

21.07 ECONOMY

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21.07-1 OVERVIEW

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The economy of the Towong Shire is heavily reliant upon rural based activity.

The agricultural production within the Shire occurs on approximately 30% of the total land area of the Shire, however, the Shire leads all other municipalities in the region in terms of value for all categories of agricultural production.

The Shire's reliance on the now declining agricultural sector has been further affected by the climatic conditions of the past decade and the occurrence of a prolonged drought and major bushfires.

Whilst agriculture is the major economic activity within the Shire there has been minimal attempt at value adding or the processing of raw agricultural product within the Shire.

Investment in agricultural best practice needs to be encouraged and certainty given to those land uses and their value to the community. Diversification into other agricultural land uses also needs to be encouraged and further developed to assist the broadening of the economic base of the Shire. The broadening of the economic base can also be assisted by the encouragement of niche industries that can take advantage of processing of the local agricultural products.

Some key trends are evident in the rural sector within Towong Shire. These are:

- Declining overall farm numbers
- Increasing overall production
- Increasing importance of beef grazing
- Increasing economic scale of agricultural enterprises
- Smaller comparative economic scale of enterprises when compared to similar enterprise types at a state or national level
- Declining employment in agriculture
- Declining agriculture in Statistical Local Area 'A' in the western part of the Shire
- Demand for rural living, particularly in the western part of the Shire.
- Significant spatial variation in the productive capacity of rural landscapes. It is estimated that:
 - Around 40% of Estimated Value of Agricultural Operations (EVAO) is produced from approximately 6% of the freehold rural land.
 - Approximately 50% of freehold rural land produces 90% of EVAO.
 - The remaining half of freehold rural land only produces around 10% of EVAO.

The Shire plays an important role in the production of timber from plantations established on both public and private land and the timber industry is a major employer in the region and a substantial contributor to the supply of timber for the north east.

An increasing awareness of the need to secure additional off farm income and the influence of the growth of the Albury-Wodonga Region to the west of the Shire's boundaries has influenced the rate of change in the rural economy of the Shire, particularly as land values escalate.

The need to offset the retention of the landscape and plan for change to provide for the communities expectation of economic diversity will provide the Shire with a challenge as it addresses the need to diversify whilst retain the "PURE, clean, green environmental image" espoused in the Council Plan.

The townships of the western sector of the Shire have experienced modest growth over the preceding decade, but are now experiencing an increased pace of change as commuting population pressures are being felt from Albury-Wodonga.

The townships of the eastern sector of the Shire are faced with the challenge of planning for an aging and declining population as youth seek education and employment opportunities elsewhere.

Tourism has an enormous potential within the Shire because of its proximity to the Alpine and Kosciusko National Parks, major state recreation areas, the Murray River and the Hume and Dartmouth Dams.

21.07-2 KEY ISSUES

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Key planning issues associated with the economic development of the Shire are:

- Provide assistance and advice to local organisations to facilitate successful events, cultural opportunities and the arts
- Need to facilitate innovative business opportunities and agricultural projects to address declining returns of traditional agriculture
- An aging and declining population in the western sector of the Shire and lack of employment and training facilities for youth
- Development pressures on land uses in the western sector of the Shire associated with the urban expansion of Albury Wodonga
- Infrastructure and telecommunication deficiencies
- Support the continuation of the Tourism Action Group and the Retailers Action and Advisory Group
- Continue to market the PURE, clean, green environmental image whilst enhancing infrastructure and tourism services
- Need to ensure that new development (commercial, industrial and residential) improves the aesthetics and quality of streetscapes though the Shire
- Recognition of the role of, and issues associated with, the timber industry within the Shire
- Need to develop an Employment Strategy to encourage further work opportunities.
- Retreat of agriculture from the western part of Towong Shire, particularly within the Statistical Local Area 'A'. This decoupling from the agricultural sector within SLA 'A' is evidenced by:
 - 47% reduction in the number of beef cattle (2001-2009).
 - 73% reduction on dairy cattle (2001-2009).
 - 63% reduction in the sheep population (2001-2009).
 - 28% reduction in agricultural employment over the period 1991-2006.
 - 47% reduction in the number of farm enterprises including a 78% reduction in the number of dairy enterprises (2001-2009).
 - 91% of all farm businesses having an annual Estimated Value of Agricultural Operations (EVAO) of less than \$350K meaning that these enterprises are under significant economic pressure if they are simply relying on income from the farm business alone.

21.07-3 OBJECTIVES

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- To ensure that industrial sites are well presented and maintained throughout the Shire
- Require adequate separation of industrial and non-industrial uses to avoid conflict
- To ensure that infrastructure (including roads) is adequately supplied and funded
- Improve the appearance, convenience of the Shire's shopping, business and community areas
- Strengthen existing commercial centres to enable the provision of local shopping and community facilities
- To enhance and improve access to services and infrastructure in townships to maintain a stable population base and skilled labour force
- Develop opportunities for eco-tourism and cultural tourism
- Support the tourism strategy established in the 'Snowy Valleys Way' strategy
- Encouragement of diversification of the economic base and agricultural diversity by attracting industries which will add to the employment base of the Shire.
- To ensure that the use and development of rural land is compatible and complementary to agricultural activities
- Build on the amenity of the Shire – natural resources, tourism and lifestyle
- To encourage residential and rural living opportunities in areas nominated by the Towong Shire Settlement Strategy (2010), in particular areas adjacent to existing towns, in the western part of Towong Shire and in areas where rural living is the dominant land use.

21.07-4 STRATEGIES

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- Strengthen, through rezoning where necessary, the commercial activities of the Shire's towns and villages to enable the provision of local shopping, services and community facilities.
- Promote sustainable land use practices
- Take advantage of and sustain the area's natural assets by ensuring effective catchment management practices are integral to the development process.
- Facilitate more intensive and diversified use of rural lands for higher value products, including horticulture, intensive animal husbandry and agro-forestry.
- Encourage the expansion of timber production on cropping and grazing lands in areas not affected by Overlays or native vegetation and where the road infrastructure can be provided.
- Ensure an adequate supply of appropriately zoned residential, commercial and industrial land.
- Encouragement of value adding to local primary production.
- Investigate the provision of an appropriate zoning for areas of mixed uses in the rural communities
- Facilitate and promote agriculture and tourism related development.
- Facilitate more intensive use and diversified use of non-prime agricultural lands for higher value products, including timber plantations and agro-forestry, where road infrastructure is capable of being provided to support the industry

21.07-5 IMPLEMENTATION

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Applying Zones and Overlays

- Implement the recommendations of the Towong Shire Settlement Strategy (2010), in particular the recommendations of the individual town Structure Plans and the provision of additional rural living opportunities adjacent to existing towns and in the western part of the Shire.
- Implement the recommendations of the Towong Shire Rural Land Use Study.
- Implement the recommendations of the Towong Shire Heritage Study.