

COASTAL REPORT

TOWNS IN TIME

For coastal towns there is no such thing as “a population”

“Summer” is a word commonly associated with coastal towns, contrasting starkly with the season of census data collection – winter!

Coastal towns are therefore an unusual category within a census based analysis as they have fluctuating populations throughout the year. What, for example, is the population of Torquay? Is it the wintertime population of 9,500, is it the summertime population of 15,000 plus or is it the peak summer time population on a hot Australia Day?

While much of this chapter will review the permanent population via the census data, the traditional population counts will be supplemented by other information and analysis. The census variables will also be analysed for the clues they give to the fluctuating population, for example unoccupied dwellings and industry of employment.

The growth rates of Melbourne and Victoria impact on coastal towns

As indicated above, Victorians have a particular affinity with the coast. “Last year almost nine out of every ten Victorians visited the coast at least once. The coast contributes significantly to the physical and mental wellbeing of Victorians by providing a place to exercise, recreate and unwind” (Victorian Coastal Strategy, 2008). Therefore, not only is the data for coastal towns significant for this category of towns. Their fluctuating populations also makes the demography for the rest of Victoria to be of interest.

Between 2001 and 2006 Victoria grew by 270,395 people, with a total population of 7.4 million projected for 2036. “Victoria’s coastal environment will therefore experience a greater intensity of use” (Victorian Coastal Council, 2008) with more day trippers and holiday makers travelling to a finite number of beaches.

This trend may be intensified as the economy tightens with an increase in intra-state holiday travel. The increase in this category of tourists may however, be more than offset by a decrease in overseas tourists as the global economy contracts. This may be more strongly felt in coastal towns which regularly attract international visitors, such as Torquay, Lorne, Apollo Bay and Warrnambool located on one of the world’s most scenic coastal drives, the Great Ocean Road.

Post modern society supports strong growth in many coastal towns

This trend of fluctuating populations has been further accentuated in recent years, as coastal towns have been the recipient of people influenced by the changes evident in a post modern society. Features such as:

- people moving around daily or weekly in their jobs and their leisure time
- increased numbers having weekenders and others live in more than one place
- less structured more flexible working hours
- rising affluence and the high personal car ownership have given people many leisure and commuting options

- more people choosing to live in a place based on lifestyle considerations rather than economic.

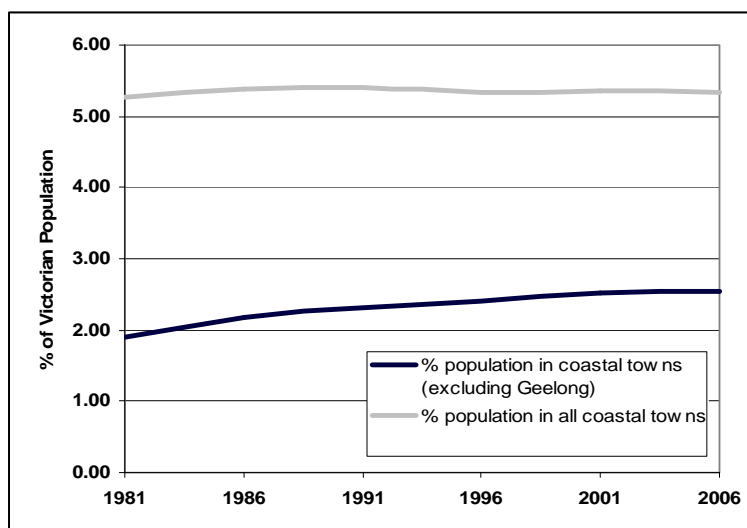
These features have impacted on both permanent and fluctuating populations in coastal towns. **Permanent** population growth includes affluent retirees of the baby boomer generation and families with flexible work arrangements. **Fluctuating** population growth includes weekenders, second home owners, part timers (telecommuting) and seasonal workers.

Another trend of post modern society is the rise in “event” populations. Many school leavers flock to coastal areas in early December as part of schoolies week. The National Schoolies website identifies Torquay and Lorne as Victorian destinations. Other events include Phillip Island Motorcycle Grand Prix and the Port Fairy Folk Festival. There has also been a rise in ocean swimming events, which attract large numbers of day trippers. There were 27 held in the summer of 2004–05, including Port Campbell’s 12 Apostles Plunge in the South West (SW), Phillip Island’s Cowes Classic and Paynesville’s Fisherman’s Wharf Classic on the Gippsland coastline. Lorne’s pier to pub swim attracts 4,000 entrants and 20,000 spectators (DPCD, 2005).

An increasing proportion of Victoria’s population live in coastal towns

Coastal towns in Victoria (excluding Geelong) increased their share of Victoria’s population from 1.91 per cent in 1981 to 2.55 per cent in 2006. This represents approximately 52,000 more people (see figure 1).

Figure 1: Percentage of Victoria’s population living in coastal towns, 1981-2006



Source: DPCD *Towns in Time* data based on ABS Census 1981- 2006.

Population growth rates are still strong but slowing...

The “seachange” phenomenon has been well documented over the last decade. However 2006 census data indicates that this trend, while still strongly evidenced by many towns exhibiting high growth, may be slowing, with fewer towns in the very high growth category and more towns experiencing population loss. Contributing factors relate to the rapidity of the previous growth which would be very difficult to maintain, the physical limits to growth in some towns, rising house prices, increases in the second home market and increasing concern with environmental issues. The slow down in the economy could impact affluence, retirement and the second home

market; this may mean that a return to the rapid rates of growth in the 1996–2001 period is unlikely.

For all Victorian coastal towns the average annual growth rate was 1.0 per cent, down from 1.3 per cent between 1996 and 2001. While the growth rates for all Victorian towns decreased from 1.2 per cent to 1.1 per cent.

Very high growth rates over 4 per cent per annum (2001–06)

Four coastal towns had very high growth rates between 2001–06. These towns are spread along the coast at Westernport Bay (Blind Bight, 5.0 per cent; Sunset Strip, 7.4 per cent) and the SW coast (Peterborough, 8.8 per cent; Marengo, 5.6 per cent). This is only a third of the number of towns which had very high growth in 1996–2001. While the majority of the very high growth towns in 1996–2001 were large towns only one of these, Blind Bight registers again in 2001–06. Three very high growth towns in 2001–06 (Sunset Strip, Marengo and Peterborough) all have populations under 300.

Initially towns with very high growth rates in the 1996–2001 period, would have had a high proportion of cheaper holiday housing stock. Therefore providing greater choice of housing which is attractive to a variety of household types. However between 2001–06 those options have contracted in some high growth towns, where increased coastal house prices would impact on some people's migration decision. The sections below on house prices and vacancy rates further explore this trend.

While many large towns have dropped out of the very high growth rate they are still growing strongly, so the "seachange" effect is still evident.

High growth towns – growth between 1 and 4 per cent per annum (2001-2006)

The 24 towns with rates between 1 per cent and 4 per cent are spread along the coast line and were predominantly large towns (over 500 people). This is comparable with the number in this category 1996–2001.

For such towns high growth rates directly impact on infrastructure such as water supply, waste management and disposal, roads, drainage and storm water management systems. It also has implications for the delivery of other services such as lifesaving and the development and implementation of emergency management for events, such as bushfire, storm surge, and flooding.

The regional centre of Warrnambool has a growth rate of 1.6 per cent which represented an additional 2147 people increasing the population to 28,029 in 2006. Many young adults are attracted to the educational opportunities available, particularly Deakin University. Warrnambool is recognised to have high growth capacity in the Coastal Spaces 2006 Settlement Framework.

Other high growth towns included many in the Geelong and Bellarine Peninsula area: Barwon Heads (1.96 per cent), Clifton Springs (1.83 per cent), Drysdale (1.81 per cent), Portarlington (1.17 per cent), Ocean Grove (1.04 per cent), St Leonards (1.03 per cent) and Indented Head (1.00 per cent). Down the SW coast they included Torquay (3.38 per cent), Aireys Inlet-Fairhaven (1.72 per cent), Apollo Bay (1.38 per cent) and Warrnambool (1.61 per cent).

The rates were also high in Mornington Peninsula's Cape Schanck (2.84 per cent) and Bass Coast's Newhaven-Cape Woolamai (3.23 per cent), Cowes (3.00 per cent), Grantville (2.69 per cent) and Kilcunda (1.31 per cent).

The Gippsland region also featured the large towns in East Gippsland of Paynesville (2.47 per cent) and Metung (1.67 per cent). South Gippsland's Venus Bay (1.28 per cent) and Port Welshpool (1.77 per cent) also experienced high growth.

Others growing strongly included Casey Shire's Tooradin (2.99 per cent) and Warneet (1.58 per cent), and the small towns of Alberton (1.30 per cent) and Port Albert (1.13 per cent) in the Wellington Shire.

When considering strong growth it is also important to consider absolute numbers, as some of the towns growing strongly have small populations. Figure 2 below shows six towns which grew by more than 500 people between 2001 and 2006. All but Geelong were towns with high growth rates.

Figure 2: Additional population 2001-2006, Selected towns

TOWN	Population 2006	Additional population 2001-06
Geelong	136518	5223
Warrnambool	28029	2147
Torquay	9468	1450
Clifton Springs	7995	693
Cowes	4139	568
Ocean Grove	10767	541

Source: DPCD Towns in Time data based on ABS Census 2001, 2006.

Low growth rates between 0.0 per cent and 1.0 per cent

Geelong experienced low growth of 0.78 per cent. However as indicated in the table above, the number of additional people this represents is significant with an additional 5223 people between 2001–06, totalling a population of 136,518 in 2006. Many young adults are attracted to the educational and employment opportunities available in Geelong, particularly Deakin University. Low growth was also found in Port Fairy (0.55 per cent) and Portland (0.27 per cent) on the SW coast. Gippsland's Lake Tyers Beach (0.42 per cent) and Lake's Entrance (0.51 per cent) and Bass Coast's Corinella (0.70 per cent), Rhyll (0.13 per cent) and San Remo (0.69 per cent) also experienced low growth.

Towns with population loss

Nearly three quarters of the seventeen towns experiencing loss are located in the southern and eastern parts of the state – Bass Coast, South Gippsland, Wellington and East Gippsland. This indicates that they have not been targeted by the same markets as other past of the coast on Westernport Bay and down the SW coast, not too far from Melbourne. Figure 3 shows some towns with population loss during the 2001–06 period.

Again this indicates a slow down when compared with the 1996–2001 period when only 7 towns had population loss.

Figure 3: Population loss 2001-2006, Selected towns

TOWN	Population 2006	Population loss between 2001-06
Loch Sport	736	-213
Inverloch	3541	-201
Lorne	1054	-162
Surf Beach-Sunderland Bay	532	-110
Mallacoota	932	-109

Source: DPCD Towns in Time data based on ABS Census data, 2001, 2006.

Fluctuating and peak populations continue to be a significant issue in coastal towns

The issue of fluctuating populations in coastal towns was discussed in the context of the post modern world above.

Fluctuating populations can have positive economic impacts on coastal towns with tourist dollars generating business and employment in the accommodation, restaurant, recreation, retail and other service industries. There are also negative impacts including servicing issues relating to water supply, waste disposal, storm water discharge and sewage treatment and environmental damage to coastal areas.

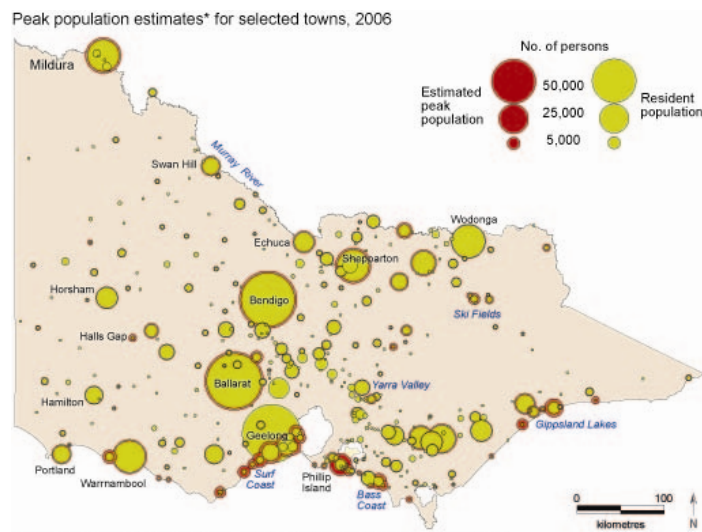
Peak populations are one measure relevant in a fluctuating town. One way to estimate the peak population of a town is to take into account the capacity of housing recorded by the census as being vacant. Tourist accommodation can also be taken into account, and by estimating the capacity of this accommodation along with that of vacant housing, an estimate of potential overnight population can be calculated.

Coastal towns dominate the peak population map of Victoria, with large population influxes in the summer, as shown by the red circles. Towns that experienced particularly high peaks in 2006 included Port Fairy, Lorne and most Great Ocean Road townships, Cowes, Inverloch, Venus Bay, Metung and Lake Tyers. (The Victoria Coastal Strategy, 2008 p16). See Figure 4 below.

For more information about fluctuating populations see the Coastal and Mobile population link on the DPCD website:

www.dpcd.vic.gov.au/research/urbanandregional

Figure 4: Peak Population Estimates, Selected towns, 2006



Sources: DSE Towns in Time data based on ABS Census 2006; AAA Tourist accommodation data 2007

NOTE: Peak population estimates take into account potential population should unoccupied dwellings and tourist accommodation be utilised. A count of unoccupied dwellings is provided by the ABS Census and this number has been multiplied by the average household size for regional Victoria in 2006 (2.59 persons). Tourist accommodation data has been obtained from AAA Tourism and the number of persons in tourist accommodation determined on the basis of either 2 persons per bedroom, or a person capacity where this was stated.

Map prepared by Fiona McKenzie Spatial Analysis & Research Branch DPCD October 2007

Source: DPCD Towns in Time data based on ABS Census data, 2006; AAA Tourist accommodation data, 2007.

While house vacancy rates are still high in many coastal towns, the conversion of holiday homes to permanent dwellings is slowing

Vacancy rates are indicated by unoccupied dwellings at census time in August. Generally, coastal towns have significantly higher vacancy rates than the Victorian average which is 12 per cent and is strongly influenced by Melbourne’s permanent nature.

In 2006 the average vacancy rate for coastal towns was 42 per cent which is not surprising, with 24 towns having vacancy rates above 50 per cent. This contrasts strongly with the regional Victoria average of 16 per cent.

Those with the highest vacancy rates tend to be popular holiday locations. In 2006 the highest vacancy rates were found in Smiths Beach and Venus Bay with rates around 82 per cent, followed by Lorne and Loch Sport with rates around 72 per cent. Figure 5 indicates places with high vacancy rates over 70 per cent. By January most of these towns are fully occupied with beach seeking holiday makers.

Figure 5: Unoccupied Dwelling and Vacancy Rates, 2006, Selected towns

	No. of unoccupied dwellings 2006	Vacancy Rate 2006
Smiths Beach	425	82.85
Venus Bay	1174	81.75
Lorne	1167	72.85
Loch Sport	1075	72.83
Golden Beach-Paradise Beach	377	71.27
Seaspray	198	70.97

Source: DPCD Towns in Time data based on ABS Census 2006.

Very low vacancy rates are found in regional centres such as Geelong (7.95 per cent), Warrnambool (8.1 per cent) and Portland (12.8 per cent) which support permanent living with high level services, jobs and tertiary education opportunities. Other towns with vacancy rates under 35 per cent are Torquay, Clifton Springs, Drysdale and Ocean Grove which are within thirty minutes of Geelong providing residents good access to high level goods and services for permanent living.

Vacancy rates also change over time. High population growth is associated with the conversion of holiday houses to permanent residences causing vacancy rates to decrease. Older people or families may buy holiday houses for permanent use using money made in metropolitan housing markets. Between 2001–06 vacancy rates have levelled out and slowed down in many of the towns which experienced very high growth coupled with decreases in vacancy rates between 1996–2001. This aligns with the decrease in number of towns with very high permanent population growth rates. Figure 6 provides some examples of this trend.

Figure 6: Changes in Vacancy Rates over time, Corinella and Torquay, 1981-2006

	1981	1986	1991	1996	2001	2006
Corinella	50.66	52.24	40.08	41.16	31.91	39.83
Torquay	44.80	41.49	37.31	33.99	30.58	33.20

Source: DPCD Towns in Time data based on ABS Census 1981 - 2006.

Corinella and Torquay have had decreasing rates between 1981 and 2001 then increases again in 2006. What behaviours would underlie this?

It could relate to the second home market. Rising affluence has caused a boom in the second home market, and this would have been evident in 2006. Much of the wealth has been in the middle aged and older age groups. Investment in second homes along coasts has therefore occurred for lifestyle and investment reasons. This would lead to vacancy rates increasing again, in places such as Lorne, which has experienced gains in rates between 1996–2001 and 2001–06. This trend may change in difficult economic times, with people liquidating their assets or renting out their second homes to permanent residents.

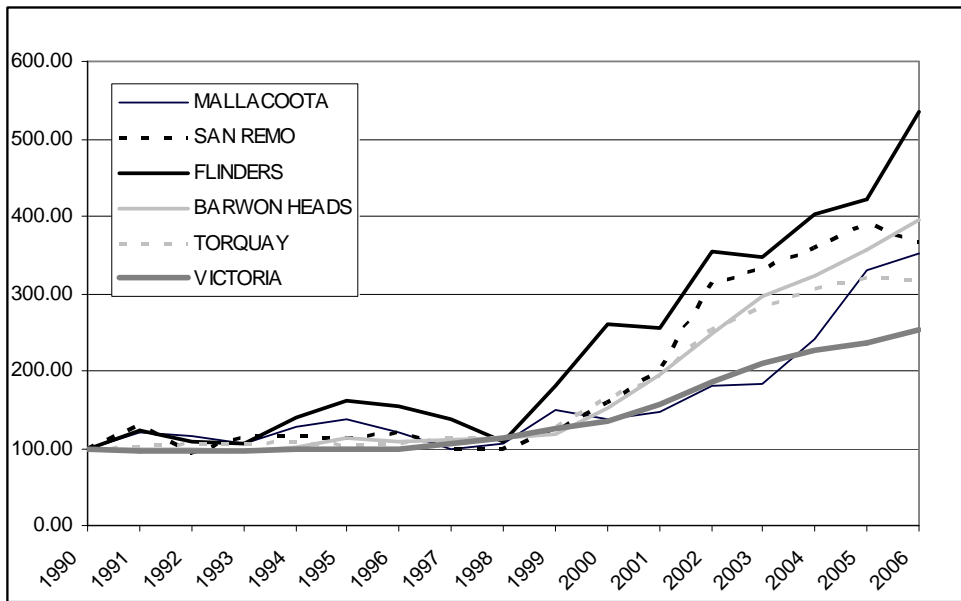
The rise in house prices in some coastal locations is significant...

Many places which have experienced rapid population change have also had rapid growth in house prices. Changes in the price of land and housing can reflect population change and development pressures. Issues of housing affordability can result from rapidly rising house and land prices. Housing markets in popular coastal areas can be influenced by urban trends in income and investment. This can place locals at a disadvantage with issues of housing affordability (Regional Atlas, 2005).

The increase in demand for holiday homes in coastal areas plays a role and impacts socially and economically on existing residents. Problems with the supply of housing in coastal locations can put upward pressure on property and rental prices and impact on the housing of seasonal workers (see employment section below).

In Bass Coast Shire the increase in second homeownership has fuelled a five fold increase in house prices over the last decade, making it difficult to slow the migration of young people to Melbourne (DSE, 2007). Bass Coast's San Remo's hike in house prices between 1990 and 2006 can be seen in Figure 7.

Figure 7: Changes in house prices (indexed), 1990 -2006 , Selected towns



Source: Office of the Victorian- Valuer General 2006.

This shows increases in house prices (indexed) between 1990 and 2006 in some towns where there have been significant increases, such as Flinders and Barwon Heads. On this indexed basis approximately 80 per cent of coastal towns have had greater increases in housing prices than the Victorian average.

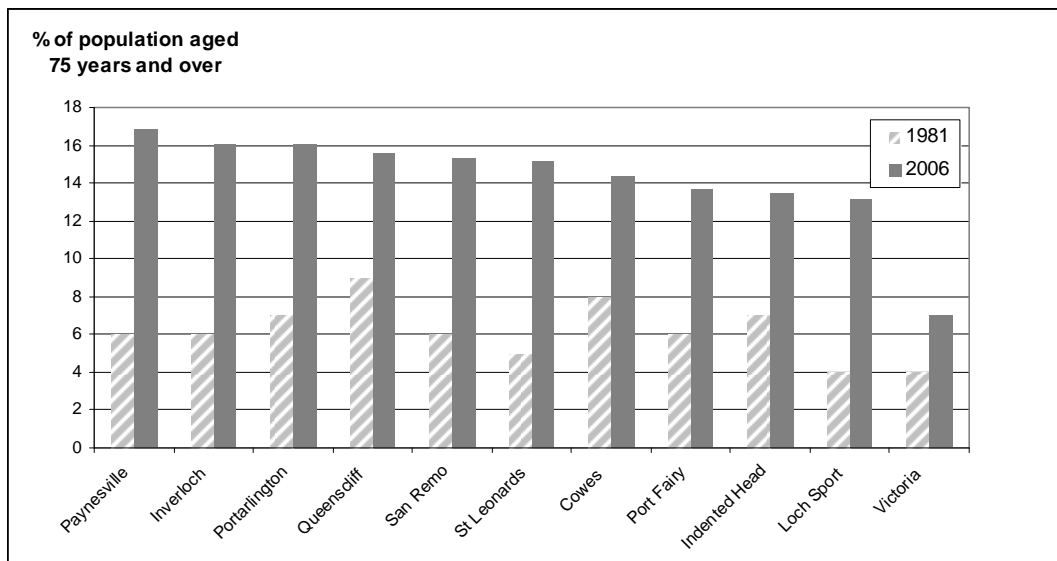
The seachange – retirees and lifestylers

The ageing of the baby boomer population impacts on all of Victoria. In 2006, 14 per cent of Victoria's population was aged 65 years and over and 7 per cent aged 75 years and over. This shows significant ageing of the population when compared with 1981, which had with 10 per cent of Victoria's population aged 65 years and over and 4 per cent aged 75 years and over. In 2006 those aged 65 years and over was nearly 16% in regional Victoria.

In coastal towns the baby boomer trend is even stronger with the 65 plus age group increasing from 12 per cent in 1981 to 18 per cent in 2006 and the 75 plus age group increasing from 4 per cent to 9 per cent over the 25 year period. The large proportion of people in the 65 years and over age group in coastal towns is likely to be a combination of retirement migration, the ageing of existing residents, and the loss of young adults to larger regional centres and Melbourne.

In 2006, 66 per cent of coastal towns had a higher proportion of people aged 75 years and over compared with the regional Victorian average. Top of the list is Paynesville with 17 per cent and Inverloch, Portarlington and Queenscliff with 16 per cent. Given the size of these towns – between 2,800 and 3,800 people – there are implications for goods and services provisions in these towns. Other towns with between 12–15 per cent of people aged 75 years and over are spread along the coast including San Remo, St Leonards, Cowes, Port Fairy, Indented Head, Loch Sport, Lorne, Lakes Entrance, Venus Bay and Port Welshpool. This is a significant proportion more than in 1981, when Queenscliff and Lorne had the highest proportion in the 75 plus category with 9 per cent (see Figure 8).

Figure 8: Population aged 75 years and over, Selected towns, 1981 and 2006



Source: DPCD Towns in Time data based on ABS Census 1981, 2006.

An increasing proportion of older people may increase a town's volunteering workforce; people with many active years still available are able to support those who are at a time poor stage of life with young families and working commitments. Many may be caring for their grandchildren. More generally, older populations may provide opportunities such as the development of businesses relevant to this age group, for example golf clubs, gyms and retirement villages, which in turn may provide employment for the working age population. There would also be potential for growth in medical services if appropriate medical professionals weren't in such short supply in regional areas.

On the other hand, a higher than average proportion of 75 years and over population may also mean a more dependent population that will require particular services and facilities. The oldest residents may increase demand for volunteer services, for example meals on wheels and transport. This can be challenging for some coastal areas due to geographical access issues. Some older residents in these more isolated towns may choose to relocate to larger centres such as Bairnsdale and Colac further inland, where there are more aged care services.

The global economic crisis may impact on this trend of significant ageing and retirement to coastal areas. Some people may need to work longer, provided their employment opportunities continue, to fund their retirement. This may delay retirement migrations which in turn may mean that fewer people actually retire to the coast as they may become too frail to move.

Youth

While towns with a higher than state average percentage (23.6 per cent) of children aged 0–17 years are spread along the coast, towns close to Geelong and Melbourne particularly attract young families. This is related to the lifestyle, job, educational, health and other services offered within commuting distance of these towns. Examples include Ocean Grove, Barwon Heads, Drysdale and Torquay all in close proximity to Geelong and within commuting distance to Melbourne.

This illustrates an aspect of post modern society, whereby people work less structured more flexible working hours, and have a high personal car ownership which has given people many leisure and commuting options. This can also translate into large increases in numbers of children, for example the number of 0–4 year olds has increased in Torquay from 231 in 1981 to 771 in 2006. This type of growth has strong implications for children related services planning. In the Shire of Casey, which is part of the metropolitan area, the coastal towns of Blind Bight, Cannons Creek and Tooradin all have an above average percentage of children. Geelong is around the state average, while the other major coastal towns Portland and Warrnambool are slightly above the state average.

Not all people living in coastal towns work in coastal towns...

The coast plays a unique part in Victoria's economy. "Commercial activities on the coast rely on and are supported by the natural asset-base of the Victorian coast. Coastal-dependent industries such as fishing, aquaculture, tourism and recreational pursuits, ports, shipping and oil and gas extraction, make a significant contribution to local and regional economies". There are commercial ports in Geelong and Portland catering for bulk cargo (Victorian Coastal Council, p11). Aside from the regional centre economies, such industries do not necessarily translate into employment opportunities.

Metropolitan employment is prevalent for some coastal areas in the Geelong SW region, within commuting distance of Melbourne. The population in towns on the Bellarine Peninsula, Surfcoast Shire and the City of Geelong travel in large numbers to Melbourne for jobs. The Geelong line is "Victoria's busiest and most popular regional rail line" and "will be the first to carry the longest passenger trains in the state in response to the booming patronage" (www.vline.com.au). Employment opportunities are also dominated by employment in Geelong, Victoria's second largest city. Metropolitan employment dominance is also observed for coastal towns on the Mornington Peninsula.

Tourist related jobs dominate coastal employment even in the "off season"

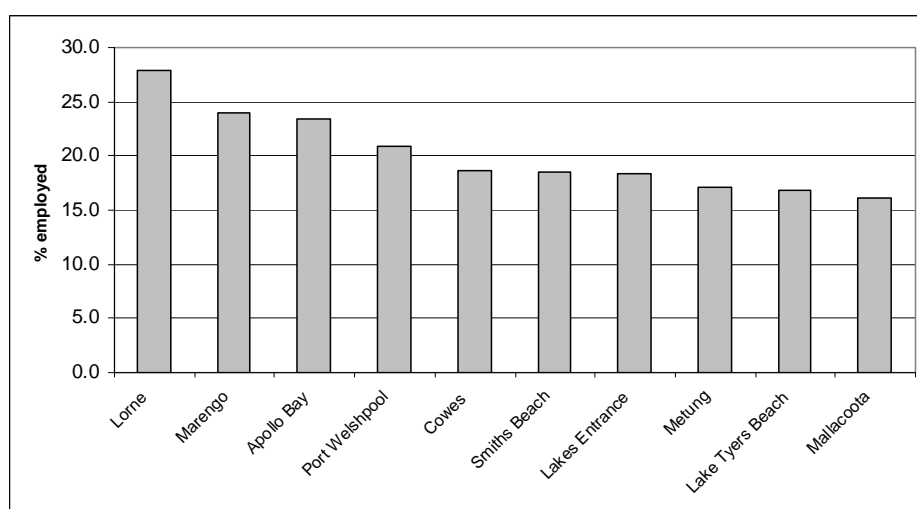
The coastal tourism industry is growing at a much higher rate than Victoria as a whole. There has been an 18 per cent increase in tourism employment in coastal regions between 1997 and 2003, compared to 9 per cent for the whole of Victoria (Victorian Coastal Council, 2008, p11). "Tourism is an invaluable source of income and generates job opportunities for local communities within coastal areas ... in Bass Coast Shire 3.4 million visitors spend \$443 million each year and generate 2,142 jobs, with more than half of businesses reliant on the sector as a major source of income. However there are also downsides to tourism employment, with the seasonality of the industry, reducing employment opportunities outside peak periods" (DSE, 2007).

Data is collected in the census on employment in accommodation and food services, which is a good indicator of tourism related employment in coastal towns. The figures collected in August would under represent the total numbers involved in tourism as much of this employment is seasonal, peaking in the summer months (the Census asks about employment in the past week). Student employment in cafes and restaurants is also common over the summer months however one factor countering the summer student employment is the house prices. The shortage of affordable housing in some towns "can lead to labour shortages, particularly in the hospitality sector where low wages take even rental accommodation beyond the reach of the

local workforce who then leave the area. This then becomes an economic constraint” (DSE, 2007).

Figure 9 below, indicates the ten coastal towns which have over 15 per cent of their workers employed in the tourist related areas of accommodation and food services. This is compared with 5.8 per cent in Victoria. In total, approximately 75 per cent of coastal towns are above the Victorian average for this sector.

Figure 9: % of workforce employed in Accommodation and Food Services, Selected towns, 2006



Source: DPCD Towns in Time data based on ABS Census 2006.

The towns below have high unemployment levels compared with the state average. The strong concentration of older people on the coast also means that the labour force participation rates tend to be low.

Figure 10 Unemployment rate and Population, Selected Towns, 2006

DPCD Town	Unemployment rate	Population
Golden Beach-Paradise Beach	24.0	286
Loch Sport	16.1	736
Venus Bay	15.1	470
Coronet Bay	12.4	630
Marlo	12.3	343
Grantville	11.2	458
Indented Head	11.1	572
Welshpool	10.2	155
Port Albert	10.1	237

Source: DPCD Towns in Time data based on ABS Census 2006.

Regional centre employment is different...

Geelong is Victoria’s second largest city and has a strong employment base in 2006 due to the size and diversity of its local economy, a coastal location (particularly the Port function) and unique identity. Geelong is close to Avalon airport which also provides employment opportunities. In 2006 the top industry of employment was manufacturing (14.8 per cent) although this may be impacted in the next census count due to the economic crisis. The next three largest industries of employment were in the service sector with retail trade (14.3 per cent), health care and social

assistance (11.8 per cent), and education and training and construction (8.7 per cent). These are typically popular industries of employment for a regional centre, which for example would include education employment at Deakin University and the Gordon Institute.

Warrnambool is another town that plays a significant regional servicing role. In 2006 15 per cent of its population was employed in education and training, 9 per cent in health care and social assistance 13 per cent, and 15 per cent in the retail trade. These also highlight its regional centre role.

The servicing role is not however limited to larger regional centres for example Torquay may play a servicing role for Anglesea. A larger town will generally play a servicing role to a smaller town, although some smaller centres may specialise in a particular business.

Demographic change in coastal towns will continue to be of significance

Demographic change in coastal towns will continue to be a very important issue in Victoria. "Rapid population change in coastal areas" is one of the significant issues the Victorian Coastal Strategy responds to, along with climate change and the health of the marine environment.

The future impacts of climate change (sea level rise, storm surges, coastal erosion, flooding and bushfires) will fundamentally determine the shape, size, capacity and viability of existing settlements. Climate change may also make some settlements non-viable" (Victorian Coastal Strategy, 2008 p54).

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