



# Leisure/Residential developments on the Victorian Coast workshop

On 26 July 2005 at *Sails on the Bay* a workshop was held to clarify policy and practice regarding residential subdivision outside settlements and its relationship with sustainable tourism investment and robust regional economies and communities. The following is a summary of the outcomes of that workshop.

## **Context**

The Victorian coast is highly valued by the Victorian community. Its significant landscape features and biological diversity, cultural and economic significance and its connection to the social fabric that has built our society make it one of the State's most valuable assets. Well planned, strategically driven development investment on the coast may enhance its value to the community.

The Victorian Government is committed to sustainability, to providing opportunity for a robust economy, healthy environment and caring communities. Recreational, tourism and diverse housing opportunities form part of this vision.

The workshop was convened under the auspice of the Coastal Spaces Initiative to explore a range of issues relevant to residential based and leisure based development in the coastal context.

## **SESSION 1 – WELCOME**

Diane James, Chairman, Victorian Coastal Council and Chairman, Coastal Spaces Steering Committee, welcomed the attendees and outlined the agenda and format for the day. Introductory presentations by Julie Katz, Roger Gibbins and Lynton Sheddon provided the development industry, tourism and local government perspectives respectively.

Diane explained that the overall context for the workshop is that the coastal area is one of Victoria's significant assets. This is in respect to its sensitive and somewhat well preserved environments, its strong economic, marketing potential and its strong connection to the social fabric that has built our society. By focusing on well planned, strategically driven development investment, it is possible to increase the value of the coastal asset.

The Victorian Government is committed to sustainability. The recently released Environmental Sustainability Framework recognises that a healthy environment underpins the prosperity of the State, particularly economic development, and must be considered in everything we do. This Framework establishes three fundamental directions to inform Government decision-making:

1. Maintaining and restoring our natural assets.
2. Using our resources more efficiently.
3. Reducing our everyday environmental impacts.

The Government's overall vision for coastal management is outlined in the Victorian Coastal Strategy. Key elements of this vision are;

- to focus urban development within established settlements;
- to have a strategically planned outlook for the extent of development in the future;
- to retain non-urban landscape character between settlements; and
- to promote the provision of a diverse range of high quality experiences and opportunities associated with public use of coastal areas.

The Victorian Coastal Strategy recognises the importance of suitable development opportunity along the coast which provides an environmental, social and/or economic benefit, enhancing the community's value of the coast.

Growth on the coast is inevitable but growth for growth sake is not. The Victorian Coastal Strategy sets a policy context to manage that growth to try to achieve sustainable development. It recognises that coastal settlements change as community aspirations are realised.

The challenge is to plan for what society wants and needs, that is sustainable, rather than reacting to the inevitable.

## **SESSION 2 – SETTING THE SCENE**

Three speakers provided the context for the subject matter of the day.

### **Development industry perspective**

*Julie Katz – President Urban Development Industry of (Victoria).*

Julie outlined the key points from the development industry. Julie particularly emphasised:

- the importance of strategic direction in terms of appropriate and inappropriate areas for development; and
- confidence and certainty is important for effective investment.

### **Sustainable tourism policy objectives**

*Roger Gibbins – Director, SGS Economics & Planning*

Roger outlined the tourism policy objectives and related issues. Roger indicated:

- that successful leisure or resort based development can lead to significant social, economic and environmental gains;
- all projects had significant up front capital requirements that generally require a significant residential component to fund the leisure components; and
- that perhaps 10 golfing based developments could be supported by the Victorian market and that the Victorian Government had an opportunity to lead and be proactive about planning and servicing to achieving this.

### **Local government experience**

*Lynton Shedden – Manager, Strategic Planning, Mornington Peninsula Council*

Lynton outlined the local government experience. He noted:

- the importance of a long term vision and comprehensive planning policy to guide physical development and assessment of proposals on the Peninsula;
- that strategic approaches to identify 'preferred' locations for resort development had not always been successful; and
- that there is a need to identify the function of future development – residential development or visitor accommodation?

### ***SESSION 3 – GROUP WORK IN DISCUSSION***

The following questions were referred to the attendees:

1. What is the understanding of the dynamics and current demand for leisure/golf course/residential housing estates within coastal regional Victoria?
2. The Governments agenda is to achieve quality sustainable development in regional Victoria.
  - How are new approaches to residential development meeting this goal?
  - What is the role of leisure/residential development in this context?
3. Is the location of the leisure/residential development important in terms of achieving quality sustainable development? If so:
  - What planning and policy framework is desirable?
  - Where should a development be located?
4. How can government and industry better integrate to achieve quality sustainable development outcomes in regional Victoria?

Workshop attendees were requested to respond to at least question 3 and preferably to others if time allowed.

Most groups addressed/discussed elements of questions 1, 2 and 4.

## Group 1

### Location

Very important particularly for recreation purposes. Key issues relate to diversity of activity:

- Not golf course led, can be driven by visits, golf, wineries, etc.
- Coastal dependent activities (eg boating) feed into diversity of experience.
- Location adds value to development.
- Recreation facilities add value.
- Open spaces create amenity (70% of residents buy for this reason).
- Long term and short term use of site. However, there is also a need to look at income generation and return on investment from a developer perspective.
- Need to be able to define what is a 'settlement'.
- One of the key issues relates to where a 'settlement' would be located, needs to be in proximity to services etc. What do occupiers require?

### Policy Framework

Major considerations relate to long term versus short-term perspectives. Can it be both and does it matter?

### Ultimately what outcome is achieved, what is it really?

- In the short term, properties are often holiday homes (non-permanent residents). This has implications for the community (potential negative social effects). In the longer term, these estates may become more transitional or permanent as owners retire to holiday homes.
- All agreed that these proposals should be assessed as residential developments because, in the longer term, they will invariably become new settlements or residential estates. This has implications for provision of infrastructure, services, etc. This will also affect how planners and developers view proposals at initial stages. Broader, more lateral thinking required.
- Can a development be residential and recreational? What scale? What is a viable size? If the proposal has 500+ houses, should this be viewed as a new settlement, with all the infrastructure implications that contains. The proximity of developments to existing/other amenities is also a factor.

**Security of investment both from those investing directly and those developing the project**

- The developers' concerns are capital return and the rate of the return. Golf course estates are not viable from a resident-pays perspective. Long term sustainable models are required for the golf course.
- Purchasers need to look at security of title and issues relating to freehold and lease hold. This also relates to the provision of finance for purchasers, "will the bank lend me the money to buy this?"
- Other issues that need to be addressed relate to residential impact which needs to be looked at in its fullest context. Where sites are located, property thresholds and the economical, social and environmental impacts also need to be considered.
- Design sustainable principles relating to population threshold.
- Potential to develop set of sustainable planning principles incorporating criteria to be met before development proposal proceeds.
- Identification of "no go" zones.

## Group 2

- Location is important and needs to be worked out. In the past, most determinations have been driven by economics. Need to have a perspective of at least the next 20 years.
- The current planning system is too rigid; it needs new approaches and new ideas. Current system works from the perspective of trying to avoid any 'new things', (that is anything new is bad).
- Planning Schemes are often written too negatively and are too rigid. Realisation of new ideas and embracing change need to be fundamental elements of how Schemes are written.
- Settlement Boundaries are too tightly controlled, rigid and inflexible
- Need to accommodate options for development; currently the horizon is too short sighted. Need to balance perspectives, from those who want to develop to those who want to conserve and retain the status quo.
- Need to identify the "no go" areas, define what is "no go" and why. Also need to define the 'go' areas and under what circumstances this might occur and what to do about the 'grey' areas. Overall, need a clearer set of objectives to guide policy framework and consistently agreed and adhered to timeframes.
- Why sites are "locked up" seems to relate to history or a past perspective rather than the future. Need to change this. Relates to question 4.
- Clearer objectives and tests to meet desired outcomes.
- Communication is important, open dialogue and discussion rather than operation in silos.
- An array of hardened attitudes; need to break these down by informed information.

### Group 3

Is location important? Yes

#### What planning and policy framework is desirable?

- Essential that we define the 'no go' areas. The State government should develop a process to ensure that there is some unity or consistency between jurisdictions. What is the role of the Commonwealth given its recent announcements?
- High quality agricultural land and highly valued scenic landscapes should be added to criterion related to "no-go" areas. Proposals should respond in a complimentary way to such things as landscape values, etc.
- Need to define the gaps and what the strategic opportunities are; identify preferred general locations, potential for viability and community outcomes. However, these must be linked to demand.
- Need to define 'capability areas'.
- Government should take a proactive role in calling expressions of interest.
- If there is a narrow preferred location, will it limit potential for success/developer interest?
- Leisure/residential often a buffer and this should be recognised.
- Need to be mindful not to kill the goose that lays the golden egg. This relates to the beauty and nature of the coastline as the dominate driver in making people want to locate to these locations.
- From the developers' perspective, they will not generally go right next to a town as this creates too many automatic objections.
- Should define housing as being complementary to the landscape. How best to do this and how much must it comply?
- Height and density are critical issues that must be addressed.
- Need to improve architectural quality – what currently occurs is not considered appropriate in many instances.
- 'Adaptive' housing needs to be complementary with human habitat, sensitive landscapes and ecosystems.
- Urban coastal interface also needs to be addressed, an example, the Geelong area.
- The existing planning schemes aren't an effective tool. Planning scheme amendments to ensure adherence with performance and criteria.

- The issue of marinas needs to be considered. They create an ambience that changes the nature of the destination.
- The coastal dependency principle – however there is a lot of ‘forgiving’ landscapes which developers could work with, without detriment to the landscape. These need to be identified.

## Group 4

Golf course developments have a huge upfront infrastructure cost:

- \$5 million on sand for the course; OR
- \$12 million on clay for the course; AND
- \$5-6 million for the club house.

That makes a total of \$12-20 million for the golf course.

- There is a need to mix residential in order to afford this to get the sales rate. As you move away from road infrastructure the sales rate decreases.
- Local courses (c.f. International courses) need the cost to be borne over a really large number of residents.
- Base of golf ownership is changing, traditionally 35-60 year olds but getting younger.
- \$1500-2000 p.a. membership fees
- Why are there 8 golf course proposals in the Bass Coast Shire?
  - Infrastructure?
  - Proximity to Melbourne?
  - Synergy of golf courses placed together – people may play a round of golf at each course for the different experiences they provide, eg. woodlands, links, etc.

Close proximity of golf courses to each other can be good for tourism.

### Is location important?

Yes, but it needs synergy with facilities that make it viable.

- The quality and type of experience needs to be right, not just the location, not just about golf. Need a range of other things.
- Need to be able to deliver other objectives, such as social, environmentally sustainable infrastructure, to have the planning framework.
- Accessibility comes first, landscape, facilities and benefits come second.
- Key issues - need to have 'go' and 'no go' sites. Need these properly defined. The question then arises, what happens in other areas? How are these treated? In what way? On what basis? Is it on merit? This needs to be taken into context with the strategic framework.
- Everyone agreed that identifying 'no-go zones' was important and that the identification of no-go zones should come first, followed by the parameters/requirements for development. The importance of on-ground 'trudging' of valuable no-go sites was emphasised. Some attendees consider there is presently a lack of on-ground trudging but (too) many desktop studies.

- Most people in the group thought that 'go-zones' were important – to identify specific locations where development would be appropriate. Once these preferred locations were identified, then expressions of interest could be sought. Alternatively, identifying these areas could be a bad idea because it interferes with the market. It could be dangerous to be prescriptive without taking people's wants into accounts.
- There was agreement that certainty was required and that all councils have uniform strategies to follow. If there are 'vagaries' (loop-holes), people would try to get around them with the implication that this was a bad thing.
- Desirable to have developments close to a residential component or usage. It is important to be in close proximity to services and for people to have access to aged-care services or child care facilities.
- It was remarked that sloping land might be good for golf courses, but it was not good for the aged.
- Look at other options on "locked up" land. Private development in National Parks in other States and countries seems to work, can it work in Victoria?
- From a tourism perspective, yield is important. Yield is created by length of stay(s) and visitor expenditure. Tourism challenge is attracting people to locations and getting them to stay overnight or longer. Need attractions to make this possible. You need a critical mass and other recreational/leisure activities to do as well. The tourism benefit increases with the length of the stay, but there is a lack of quality accommodation outside of Melbourne.
- Golf courses are ancillary to tourism, rather than the driver of it. There is more to leisure developments than just golf and there are other attractions besides golf.
- The golfing experience is not coastal dependant, but most tourism aspects are focussed on the coast. Maybe we should be encouraging developments inland?
- The Great Ocean Road Region Strategy provided a good model for a regional approach to planning and guidance. However, it and future work needs to go further and provide greater guidance at a more local level.
- There is a need to think long-term, ie. what is going to come along over the next 20 years? Look at external factors such as price of oil, impacts of trends into the future. Locking things down can stifle innovation.
- The group discussed the projections made by Roger Gibbins in his presentation. Many felt that econometrics without a social analysis was 'silly'. No-one had mentioned the peak in oil supply or sea level rise and the position of developments in relation to the coast. New figures for predicted sea level rise were quoted.
- The group discussed the scenario that increased oil prices could increase the demand for domestic tourism (contrary to Roger Gibbins' projections).

- It was remarked that 'developer-led' demand was incredible. This term was disputed by some group members because 'no developer would develop without demand'.
- There was general discussion about the uncertainty of the future.
- There is a need to reassess what sustainable development is. In terms of sustainability, the Dutch are way ahead and Victoria behind.
- It was suggested that social and environmental benefit analyses were required and basic infrastructure requirements need to be identified. Barriers to infrastructure should also be identified.

## Group 5

- Current planning framework requires focus on settlements. How do we use 96% of non-urban land more effectively? Are new settlements feasible or should we focus on getting the current settlements right first before we think of new ones?
- Can residential components be located within settlements and the golf component separate or do we need to locate on one site?
- Context of development, the attributes of location to the tourism experience.
- What is an acceptable response from a development in relation to meeting a tourism product or experience? Is design implicit in making a decision at a higher strategic level to determine the actual use ie. tourism or residential.
- There is an overemphasis on “new”, what about renewal opportunities for existing courses? Should the Golf Tourism Strategy reflect this in a more strategic way?
- What is the next wave beyond popularity of golf-courses for baby boomers? What is likely to be Generation X’s requirements and will there be a new form of development or will these continue to be popular?
- Picking locations or sites is artificial and relies on market expectation and demand.
- What drives the market value of a site? Perceptions of agricultural viability or fact? Market will not provide you with a true assessment.
- Need to recognise the Victorian coast is not the Gold Coast. Development should respect this.
- Investments/government communication early in the process is important to save dollars and get the right investment.
- The precautionary principle of sustainability needs to be considered in the greater scheme of things. This is probably the reason why green wedges exist.
- Development pressure in relation to the “leap frog” effect. Green wedge and the Urban Growth Boundary are contributing to increased pressure for these types of developments in fringe municipalities.
- Planning principles and decision making vary between municipal boundaries. What might not be entertained on one side of a local government boundary might be welcomed with open arms on the opposite side.
- Determining net community value is a challenge, requiring a longer term strategic view.
- Whatever happens at the end of the day, it effectively comes down to a political decision, regardless of all the hard yards. The process can only be better informed.

## Group 6

Sustainable development includes social considerations. Need to consider:

- Access - fees and type (eg. championship) exclude many locals (eg. low socio-economic groups).
- Exclusive – maintain prestige of investment by excluding people – sections of the community.
- Leisure – introduces a significant population increase which is very different to the existing community profile.
- Short term, there are environment issues and in the long term there will be social demand for infrastructure. These longer term impacts are just as significant.
- Do not yet understand the integrated catchment management arrangements. How is the whole of catchment issues applied to these developments? What are the cumulative impacts on the catchment outside the boundary of these developments?
- An awareness of environmentally significant assets does not necessarily lead to their protection.
- Need to ensure consistency of strategies/plans for coastal planning.
- Need to develop plans that take account of four environments:
  - built;
  - natural;
  - economic; and
  - social.
- At the moment, coastal planning is reactive. Needs to become proactive, not wait for the private sector to come up with development/sites (etc) - includes 'go' and 'no go' areas.
- What do we do in the 'no go' areas if we don't have the resources to manage them – do we buy them back (eg. parts of East Gippsland)?
- Have opportunities for the private sector - needs to be attracted to get private investment.
- Important to develop the framework because consultants, planners, developers have different perspectives and how else do you manage this without a framework?
- Need to be careful of compromise.
- Should be located where there is existing infrastructure to avoid social insulation, pressure on local government resources and services.

- Ideal leisure facility – 5 star branded facility to draw in international and interstate visitors. Facility can't just have good accommodation, need links to airport, transport, etc.
- Should bridge the gap where other opportunities exist, add value to other experiences which already exist and value to local/regional communities (local is important).
- Need to be able to add some flexibility in to decision making for leisure, etc.
- Need a better definition of what is residential development component of leisure facilities, appropriate lease arrangements.
- Should there be a limit on each type of residential/leisure development in each region?
- How do you determine what is the leisure/residential development versus a residential development masquerading as a leisure development?
- Developments need to look broader than leisure pursuits, need to plan in a regional context to provide a package of recreational pursuits. This will help to value add on existing local business. Should not be 'gated' developments but should integrate into the local communities.

### **General Discussion**

- Quality of Design of developments is just as important as the strategic reasons for having them. Need to design to location, places. Different designs will respond to whether is fundamentally tourism or residential.
- The quality of design – we need to design the right facility in an appropriate place.
- Identifying suitable locations is all well and good, however the strategic response to the no-go areas needs to also state the "why-not" response, otherwise the test is provide at Planning Panels or VCAT.
- Need to be clear about our 'go and no go' strategies, what are they? What are we trying to achieve? What bits are left and how do we handle those?
- Engaging community at the broader state level is important. How this is done is important. Need to manage and engage community, need to look for the trade offs, need to be able to balance a variety of views.
- State Planning Policy Framework is an important tool to guide change in local politics and provides checks and balances in Planning. Local Government struggle to attract qualified staff and need help.
- Capacity of some local governments to make complex decision needs to be considered. The capacity within local government to make complex decisions is variable. State Planning Policy Framework could provide guidance to reduce complexity in decision making otherwise it is like swimming through cold honey.

- The difficulty of keeping specialist expertise (eg. in urban design, heritage, landscape or natural resource management) in councils was noted.
- Reality of political cycle (eg. 3 year terms at both state/local levels) should be taken into consideration.
- State Government needs to show leadership through its own efforts to integrate decision making. Some felt that the State government was too heavy-handed.
- There was discussion of the merits of State control versus local control:
  - Some people felt that local communities needed to manage local outcomes;
  - Others felt that an overarching State framework was important because of high councillor and planner turnover in local government.
- Developers are important in the process. Most have the vision, capital and are prepared to take on risk to achieve things.
- Look for 'win-win' situations.
- Make it clear where the developers can go, create continuity in planning and certainty. Define the opportunities and then attach the performance indicators to those.
- Need to keep the view of the developer in perspective. What do they want and what do they require to invest? How do we integrate, need to consider the risk and the capital and the degrees of certainty.
- How do we deal with uncertainty? This should be based on verifiable data and fact rather than hearsay and supposition. Many felt there was a lack of data and that more was required.
- Look beyond the "not in my backyard" attitude. Often it is a small number behind the loudest voice who do not support proposals.
- More trust needs to be placed in what local communities want to achieve. Often State provides too much control without having thought of communities.
- Developments need to create an experience in order to be an attractor and contributor to regional tourism economy.
- Need to set expectations from social, environmental and economic aspects. Developments should be assessed more broadly than just their economic benefits. Clear responses in relation to how developments are consistent with State policy are just as important. There was discussion about social outcomes. Some felt that the long-term/sustained net community benefit needed to be defined for these proposals. Need to define or explain what is meant by sustained long-term community benefit.
- Our past history in defining the future, particularly in relation to the environment is poor. There is a need for more social planning.

- Is the language of the “green wedge” appropriate? Does it have a connotation that is no longer appropriate?
- The emphasis has been on golf courses, will this still be the perspective in the future? We tend to take a narrow short-sighted perspective.
- What is wrong in creating new towns?
- Doing nothing is not really an option.
- Need better knowledge of knowing what is driving growth and demand and is it a short-term or longer term issue?
- Issues around baby boomers, wealth expectations and petrol price impacts all need to be taken into context as to what will drive development along the coast and communities’ expectations from an economic, environment and social perspective. Is this current experience just a 20 year period hump that we are approaching? What do we do about this if it is? Other issues may have been overlooked.
- The visual landscape, a variety of forms. How do we address this?
- How do we handle the politics? Community attitudes are important and have significant relevance to planning but politics allows the planning process to be jumped.
- Difficult to plan in the local context when the planning scheme changes. That is, changes of council can see a council move from being pro-conservation to pro-development. How does one manage this shift and provide a balance, although political change purports to reflect community views? How do we make the right decision? Not making a decision is not an option but in relation to politics, this can be the option that is selected.
- Number of impediments, including local government – lack of consistent planning and timely planning given resource constraints, skills and expertise that exist.
- Government to adopt a proactive role.
- Look for opportunities but there is a need for certainty and good planning to provide a framework for the private sector.
- Consideration might be for the State to provide the overarching framework. However government must also better integrate its policy and be consistent in terms of the application of policy. Needs better coordination between the jurisdictions.
- Need clearer but lighter controls from all sectors of government
- Need consistent policies otherwise there will be conflict. Need to balance the planning issues, both local and broader needs, to understand the resource impacts and the impact development will have on the built environment, economic, social, etc.

## ***SESSION 4 – CLOSE***

Diane James thanked all presenters and participants for their valuable contribution to the success of the workshop. She noted that the information from the workshop would guide further discussion and policy clarification regarding coastal development and ongoing dialogue in the interests of good coastal outcomes.

Diane noted that a summary of the workshop would be produced and distributed to participants.

Workshop closed 12.40pm.

### List of Attendees

Name		Position	Organisation
Peter	Allen	Director Statutory Planning	DSE
Naree	Atkinson	Project Officer	MAV
Dennis	Barker	Director – Services	Surf Coast Shire
Vivienne	Clare	Snr Policy Officer Recreation & Tourism	DSE
Joseph	Cullen	CEO	South Gippsland Shire
Chris	Dance	Director	Land Design Partnership Pty Ltd
Tony	De Domenico	CEO	Urban Development Institute of Australia
Ron	Espie	Acquisitions & Planning Manager	Australand
Doug	Fox	Executive Director	Victorian Golf Association
Rob	Gell	Board Member	Victorian Coastal Council
Roger	Gibbins	Director	SGS Economics & Planning
Bruce	Graham	Acting CEO	Wellington Shire
Wolfgang	Haala	Manager Statutory Initiatives	DSE
Stephen	Head	Managing Director & CEO	Links Group
Diane	James	Chairman	Victorian Coastal Council Coastal Spaces Steering Committee
Liz	Johnstone	Chairman	Central Coastal Board
Julie	Katz	President	Urban Development Institute of Australia
Wayne	Kayler- Thomson	Deputy Chief Executive Officer	Tourism Victoria
Peter	Keage	General Manager, Investment & Aviation	Tourism Victoria
Duncan	Malcolm	Chairman	Gippsland Coastal Board

Leisure/Residential Developments on the Victorian Coast  
Workshop Notes

Name		Position	Organisation
Andrew	Mason	Director, Planning & Environment	Connell Wagner
Ron	Mason	Senior Partner, Planning & Environment Services	Connell Wagner
Kathy	Mitchell	Chief Panel Member	Planning Panels Victoria
Lynn	Murrell	Chairman	Western Coastal Board
Bradley	Papworth	Director	Charter Keck Cramer
Lucinda	Peterson	Strategic Planning Co-ordinator	City of Warrnambool
Gary	Price	CEO	Borough of Queenscliffe
Bill	Renehan	Manager Infrastructure Projects	Tourism Victoria
Lynton	Shedden	Manager – Strategic Planning	Mornington Peninsula Shire
Peter	Shellie	State Manager, Victoria	Medallist Developments
Alison	Stone	Director, Coasts Alps & Recreation	DSE
Geoff	Underwood	Development Facilitator	DSE
Stuart	Walker	General Manger, Sustainable Development	City of Greater Geelong