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C12**ECONOMIC DEVELOPMENT**

The Rural City of Ararat's economy has traditionally been based on prosperous primary production, its high quality merino wool and employment generated from various government departments and functions. However, the Rural City of Ararat's economy has been subject to substantial change. Agriculture is diversifying, government departments and functions have been centralised and rationalised, tourism and wine production are becoming more important as components of the local economy, technology is still having an impact on the workforce and there is increasing awareness of environmental degradation based on unsustainable land and water uses. Tourism, industrial development, the diversification of the agricultural products and new enterprises based on value-adding closer to the source of the product are ways of expanding and diversifying the economic base of the municipality, to maximise long term economic and social benefits.

The strategic location of the Rural City of Ararat, with direct road and rail links to major population centres and ports in Victoria and South Australia in particular, is of great benefit to the local economy through the facilitation of tourism and trade.

Until recently Ararat was very much a government town comprising various government agencies and departments including the railways, mental health, State Electricity Commission and Telstra, to name a few. The rationalisation of a number of these government agencies has resulted in the closure of the majority. All industries involved with agriculture, forestry, fishing and hunting, electricity, gas and water, construction transport and storage, wholesale and retail trade and public administration and defence, recreation, personal and other service finance, property and business services, community services and communication have all experienced very significant downturns in employment.

Agriculture is an important sector of the Rural City of Ararat and Central Highlands Region economy in terms of its contribution to the gross state product, value-adding, employment and overseas trade. The gross value of agricultural production (1992/1993 annual agricultural census) for the former Shire of Ararat was \$46,443,59. The key commodities are wool, wheat and oats. Other major commodities include live sheep, lambs, canola and wine grape production.

The Ararat commercial centre plays a significant role in the municipality's economy. The retail sector is predominantly focused along the main street of Ararat on Barkly Street, the traditional shopping area. New supermarket developments comprising some specialty shops have extended the commercial area to the surrounding streets. In addition to the Ararat commercial centre, the other towns in the municipality, in particular Willaura and Lake Bolac, have small local shopping centres which perform significant retail roles serving the local and surrounding community. The smaller townships including Elmhurst, Buangor, Moyston and Pomonal also provide an important service role for the local and surrounding community providing convenience and daily consumed items.

All of major industrial businesses are located within the city of Ararat. There are no major manufacturers outside the city, apart from local wine producers. The Council has set aside land near the airport for a major (potentially noxious) industry. Other potential areas exist to the south and south east of the town.

The Rural City of Ararat plays a major role in attracting visitors to the area. The municipality is well placed to major tourism features such as the Grampians and the Pyrenees that can be used to link with the major features of the municipality such as Mount Cole State Forest, Langi Ghiran State Park and Mount Buangor State Park. The value of tourism to a municipality such as the Rural City of Ararat is not only related to direct and flow-on economic benefits, but also assists the community development of the municipality through providing local employment and maintaining a steady resident population. The popularity of 'eco-tourism', adventure and nature retreat holidays means that there are a number of opportunities for the development of retreats, camping and caravanning areas, host farms, rural retreats and bed and breakfasts. The opportunity exists to further promote

the municipality as a tourist destination and to join with neighbouring municipalities to better promote the region as a whole.

### **Key Issues**

The key strategic issues include:

- The need to retain and encourage the expansion of existing industries and enterprises.
- The need to identify and facilitate the development of new enterprises which will create wealth and employment.
- The desirability of diversifying the agricultural base in order to reduce the present over-reliance on traditional agriculture, which exposes the local economy (and therefore the well being of the residents of the Rural City of Ararat) to the vagaries of particular commodity markets.
- The promotion and facilitation of value-adding activities to primary production.
- The potential for further development in tourism, particularly in connection with natural features and the wine industry.
- The further promotion of the municipality as a tourist destination.
- The need to promote local tourism in its own right and as part of a regional strategy.
- The need to capture the energy of the community to ensure the balanced physical, economic and social development of the rural and urban communities.

### **References:**

Ararat Land Use Strategy, 1998

Ararat Regional Economic Strategy, 1991

Tourism and the Grampians Region - A Background Paper, 1990

Regional Economic Strategy

### **Objective**

To support and promote existing economic activities and encourage the establishment of new activities which are economically, environmentally and socially sustainable.

### **Strategies**

- To ensure the efficient and effective management of economic development within the municipality.
- To recognise the significance of the agricultural base of the economy.
- To encourage new economic and industrial activities in the municipality.
- To seek opportunities for value-adding.
- To promote the retention of existing commercial and service business enterprises within the municipality.
- To promote tourism throughout the municipality.

### **Implementation**

These Strategies will be implemented by:

### **Zones & Overlays**

- Include rural land used for agriculture in the Farming Zone.
- Provide opportunities for industrial land uses of varying intensities in the Industrial 1, 2 and 3 Zones in and around the town of Ararat.
- Provide opportunities for retail, commercial and business development in the Business 1 Zone in and around the town of Ararat.
- Apply the Special Use Zone to the former Aradale site to provide for a range of residential, commercial, industrial and other land uses which complement the locality.
- Maintain the opportunity for future industrial development of that land to the south east of Ararat between the existing industrial area and railway line, in accordance with the Ararat Framework Plan
- Include land between the existing industrial zone and railway line to the south east of Ararat in an appropriate industrial zone, in accordance with the Framework Plan.

### **Policy and Exercise of Discretion**

- Ensure an integrated approach to developing proposals and ideas for economic development in the municipality.
- Promote the agricultural base of the economy through expansion, diversification of the agricultural base and improved production.
- Promote agricultural development through the implementation of the actions referred to in the agricultural strategy.
- Adopt the recommendations of the Regional Economic Strategy, as appropriate.
- Implement the recommendations of the Regional Economic Strategy in association with the Regional Development Board, State and Federal governments and the local community, to strengthen and broaden employment opportunities.
- Maintain the opportunity for future industrial development of that land to the south east of Ararat between the existing industrial area and railway line, in accordance with the Ararat Framework Plan.
- Set aside land between the railway line and airport at Ararat for heavy industrial activity (eg. wool scourers and noxious industries).
- Apply the EPA's recommended buffer distances to protect industry from intrusive development.
- Promote and facilitate the establishment of service industries within the existing towns.
- Focus commercial activity around existing commercial centres.
- Recognise Barkly Street and the Western Highway as important approaches into and corridors through Ararat and where tourist based activities should be encouraged.

### **Further Strategic Planning Work**

- By the end of 2000:
  - Prepare an economic profile of the municipality as both a resource, but more importantly a promotional document for the municipality.
  - Develop Townscape Strategies to improve the appearance and amenity of the commercial areas in the towns for residents, tourists and visitors.
  - Prepare a tourism signage policy.

- By the end of 2002, identify and zone fully serviced industrial land for future development to reflect the identified needs and recommended buffer distances.
- Continue to identify and pursue projects considered to have a financial benefit to the municipality.

### **Other Actions**

- Support the Ararat Regional Development Board in preparing a Business Plan containing a clear set of realistic goals and objectives with regard to maintaining and developing the various facets of the economy in the municipality (eg. agriculture, commerce and business, manufacturing and mining).
- Undertake an industry and business services asset register to identify existing opportunities, strengths and weaknesses.
- Enhance the awareness and image of the municipality as an area to visit and invest in.
- Foster and assist the creation and development of new local businesses.
- Identify government funding programs for both infrastructure development and business assistance.
- Encourage ownership of the Ararat Regional Development Board goals through greater public accountability.
- Promote the strategic location of the municipality in respect to its capacity to serve industries and businesses which require access to the major markets of Melbourne and Sydney, major international ports (Melbourne, Adelaide, Portland and Geelong), road and rail connections to Western Victoria and distribution proximity to Western Victoria.
- Pursue appropriate means of value-adding at the source, to diversify the base income of the municipality and enhance employment opportunities.
- Encourage the purchase from and use of local suppliers.
- Attract tourists and visitors to the municipality, to widen its economic base and increase employment opportunities.
- Support the Ararat Regional Tourism Association in the preparation of a Tourism Strategy to identify the tourism potential of the municipality. The Strategy should include market segmentation and promotional activities, and should embrace the natural features of the municipality (such as eco-tourism), the agricultural base of the municipality (including farm tourism), wine production areas and leisure opportunities.
- Establish and maintain a computerised tourism resource asset base.
- Strengthen tourism networking ties in the region to ensure co-operation and co-ordination in the implementation of regional promotions such as the Great Southern and Goldfields touring routes.
- Continue to promote the municipality as a tourist destination and its role as a gateway to Western Victoria and particularly the Grampians.
- Encourage the ownership of the Ararat Regional Tourism Association goals through greater public accountability.
- Continue to provide and update appropriate marketing information (such as tourist brochures) focusing on the natural features, wine production and the leisure and sporting facilities available.
- Publicise the locational attributes of Ararat as a stopping point from Melbourne to Adelaide.