to Port Fairy and benchmark destinations using a 5-year average.

The most common form of accommodation for international overnight visitors to Port Fairy is standard hotel/motel inn (34%), followed by caravan park or commercial camping ground (20%), backpacker or hostel (10%), guest house or bed and breakfast (9%) and luxury accommodation (8%). The accommodation profile of international visitors to Port Fairy is comparable to Warrnambool and Lakes Entrance. When benchmarked against the Great Ocean Road region a higher proportion of international visitors to Port Fairy stay in a caravan park or commercial camping ground, a guest house or bed and breakfast, luxury hotel or luxury resort (4 or 5 star).

TABLE 61 ACCOMMODATION – INTERNATIONAL VISITORS

	PORT FAIRY	WARRNAMBOOL	LAKES ENTRANCE	GREAT OCEAN ROAD REGION
Standard hotel/motor inn (below 4 star)	34%	39%	38%	35%
Caravan park or commercial camping ground	20%	17%	22%	16%
Backpacker or hostel	10%	9%	8%	11%
Guest house or Bed & Breakfast	9%	3%	3%	5%
Luxury hotel or luxury resort (4 or 5 star)	8%	5%	3%	5%
Caravan or camping - non commercial	5%	5%	9%	6%
Rented house/apartment/flat or unit	5%	4%	8%	7%
Serviced apartment	4%	6%	5%	5%
Friends or relatives property	4%	9%	4%	0.4%
Other Private Accommodation	2%	2%	1%	2%
Other commercial accommodation	0%	0%	0.2%	0.2%
Other Accommodation	0%	0.3%	0.2%	0.2%
Own property	0%	0.3%	0.2%	8%

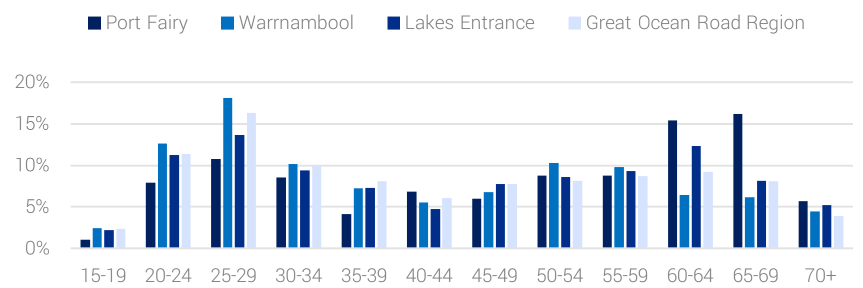
Source: Tourism Research Australia – International Visitor Survey, Data for year ending March 2016– 5 Year Average - accessed August 2016

AGE PROFILE

Figure 34 shows the age profile of international overnight visitors to Port Fairy and benchmarking destinations from 2012-2016. The data shows that there is a high proportion of older international visitors to Port Fairy, particularly those aged between 60 and 69 years.

Compared to the age profile of benchmarking destinations, Port Fairy attracts a smaller proportion of visitors aged under 29 when compared to Warrnambool, Lakes Entrance and the Great Ocean Road.

FIGURE 34 AGE PROFILE – INTERNATIONAL VISITORS



Source: Tourism Research Australia – International Visitor Survey, Data for year ending March 2016– 5 Year Average - accessed August 2016

ACTIVITY PROFILE

Table 62 provides the top 20 activities undertaken by international overnight visitors that visit Port Fairy on their trip to Australia, compared to the benchmarking destinations.

The most popular activities undertaken by international overnight visitors who visit Port Fairy include eat out / dine out at restaurants or café (96%), followed by sightseeing/looking around (94%), visit national parks/state parks (86%), going to the beach (83%) and go shopping for pleasure (77%).

The activity profile of international visitors to Port Fairy is generally comparable to the benchmarking destinations, however a higher proportion of international visitors that visit Port Fairy visit wineries, botanical or public gardens, aboriginal art / cultural displays, art studios / workshops and heritage sites or monuments.

TABLE 62 TOP 20 ACTIVITIES UNDERTAKEN IN PORT FAIRY – 5 YEAR AVERAGE

	PORT FAIRY	WARRNAMBOOL	LAKES ENTRANCE	GREAT OCEAN ROAD REGION	BENCHMARK DESTINATIONS AVERAGE	% DIFFERENCE WITH BENCHMARKING AVE/PORT FAIRY
Eat out / dine at a restaurant and/or cafe	96%	95%	95%	94%	95%	1%
Sightseeing/looking around	94%	91%	91%	91%	91%	3%
Visit national parks / state parks	86%	81%	82%	82%	82%	4%
Go to the beach	83%	85%	91%	85%	87%	-4%
Go shopping for pleasure	77%	84%	81%	81%	82%	-5%
Visit botanical or other public gardens	72%	67%	68%	64%	66%	6%
Go to markets	67%	69%	68%	68%	68%	-1%
Visit history / heritage buildings, sites or monuments	64%	61%	56%	59%	59%	6%
Bushwalking / rainforest walks	63%	60%	58%	61%	60%	3%
Pubs, clubs, discos etc	62%	58%	63%	59%	60%	2%
Visit museums or art galleries	59%	54%	55%	56%	55%	4%
Charter boat / cruise / ferry	52%	48%	53%	46%	49%	3%
Visit wildlife parks / zoos / aquariums	52%	61%	58%	55%	58%	-6%
Visit wineries	41%	34%	27%	32%	31%	10%
Go on guided tours or excursions	40%	39%	33%	37%	36%	4%
Tourist trains	36%	37%	33%	34%	35%	2%
Experience aboriginal art / craft and cultural displays	34%	30%	25%	28%	28%	6%
Visit the outback	27%	25%	21%	24%	24%	4%
Visit farms	23%	25%	20%	23%	23%	1%
Visit art / craft workshops / studios	23%	17%	18%	17%	17%	6%

Source: Tourism Research Australia –International Visitor Survey, Data for year ending March 2016–5 Year Average - accessed August 2016

COUNTRY OF RESIDENCE

Table 63 shows the country of residence of international visitors to Port Fairy. The United Kingdom is the major international market to Port Fairy at 28% of international visitors, followed by Germany (12%), New Zealand (9%), the United States (7%) and Other European countries (7%).

Port Fairy attracts a significantly higher proportion of visitors (+10%) from the United Kingdom when compared with benchmark destinations. Generally, Port Fairy attracts a smaller proportion of visitors from China.

TABLE 63 HOME STATE / REGION

	PORT FAIRY	WARRNAMBOOL	LAKES ENTRANCE	GREAT OCEAN ROAD REGION	BENCHMARK DESTINATIONS AVERAGE	% DIFFERENCE WITH PORT FAIRY
United Kingdom	28%	15%	21%	18%	18%	10%
Germany	12%	13%	15%	11%	13%	-1%
New Zealand	9%	10%	6%	9%	8%	1%
United States of America	7%	6%	7%	8%	7%	0%
Other Europe	7%	8%	5%	7%	7%	0%
France	5%	4%	6%	4%	5%	1%
Switzerland	5%	4%	5%	4%	4%	1%
Canada	5%	3%	4%	4%	3%	1%
Netherlands	4%	5%	5%	3%	4%	0%
Scandinavia	4%	3%	3%	4%	3%	1%
Malaysia	3%	4%	1%	3%	3%	0%
Other Countries	3%	3%	4%	4%	4%	-1%
Singapore	2%	3%	2%	4%	3%	-1%
China	2%	6%	7%	7%	7%	-5%
India	1%	1%	2%	2%	2%	0%
Italy	1%	3%	1%	3%	2%	-2%
Japan	1%	1%	0%	1%	1%	0%
Taiwan	1%	1%	0%	1%	1%	0%
Hong Kong	0%	2%	2%	1%	2%	-1%
Thailand	0%	1%	0%	1%	1%	0%
Korea	0%	1%	0%	1%	1%	0%
Other Asia	0%	1%	2%	1%	1%	-1%
Indonesia	0%	2%	0%	1%	1%	-1%

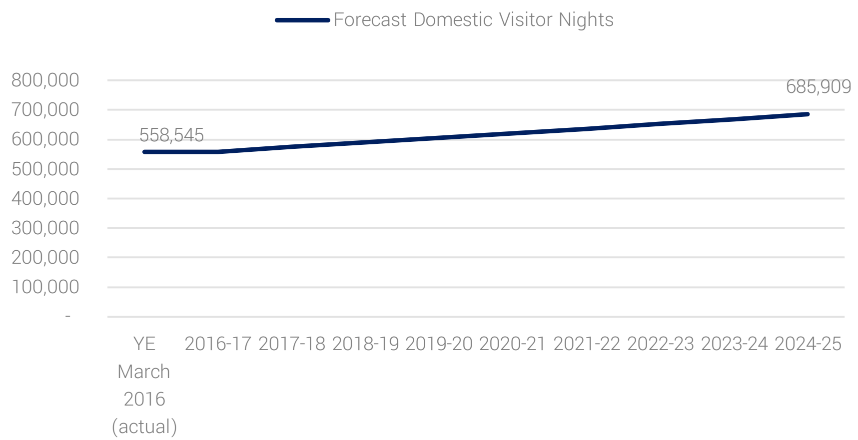
Source: Tourism Research Australia –International Visitor Survey, Data for year ending March 2016–5 Year Average - accessed August 2016

12.5. FORECAST VISITOR NIGHTS

DOMESTIC VISITOR NIGHTS

Based on published growth rates by Tourism Research Australia, domestic visitor nights to Port Fairy (Moyne West SA2), will reach approximately 685,909 visitor nights by 2025, at an average annual growth rate of 2%, as shown in Figure 35. At an average length of stay of 3 nights, this equates to 228,636 visitors, increased from 155,000 visitors per annum from 2012-2016.

FIGURE 35 FORECAST DOMESTIC VISITOR NIGHTS



Source: Tourism Research Australia, State Tourism Forecasts 2016, forecast domestic visitor nights published growth rates for Victoria (rest of state)

In recent years, however, Port Fairy visitation has stagnated (see Figure 24), hence strategic initiatives and infrastructure provision may be required to facilitate visitation growth and remove any current barriers to tourism to the town.

These forecasts assume that Port Fairy visitation will increase in line with Victorian visitation growth (that is, Port Fairy will retain a constant market share).

INTERNATIONAL VISITOR NIGHTS

Based on published growth rates by Tourism Research Australia, international visitor nights to Port Fairy (Moyne West SA2), will reach approximately 71,251 visitor nights by 2025, at an average annual growth rate of 5%, as shown in Figure 36. At an average length of stay of 2.7 nights, this equates to 26,389 visitors.

FIGURE 36 FORECAST INTERNATIONAL VISITOR NIGHTS

Source: Tourism Research Australia, State Tourism Forecasts 2016, forecast international visitor nights published growth rates for Victoria (rest of state)

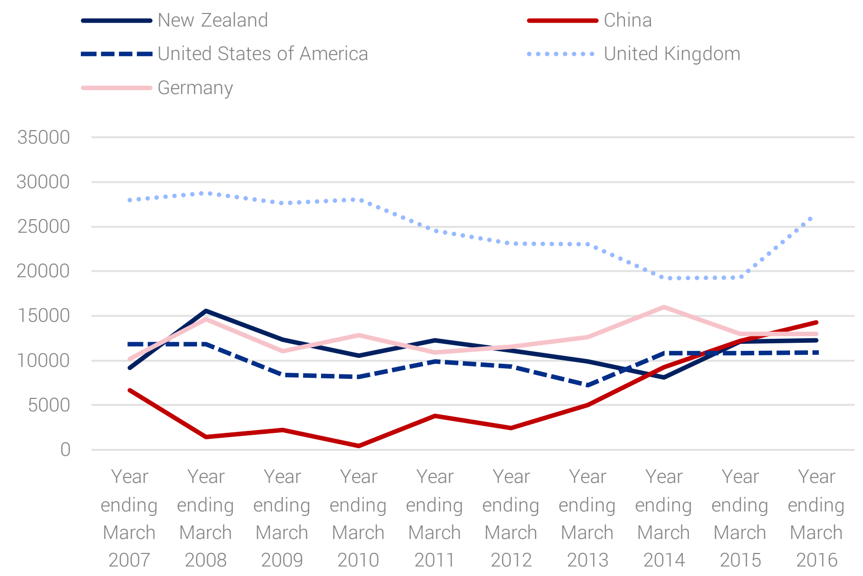
Combining forecast domestic and international visitor nights, by 2024/25 there will be approximately 750,000 visitor nights in Port Fairy, this is an increase of 229,575 visitor nights.

MAJOR INTERNATIONAL MARKETS

Figure 37 shows visitation from major international markets (+10,000 visitors in 2016) to the Great Ocean Road region over a ten-year period. The chart shows that Visitation has grown significantly out of China, particularly over the past 5 years.

TRA data shows that Port Fairy is not capturing its proportionate share of Chinese visitation. The Chinese market is a major growth market to the Great Ocean Road region and is a key growth market opportunity for Port Fairy given proximity to the Great Ocean Road.

FIGURE 37 VISITATION FROM MAJOR INTERNATIONAL MARKETS TO THE GOR REGION



Source: Tourism Research Australia – International Visitor Survey, Data - accessed September 2016

12.6. KEY STATISTICS – DOMESTIC VISITORS

The key findings of the domestic overnight visitor market include:

- 157,822 average annual domestic overnight visitors;
- Visitation to Port Fairy has generally been steady over the previous 5 years.
- The average length of stay of domestic overnight visitors is 3 nights;
- Popular months for travel include January and March;
- The major markets are holiday and leisure visitors (68%) and VFR visitors (25%);
- The primary travel party type to Port Fairy was adult couples, followed by family groups and friends and relatives.
- The main choice of accommodation for domestic overnight visitors to Port Fairy includes ‘other private accommodation’ which suggests visitors are staying with friends or relatives, caravan park or commercial camping ground, rented house/apartment/flat or unit and standard hotel/motor inn.
- The majority of visitors to Port Fairy are in the age bracket between 35 and 54 years of age.
- Popular activities undertaken by domestic overnight visitors to Port Fairy include eat out/dine out at restaurants or café, sightseeing/looking around, going to the beach, visiting friends and relatives, go shopping for pleasure and go to pubs, clubs, discos etc.
- The majority of visitors originated in Victoria (45% from Melbourne, 32% from the rest of Victoria).

12.7. KEY STATISTICS – INTERNATIONAL MARKET

The key findings of the international overnight visitor market include:

- Port Fairy attracted an average of 17,581 annual international visitors between 2012 and 2016;
- International visitation has shown growth over the past 5-year period;
- International visitors stay an average of 2.7 nights;
- The majority of international visitors are holiday and leisure visitors;
- International visitors primarily visit as an adult couple or are unaccompanied travellers;
- International visitors stay in standard motels/motor inns (below 4 star) or caravan parks / commercial camping grounds;
- The majority of international visitors to Port Fairy are in the age bracket between 50 and 69 years of age and between 20 and 34 years of age;
- Popular activities undertaken by international visitors include eat out / dine out at restaurants or café, sightseeing/looking around, visit national parks/state parks, going to the beach and going shopping for pleasure.
- The United Kingdom is the major international market for Port Fairy, followed by Germany, New Zealand, the United States and Other European countries.
- Forecasts growth rates for domestic and international overnight visitation is strong with Port Fairy expected to attract almost 230,000 domestic overnight and over 26,000 international overnight visitors by 2024/25.
- China is a major international growth market to the Great Ocean Road region.

12.8. KEY FINDINGS

TRA visitation data to Port Fairy indicates that domestic overnight visitation has been relatively steady but has shown little growth over the past 5 years. Visitation has increased over the past 5 years to both the Great Ocean Road region and benchmark coastal towns including Warrnambool and Lakes Entrance.

Reason for this stagnation of visitation could be attributed to a variety of factors. Possible factors raised in consultation may include distance from major visitor origin markets (Melbourne), marketing effectiveness and/or targeting of growth markets, lack of product development in line with changing visitor market needs and lack of investment in tourism infrastructure and services. It is apparent that a lack of appropriate commercial accommodation catering to market demand may have also contributed to this trend.

The domestic overnight visitor market consists primarily of holiday and leisure visitors and VFR visitors, travelling as either adult couples, family groups or parents and relatives travelling together. The age profile aligns with these groups, with primarily older visitors or families with children.

Compared to the benchmark destinations, there is a noticeably smaller proportion of domestic overnight visitors aged between 20 and 34, which suggests Port Fairy has been unable to penetrate this market or there has not been a concerted strategy to attract this market.

Seasonal visitation suggests that Port Fairy is a highly visited destination in the peak periods of summer and during the Port Fairy Folk Festival in March. However, the data suggests that Port Fairy suffers from proportionately lower visitation in the off season (winter months), particularly in June and July when compared to benchmark destinations, including the Great Ocean Road region. More recent promotion of Port Fairy in winter through the 'winter weekends' campaign may have an effect on future visitation in the low periods.

The accommodation profile suggests that a high proportion of domestic overnight visitors are staying in private accommodation (31%), which may be correlated with the proportion of VFR visitors (25%).

The three primary commercial accommodation markets include caravan parks / commercial camping, rented house/apartment/flat and standard hotel/motor inn. The caravan parks appeal to the family and larger group markets.

The abundance of private short term holiday rental accommodation is reflected in the data, with 18% of overnight visitors utilising this accommodation and the proportion of visitors staying in private rental accommodation is much higher when compared to benchmarking destinations. Very low proportions of domestic visitors stay in 4 – 5 star accommodation (2%), compared with other towns and the Great Ocean Road region. This indicates a potential opportunity to increase supply of this type of accommodation to align with the visitor profile (commonly older couples).

The activity profile of overnight visitors suggests strengths in food and dining, the beach, shopping, events and general sightseeing (reflective of the strong heritage appeal of the town).

International visitors to Port Fairy primarily originate from the United Kingdom and European countries, with visitors from the U.K. comprising approximately 28% of the international market. There is a high proportion of visitors originating from U.K. when compared with the Great Ocean Road and other benchmark destinations.

The primary international visitor type is either adult couples or unaccompanied travellers, visiting for holiday and leisure purposes, staying an average of almost 3 nights.

There is a high proportion of international visitors who visit Port Fairy that are aged over 60 and Port Fairy comparatively attracts a smaller proportion of younger international visitors when compared to benchmark destinations.

International visitors primarily stay in standard hotel/motel accommodation (below 4 star) and caravan parks or commercial camping grounds. Approximately 8% of international visitors stay in luxury accommodation, which is higher than the benchmark average.

International visitors generally have a high propensity to undertake activities on their trip. International visitors who visited Port Fairy on their trip have a high propensity to eat or dine out, sightsee, visit national parks, go to the beach and go shopping for pleasure.

Port Fairy attracts a smaller proportion of international visitors from China when compared with the Great Ocean Road region, Warrnambool and Lakes Entrance. There is opportunity to increase Port Fairy's proportionate capture of the Chinese visitor market, given strong visitation growth to Victoria and Great Ocean Road region over recent years from this market.

13. ACCOMMODATION

13.1. COMMERCIAL ACCOMMODATION SUPPLY

There are approximately 343 rooms available in commercial accommodation in Port Fairy as shown in Table 61. The average rate per room is $171 per night. There are no 4 to 5 star hotels in Port Fairy and limited conference facilities.

Apartment accommodation makes a significant contribution to overall supply, totalling 188 rooms, of which 58 have a 4.5 star rating.

Southcombe lodge is the only large group (capacity over 50 people) accommodation option in Port Fairy and there is only one youth hostel with 50 beds. The majority of the budget accommodation options in Port Fairy are camp sites with 520 sites (powered and unpowered) in 7 caravan parks.

TABLE 64 AUDIT OF COMMERCIAL ACCOMMODATION SUPPLY IN PORT FAIRY

TYPE	NUMBER OF ESTABLISHMENTS	NUMBER OF ROOMS/SUITS	AVERAGE ROOM RATE PER NIGHT*	POWERED/UNPOWERED SITES	SHARED/LARGE GROUP ACCOMMODATION	RATE (SITE PER PERSON)
Motel/motor inn (3-3.5 star)	5	75	$149	-	-	-
Apartments (multiple) 3 star	3	28	$117	-	-	-
Apartments (multiple) 3.5 star	3	40	$168	-	-	-
Apartments (multiple) 4 star	7	62	$169	-	-	-
Apartments (multiple) 4.5 star	4	58	$221	-	-	-
Caravan parks	7	80	$141	520	-	$39
Large group accommodation	1	-	-	-	80	$33
Budget accommodation	1	-	-	-	50	$40
Total	31	343	$171	520	130	$37

*Off peak

Source: Urban Enterprise, September 2016, based on publicly available listings and consultation with accommodation operators

13.2. HOUSES, COTTAGES, STUDIOS & APARTMENTS FOR SHORT TERM RENT

There are also a large number of houses, cottages and apartments available for short term rental accommodation. From a desktop review of apartments and phone conversations with the three main holiday rental accommodation managers in Port Fairy, it is estimated that there are around 400 houses, apartments and cottages, with an estimated 1,400 rooms available for short term rental. Around 200 of these cottages, houses and apartments are managed through local accommodation managers. A review of websites Airbnb and Stayz indicate a further 200 houses, cottages, apartments that are privately rented out by owners.

Single houses and apartments vary greatly in their quality and size and range in price from $120 to $800 per night in the low season and $350 to $5,000 per night in the peak season. The average price for a 3-4 bedroom beachfront cottage is around $450 per night in the off peak and $1,000 per night in the peak season, while in-town centre locations average between $250 per night in the off season and $500 per night in the peak season.

13.3. OCCUPANCY

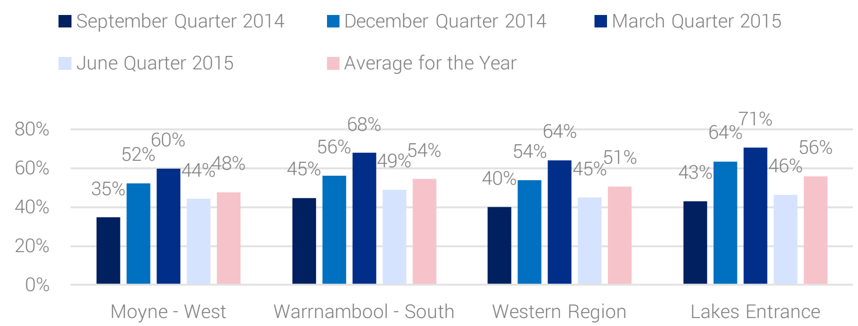
ABS TOURISM ACCOMMODATION SURVEY

Figure 38 shows the average room occupancy rates for each quarter and the average occupancy for the year, reported by accommodation establishments with 15 or more rooms. Data is presented for Moyne – West (includes Port Fairy) and benchmark areas of Warrnambool – South, the Western Region and Lakes Entrance.

The data shows a yearly average room night occupancy of 48% for Moyne- West, which is lower than benchmark areas.

The March Quarter was the strongest performing quarter for Moyne –West at 60% occupancy, followed by the December Quarter at 52% occupancy. The September Quarter was the worst quarter for occupancy, followed by the June Quarter. This pattern is reflected in the benchmarking areas.

FIGURE 38 ROOM OCCUPANCY RATE – SEPTEMBER QUARTER 2014 – JUNE QUARTER 2015



Source: ABS, Tourist Accommodation, Victoria, 2014-15

Some caution needs to be taken when interpreting this data, only 5 accommodation establishments in Moyne –West reported occupancy data. Therefore, average occupancy is only a reflection of these establishments and may not represent accommodation providers on the whole in Port Fairy.

TABLE 65 NUMBER OF ESTABLISHMENTS WITH 15 OR MORE ROOMS

	ESTABLISHMENTS
Moyne - West	5
Warrnambool - South	14
Western Region	68
Lakes Entrance	12

Source: ABS, Tourist Accommodation, Victoria, 2014-15

DISCUSSION WITH COMMERCIAL ACCOMMODATION PROVIDERS

Urban Enterprise undertook consultation with commercial accommodation providers in Port Fairy. Based on these discussions the following was reported:

- Occupancy across all accommodation operators in Port Fairy peaks (95%+) from Christmas through to mid- January, with high occupancy throughout the summer months;
- Peak occupancy is also achieved during Easter holidays, the Folk Festival (Labour Day weekend) and the May Races (for centrally located providers), Spring Festival, and Queens Birthday.
- A Jazz Festival is to be held for the first time in February 2017 and many of the accommodation providers reported high demand in bookings for that weekend (many are already fully booked).
- Lower star rating accommodation (3.5 star and below) and caravan parks generally reported very low occupancy in the winter months (less than 20%). Some closed during this period.
- Higher quality accommodation (4 star+) reported generally higher levels of annual occupancy with an average of around 65%.
- One larger 4 star establishment operates at high average occupancy of 85%. This is largely due to international bookings made through travel agents, mainly related to Great Ocean Road tours.
- A motel operator (3.5 stars), noted that the increase in Air bnb listings has put increased pressure on commercial accommodation operators for overnight stays.
- While not rated 5 star, the boutique hotel 'Drift House' was winner of best luxury hotel in the Qantas Victorian Tourism Awards in 2015. Rooms are priced between $250 and $400 in the off peak, and is among the high end accommodation on offer in Port Fairy and is highly booked year round.
- While there are no large conference facilities in Port Fairy, there are several smaller group conference options. The Comfort Inn has two meeting rooms that can accommodate up to 40 delegates. The Big 4 Caravan Park also has a formal meeting room.

13.4. FUTURE ACCOMMODATION NEEDS

Demand for accommodation is expected to grow with overall forecast growth in domestic and international visitation to Victoria and the Great Ocean Road region.

Analysis of accommodation supply and current visitor markets to Port Fairy and the Great Ocean road region shows that Port Fairy is potentially undersupplied in two forms of accommodation: high quality accommodation above 4.5 stars and larger quality accommodation capable of accepting large group bookings.

Table 63 shows the domestic overnight accommodation profile for Port Fairy and the Great Ocean Road region. The domestic accommodation profile shows potential demand for luxury accommodation, which is stayed in by a significantly lower proportion of visitors in Port Fairy compared to the Great Ocean Road, despite the older age profile of visitors and high proportion of couples.

TABLE 66 DOMESTIC COMMERCIAL ACCOMMODATION – 5 YEAR AVERAGE

	PORT FAIRY	GREAT OCEAN ROAD REGION
Caravan park or commercial camping ground	22%	15%
Rented house/apartment/flat or unit	18%	11%
Standard hotel/motor inn (below 4 star)	15%	15%
Guest house or Bed & Breakfast	4%	2%
Serviced apartment	2%	2%
Luxury hotel or luxury resort (4 or 5 star)	2%	6%
Backpacker or hostel	1%	1%
Other Accommodation	0%	1%
Other commercial accommodation	0%	0%

Note: excludes private accommodation – does not total 100%

High quality accommodation of 4.5 stars or over appeals to the adult couple and international market segments. Adult couples to Port Fairy comprise almost 40% of the domestic overnight visitor market and over half the international visitor market. As the majority of accommodation stock in Port Fairy consists of rented houses, apartments and cottages, this form of accommodation may not be suitable to the adult couple market. This is primarily due to the typical size of rental accommodation (3.5 bedrooms), reduced staff and support services generally available at rental accommodation, and the additional cost of paying for 'spare' rooms surplus to the requirements of an adult couple. Further, many larger private rental homes have minimum stays.

Much of the tourism product offer in Port Fairy is geared toward the adult couple market, including heritage, boutique shopping, food, nature and events. Consultation has also suggested that occupancy rates are higher for accommodation establishment of over 4 stars, suggesting strong demand for this type of accommodation. Providing quality accommodation complementary to the product offer is important in ensuring realisation of the full potential and growth of the adult couple market.

There may also be an accommodation market gap in larger quality accommodation of 4 stars that can cater to large group bookings. Consultation has revealed strong demand for group booking accommodation. The opportunity to capture a greater share of this market could be realised through provision of a larger events space that the accommodation can leverage.

A lack of available commercial and/or appropriately zoned land (facilitative of tourist accommodation development) in strategic locations may also be restricting the development of new accommodation. In turn, the lack of supply of appropriate accommodation tailored to the visitor market may be limiting growth in visitation to Port Fairy.

13.5. KEY FINDINGS

Analysis of accommodation in Port Fairy provides the following key findings:

- 343 commercial accommodation rooms/suites;
- 520 powered/unpowered caravan park sites (excludes Cabins);
- 130 shared/large group accommodation rooms;
- An estimated 400 houses (1,400 rooms), apartments and cottages available for rent, which provides a significant level of competition to established accommodation providers;
- Average regional occupancy of 51%;
- Anecdotal peak occupancy in summer months and during the Port Fairy Folk Festival;
- Anecdotally lower occupancy rates for lower start rated accommodation and higher year round occupancy rates for quality accommodation over 4 star. Recent success of Drift House boutique luxury accommodation establishment
- No large conferences and events space in Port Fairy.

13.6. ISSUES AND OPPORTUNITIES

Port Fairy has a distinctive accommodation market characterised by a large supply of rented houses, units, apartments and cottages driven by the large holiday home sector and strong domestic family market. This form of accommodation competes with traditional supply of commercial accommodation.

There are no large scale commercial hotel accommodation establishments in Port Fairy and limited conference and event facilities, although the Comfort Inn does provide a range of room types combining to offer significant capacity for groups in apartments and cottages. The Victoria Hotel has capacity to host functions and conferences (up to 250 people), however, is not paired with accommodation.

The lack of conference facilities may be due to the distance from Melbourne, which increased the difficulty of attracting conferences. There may be an opportunity for a larger accommodation establishment that can cater to large group bookings, which leverages off an events space.

An identified opportunity is for an increased supply of boutique luxury hotel accommodation, which would cater to international visitors as well as address the potential under supply of this type of accommodation for domestic visitor markets, primarily adult couples. Port Fairy has characteristics suited to the luxury accommodation market, including its heritage setting, quality food offer, boutique shopping and nature based assets. Further, there may be opportunity for a boutique luxury hotel to provide an events / function space which can cater for weddings and other events, appealing to a local, regional and state visitor market.

The boutique luxury accommodation appeals to the adult couple market given that rooms are generally smaller- (eg.1 bedroom or studio) and typically provides a higher level of service, quality and amenity compared with rented housing. This means this accommodation type doesn’t necessarily compete with the significant number of properties catering to the holiday rental market.

A lack of appropriately zoned land in strategic locations may be hindering the development of accommodation, which in turn, may be hindering the supply of appropriate accommodation tailored to the visitor market and limiting visitation growth to Port Fairy. Primary opportunities for encouraging increased commercial accommodation supply exist along the Moyne River waterfront, in the commercial core, and on land in between these two areas.

14. TOURISM PRODUCT REVIEW

14.1. INTRODUCTION

This section of the report provides an overview of the tourism product, including festivals and events on offer in Port Fairy.

14.2. ATTRACTIONS & ACTIVITIES

Port Fairy is characterised by its setting as an historic seaside town and fishing village. The heritage of the town is on display through the various intact heritage buildings in town. Key attractions and activities on offer include:

- The lighthouse, built on Griffiths Island in 1859 from local bluestone.
- The wharf area, which is currently undergoing development of a new building on the Moyne River, which will include a restaurant, café and fish and chip shop.
- Griffiths Island, located a short walk from the town centre, is an island on the coast of Port Fairy. The island supports a number of native animals including swamp wallabies.
- Railway Place, the site of the station, the Good Shed and the Station Master's Cottage.
- Heritage Walking Tours, over 70 buildings of historic significance, that can be explored by foot.
- Codrington Windfarm: Australia's first commercial windfarm and is owned by Pacific Hydro. The wind farm now generates enough electricity each year to supply the equivalent of 10,000 Victorian homes and each year. It is possible to organise tours of the windfarm and there is a viewing platform.
- Art Galleries: there are several small private art galleries in Port Fairy, including Blarney Books and Art, Whale Bone Gallery, Limestone Gallery and Café.
- Boutique shopping: Port Fairy offers a different shopping experience with many unique and interesting shopping destinations in town.
- Swimming, Surfing and Fishing: there are many opportunities to swim, surf and fish in Port Fairy. The local surf lifesaving club patrols East Beach during peak times (always swim between the flags).
- Golf: an 18-hole links course, ranked 34 of the top 100 public access courses in 2014 in Australia.
- Walks: many walks are on offer in Port Fairy including the Art Walk, Shipwreck Trail, Mahogany Walking Track and Historic Town Walk.
- Food: there are a variety of restaurants, cafes, food stores and various dining experiences on offer in Port Fairy.
- The lifeboat station, which includes a collection of 19th century marine rescue equipment.
- Battery Hill and Powder Magazine, this hill first served as the Harbour Master's signal point for shipping. Local militia units established the gun batteries and built the concrete fortifications that were completed in 1887.
- Motts Cottage, a small cottage dating back to the late 1840s.
- Port Fairy Courthouse, a large bluestone court building c. 1860.
- Port Fairy Historical Society Museum, an accredited museum telling the story of the Port Fairy region through interesting displays and photographs.
- Tower Hill, a State Game Reserve to the north east of Port Fairy is a rare example of a nested maar volcano, and was declared a National Park in 1892. The reserve includes picnic facilities, an interpretive centre, tours and walking trails.
- Port Fairy to Warrnambool Rail Trail, a 37 km rail trail, suitable for cyclists and walkers, follows the route of the disused railway line that loops between Port Fairy, Koroit and Warrnambool skirting the northern side of Tower Hill.
- Mahogany Trail, a beach walk between Port Fairy and Warrnambool.
- The Crags, a wild and scenic section of the coastline with calcified tree roots, jagged outcrops and panoramic views along the coast.
- Whale watching, June to October.

- Lady Julia Percy Island, a submarine volcano, home to a colony of fur seals and several bird species.
- Hopkins Falls, waterfalls down a rocky escarpment at Wangoom, a viewing platform provides viewing and photo opportunities. There are picnic facilities in the reserve.
- Budj Bim Heritage Landscape (Mt Eccles National Park), featuring several walking tracks, a camping area and picnic facilities. The geological features include Lake Surprise, a beautiful crater lake, lava canals, a natural bridge, lava blisters, collapsed lava tunnels and lava cave. Budj Bim Tours operates in the Budj Bim National Heritage Landscape, which extends from Mt Eccles-Budj Bim National Park down to the Tyrendarra Area. Tours are guided by experienced, local Indigenous guides and offer an authentic insight to the land and Gunditjmara culture. In 2016 an $8million investment by the State Government was announced to deliver quality infrastructure to support visitors to Budj Bim Heritage including interpretations buildings, trail networks, visitor facilities and arrival spaces and accommodation.
- Bay of Islands Coastal Park: located between Peterborough and Warrnambool. The area offers spectacular coastal views, with secluded beaches, rock stacks, cliff formations and coastal heath vegetation, that support the rare Rufous Bristlebird.
- Deen Maar Indigenous Protected Area: 453 hectares of rolling sand dunes, limestone ridges, lakes and wetlands, near the community of Yambuk. This land is of special cultural significance to local Aboriginal people and was declared an Indigenous Protection Area (IPA) in 1999.
- Lake Cartcarrong: located a 30 minute drive north east of Port Fairy on the edge of the Winslow township. A scenic spot, it is an ideal place to observe water birds including Swans, Ducks, Grebes, Egrets and Herons.

14.3. FESTIVALS & EVENTS

Port Fairy is known for its impressive calendar of annual events, with the Port Fairy Folk Festival its largest event. Table 67 provides an overview of the events calendar, including estimated visitation where available through consultation with events coordinators.

TABLE 67 PORT FAIRY EVENTS

NAME	TYPE	DATE	ATTENDANCE
Port Fairy Folk Festival	Music	Labour day weekend, March	22,500
Moyneyana Festival	Various Daily Activities	Dec 24 – Jan 26	n/a
Port Fairy Spring Music Festival	Music	Mid October	n/a
Ex-Libris – Port Fairy Festival of Words	Literature / Books	Second weekend in September	500 (approx. for paying events). 1000 (approx. total across paid and free events)
Belfast Lions Club Easter Fair	Market	19th March	2,000 (approx.)
Belfast Lions Club Annual Art Show	Art	27th December - 10th January	n/a
Port Fairy Farmers Market	Market	3rd Saturday of every month	n/a
Commonwealth Sheep Dog Trials & Port Fairy Dog of the Year	Misc.	8th -14th February	Between 2,000 and 3,000 spectators (approx.)
Easter Junior Fishing Clinic	Fishing	26th March & 6th April	n/a
Port Fairy Winter Weekends	Misc.	10th June - 24th July	n/a

Source: Urban Enterprise, through discussions with events coordinators, 2016

Other festivals of significance within the region but outside of Port Fairy include:

- Warrnambool May Racing Carnival;
- Koroit Irish Festival;
- Warrnambool Fun 4 Kids Festival.

The significant calendar of events in Port Fairy is a strong driver of tourism visitation and the attractiveness of Port Fairy as a tourist destination. Support of the unique events calendar should be continued to ensure ongoing economic benefits for the local and regional economy.

14.4. KEY FINDINGS

Within a pronounced and intact heritage setting there are a variety of activities and attractions on offer in Port Fairy, complemented by a significant events calendar.

Port Fairy offers a diverse range of activities, from nature based activities, water activities, heritage, food and wine, festivals and events, indigenous culture and the arts.

14.5. ISSUES & OPPORTUNITIES

One of Port Fairy's issues in attracting a greater domestic visitor market is its distance from Melbourne. As an overnight destination, opportunities for a one-night and two-night stay are more limited for the Melbourne holiday market, given the distance to travel. The diversity of tourism experiences available needs to be effectively communicated, maintained and enhanced to ensure the 'value' of a multiple night stay is recognised by potential visitors to Port Fairy.

The festival and events market is a major tourism driver for Port Fairy and helps to support consistent year on year visitation, with 22,500[12] visitors to the Folk Festival alone. Key land reserves used for festivals and events need to be maintained for this purpose, i.e. north section of Southcombe Park, Railway Place, Village Green. The impeding danger of coastal inundation and sea level rise could impact the Folk Festival site and subsequently could significantly impact the Port Fairy tourism industry and the economic base of the town.

Festivals and events also need to be supported through improved infrastructure such as signage, car parking, movement networks, public amenities and services such as toilets, beneficial not only for festivals and events but for year round tourism.

Further investment in key nature based assets could be provided to increase their attractiveness as tourism attractions, such as Tower Hill and Griffiths Island. This could include lookout points, improved trail infrastructure and interpretive signage, which could be leveraged for the development of self-guided walks.

Public realm improvements could be explored to improve the attractiveness of Port Fairy as a tourism destination. Improvements could include signage, street tree plantings, pedestrian path network, street art and street lighting.

Simple interventions such as the use of fairy lights have been used in other destinations, such as Salamanca Place in Hobart and Hastings Street in Noosa, to improve the setting and attractiveness of the town at night.

The Structure Plan should recognize the importance of tourism to the town and facilitate ongoing improvements to support the tourism industry through investment attraction, co-location of tourism uses and infrastructure improvements.

[12] ITESA – Port Fairy Folk Festival 2016 Survey Results, prepared by Alan Meddings

FIGURE 39 HASTINGS STREET, NOOSA, QLD – NIGHT TIME

Source: http://blog.jiveart.com.au/noosa-heads/noosa-puts-on-a-light-show

As many points of interest in the town are located in close proximity to each other, enhancing the walkability of the town through directional signage and pedestrian paths would enhance the connection between places and improve the link between the town centre, wharf area and Griffiths Island. This may also improve the town's physical and tangible connectedness to the river and coastal environs. Improved street lighting will enhance the safety and walkability of the Port Fairy at night.

The provision of interpretive signage (including multilingual signage), which could be delivered in the form of public art, would create opportunities for self-guided walks and exploration of the towns history and cultural heritage. This concept has been used in the Battery Point, Sculpture Trail historic walk in Hobart. This concept would also appeal to the international travel market.

FIGURE 40 BATTERY POINT, TASMANIA, SCULPTURE TRAIL INTERPRETIVE SIGNAGE

Source: https://segd.org/battery-point-sculpture-trail

There is opportunity to explore the activation of the wharf for more tourism related uses, such as accommodation, restaurants, cafes, boutique retailers, galleries and function spaces. The majority of the land along the wharf is currently zoned General Residential Zone (GRZ). Under the GRZ a permit is not required for a bed and breakfast, however a permit is required for other forms of accommodation, food and drink premises, and place of assembly. A masterplan for the wharf should be prepared which identifies opportunities to increase appropriate tourism uses on the waterfront in appropriate and strategic locations. There is the opportunity to explore the possibility of an events/function space that overlooks the water as part of a wharf masterplan project.

As eluded to earlier in the report (section 14), there may be opportunity for use of appropriately zoned and sized industrial land for tourism product development such as microbreweries, distilleries and creative maker industries (artists, sculptors, boutique product makers), in appropriate locations near the town centre that would complement the existing tourism role of Port Fairy. This type of product could support 'meet the maker' experiences, where visitors can experience local production, potentially as part of ‘points of interest’ on self-guided walks. This concept could also be applied to and complement existing tourism product, such as art galleries.

As discussed earlier, tourism opportunities could also be explored for the Railway Place reserve. This should be investigated as part of a masterplan for the precinct. Potential opportunities for the railway shed may include a bistro and/or events space or boutique brewery/distillery with capacity to hold events that occasionally utilise the surrounding reserve. Consideration could also be given to its use as a tourist hub, leveraging off its association with the Warrnambool-Port Fairy Rail Trail.

There is an opportunity to facilitate additional (and larger) accommodation establishments that can cater to large groups and tours, both international and domestic. This would be enhanced by provision of an events/function space venue, which could cater to weddings, conferences, functions and events, opening a potential new visitor market to Port Fairy. The significant day trip visitation of large cruise ship visitors docked in Portland presents an opportunity to attract longer and overnight stays from this market.

A summary of the general location of tourism opportunities are shown on the map on the following page.

High Proportion of Holiday Rental Properties
Caravan Park
Point of interest
Warrnambool - Port Fairy Rail Trail
Port Fairy Surf Life Saving Club
East Beach
Railway Place
VIC
Town Centre
Wharf area
Wharf Redevelopment
Folk Festival Site
Griffiths Island
Port Fairy Lighthouse
South Beach
> Explore public realm improvements, including wayfing and interpretive signage
> Improve connection of Town Centre to Wharf area and coastal environs
> Explore opportunities for tourism / commercial uses in wharf area
> Explore opportunities for creative maker industries that also provide tourism opportunities
> Explore possibilities for micro brewery / distillery
> Explore tourism opportunities of Railway Place and railway shed.
>Explore accommodation development opportunities.

15. ECONOMIC IMPACT OF TOURISM

15.1. INTRODUCTION

This section of the report provides an estimate of the economic impact tourism visitation contributes to the local economy both through direct and indirect benefits.

The economic impact of tourism has been modelled for three different visitor market segments to Port Fairy, including:

- Overnight visitors staying in holiday homes / holiday home rental segment (domestic and international combined);
- Overnight visitors staying in commercial accommodation (domestic and international visitors); and
- Daytrip visitors.

15.2. THE HOLIDAY HOME SECTOR

There are two methods commonly used for identifying holiday homes in a geographic area. The first is through an analysis of non-resident rate payers identified in Council's rates database. The second is analysis of unoccupied dwellings on census night.

RATES DATABASE

Analysis of Council's rates database has shown that 60% of Port Fairy dwellings are owned by residents of Port Fairy, while 40% are owned by people living outside of the area. The 60% is likely to represent the owner occupier population, while the 40% will represent the majority of the holiday house and holiday rental dwellings.

The key issue with using non-resident ratepayers for determining the number of holiday homes is that it is not possible to differentiate between a permanent rental owned by a non-resident and a holiday home used for private use. This method is likely to slightly overestimate the number of holiday homes.

The rates database shows that there were 789 dwellings owned by non-residents of Port Fairy.

UNOCCUPIED DWELLINGS ON CENSUS NIGHT

The number of unoccupied dwellings on census night is also a good indicator for identifying the number of holiday homes. At the 2011 census, there were 686 unoccupied dwellings identified in Port Fairy.

Unoccupied dwellings on census night also includes vacant dwellings and permanent residents who were away from the place of residence on census night, and therefore can also overstate the number of holiday homes. The average across metropolitan Melbourne for unoccupied dwellings is 9%, and 36% of dwellings were unoccupied in Port Fairy. Deducting the metropolitan Melbourne average (9%) equates to 27% unoccupied dwellings or 531 dwellings in Port Fairy likely to be holiday homes (based on 2016 dwellings owners).

This method is likely to give the minimum number of holiday homes.

ADOPTED APPROACH

Due to the difficulties in calculating the absolute number of holiday homes within the Port Fairy, a low, mid and high range has been derived which identifies a range of possible numbers of holiday homes in Port Fairy. Table 68 shows the result of this approach.

For the purposes of this research, the 2016 mid-range figure has been used, which is the mid-point between the low and high range, equating to 660 holiday homes.

TABLE 68 PORT FAIRY HOLIDAY HOME RANGE

	2016
LOW (unoccupied dwellings on Census night, adjusted by Melbourne average)	531 Holiday Homes
MID (average between low and high range)	660 Holiday Homes
HIGH (non-resident rate payers from Council's rates database)	789 Holiday Homes

Source: Urban Enterprise , 2016

15.3. SUMMARY OF VISITATION

Table 69 provides a summary of estimated visitation to Port Fairy incorporating both holiday home visitors and visitors to commercial accommodation, based on separate calculation of the holiday home sector. The results show that Port Fairy attracts an estimated 240,991 visitors each year, of which 179,262 are overnight visitors.

It should be noted that daytrip visitation is likely to be underestimated as daytrips are only included in the NVS if the respondent travelled more than 40kms from their residence, and spent more than 4 hours at the destination. As Warrnambool is located approximately 30km from Port Fairy, daytrip visitation from Warrnambool may not be accounted for in the estimate.

TABLE 69 SUMMARY OF ESTIMATES OF VISITATION TO PORT FAIRY

	ESTIMATED NUMBER OF VISITORS
Number of Average Annual Visitors to Holiday Homes*	62,040
Number of Average Annual Visitors Staying in Commercial Accommodation	117,222
Total Number of Average Overnight Visitors	*179,262*
*Number of Average Annual Daytrip Visitors***	*61,729*
Total Number of Average Annual Visitors	240,991

*Based on 660 holiday homes and previous research conducted by Urban Enterprise
**TRA – Estimate for daytrip visitation

The following tables provide a summary of visitation inputs to calculate direct tourism expenditure in Port Fairy. The overnight visitor market has been divided into the holiday home sector and the commercial accommodation sector.

TABLE 70 HOLIDAY HOME SECTOR – VISITATION SUMMARY

	HOLIDAY HOME SECTOR
Estimated Number of Holiday Homes	660
Average Days Occupied Per Year (excludes commercial short stay)[1]	60
Average Number of Guests Per Night[2]	4.7
Estimated Number of Occupied Holiday Home Nights	39,710
Estimated Total Number of Visitor Nights in Holiday Homes	186,639

1 Average number of visits to holiday homes in Gippsland (Urban Enterprise previous research into the Gippsland holiday home sector) X average length of stay to Moyne West
2 Average derived from previous research conducted by Urban Enterprise into the holiday home sector in Mornington Peninsula, Bass Coast and Queensland

TABLE 71 COMMERCIAL ACCOMMODATION

	DOMESTIC OVERNIGHT VISITORS	INTERNATIONAL OVERNIGHT VISITORS
Total Proportion Staying in Commercial Accommodation	64%	90%
Estimated Total Number of Visitors Staying in Commercial Accommodation	101,392	15,831
Estimated Visitor Nights of Visitors Staying in Commercial Accommodation	305,022	41,097

1 Calculated using TRA NVS / IVS Data for commercial accommodation stayed in – 5 year average

15.4. DIRECT EXPENDITURE BY VISITORS

Table 72 shows the estimated visitor expenditure for Port Fairy. Direct expenditure by visitors is estimated to be approximately $70.4 million, with overnight visitation contributing approximately $64.3 million and daytrip visitors contributing approximately $6.1 million.

TABLE 72 DIRECT VISITOR EXPENDITURE – PORT FAIRY

DOMESTIC OVERNIGHT VISITORS		
	Expenditure per person/per night	Total Direct Visitor Expenditure
Visitors Staying in Commercial Accommodation	$139[1]	$42,499,757
INTERNATIONAL OVERNIGHT VISITORS		
Visitors Staying in Commercial Accommodation	$103 [2]	$4,246,694
Total Commercial Overnight		$46,746,452
HOLIDAY HOMES / HOLIDAY RENTALS		
Visitors Staying in Holiday Homes	$94[3]	$17,544,019
Total Overnight		$64,290,471
DAYTRIP VISITORS		
	Expenditure per person/per day	Total Direct Visitor Expenditure
Daytrip Visitors	$100[4]	$6,142,036
Total Direct Expenditure		$70,432,507

[1] Average of domestic overnight expenditure to Great Ocean Road Region from TRA expenditure allocation method applied to survey data for the year ending March 2011, 2015 and 2016

[2] Average of international overnight expenditure to Great Ocean Road Region from TRA expenditure allocation method applied to survey data for the year ending March 2011, 2015 and 2016

[3] Average of VFR domestic overnight expenditure to Victoria from TRA expenditure allocation method applied to survey data for the year ending March 2011, 2015 and 2016

[4] Average of domestic daytrip expenditure to Great Ocean Road Region from TRA expenditure allocation method applied to survey data for the year ending March 2011, 2015 and 2016

15.5. ECONOMIC IMPACT

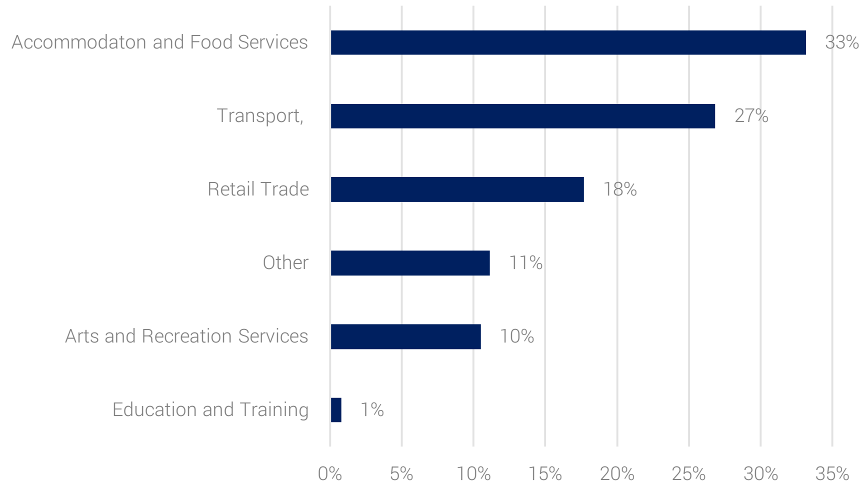
Using access to Remplan's Economic Impact module, the economic impacts of tourism visitation have been estimated.

METHODOLOGY

Direct visitor expenditure has been proportionately allocated to relevant industry sectors based on the proportion of expenditure per item of domestic and international expenditure, in order to more accurately estimate the flow on benefits.

The proportionate allocation of expenditure for each industry sector is shown in Figure 41.

FIGURE 41 PROPORTIONATE ALLOCATION OF EXPENDITURE



Further, in calculation of expenditure on transport, the direct expenditure has been reduced by 50% to account for travel expenditure outside of the region. This is considered to be a more conservative approach, rather than attributing 100% of transport expenditure to the region.

IMPACT TO MOYNE SHIRE

The analysis of economic impact of tourism to Moyne Shire is shown in Table 73. Tourism contributes the following economic impacts to Moyne Shire:

- Direct expenditure of $54.34 million (accounting for reduction in transport expenditure);
- Indirect expenditure of $18.24 million;
- Total economic impact of $72.57 million;
- Direct contribution to employment of 373 jobs;
- Indirect contribution to employment of 64 jobs; and
- Total contribution to employment of 437 jobs in Moyne Shire.

TABLE 73 SUMMARY OF ECONOMIC IMPACT TO MOYNE SHIRE

	DIRECT IMPACT	INDIRECT IMPACT	TOTAL IMPACT
Output ($M)	$54.34	$18.24	$72.57
Employment (Jobs)	373	64	437

Source: Economic Impact Module – Remplan, inputs by Urban Enterprise, 2016

IMPACT TO REGIONAL ECONOMY

The analysis of economic impact of tourism to the Barwon-South West region is shown in Table 74. Tourism contributes the following economic impacts to Moyne Shire:

- Direct expenditure of $54.34 million (accounting for reduction in transport expenditure);
- Indirect expenditure of $48.96 million;
- Total economic impact of $103.3 million;
- Direct contribution to employment of 394 jobs;

- Indirect contribution to employment of 176 jobs; and
- Total contribution to employment of 570 jobs in the Barwon South West region.

TABLE 74 SUMMARY OF ECONOMIC IMPACT TO BARWON SOUTH WEST

	DIRECT IMPACT	INDIRECT IMPACT	TOTAL IMPACT
Output ($M)	$54.34	$48.96	$103.30
Employment (Jobs)	394	176	570

Source: Economic Impact Module – Remplan, inputs by Urban Enterprise, 2016

The infographic on the following page summarises the economic benefits of tourism in Port Fairy to Moyne Shire and the Barwon South West region.

15.6. PORT FAIRY FOLK FESTIVAL

The economic impact of the Port Fairy Folk Festival was recently estimated by ITESA, in the *Port Fairy Folk Festival 2016 Survey Results* report, prepared by Alan Meddings.

The report estimated that the 2016 Folk Festival had an economic impact of $9.7 million, with additional economic impacts to the region.

The Folk Festival is a significant contributor to tourism expenditure in Port Fairy and a key regional tourism asset. The looming danger of sea level rise, threatens the site of the festival and in doing so threatens a major component of the towns tourism appeal and economic base.

VISITOR ECONOMY SUMMARY

VISITATION

62,040
estimated annual holiday home visitors

117,222
estimated annual overnight visitors in commercial accommodation

240,991
estimated annual visitors

IMPACT TO MOYNE SHIRE

$54.3 m
direct expenditure

$18.2 m
indirect expenditure

$72.6 m
output

373 jobs
direct employment impact

64 jobs
indirect employment impact

437 jobs
total employment impact

IMPACT TO BARWON SOUTH WEST

$54.3 m
direct expenditure

$49.0 m
indirect expenditure

$103.3 m
output

394 jobs
direct employment impact

176 jobs
indirect employment impact

570 jobs
total employment impact

APPENDICES

APPENDIX A STATE AND LOCAL PLANNING POLICY FRAMEWORK

STATE PLANNING POLICY FRAMEWORK (SPPF)

CLAUSE 11 – SETTLEMENT

Planning is to anticipate and respond to the needs of existing and future communities through provision of zoned and serviced land for housing, employment, recreation and open space, commercial and community facilities and infrastructure.

CLAUSE 11.02-1 SUPPLY OF URBAN LAND

Objective: *To ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses.*

Strategies: *Ensure the ongoing provision of land and supporting infrastructure to support sustainable urban development.*

Ensure that sufficient land is available to meet forecast demand.

Plan to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis.

CLAUSE 11.02-3 STRUCTURE PLANNING

Objectives: *To facilitate the orderly development of urban areas.*

Strategies: *Ensure effective planning and management of the land use and development of an area through the preparation of strategic plans, statutory plans, development and conservation plans, development contribution plans and other relevant plans.*

Undertake comprehensive planning for new areas as sustainable communities that offer high-quality, frequent and safe local and regional public transport and a range of local activities for living, working and recreation.

CLAUSE 11.05-1 REGIONAL SETTLEMENT NETWORKS

Objective: To promote the sustainable growth and development of regional Victoria through a network of settlements identified in the Regional Victoria Settlement Framework Plan.

CLAUSE 11.05-4 REGIONAL PLANNING STRATEGIES AND PRINCIPLES

Objective: *To develop regions and settlements which have a strong identity, are prosperous and are environmentally sustainable.*

Strategies: I*dentify and assess the spatial and land use planning implications of a region's strategic directions in Regional Strategic Plans.*

Ensure regions and their settlements are planned in accordance with any relevant regional growth plan.

Apply the following principles to settlement planning in Victoria's regions, including the hinterland areas (those most relevant to this project):

- *Ensuring there is a sufficient supply of appropriately located residential, commercial, and industrial land across a region to meet the needs identified at regional level.*
- *Managing the impacts of settlement growth and development to deliver positive land use and natural resource management outcomes.*

- *Avoiding development impacts on land that contains high biodiversity values, landscape amenity, water conservation values, food production and energy production capacity, extractable resources and minerals, cultural heritage and recreation values, assets and recognised uses.*
- *Strengthening settlements by ensuring that retail, office-based employment, community facilities and services are concentrated in central locations.*
- *Climate change, natural hazards and community safety:*
  - *Siting and designing new dwellings, subdivisions and other development to minimise risk to life, property, the natural environment and community infrastructure from natural hazards, such as bushfire and flood.*
  - *Developing adaptation response strategies for existing settlements in hazardous and high risk areas to accommodate change over time.*
  - *Encouraging reduced energy and water consumption through environmentally sustainable subdivision and building design.*
  - *Encouraging a form and density of settlements that support sustainable transport to reduce greenhouse gas emissions.*
- Distinct and diverse regional settlements:
  - Encouraging high-quality urban and architectural design which respects the heritage, character and identity of each settlement.
  - Ensuring development respects and enhances the scenic amenity, landscape features and view corridors of each settlement.
  - Limiting urban sprawl and directing growth into existing settlements, promoting and capitalising on opportunities for urban renewal and redevelopment.
  - Ensuring that the potential of land that may be required for future urban expansion is not compromised.
  - Creating opportunities to enhance open space networks within and between settlements.

CLAUSE 11.05-5 COASTAL SETTLEMENT

Objective: *To plan for sustainable coastal development.*

Strategies: *Support a network of diverse coastal settlements which provides for a broad range of housing types, economic opportunities and services.*

Encourage urban renewal and redevelopment opportunities within existing settlements to reduce the demand for urban sprawl.

Identify a clear settlement boundary around coastal settlements to ensure that growth in coastal areas is planned and coastal values protected. Where no settlement boundary is identified, the extent of a settlement is defined by the extent of existing urban zoned land and any land identified on a plan in the planning scheme for future urban settlement.

Direct residential and other urban development and infrastructure within defined settlement boundaries of existing settlements that are capable of accommodating growth.

Avoid linear urban sprawl along the coastal edge and ribbon development within rural landscapes and protect areas between settlements for non-urban use.

Avoid development on ridgelines, primary coastal dune systems and low lying coastal areas.

Encourage opportunities to restructure old and inappropriate subdivisions to reduce development impacts on the environment.

Ensure a sustainable water supply, stormwater and sewerage treatment for all development.

Minimise the quantity and enhance the quality of storm water discharge from new development into the ocean, bays and estuaries.

CLAUSE 11.09 GREAT SOUTH COAST REGIONAL GROWTH

Objective: *To strengthen the region's economy through increased industry diversification, innovation and development.*

Strategies: *Support agriculture as a primary source of economic prosperity and increase the region's contribution to the nation's food production.*

Support higher value-add and diversification of existing industries and opportunities for investment in infrastructure, innovation and research.

Support growth and economic opportunities throughout the region, especially along the north-south and east-west corridors.

Support higher economic and population growth along the east-west primary growth corridor by capitalising and building on existing connections, strengths and infrastructure.

Support rural production and associated economic development opportunities including rural industry, rural sales, accommodation and tourism.

Support and facilitate the development of energy facilities in appropriate locations where they take advantage of existing infrastructure and provide benefits to the regional community.

Plan for and sustainably manage the cumulative impacts of alternative energy development.

Facilitate access to key construction material resources in the region, including on-site quarrying.

CLAUSE 11.09-2 SUSTAINABLE COMMUNITIES

Objective: *To attract more people to the region.*

Strategies: *Support the provision of suitable housing for elderly people to cater for projected demographic change.*

Support and promote active and attractive towns through the provision and enhancement of open space, trails, streetscapes and gardens.

CLAUSE 11.09-6 ENVIRONMENTAL ASSETS

Objective: *To build on the network of towns and the roles played by them.*

Strategies: *Provide flexibility and opportunities for a diverse range of tourism development, including an increase in the supply of appropriate accommodation and tourism infrastructure.*

Support the sustainable management of growth around coastal, estuary and marine assets to protect environmental values, and to achieve regional economic and community benefits.

Plan and manage coastal population growth and increased visitation so that impacts do not cause unsustainable use of coastal resources.

Port Fairy is identified as a District Town, earmarked for medium growth. It is identified within a sub region for enhanced tourism assets.

CLAUSE 12 – ENVIRONMENTAL AND LANDSCAPE VALUES

Planning should help to protect the health of ecological systems and the biodiversity they support (including ecosystems, habitats, species and genetic diversity) and conserve areas with identified environmental and landscape values.

CLAUSE 12.02-1 PROTECTION OF COASTAL AREAS

Objective: *To recognise and enhance the value of the coastal areas to the community and ensure sustainable use of natural coastal resources.*

CLAUSE 12.02-2 APPROPRIATE DEVELOPMENT OF COASTAL AREAS

Objective: To ensure development conserves, protects and seeks to enhance coastal biodiversity and ecological values.

Strategies: *Ensure development is sensitively sited and designed and respects the character of coastal settlements.*

Encourage revegetation of cleared land abutting coastal reserves.

Maintain the natural drainage patterns, water quality and biodiversity within and adjacent to coastal estuaries, wetlands and waterways.

Avoid disturbance of coastal acid sulfate soils.

Protect cultural heritage places, including Aboriginal places, archaeological sites and historic shipwrecks.

CLAUSE 12.02-4 COASTAL TOURISM

Objective: *To encourage suitably located and designed coastal and marine tourism opportunities.*

Strategies: *Ensure that a diverse range of accommodation options and coastal experience are maintained and provided for and that sites and facilities are accessible to all.*

Ensure tourism developments demonstrate a tourist accommodation need and support a nature based approach within non-urban areas.

Ensure developments are of an appropriate scale, use and intensity relative to its location and minimises impacts on the surrounding natural visual, environmental and coastal character.

CLAUSE 13 – ENVIRONMENTAL RISK

Planning should adopt a best practice environmental management and risk management approach which aims to avoid or minimise environmental degradation and hazards. Planning should identify and manage the potential for the environment, and environmental changes, to impact upon the economic, environmental or social well-being of society.

CLAUSE 13.01-1 COASTAL INUNDATION & EROSION

Objective: *To plan for and manage the potential coastal impacts of climate change.*

Strategies: *In planning for possible sea level rise, an increase of 0.2 metres over current 1 in 100 year flood levels by 2040 may be used for new development in close proximity to existing development (urban infill).*

Plan for possible sea level rise of 0.8 metres by 2100, and allow for the combined effects of tides, storm surges, coastal processes and local conditions such as topography and geology when assessing risks and coastal impacts associated with climate change.

Consider the risks associated with climate change in planning and management decision making processes.

Ensure that land subject to coastal hazards are identified and appropriately managed to ensure that future development is not at risk.

Ensure that development or protective works seeking to respond to coastal hazard risks avoids detrimental impacts on coastal processes.

Avoid development in identified coastal hazard areas susceptible to inundation (both river and coastal), erosion, landslip/landslide, acid sulfate soils, bushfire and geotechnical risk.

CLAUSE 14 – NATURAL RESOURCE MANAGEMENT

Planning is to assist in the conservation and wise use of natural resources including energy, water, land, stone and minerals to support both environmental quality and sustainable development.

CLAUSE 14.01-1 PROTECTION OF AGRICULTURAL LAND

Objective: *To protect productive farmland which is of strategic significance in the local or regional context.*

CLAUSE 15 – BUILT ENVIRONMENT AND HERITAGE

Planning should ensure all new land use and development appropriately responds to its landscape, valued built form and cultural context, and protect places and sites with significant heritage, architectural, aesthetic, scientific and cultural value.

CLAUSE 15.01-1 URBAN DESIGN

Objective: *To create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity.*

CLAUSE 15.01-2 URBAN DESIGN PRINCIPLES

Objective: *To achieve architectural and urban design outcomes that contribute positively to local urban character and enhance the public realm while minimising detrimental impact on neighbouring properties.*

CLAUSE 15.01-3 NEIGHBOURHOOD AND SUBDIVISION DESIGN

Objective: *To ensure the design of subdivisions achieves attractive, liveable, walkable, cyclable, diverse and sustainable neighbourhoods.*

CLAUSE 15.02-1 ENERGY AND RESOURCE EFFICIENCY

Objective: *To encourage land use and development that is consistent with the efficient use of energy and the minimisation of greenhouse gas emissions.*

CLAUSE 15.03-1 HERITAGE CONSERVATION

Objective: *To ensure the conservation of places of heritage significance.*

CLAUSE 15.03-2 ABORIGINAL CULTURAL HERITAGE

Objective: *To ensure the protection and conservation of places of Aboriginal cultural heritage significance.*

CLAUSE 16 – HOUSING

Planning should provide for housing diversity, and ensure the efficient provision of supporting infrastructure.

New housing should have access to services and be planned for long term sustainability, including walkability to activity centres, public transport, schools and open space.

Planning for housing should include providing land for affordable housing.

CLAUSE 16.01-1 INTEGRATED HOUSING

Objective: *To promote a housing market that meets community needs.*

CLAUSE 16.01-2 LOCATION OF RESIDENTIAL DEVELOPMENT

Objective: *To locate new housing in or close to activity centres and employment corridors and at other strategic redevelopment sites that offer good access to services and transport.*

CLAUSE 17 ECONOMIC DEVELOPMENT

Planning is to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity.

Planning is to contribute to the economic well-being of communities and the State as a whole by supporting and fostering economic growth and development by providing land, facilitating decisions, and resolving land use conflicts, so that each district may build on its strengths and achieve its economic potential.

CLAUSE 18 TRANSPORT

Planning should ensure an integrated and sustainable transport system that provides access to social and economic opportunities, facilitates economic prosperity, contributes to environmental sustainability, coordinates reliable movements of people and goods, and is safe.

CLAUSE 19 INFRASTRUCTURE

Planning for development of social and physical infrastructure should enable it to be provided in a way that is efficient, equitable, accessible and timely.

Planning is to recognise social needs by providing land for a range of accessible community resources, such as education, cultural, health and community support (mental health, aged care, disability, youth and family services) facilities.

Growth and redevelopment of settlements should be planned in a manner that allows for the logical and efficient provision and maintenance of infrastructure, including the setting aside of land for the construction of future transport routes.

Strategic planning should facilitate efficient use of existing infrastructure and human services. Providers of infrastructure, whether public or private bodies, are to be guided by planning policies and should assist strategic land use planning.

Planning authorities are to consider the use of development contributions (levies) in the funding of infrastructure.

LOCAL PLANNING POLICY FRAMEWORK (LPPF)

CLAUSE 21.03 FACTORS INFLUENCING FUTURE PLANNING AND DEVELOPMENT

REGIONAL COASTAL CONTEXT STATEMENT

Moyne Shire forms part of the Coastal Region that incorporates the Victorian coast from Moonlight Head to the South Australian border and covers the municipalities of Corangamite Shire, Moyne Shire, Warrnambool City and Glenelg Shire. The Coastal Region has a number of highly valued environmental and scenic attributes and much of the coastline is protected by National Parks and coastal reserves.

The Coastal Region plays an important role in the economic development of the broader area and the State through a range of activities including tourism, agriculture, port activity, industrial activity and commercial fishing. Tourism in particular is a growing industry that is likely to remain a key component of the region's economy in the future.

Indigenous cultural heritage values of the Coastal Region coastline are significant. The Coastal Region also has significance in terms of its place in the development of European settlements in Victoria.

There are numerous settlements of various sizes within the Coastal Region that cater for permanent and seasonal residents. The Victorian Coastal Strategy recognises a range of attributes that exist within the Coastal Region generally, and also those values and threats existing within Moyne Shire that will require careful management to ensure ongoing protection and enhancement of important features in the coastal area.

The coastline within Moyne is recognised in the Victorian Coastal Strategy for its environmental and landscape values. The Great Ocean Road, which is a major focus of tourist activity, passes through Moyne Shire.

Under the Coastal Spaces Recommendations Report, (2006), coastal settlements in Moyne Shire have the following classified roles and functions:

- *Port Fairy – District Town with moderate growth capacity with some growth potential beyond existing urban zoned land or through infill but within defined settlement boundaries.*

The town of Port Fairy is recognised as an activity node in the Victorian Coastal Strategy and is identified as exhibiting the following values:

- *Natural and cultural values including sites of indigenous and non-indigenous significance, scenic landscapes, wildlife viewing and wetlands and ecosystems;*
- *Commercial fishing, shipping and boat harbour activities and residential development; and*
- *Tourism and recreation values including swimming and surfing beaches, recreational fishing and boating and a range of accommodation types.*

Port Fairy has significant regional heritage significance in terms of its role in European settlement of the area.

The area in the vicinity of Port Fairy is recognised in the Victorian Coastal Strategy as a priority area requiring management of a range of environmental threats including erosion/sedimentation and turbidity, altered coastal processes and marine pollution.

Port Fairy is recognised in the Victorian Coastal Strategy as a strategic location for improved boating facilities.

Objectives:

- *To define a sustainable urban/non-urban edge to the main townships and settlements within the Moyne Shire.*
- *To maintain compact urban forms that will allow for the ease of service delivery and minimal infrastructure costs. Unplanned developments that have potential to adversely affect the landscape and environmental qualities of the municipality, will not be supported.*
- *To identify, protect and promote the conservation and enhancement of Moyne's heritage places and precincts.*
- *To recognise the different requirements of the population by allowing the accommodation of the population of the municipality within a range of dwelling types suitable for the needs of the community.*
- *To recognise the significance of local Aboriginal heritage and appropriately protect sites of archaeological, cultural and scientific importance in accordance with relevant State and Commonwealth legislation, in consultation with the appointed Aboriginal authority.*
- *To prevent unwarranted alienation and fragmentation of valuable farming land by not supporting rural living and low density residential development, except in areas zoned for those purposes.*
- *To direct the built form and appearance of development in culturally and environmentally significant areas through appropriate design guidelines.*
- *To achieve a quality of residential development which conforms with accepted principles of sustainability and efficiency.*
- *To protect the Neighbourhood Character of Port Fairy.*
- *To ensure that new development in Port Fairy respects built form and/or the coastal and riverine location of the area, including existing character, the integrity of the dune formations, maintenance of floodplains, native vegetation and significant view lines to and from the coast.*
- *To protect and enhance the natural and man-made assets of Moyne Shire.*
- *To provide an environment with the capacity to support a range of community and*
- *leisure facilities.*
- *To identify flood prone land and ensure that new development is compatible with flood hazard*
- *To encourage energy efficiency in housing design and construction.*
- *To encourage the development of aged and special care accommodation within the Shire.*
- *To avoid residential and rural residential development on small rural lots or re-subdivision of existing lots that may form isolated developments that are unrelated to existing townships and impact on farming activities and sensitive environments such as dunes, wetlands, estuaries, waterways, remnant areas of native vegetation or scenic volcanic landscapes like Tower Hill.*
- *To manage development on the fringes of townships so that it enhances the character of the town's landscape setting.*
- *To retain the dominance of the landscape between townships.*
- *To avoid ribbon development along the coastal edge and along main roads such as the Great Ocean Road and Princes Highway and key tourist routes.*
- *To recognize that views, form an important part of the amenity of a property and to provide for a reasonable sharing of views of significant landscape features, including views of the ocean, coastal shoreline, estuaries, wetlands and notable cultural features.*

Townships and Settlements

- Ensure that townships and settlements have a definite visual edge, delineating the boundary between urban development and the natural landscape beyond.
- Ensure that buildings and structures located at the edges of settlements are carefully sited and designed to integrate with existing topography and vegetation.

- Prevent the privatization of foreshores by requiring development adjacent to the coastal edge of settlements to maintain public access. ♣ Ensure that signage is located away from entrances and exits to townships wherever possible.
- Concentrate coastal tourist and commercial recreation development within existing settlements or close to existing settlements where existing infrastructure and community services can be utilised and consider proposed major developments outside existing settlements only when:
  - A genuine need has been demonstrated in response to a regional tourism product strength, outlines the desired visitor experience to be achieved and demonstrates consistency with regional tourism strategies;
  - Ensures minimal impact on environmental capability, and is subordinate to the visual and environmental qualities of a particular locality, minimises the overall footprint of a development and provides for significant benefits for environmental biodiversity;
  - Accommodation should be specifically designed to prevent conversion to permanent residential occupation to protect the future overall availability of accommodation stock; and
  - The need to provide for an appropriate scale and intensity of use and development relative to a site to manage the provision of additional services such as water and sewerage.
- Discourage residential and commercial development which are not dependent on a coastal location (i.e. require access to marine or estuarine waters or support coastal, estuarine or marine activity) from areas which are isolated or unrelated to settlements which contain adequate infrastructure and community services.
- Maintain coastal settlements with little or no existing infrastructure at their present development density.
- Facilitate the restructuring of existing small lot titles located in coastal locations and coastal townships as opportunities arise and where development of such lots will not result in significant environmental impacts.
- Screen commercial timber plantations that are located adjacent to either the Great Ocean Road or the Princes Highway with a 20 metre wide (minimum) indigenous or native vegetation buffer including understorey.

CLAUSE 21.06 ENVIRONMENT

Clause 21.06 of the LPPF encourages protection and restoration of the natural environment, including waterways, landscaping, urban floodways and the coast.

The clause describes that the coast is under threat from the effects of climate change, including sea level rise and increased storm surges. Rising sea levels may threaten development from eroding shorelines, increased cliff instability and landward penetration of saline water within estuaries.

The potential risk hazard to coastal development needs to be considered in terms of siting, design and appropriateness to be located close to the coast and estuaries of the Shire.

Objectives of the Clause include:

- *To encourage restoration of degraded land, particularly stream frontages.*
- *To protect water quality by preventing urban run-off leading to erosion, siltation or degradation of waterways.*
- *To protect significant natural environments and where appropriate form effective open space an/or habitat corridors, along river and coastal areas.*
- *To protect and enhance landscaping, including street trees, on all major approach routes, access roads and local streets.*
- *To maintain the integrity of the existing urban floodways and to identify new floodway areas outside the urban areas.*
- *To integrate the effects on flood hazard from both a 100 year ARI flood event and storm tide with a 0.8 metre rise in sea levels projected to the year 2100 in assessing development of greenfield sites in Port Fairy.*
- *For urban infill development in Port Fairy, a projected sea level rise of 0.2 metres over current 1 in 100 year flood levels by 2040 will be used to assess development.*

- *To implement the requirements of the Port Fairy Local Floodplain Development Plan 2013 Incorporated Document.*
- *To ensure that waste disposal systems for residential, industrial, and commercial purposes are not detrimental to the environment.*
- *To develop and implement sensible fire management solutions that reduce risks to the community and recognise the balance between fire safety and healthy natural environments.*
- *To apply principles of ecologically sustainable development within the Municipality wherever feasible.*
- *To identify landscapes of high scenic value.*
- *To minimise stormwater run-off in urban and in rural areas.*
- *To ensure that the preferred character for significant coastal landscapes are protected and supported by appropriate development.*
- *To retain the open and rural character of views and outlooks, particularly from main road corridors.*
- *To retain clear views of the coastal cliffs and formations from coastal areas.*
- *To retain and enhance indigenous native vegetation in coastal and estuarine areas.*
- *To ensure that appropriate risk assessment is undertaken to consider the impact and hazards of sea level rise and climate change impacts.*
- *To avoid impacting the environment from the exposing of acid sulphate soils.*
- *To ensure that appropriate risk assessment is undertaken to consider the impact of potential acid sulphate soils.*

CLAUSE 21.07 ECONOMIC DEVELOPMENT

COMMERCIAL

Port Fairy, Koroit and Mortlake are the principal retail and service centres in the Shire, and also perform important commercial, community and administrative functions. As far as retailing is concerned however, their role is limited to convenience shopping, weekly shopping and a modest range of clothing and comparison merchandise. In this regard, Warrnambool provides a number of larger stores offering higher order consumables such as durable household and non-food merchandise. Portland and to a lesser degree Hamilton also cater for similar needs, particularly for residents in the western part of the Shire.

MANUFACTURING

Manufacturing endeavours are mainly focused on the processing of primary products and resources, or the production of particular specialised products. There are numerous well-established businesses in the Shire, including Clarke's Pies in Mortlake, the dairy factories in Koroit and Allansford, BAM Stone, Glaxo and Southwest Seafoods in Port Fairy.

TOURISM

Tourism is a key sector of the local economy and has significant growth potential. Tourists are attracted to the various heritage buildings and towns in the Shire, of which the following in Port Fairy are of particular interest:

- *the historic commercial and residential buildings in Port Fairy,*
- *the Port Fairy Lighthouse, Battery Hill fortifications and historic lifeboat station,*
- *Motts Cottage, Port Fairy,*
- *Woodbine Homestead, Port Fairy.*

The Shire has a well-established program of music festivals in Port Fairy, Koroit and Mortlake.

The Shire's historic character and beautiful landscapes are key attractions for tourists, who typically enjoy informal, independent travel around the various points of interest. As a result of visitors organising their own activities, existing tourism business relates to accommodation, food and some craft shopping. Some fishing charters exist, but in general the organised "guided tour businesses" are not present.

The provision of accommodation needs for independent visitors has significant potential and needs to be encouraged. High quality bed and breakfast or farm stay accommodation catering for a wide range of budgets has become popular in Port Fairy in particular, whilst cottage, house and flat hire provides longer term holiday accommodation for domestic visitors. Camping grounds are popular in summer months and youth hostels also provide low cost visitor accommodation.

A range of dining opportunities exists throughout the Shire, from restaurants and cafes to take-away establishments. Given that the majority of accommodation is non-catering, the availability of both accommodation and restaurants is important.

The Great Ocean Road is a major component of the tourist infrastructure in the region. The number of travellers on the Great Ocean Road continues to expand and it compliments other attractions of southwest Victoria such as the whale nursery and the Shipwreck Coast.

Port Fairy is the only activity node in the Moyne Shire, as identified in the Victorian Coastal Strategy 2014. There is potential for further development of tourism in the Shire, provided that a base level of infrastructure is provided and information made available on places to visit and activities.

Objective: *To support and facilitate the development of local employment opportunities.*

CLAUSE 21.08 INFRASTRUCTURE & PARTICULAR USES

Objectives of Clause 21.08 include:

- *Maintain an efficient and comprehensive range of community facilities.*
- *Encourage development in locations where a range of infrastructure and appropriate community services are available.*
- *Where reticulated sewer is not available ensure that a high standard of effluent disposal is achieved and that all wastewater is retained within the site.*
- *Ensure that new developments in the small settlements and on urban/rural interface are adequately designed and serviced to take into account the risk of uncontrolled fire.*
- *Maintain and enhance public transport to and within Moyne.*
- *Provide facilities and services that satisfy the range of community needs for children, youth and the aged.*
- *Provide a range of recreational, cultural and entertainment facilities that serve the needs of all age groups in the community.*
- *Discourage any further expansion of Gaming venues or machines within Moyne.*

CLAUSE 21.09 LOCAL AREAS

CLAUSE 21.09-3 PORT FAIRY

The vision for Port Fairy under Clause 21.09-3 is:

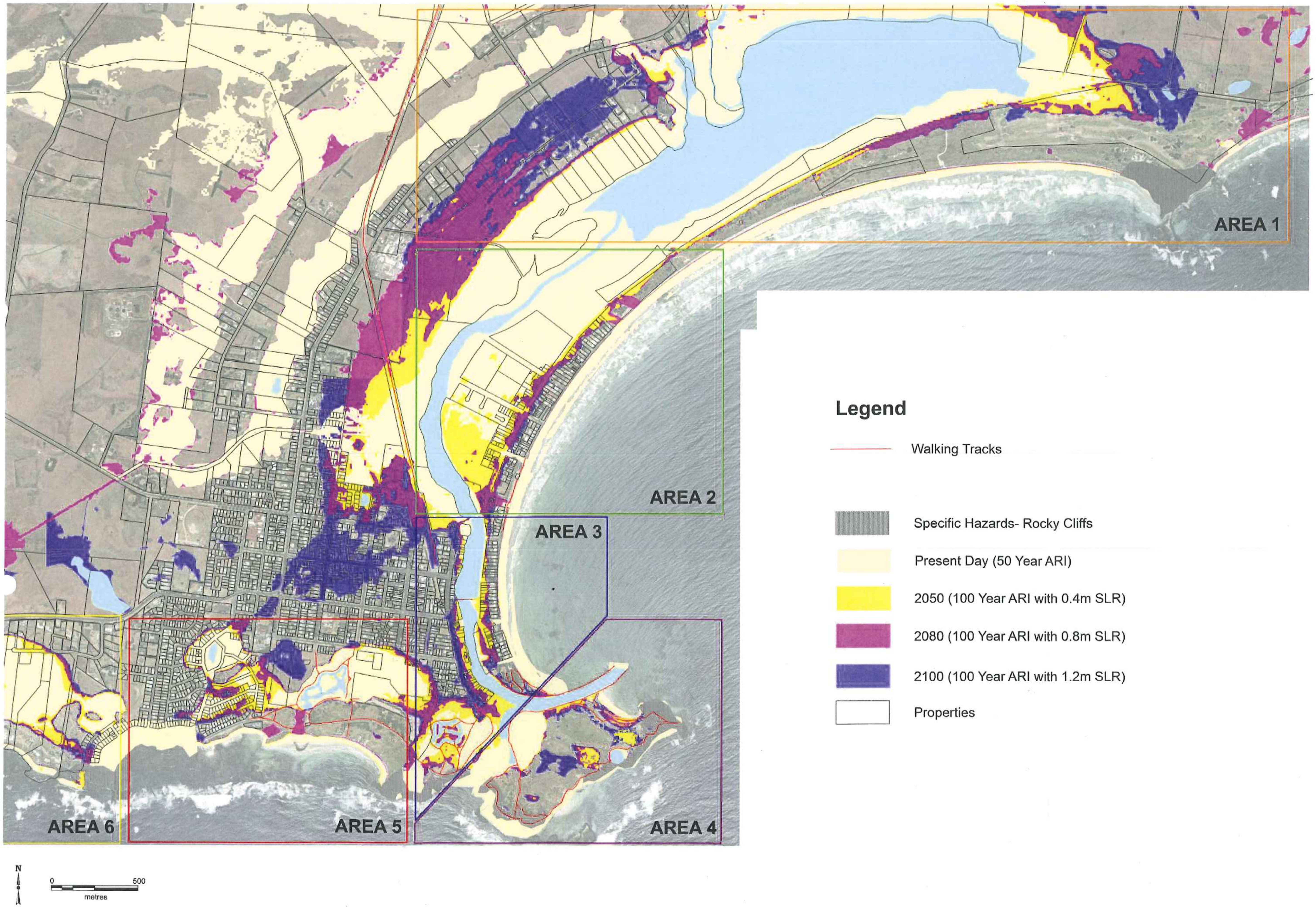
- *To maintain and build Port Fairy as a strong economically sustainable settlement that provides services for the local community.*
- *To retain the distinctive character of Port Fairy based on the heritage features, the coastal location and high quality urban design.*
- *To recognise the constraints of the Moyne River floodplain on the development of land.*

The Clause includes policy relevant to protecting urban character, housing subdivision, enhancing Port Fairy's role as a retailing, service and cultural centre, to focus industrial development within existing industrial areas and to promote Port Fairy as an important tourist destination, promotion of accessibility, protection of environmental assets and to mitigate against flooding potential.

APPENDIX B PORT FAIRY COASTAL CLIMATE ADAPTATION PLAN MAP

Port Fairy Coastal Climate Adaption Plan

MOYNE SHIRE



Legend

Walking Tracks

Specific Hazards- Rocky Cliffs

Present Day (50 Year ARI)

2050 (100 Year ARI with 0.4m SLR)

2080 (100 Year ARI with 0.8m SLR)

2100 (100 Year ARI with 1.2m SLR)

Properties

APPENDIX C DATA AREAS AND BOUNDARIES

DATA AREAS

The key data areas for this report are the following:

- Port Fairy (Urban Centre Locality - UCL);
- Moyne (Shire);
- Warrnambool (City);
- Regional Victoria (includes all land in the state of Victoria not defined as being part of the "Greater Melbourne Metropolitan Area"; and
- Macarthur-Port Fairy District (Victoria In Future Statistical Area):
- Maps of each area are shown below.

PORT FAIRY

The Port Fairy UCL boundary broadly reflects the boundaries of the Port Fairy township / urban area. Although ABS Census data is produced at this level, at the time this report was prepared, 2016 Census data was not available at the UCL level (despite being available for local government areas and a range of other areas).

In order to present the most up to date data possible, Urban Enterprise aggregated data for the following SA1s which comprise the same boundaries as the 2011 UCL boundary for Port Fairy;

- Moyne West – 2147803;
- Moyne West – 2147808;
- Moyne West – 2147812;
- Moyne West – 2147814;
- Moyne West – 2147815;
- Moyne West – 2147816;
- Moyne West – 2147817;
- Moyne West – 2147821; and
- Moyne West – 2147825.

Where is was not possible to use the SA1 boundaries to represent the Port Fairy (UCL), Urban Enterprise used Port Fairy (State Suburb) data as representative of Port Fairy (UCL). Port Fairy (State Suburb) incorporates the Port Fairy UCL as well as a broad surrounding rural area.

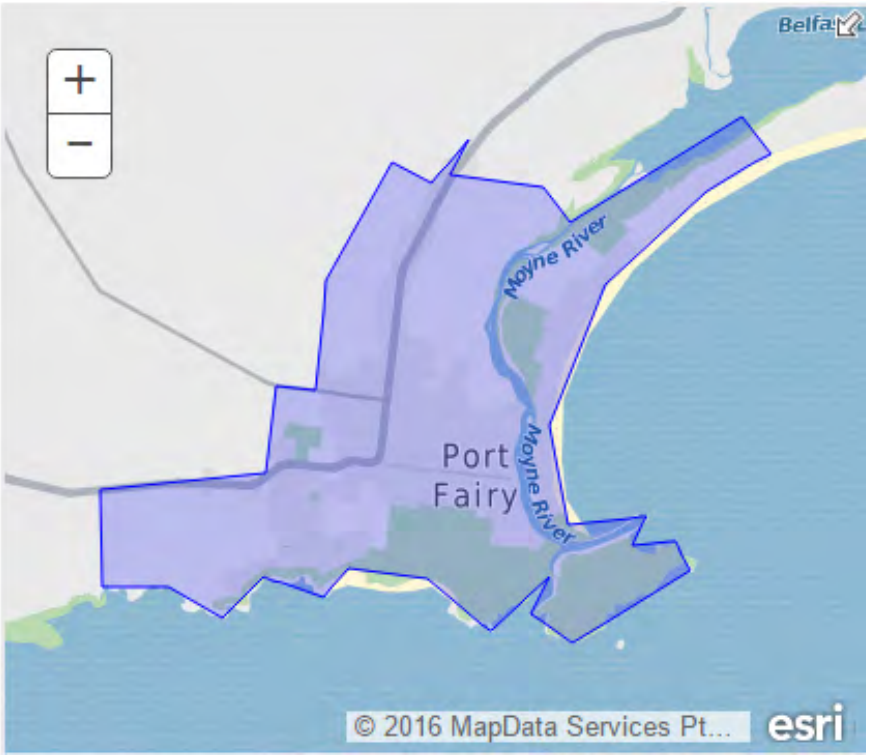
ABS DWELLING DEFINITIONS

The following definitions have been sourced from the ABS Building Approvals Glossary (May 2017). These definitions relate to the ABS data used in this report.

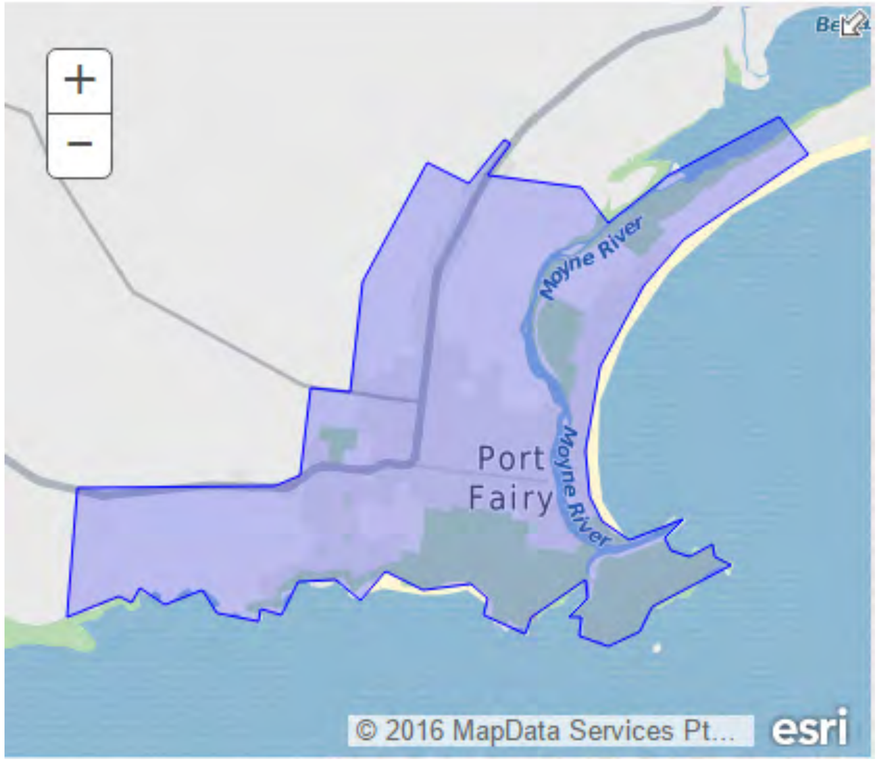
TYPE OF DWELLING	DEFINITION
Aged care facilities	Building used in the provision or support of aged care facilities, excluding dwellings (e.g. retirement villages). Includes aged care facilities with and without medical care.
Agriculture/aquaculture	Buildings associated with agriculture and aquaculture activities, including bulk storage of produce (e.g. shearing shed, hay shed, shearers' quarters).
Alterations and additions	Building activity carried out on existing buildings. Includes alterations and additions to floor area, the structural design of a building, and affixing rigid components which are integral to the functioning of the building.
Building	A building is a rigid, fixed and permanent structure which has a roof. Its intended purpose is primarily to house people, plant, machinery, vehicles, goods or livestock. An integral feature of a building's design is the provision for regular access by persons in order to satisfy its intended use.
Building job	A building job is a construction project comprising work to one or more buildings.
Commercial	Buildings primarily occupied with or engaged in commercial trade or work intended for commercial trade, including buildings used primarily in wholesale and retail trades, office and transport activities.
Conversion	Building activity which converts a non-residential building to a residential building (e.g. conversion of a warehouse to residential apartments).
Dwelling	A dwelling is a self-contained suite of rooms, including cooking and bathing facilities, intended for long-term residential use. A dwelling may comprise part of a building or the whole of a building. Regardless of whether they are self-contained or not, rooms within buildings offering institutional care (e.g. hospitals) or temporary accommodation (e.g. motels, hostels and holiday apartments) are not defined as dwellings. Such rooms are included in the appropriate category of non-residential building approvals. Dwellings can be created in one of four ways: through new work to create a residential building; through alteration/addition work to an existing residential building; through either new or alteration/addition work on non-residential building; or through conversion of a non-residential building to a residential building.
Dwellings excluding houses	Dwellings in other residential buildings and dwellings created in non-residential buildings.
Educational	Buildings used in the provision or support of educational services, including group accommodation buildings (e.g. classrooms, school canteens, dormitories).
Entertainment and recreation	Buildings used in the provision of entertainment and recreational facilities or services (e.g. libraries, museums, casinos, sporting facilities).
Factories	Buildings housing, or associated with, production and assembly processes of intermediate and final goods.
Flats, units or apartments	Dwellings not having their own private grounds and usually sharing a common entrance, foyer or stairwell.
Health	Buildings used in the provision of non-aged care medical services (e.g. nursing quarters, laboratories, clinics).
House	A detached building primarily used for long term residential purposes consisting of one dwelling unit. Includes detached residences associated with a non-residential building, and kit and transportable homes.
Industrial	Buildings used for warehousing and the production and assembly activities of industrial establishments, including factories and plants.
New	Building activity which will result in the creation of a building which previously did not exist.

TYPE OF DWELLING	DEFINITION
Non-residential building	Buildings primarily intended for purposes other than long term residence.
Offices	Buildings primarily used in the provision of professional services or public administration (e.g. offices, insurance or finance buildings).
Other residential building	Buildings other than houses which are primarily used for long-term residential purposes. Other residential buildings includes: semidetached, row or terrace houses or townhouses; and flats, units or apartments.
Religious	Buildings used for or associated with worship or in support of programs sponsored by religious bodies (e.g. church, temple, church hall, religious dormitories).
Residential building	Buildings primarily used for long-term residential purposes. Residential buildings are categorised as houses or other residential buildings.
Retail/wholesale trade	Buildings primarily used in the sale of goods to intermediate and end users.
Semidetached, row or terrace houses, townhouses	Dwellings having their own private grounds with no other dwellings above or below.
Total residential building	Total residential building is comprised of houses and other residential building. It does not include dwellings in non-residential buildings.
Transport	Buildings primarily used in the provision of transport services. Includes: Passenger transport buildings (e.g. passenger terminals); Non-passenger transport buildings (e.g. freight terminals); Commercial car parks (excluded are those built as part of, and intended to service, other distinct building developments); and Other transport buildings n.e.c.
Warehouses	Buildings primarily used for storage of goods, excluding produce storage.

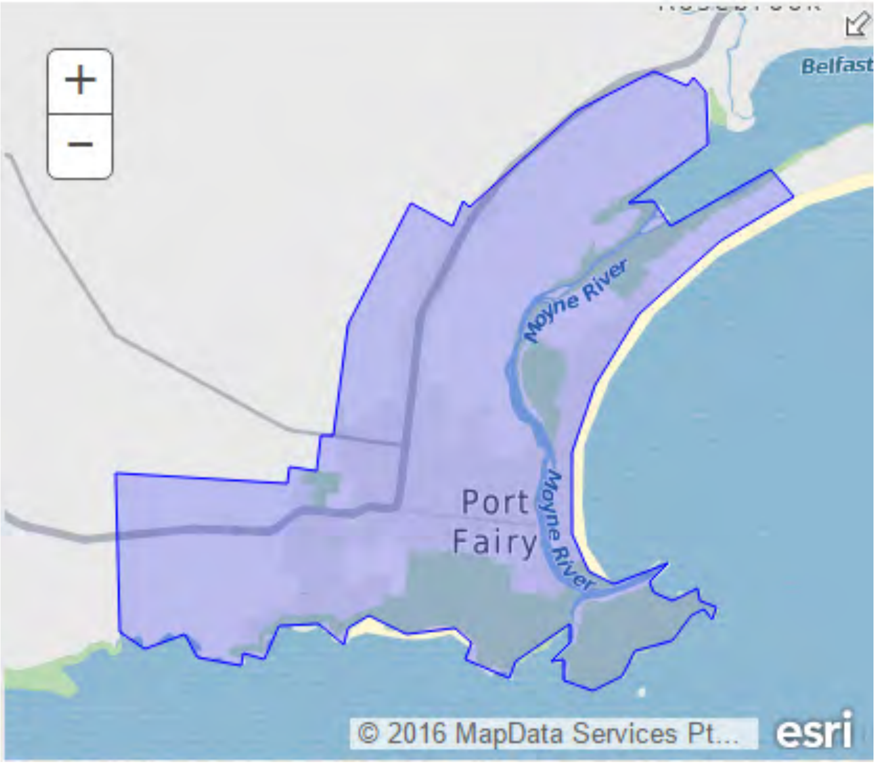
2001 UCL BOUNDARY



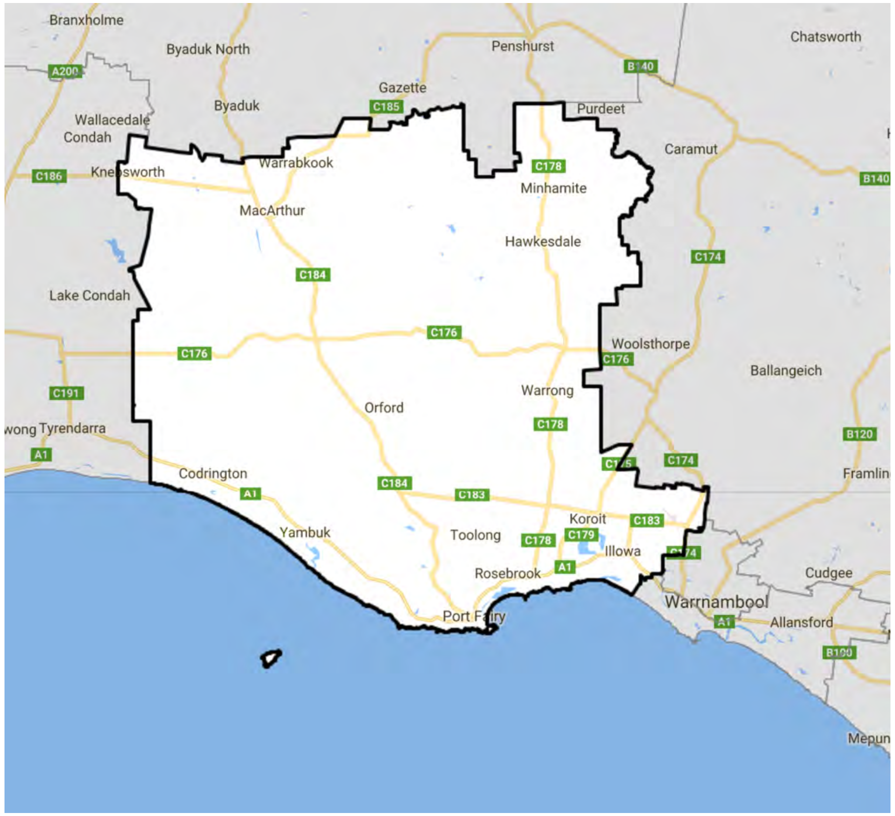
2006 UCL BOUNDARY



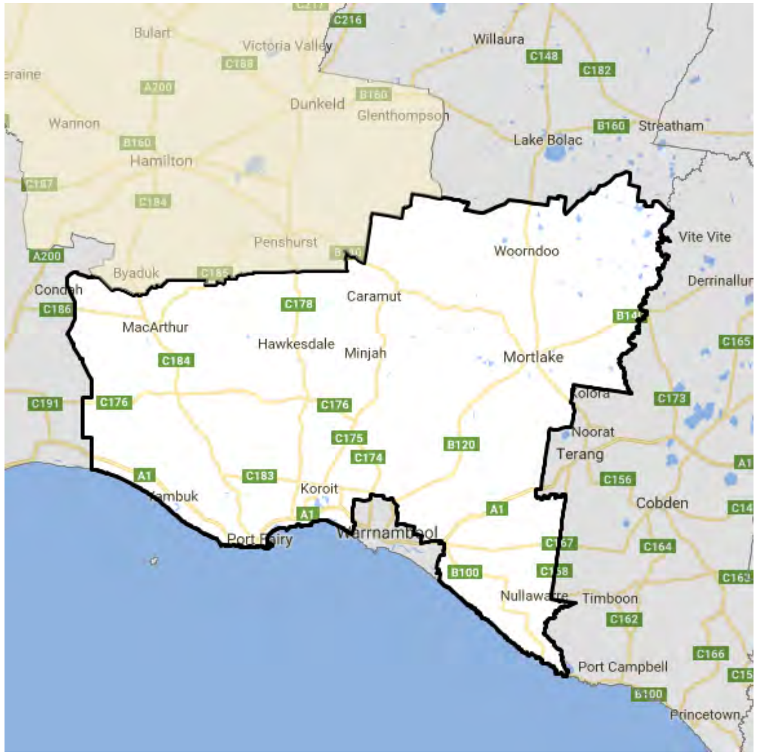
2011 UCL BOUNDARY



MOYNE WEST SA2



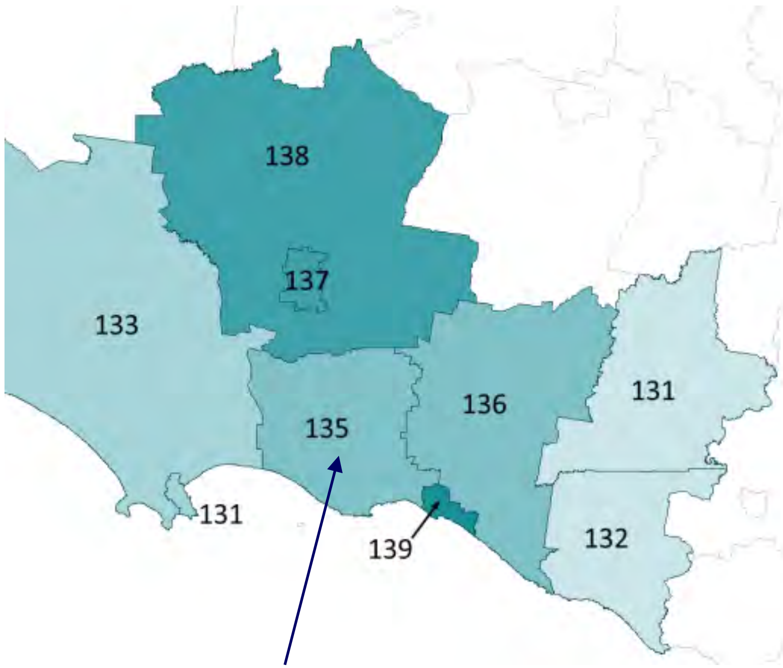
MOYNE (S)



WARRNAMBOOL (C)

REGIONAL VICTORIA

MACARTHUR-PORT FAIRY DISTRICT



Macarthur-Port Fairy District

PORT FAIRY (SUBURB)

Urban Enterprise

389 St Georges Road,

Fitzroy North, Vic, 3068

(03) 9482 3888

www.urbanenterprise.com.au