

Coastal Spaces

Inception report

May 2005

For further information on the Coastal Spaces Initiative please visit our website:

www.dse.vic.gov.au/coastalspaces

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Executive Summary

The Coastal Spaces project

The Coastal Spaces project will further implement the Victorian Government's overall policies for protecting the coast and managing development in coastal Victoria. Coastal Spaces will build on related plans and programs.

Coastal Spaces aims to:

- ◆ Improve and clarify strategic planning for sustainable development in coastal Victoria.
- ◆ Improve the application of planning and environment tools in coastal areas, and develop new tools as appropriate.
- ◆ Build the capacity of local governments and other stakeholders to apply Victorian Government policy.

The first stage in the Coastal Spaces project has been the development of this Report. It describes a range of issues relevant to the sustainable management of development and change on Victoria's coast. This Report has been prepared in the context of a national focus on population change affecting the coast and other key issues, including climate change. It is intended to stimulate discussion on the most appropriate approaches to addressing the issues identified.

This Report will be released for targeted consultation. Proposed actions will be progressed through workshops, discussion papers, questionnaires and other initiatives.

Recommendations will be made to the Minister for Planning and Minister for Environment culminating in late 2005.

The coastal region is experiencing growth

Australia's coastal regions are experiencing growth and pressure for development. The causes of this vary, but in Victoria it generally reflects an overall increase in population through migration and natural increase, changes in household types which increases demand for housing stock, and a general trend to retire to coastal centres. Added to this has been a buoyant property market with greater investment in coastal property as a lifestyle choice or simply as a financial investment.

The age and family structure of coastal populations is also changing, which has impacts on a range of human and other services.

As a result of these trends, many coastal settlements, particularly those outside metropolitan Melbourne, are experiencing unprecedented levels of development related to the uptake of existing residential land, a rapid transformation in the form of building stock through redevelopment, and increasing use of rural allotments for residential living.

Victoria's coastal vision

The Victorian Government's overall vision for coastal management is outlined in the Victorian Coastal Strategy. It aims to focus urban development along the coast within established settlements with a clear strategic outlook, to retain non-urban landscapes 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 sits within an overall sustainability context where:

- ◆ The long-term protection of the underlying values and features of the coast should take precedence.



- ◆ Growth and economic opportunity in regional Victoria should be sought.
- ◆ Community health, stability and well being should be promoted.

Growth on the coast is inevitable, but growth for growth's sake is not. The challenge is to establish a sustainable approach to planning for each community's wants and needs, rather than take a reactionary approach.

The Victorian Coastal Strategy sets a policy context to manage growth to achieve sustainable development. It recognises that coastal settlements change as community aspirations are realised. Some settlements will expand significantly as they meet a role of providing largely urban housing opportunities. Other coastal settlements are likely to remain small and serve different functions as recreational based often largely seasonal, settlements. In all cases, it is sensible that strategic planning is undertaken to establish the capability and suitability of different settlements to ensure sustainable development in the local area.

Emerging issues

This Report identifies several emerging issues:

- ◆ High rates of potentially unsustainable growth occurring in coastal municipalities on the edge of metropolitan Melbourne, both in terms of population and development activity.
- ◆ A lack of understanding and knowledge about the growth which is occurring and its impacts.
- ◆ Infrastructure, resources and financial impacts associated with responding to development pressures.
- ◆ Proposed new forms of development linked to tourism and recreational activities that have the potential to commit the coast to urbanisation, including an increasing number of 'lifestyle' residential estate developments proposed outside existing settlements.
- ◆ Greater certainty being sought regarding decision making and strategic planning for settlement growth.
- ◆ Most local governments are struggling to cope with the constant requirement to respond to proposals, often at the expense of completing or implementing strategic planning.
- ◆ Metropolitan-focussed policy and planning tools are being applied to coastal settlements, potentially leading to undesirable outcomes.
- ◆ Mixed views exist about the need for greater prescription in the planning schemes as opposed to performance-based criteria.
- ◆ Protecting a sense of neighbourhood character in coastal settlements, which is increasingly significant to communities undergoing rapid change and development.
- ◆ Some stakeholders feel a strong link is lacking between existing plans and strategies and their application within decision making.
- ◆ A need for ongoing capacity building initiatives.
- ◆ Increased uptake of old and inappropriate and small rural subdivided lots in various locations across the coast for use as large housing allotments.
- ◆ Rural land is being acquired with a view to future conversion to urban uses in locations local governments believe development intensification would be inappropriate.



- ◆ Environmental impacts resulting from intensified development and occupancy in un-sewered areas and related impacts for other services if sewerage infrastructure is provided.
- ◆ Local governments and water authorities are concerned about the cumulative impact of developments outside town centres. These are often occurring with insufficient consideration of infrastructure, environmental or other service issues.

Challenges for Coastal Spaces

This Report has identified four key themes to be addressed:

- ◆ Clarifying the strategic outlook for settlements
- ◆ Protecting spaces between settlements
- ◆ Managing Hotspots
- ◆ Capacity building to manage change



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1. Introduction

1.1 What is the purpose of this Inception Report?

This Report is intended to stimulate discussion on the most appropriate approaches to managing development in coastal areas. It represents the first phase of the Victorian Government's Coastal Spaces project. It will stimulate actions throughout the project, and provide input to the development of additional recommendations to the Victorian Government.

1.2 Coastal Spaces project

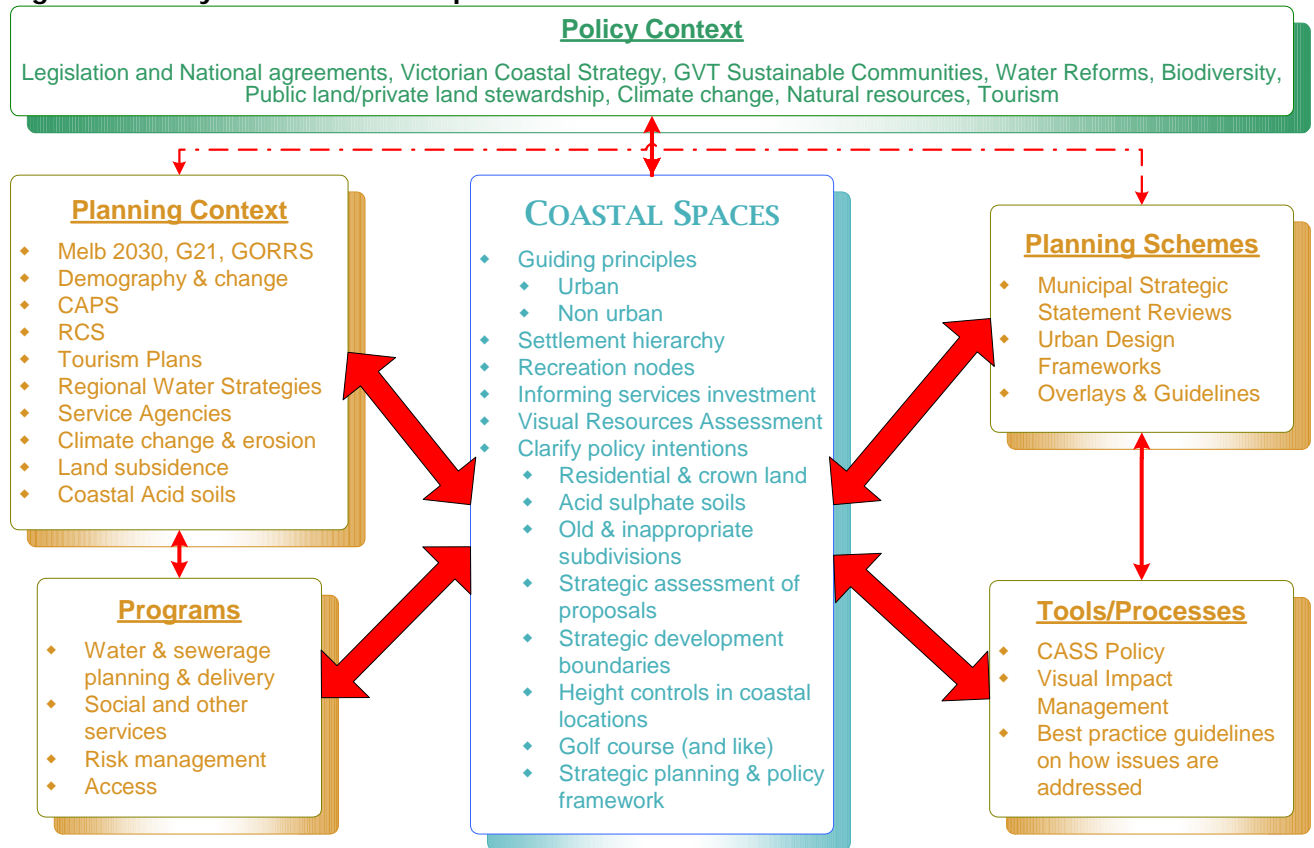
The Coastal Spaces project will further implement the Victorian Government's overall policies for protecting the coast and managing development in coastal Victoria. Coastal Spaces will build on related plans and programs.

Coastal Spaces aims to:

- ◆ Improve and clarify strategic planning for sustainable development in coastal Victoria.
- ◆ Improve the application of planning and environment tools in coastal areas and develop new tools as appropriate.
- ◆ Build the capacity of local government and others to apply Victorian Government policy to the coast.

The key output of Coastal Spaces will be to make recommendations, supported with an implementation program, to the Minister for Planning and the Minister for Environment. The policy context for Coastal Spaces is illustrated in Figure 1.

Figure 1: Policy/Inter-relationship Context



1.3 Coastal policy context

International

Nations are increasingly recognising the relationships between land and water management and the impacts of human activity on coastal and marine areas. This has seen a range of international agreements developed relating to maritime activity, wetlands, migratory birds and so on, which place obligations on Australia and its States and Territories regarding sustainable management. Over the last decade in particular, there has been significant focus on integrated coastal management as a framework for integrating decisions across land, coasts and oceans, and for governance of decision making across separate sectoral interests. A key aim of these initiatives is to move to a more holistic, ecosystems-based approach to management as a means of achieving longer term sustainability.

National

All State and Territory Governments have endorsed the National Framework for addressing issues of National Significance affecting coastal regions. The key issues that should be addressed cooperatively are:

- ◆ Land and marine based sources of pollution
- ◆ Managing climate change
- ◆ Introduced pest plants and animals
- ◆ Allocation and use of coastal resources
- ◆ Capacity building



The Commonwealth, State and Territory Governments have endorsed a national plan of action to implement this Framework.

Climate change is a national issue with the potential to significantly impact coastal environments. Individual State and Territory jurisdictions are undertaking practical initiatives to help manage and understand the effects of this change. In Victoria, an initiative is underway which aims to assess the nature of climate change impacts on sensitive coastal environs, towns and infrastructure.

State

Successive Victorian Governments have acted to improve the protection of coastal regions. Victoria has a well established Framework for Integrated Coastal Management that includes the *Coastal Management Act 1995*, and the Victorian Coastal Strategy 2002.

Victoria subscribes to the principles of Integrated Coastal Management, namely that an overall coordinated approach is taken to land use and development decisions within catchments, across the coastline and into the marine environment. Regional Catchment Management Strategies, Coastal Action Plans and Coastal Management Plans are the means for managing the impact of land management activities on the coast. Planning schemes play a key role in guiding private land planning, use, and development.

The Victorian Government's overall vision for coastal management is outlined in the Victorian Coastal Strategy 2002. The key aims of this Strategy are to focus urban development within established settlements with a clear strategic outlook for the extent of development, to retain non-urban landscapes 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 sits within an overall sustainability context where:

- ◆ The long term protection of the underlying values and features of the coast should take precedence.
- ◆ Growth and economic opportunity in regional Victoria should be sought.
- ◆ Community health, stability and well being should be promoted.

The Victorian Coastal Strategy recognises that coastal settlements change as community aspirations are realised. Some settlements will expand significantly as they meet a role of providing largely urban housing opportunities. Other coastal settlements are likely to remain small and serve different functions such as smaller recreational-based settlements. In all cases, it is sensible that strategic planning is undertaken to establish the capability and suitability of different settlements for sustainable development.

The Victorian Coastal Strategy defines activity nodes and recreational nodes in Figure 8 (VCS 2002, pg. 42). Existing settlements (activity nodes) range from coastal cities and towns to smaller coastal townships. Recreational nodes are Crown Land areas on the coast outside existing settlements that generally exhibit a high level of use and visitation, generally for recreation and water-related activities. Coastal Action Plans and Management Plans, prepared under the *Coastal Management Act 1995*, can be used to define activity and recreational nodes, and to guide the application of coastal planning schemes.

Local

Local governments play a pivotal role in administrating and determining land use and development activity in coastal areas. At a local level, many local governments have been at the forefront in developing sustainability initiatives, partnerships and other approaches to planning and land management. In many cases, local government also plays a direct role as the manager of coastal



public land. They are involved in the practical integration of a wide range of state-wide policy objectives and a broad range of programs.

1.4 Sustainability

The Victorian Government is committed to growing Victoria as a sustainable State. The Victorian Coastal Strategy demonstrates this commitment, and advocates a hierarchical approach to applying the concept of sustainability in coastal regions.

Sustainability is an evolving and contested concept. It is about maintaining and improving the health of natural environments so that ecosystems can provide the clean air, water and food that society needs.

Sustainability is also about recognising the environmental, social, economic and cultural characteristics of different places and how they interact. The issue of landscape also appears to be a significant factor in coastal areas. Sustainability is also about understanding how healthy, vibrant communities contribute to the stewardship of land and environments, and provide a suite of social network services.

Sustainability is about taking a long term view in decision making, and being precautionary and innovative in how we use environments and resources so opportunities for future generations are not compromised.

But perhaps more importantly, sustainability appears to have evolved into a way of thinking about how society evolves, and how the impact of society within the environment is managed. It should be noted that at a local level, many local governments and communities have been at the forefront in developing local approaches to sustainability and community capacity building.

The Principles of Sustainability on which the Coastal Spaces project is based are available at www.dse.vic.gov.au/coastalspaces.

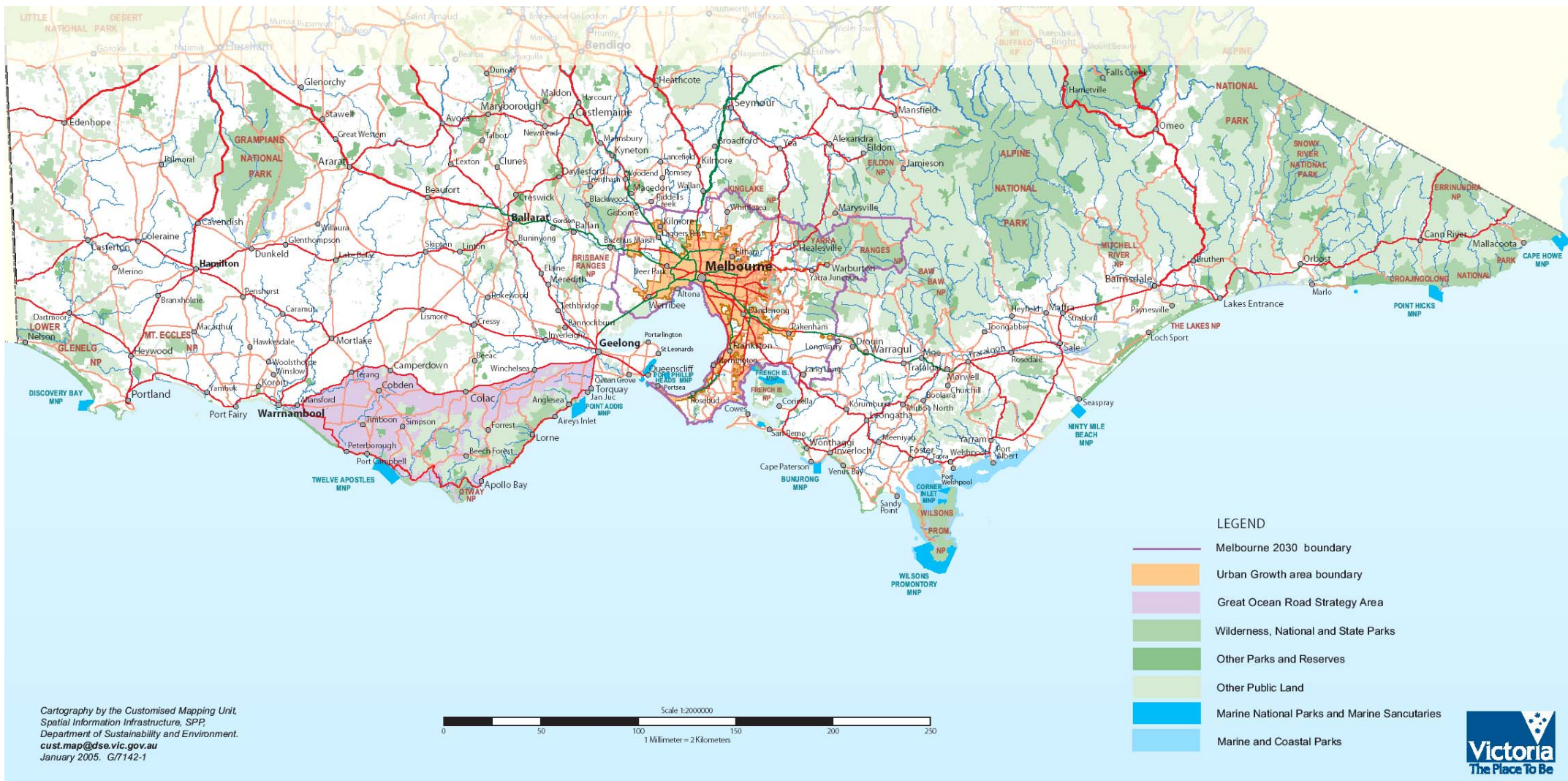
1.5 Scope of Coastal Spaces

The Coastal Spaces project focuses on the Victorian coast and adjacent hinterland areas. It recognises important inter-relationships exist between them, particularly relating to issues such as settlement, employment and landscape protection. Coastal Spaces also recognises that much work has recently been completed or is currently underway that is relevant to coastal development, and it will not seek to replicate this work.

Examples of this work include:

- ◆ Melbourne 2030
- ◆ Great Ocean Road Region Strategy 2004
- ◆ Geelong Corridor Strategy
- ◆ Bellarine Peninsula Strategic Plan
- ◆ Country Towns Water and Sewerage program
- ◆ Government Water Sector reform in the Water White Paper

Diagram 1: Coastal Use and Features





Coastal Spaces Landscape Assessment Study

In August 2004, the then Minister for Planning, Hon. Mary Delahunty, announced a Landscape Assessment Study for the coastal areas relating to Gippsland (Bass Coast Shire to the NSW border), the Bellarine Peninsula and the coast west of Warrnambool to the South Australian border. The Study is being undertaken in partnership with relevant local governments and other key stakeholders.

The intent of the Study is to identify and map individual landscape characteristics within these coastal regions, identify significant landscapes, and provide an implementation framework that helps local governments and other stakeholders to manage development impacts within landscapes.

Coastal towns design frameworks

The Department of Sustainability and Environment is currently working with the Shires of East Gippsland, Wellington and South Gippsland to prepare a Coastal Towns Design Framework project for 20 coastal settlements within their municipalities. Coastal Spaces is working with and informing the development of these design frameworks for coastal towns.

1.6 Why is this project needed?

Victoria has a comprehensive legislative and policy framework for protecting and managing development and change along its coast.

Australia's coastal regions are experiencing growth and pressure for development. The causes of this vary, but in Victoria it generally reflects an overall increase in population through migration and natural increase, changes in household types which increases demand for housing stock, and a general trend to retire to coastal centres. Added to this has been a generally buoyant property market with greater levels of investment in coastal property as a lifestyle choice or simply as a financial investment.

The impact of these trends varies across coastal Victoria. In some instances, ample land is available, services are provided, and the development is well managed. In other cases, whilst land is subdivided, only limited services are available and increased development has created pollution hotspots, and impacted on relevant Aboriginal and post contact European cultural heritage values. For some settlements, the transformation from a small low key fishing village to a more permanent settlement with a new demographic creates new needs and expectations relating to town planning, and the provision of space for business development and related community uses and services. Financing and providing infrastructure in existing subdivided areas is a pressing challenge.

Many coastal settlements experience significant seasonal population peaks and troughs which affect infrastructure planning and service provision. In some cases, this presents risk management issues associated with fire management, climate change and landslip.

1.7 What will Coastal Spaces do?

Coastal Spaces will build on the existing coastal planning framework and complete the following tasks:

- ◆ Undertake an assessment of current development activity on the coast.
- ◆ Report on current planning for settlements and development management, particularly through planning schemes.
- ◆ Identify emerging trends and issues.
- ◆ Identify Hotspots.
- ◆ Clarify existing coastal settlements.



- ◆ Define the location of recreation nodes.
- ◆ Examine the underlying demographic, development and economic trends driving change in coastal Victoria.
- ◆ Specifically commission a Landscape Assessment Study for Gippsland, Bellarine Peninsula and the far west coast to better guide how development is managed within landscapes.
- ◆ Engage with local governments and other stakeholders to explore opportunities to collectively improve the management of development and change within coastal regions by applying general principles of Integrated Coastal Management.

1.8 Steering Committee, consultation and timeframe

The Coastal Spaces project is overseen by a Steering Committee chaired by Diane James, Chairman of the Victorian Coastal Council, with local government, academic, Department of Sustainability and Environment and regional coastal board representation. The Steering Committee has established a targeted and continuing consultation program with local governments, Victorian Government agencies and other groups. The Steering Committee will provide advice to Ministers as the project progresses, with presentation of final recommendations and draft implementation program planned for October 2005.



2. State coastal overview

2.1 Coastal overview

The Victorian coast stretches for some 2,000 km and supports a wide variety of natural and cultural values. Increasingly, the significance of these environments is being understood and valued. It is estimated that around 70 million recreational visits are made to Victoria's coastal areas each year. In economic terms, the Victorian coast contributes significantly to regional economies through tourism and related services, ports and trade activity. In terms of natural resource use, it provides for fishing, oil and gas extraction.

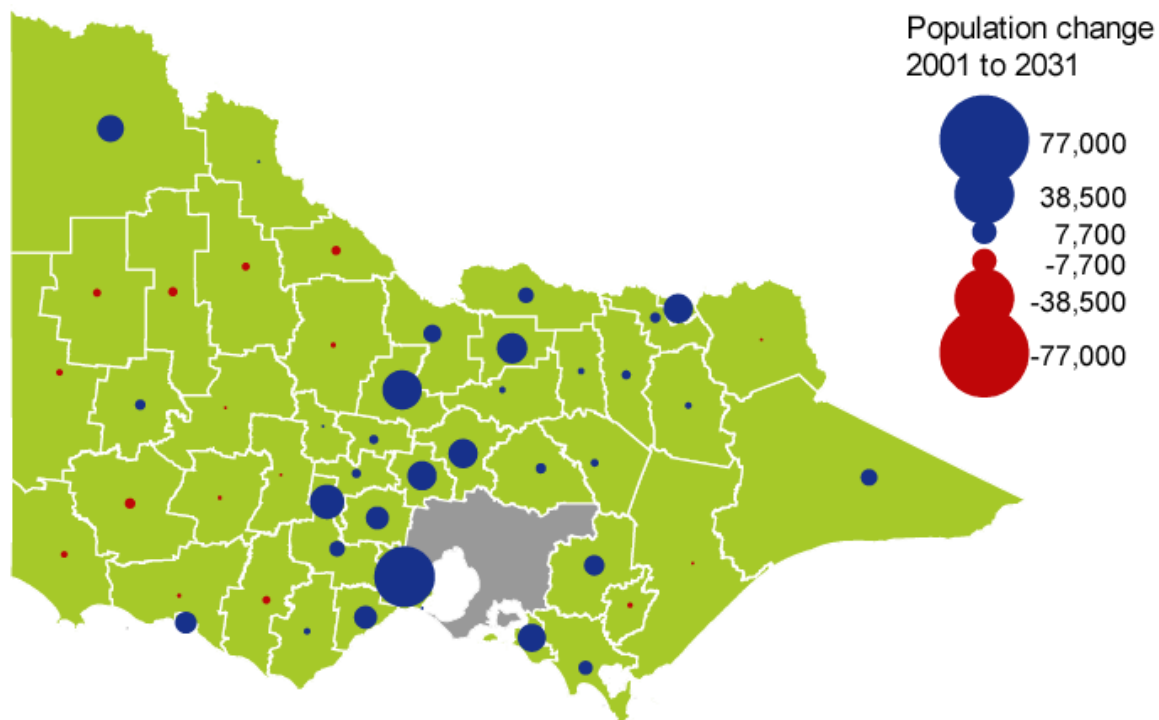
2.2 Demographic change

A demographic analysis has been undertaken for coastal regions and is available at www.dse.vic.gov.au/coastalspaces.

Victoria in Future 2004 provides a comprehensive range of projections for Victoria, regional Victoria and metropolitan Melbourne. These projections take into account historical factors, changing demographic characteristics, and migration.

Diagram 2: Projected Victorian Population Change 2001- 2031

Source: Victoria in Future 2004



In overall terms, populations are predicted to continue to age. However, in some areas mainly near the metropolitan fringe, the creation of new families is resulting in a younger population profile.

It should be noted these are projections only, based on past trends. Indeed, in many regional areas (eg. Bass Coast) population growth has already surpassed earlier Department of Sustainability and Environment projections. Growth on the coast is inevitable but growth for growth's sake is not.

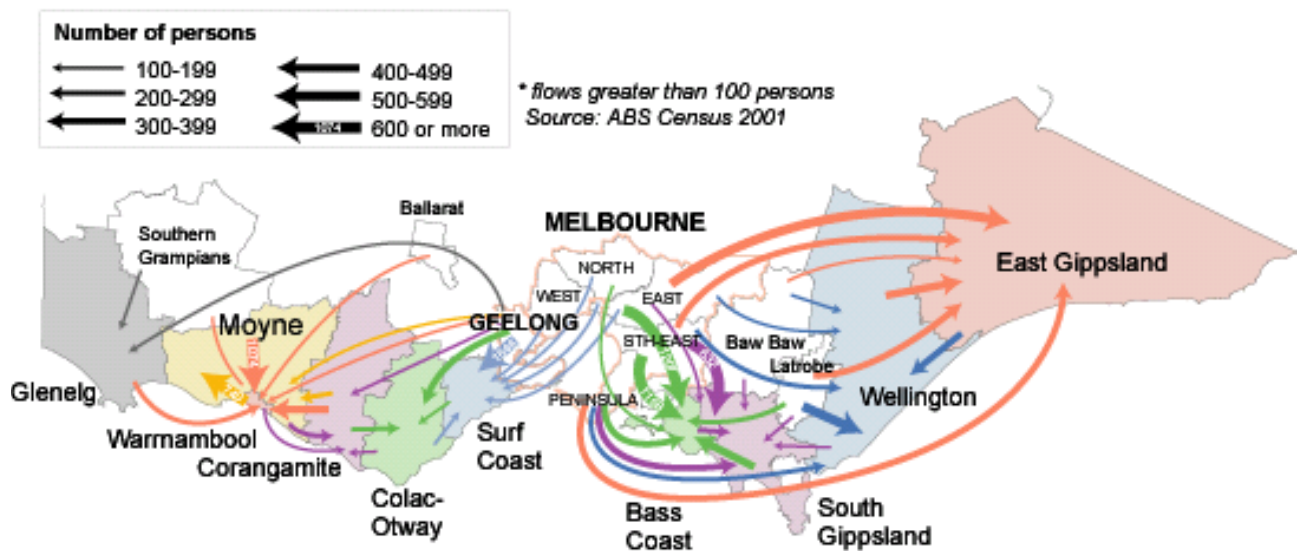


The analysis shows that growth in population and households in various coastal locations has been driven by:

- ◆ Retirement migration.
- ◆ Increasing demand from younger commuting populations (including improved regional access, salary packages and changing working patterns).
- ◆ Increasing demand for second (holiday) home ownership (reflecting a more affluent society) resulting in greater variation in summer peak and winter off-peak populations as indicated above.
- ◆ Increasing day visitation activity leading to increasing seasonal variations in population, demand for services, and recreational activities and facilities.

Diagram 3: Migration flows into Victorian coastal Local Government Areas 1996-2001

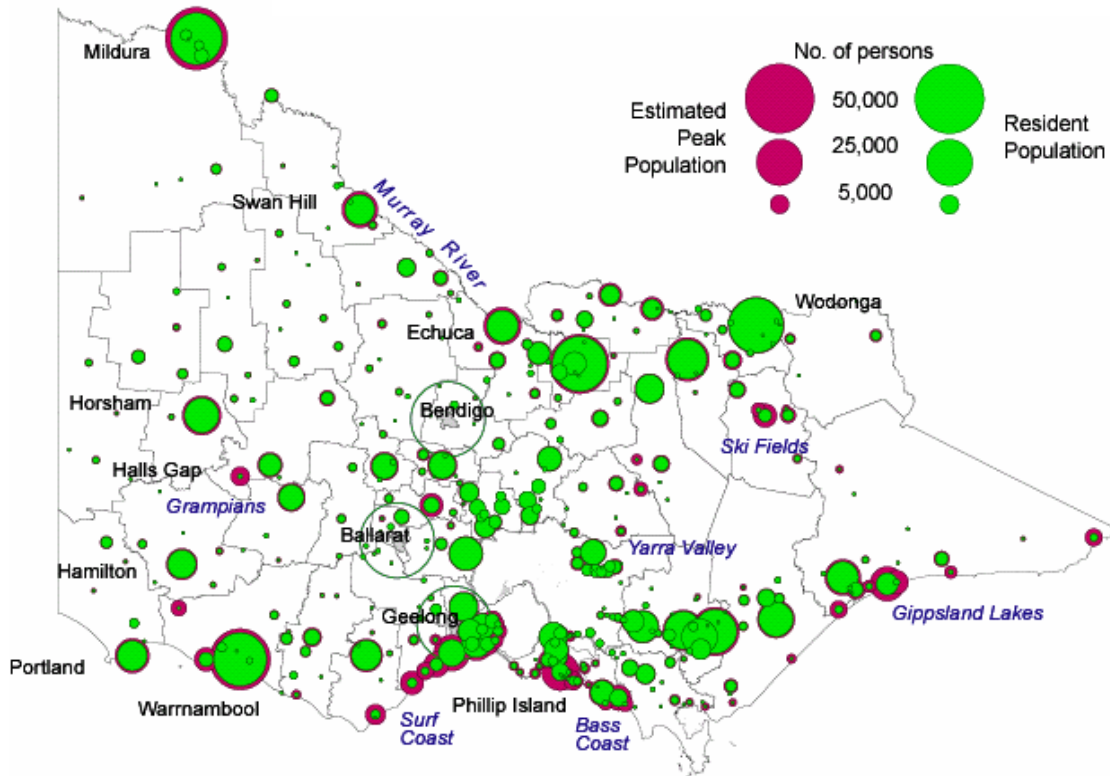
Source: ABS Census 2001



In addition, there is significant variation between permanent and summer peak populations as estimated in Diagram 4. Seasonal events can create considerable local population fluctuations and demands on services.



Diagram 4: Population Peak Estimates for selected Victorian Towns



Sources: DSE Towns in Time data based on ABS Census 2001; RACV, Experience Victoria, 2000.
DSE September 2004.

Note: Peak population estimates take into account potential population should unoccupied dwellings and tourist accommodation be used. 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 2001 (2.52 person). Tourist accommodation data has been obtained from the RACV Experience Victoria accommodation guide 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. The Geographical Unit used in this analysis is Urban Centre/Rural Locality.

2.3 Settlements

A significant amount of work has recently been completed or initiated to provide clear direction for the role of settlements, and planning for individual settlements along the Victorian coast. Many coastal local governments attempt to reflect the role and function of settlements relative to their local area. Municipal Strategic Statements are the primary vehicle to represent this at a local level. However, it is recognised that information currently available in most planning schemes appears to be dated and needs revision.

Notwithstanding, there is an obvious information gap relating to the role that settlements play in a regional context. To some extent, the Great Ocean Road Region Strategy has aimed to demonstrate this primarily from a settlement growth perspective. The recently released Tourism Victoria Strategic Plan 2003-06 also provides an overview of the role settlements play in relation to the tourism industry.

Further information relating to research and analysis around settlements is available at www.dse.vic.gov.au/coastalspaces.



Existing coastal settlements

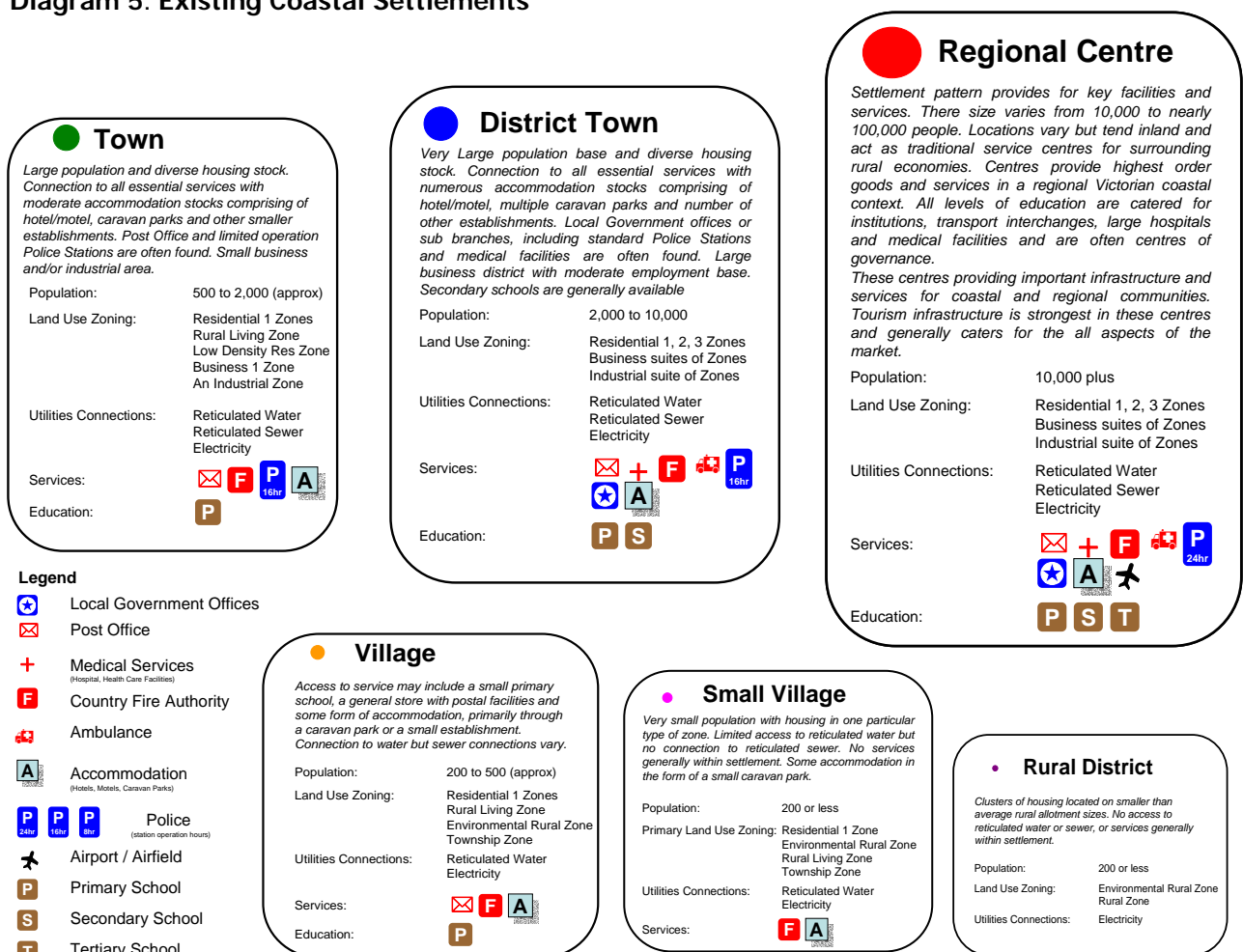
A notable information gap exists in understanding the role and function of each settlement in a regional coastal context. Diagram 5 below represents a scan of basic services currently provided within coastal settlements. It also attempts to provide some structure through a framework to provide guidance as to the relative size. The approach in this section is intended as a discussion starter. The Coastal Spaces project recognises there are varying approaches to defining, articulating and mapping the role of settlements. In consultation with local governments and other stakeholders, Coastal Spaces will further develop a framework for settlements.

The settlement categories provided below, and subsequent spatial representation presented in Diagram 5, are based on information gathered from sources such as social service providers (eg. Victoria Police, Department of Human Services, local government), various mapping sources, and other like information services. The intent of gathering this information is to show, at a very basic level, the service role and function that each settlement currently has in a coastal spatial context.

The approach used identifies broad settlement categories. Each category identifies a role and function relevant to access/presence of the following elements:

- ◆ Population size
- ◆ Land use zoning
- ◆ Utilities infrastructure servicing
- ◆ Health, educational and other general service provision
- ◆ Accommodation facilities

Diagram 5: Existing Coastal Settlements



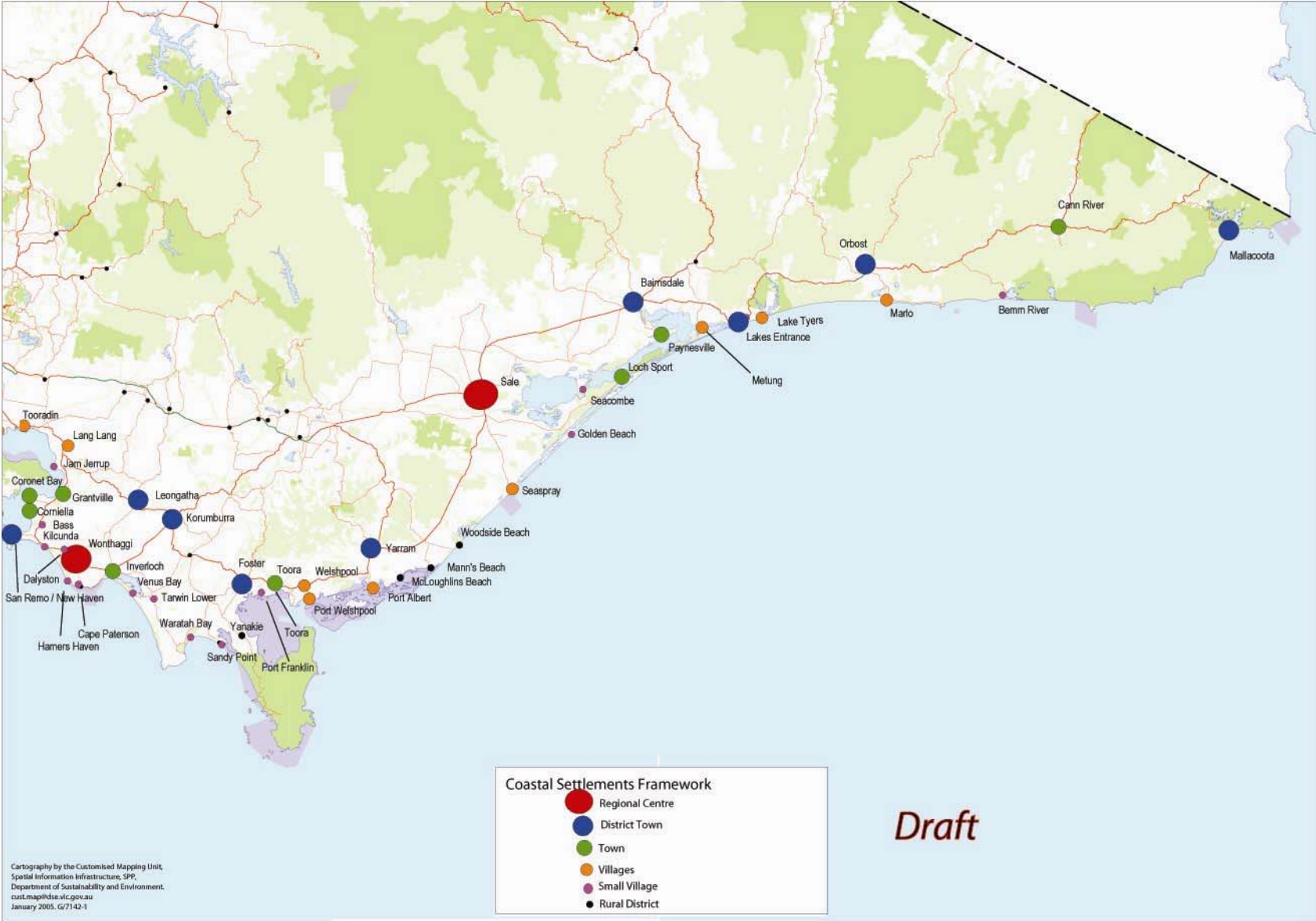
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2.4 Environment

The Victorian coastal and marine environment possesses great biological diversity both on land and in the sea. The coastal environment is the interface between the forces of the sea and those on land. It is a naturally dynamic environment and constantly evolving.

Victoria's coastal environment and landscapes are defined by their unique biology. Much of Victoria's coast consists of windswept sandy beaches, rocky shorelines, and cliffs. Where the impact of waves is reduced in the many embayments along the coast, other habitats including seagrass beds, mudflats, mangrove communities, and salt marsh complexes exist. In general, the ecological processes in Victoria's bays, estuaries, and open coast are intact.

Climate change

Climate change is a national issue with the potential to significantly affect coastal environments. Individual State and Territory governments are undertaking practical initiatives to help manage and understand the effects of this change. In Victoria, an initiative is underway which aims to assess the nature of climate change impacts on towns, infrastructure, the environment and beaches.

Coastal environs

Approximately 96% of Victoria's coastline is in public ownership, with two-thirds of this being protected, reserved and managed as national, state, or coastal parks or conservation reserves. Victoria's coast is relatively intact compared to the coastlines of most other industrialised nations. However, significant biological diversity extends beyond the narrow coastal strip of public land and into private land.

Over one-third of Victoria's diverse bioregions are represented along its coast. The biodiversity condition of these regions varies considerably, depending on past and present land management practices. Some of the most fragile and threatened flora and fauna are found along Victoria's coastal strip. The extent of existing ecological vegetation communities has been mapped across Victoria and threats identified. From a policy perspective, Victoria is working towards net gain in native vegetation based on reducing the loss of quality of existing native vegetation, and gains through rehabilitating and revegetating for biodiversity, land and water resource benefits.

Six of the 11 Victorian wetlands listed under the international convention on wetlands are located on or near the coast. These and other coastal wetlands are visited by migratory birds from Japan, Siberia and the northern Pacific. Again, Australia and Victoria have signed agreements to ensure the protection of these wetland habitats.

The southern coast of Australia is one of the most significant south facing sections of coast in the southern hemisphere and contributes to the unique status of Victoria's marine and estuarine flora and fauna. The relatively compact and accessible environment is amongst the richest and most diverse in Australia. A total of 13 Marine National Parks and 11 Marine Sanctuaries have been established along Victoria's coast in recognition of their significance.

Water catchments also end at the coast. The quality of ecological processes on the coast and within the marine environment is interrelated with the complex processes of management and use of land and water occurring in these catchments.



Non-urban spaces between settlements

The need to protect non urban areas between settlements along the Victorian coast is critical. Linear urban sprawl along the coast is a key concern for many Victorians. It is generally acknowledged that the current impact of linear urban sprawl is not as great as experienced in Queensland and New South Wales. There is general agreement that settlement patterns along Victoria's coastline should not follow the trend of these northern States.

The non urban areas between townships are valued for a number of reasons summarised below:

Landscape values The amalgamation of the natural, cultural, environmental and aesthetic values of landscapes along the coast makes this region popular from both a conservation perspective and tourism/visitation aspect. Areas such as Port Phillip Heads, the Twelve Apostles, Gippsland Lakes, the Great Ocean Road, Phillip Island and Wilsons Promontory are a few examples that are renowned for their landscapes.

Biodiversity values In many areas, biodiversity values extend from the coast to the hinterland and beyond into spaces between settlements. Private and public land contains areas of ecological importance. Spaces between urban settlements provide corridors for wildlife, habitat for remnant species and allow a diversity of ecosystem types.

Protection of rural land use Rural land use in spaces between settlements has economic, cultural and aesthetic significance. Agricultural enterprises between settlements not only provide economic returns and agricultural produce for local communities, but also have cultural significance for the wider community.

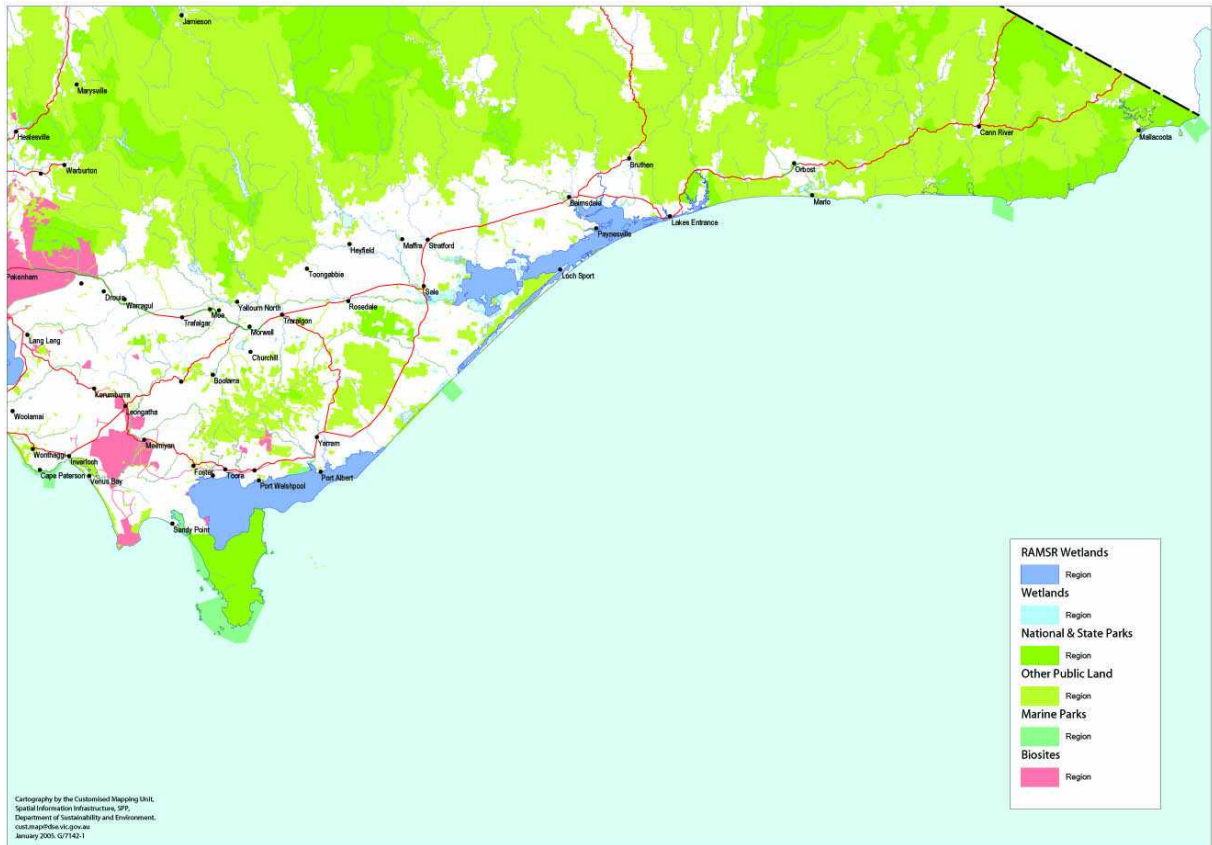
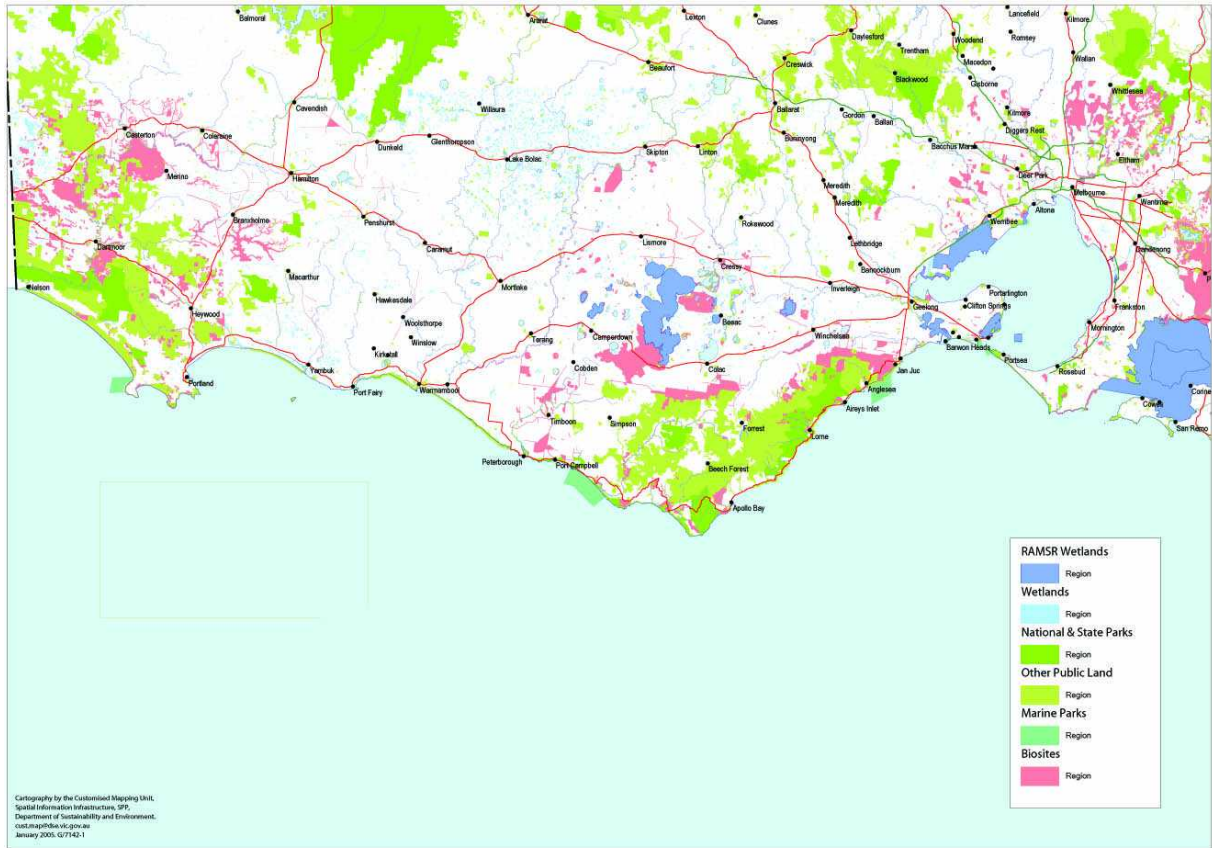
Diversity of experience The Victorian Coastal Strategy has a vision to preserve the diversity of the coast, its flora and fauna, natural beauty and the diversity of available activities. This includes a diversity of experience along the coast. Victorian Government policy seeks to contain urban development to defined settlements and avoid linear urban development along the coast.

Sense of identity Retaining open spaces, rural landscapes and bush areas between settlements helps to maintain a sense of identity for each settlement. This issue of township and neighbourhood character is becoming more prominent in coastal communities that are threatened by sprawling development or changing populations.

Allow efficient service provision to settlements Service provision is an issue raised by local governments and service providers, particularly around proposals for residential and 'lifestyle' developments outside township boundaries. Servicing these remote communities is costly and less efficient. Intensifying and expanding existing settlements is a more efficient and effective way of ensuring appropriate servicing of communities.



Diagram 6: Environment Features of the Coast





2.5 Economy

Victoria's coastline is valued economically for its tangible assets (ports, jetties, quality soils, fisheries, etc) and intangible assets (views, amenity, maintained and clean beaches, the coastal 'experience', etc). Consequently, residents, visitors and businesses pay premium prices for coastal land. Several studies have been undertaken that places a figure on the economic value of Victoria's coast. The bays contributed around \$7.7 billion to the Gross State Product in 1995 (excluding exports through ports). Spiller Gibbons Swan estimated the total economic value of the coast at around \$17.61 billion in 2000.

Tourism along Victoria's coast is significant, with overnight visitors paying a premium price that equates to \$700 million each year (Spiller Gibbons Swan 2000). Day trippers conservatively spend \$166 million each year to travel to coastal destinations. Victorians make more than 70 million recreational visits to their coast each year.

Property prices in most coastal settlements are higher than non coastal settlements. The value of the premium paid by Victorian coastal residents equated to \$250 million each year in 2000 (Spiller Gibbons Swan). Although dated, it is assumed these figures have increased given the current growth pressures being experienced along the coast.

The Great Ocean Road and coastal townships form the basis of a major tourist industry, while the rural hinterland supports a significant agricultural economy. For the Surf Coast Shire, the surfing industry makes a substantial contribution to the local economy. Key industries in the Great Ocean Road Region include dairying and associated food processing, sheep and wool, beef and horticulture, and strong retail trade in the major service centres.

Geelong enjoys a long history as one of Australia's leading regional centres. It has established industrial and commercial infrastructure with major strengths in the production of automotive components, transport equipment, metals, wool, textiles, clothing and footwear, chemicals and food processing. More recently, Geelong has developed as a centre of excellence in education, research and development, health, hospitality and tourism. Horticulture, fishing, aquaculture and tourism are the main economic sectors along the nearby Bellarine Peninsula.

In the Gippsland region, the electricity generation industry retains a key role in the Latrobe Valley, and the region also includes dairying and associated food processing, timber and associated paper production, manufacturing, fishing and aquaculture, and horticulture. Tourism is playing an increasingly significant role across Gippsland, particularly in coastal areas such as the Gippsland Lakes. Coastal settlements are attracting 'lifestyle' migration, along with those prepared to commute to Melbourne or larger towns within Gippsland.

Planning schemes

Generally, local governments recognise, to some extent, the role that key tourist settlements and precincts play within municipalities. However, it is apparent that in some cases, planning schemes do not reflect broader tourism and recreational strategies, such as Tourism Victoria's Regional Tourism Development Plans, Nature-based Tourism Plan 2000-2003, the Golf Tourism Plan 2003-2006, or the Victorian Coastal Strategy 2002.

In general, settlements with a tourism and recreational role are identified within planning schemes at a much more detailed level than broader strategies such as the Regional Tourism Development Plans, which only identify major nodes.



2.6 Hotspots

Several issues that present a particular challenge are described as Hotspots. A number of Hotspots have been identified along the coast and many of the issues raised are similar.

For the purposes of this Report, current and potential Hotspots include:

- ◆ Areas subject to intense development pressures.
- ◆ Inappropriate subdivisions (including old and inappropriate subdivisions).
- ◆ Non-urban areas subject to pressure for urban rezoning.
- ◆ Recreational developments which are predominantly residential in nature and located outside town boundaries.
- ◆ Existing development areas with poor environmental performance (eg. lack of services, pollution, etc).
- ◆ Initiatives that set a precedent or contribute to cumulative impacts.

The list of Hotspots identified on the following pages based on the above-mentioned points is by no means definitive but represent a snapshot of the issues along the Victorian coast which have been raised during consultation.



Table 1: Coastal Hotspots Overview

<p>HOTPOTS SUMMARY</p>	<p>IDENTIFIED HOTSPOTS (Refer to illustration)</p>
<p>1 Potential for Linear Sprawl</p> <p><i>Cumulative impacts of developments outside town centres with no clear strategic justification and/or sufficient consideration of infrastructure or environmental issues.</i></p>	<p>Portland</p> <p>There is concern about incremental linear urban sprawl facilitated by boundary adjustments, and extensive rural residential zoning east along the coast from Portland and around Cape Bridgewater.</p>
	<p>Warrnambool – Port Fairy</p> <p>Increased pressure for uptake of existing small rural lots with titles to the high water mark between Warrnambool and Port Fairy, and on to Portland. The rising cost of land is pricing out rural land uses.</p>
	<p>Apollo Bay</p> <p>Pressure to rezone the land east of Apollo Bay, resulting in the potential to link with Skenes Creek.</p>
	<p>Fairhaven/Moggs Creek</p> <p>Pressure to develop land west of Aireys Inlet still exists, with a number of allotments abutting the foreshore yet to be developed.</p>
	<p>Barwon Heads</p> <p>Pressure is being placed on Council to subdivide land outside a designated urban growth boundary identified within the Barwon Heads Urban Design Framework.</p>
	<p>Queenscliffe/City of Greater Geelong Interface</p> <p>Development pressure to rezone and subdivide land in the City of Greater Geelong that backs on to Point Lonsdale. Encroachment on environmental and significant landscapes is an issue, yet no strategic plan exists to guide development.</p>
	<p>Paynesville</p> <p>Pressure to rezone land north of Paynesville, leading to incremental sprawl along the lake towards Bairnsdale in a strategic green break.</p>



HOTPOTS SUMMARY	IDENTIFIED HOTSPOTS (Refer to illustration)
<p>2 Proposed Major Developments outside settlements</p> <p><i>Proposed developments include a range of different types of proposals from freestanding Golf Courses, Golf Course/Housing Estates, and Marina/Canal type developments. All proposals are located within existing rural zone allotments outside established urban settlements.</i></p>	<p>Major Developments</p> <p>There are a variety of proposals for free-standing, large scale developments along the Victorian coast that have large scale residential components which include golf courses and/or marina type recreational facilities. These development proposals are generally in rural areas remote from existing settlements and infrastructure.</p> <p>In Bass Coast Shire there are several proposals for freestanding 'golf course/lifestyle' housing estates, each containing a significant housing element. If developed, the proposals will have the potential effect of urbanising the coast from Phillip Island to Inverloch.</p>
<p>3 Old and Inappropriate Subdivisions</p> <p><i>Old and Inappropriate Subdivisions along the coast is an issue that planning has been attempting to deal with for some time. Most subdivisions occurred prior to formal planning laws being introduced. Issues being grappled with include: potential coastal erosion; climate change impacts; and development thresholds.</i></p>	<p>Ninety Mile Beach</p> <p>Inappropriate subdivisions along the Ninety Mile Beach and Lake Reeve are major Hotspots in Wellington Shire. Approximately 11,700 inappropriately located and un-sewered lots exist. The majority are situated on the coastal foreshore and/or on low lying, flood prone land. These issues make development difficult on nearly all allotments. The linear nature of these inappropriate subdivisions, if developed, will also commit to ribbon development along the Ninety Mile Beach.</p>



HOTPOTS SUMMARY	IDENTIFIED HOTSPOTS (Refer to illustration)
<p>4 Rural Residential</p> <p><i>Rural residential is a popular and accepted form of residential living in a rural environment. Unchecked and unmanaged, it has the potential to produce greater cumulative impacts than traditional urban linear sprawl due to its low density, large land size requirements.</i></p>	<p>Portland Rural Residential</p> <p>There is concern about incremental linear urban sprawl in Portland resulting from extensive rural living zoning extending northward along the coast for some nine kilometres and inland for a significant distance. Development in this area is impacting on known significant cultural sites.</p> <p>Bellarine Peninsula Rural Residential</p> <p>Rural living on the Bellarine Peninsula is popular given its proximity to Geelong and Melbourne. Pressure from developers to rezone to this land-use is high.</p>
<p>5 Major settlement impacts on the coastal environment</p> <p><i>Major environmental impacts resulting from intensified development and occupancy in coastal settlements, and the subsequent consequences for human and other services if improved sewerage services are provided.</i></p>	<p>Storm Water Management (along the whole coast)</p> <p>New subdivisions and the rate of development within some coastal townships is placing pressure on aging infrastructure to cope with increased water flows.</p> <p>In addition, managing water flows into sensitive coastal and river environs, particularly in sensitive wetland areas such as Westernport Bay, has the potential to adversely affect the delicate ecosystems and water quality.</p> <p>Andersons Inlet (Bass Coast and South Gippsland Shire)</p> <p>Pressure for development exists along the banks of Anderson's Inlet in both Bass Coast and South Gippsland Shires. The presence of coastal acid sulphate soils in these areas will impact on proposed developments. Disturbance of this soil will likely leech acid into the Inlet and waterways, potentially destroying sensitive aquatic and marine life. The areas are also prone to flooding.</p> <p>Un-sewered coastal settlements (eg. Waratah Bay and Corner Inlet - South Gippsland Shire)</p> <p>The main issues relate to un-sewered settlements, with nutrient rich runoff and unfiltered stormwater finding its way into environmentally sensitive waterways.</p>



Diagram 7a: Coastal Hotspots - West

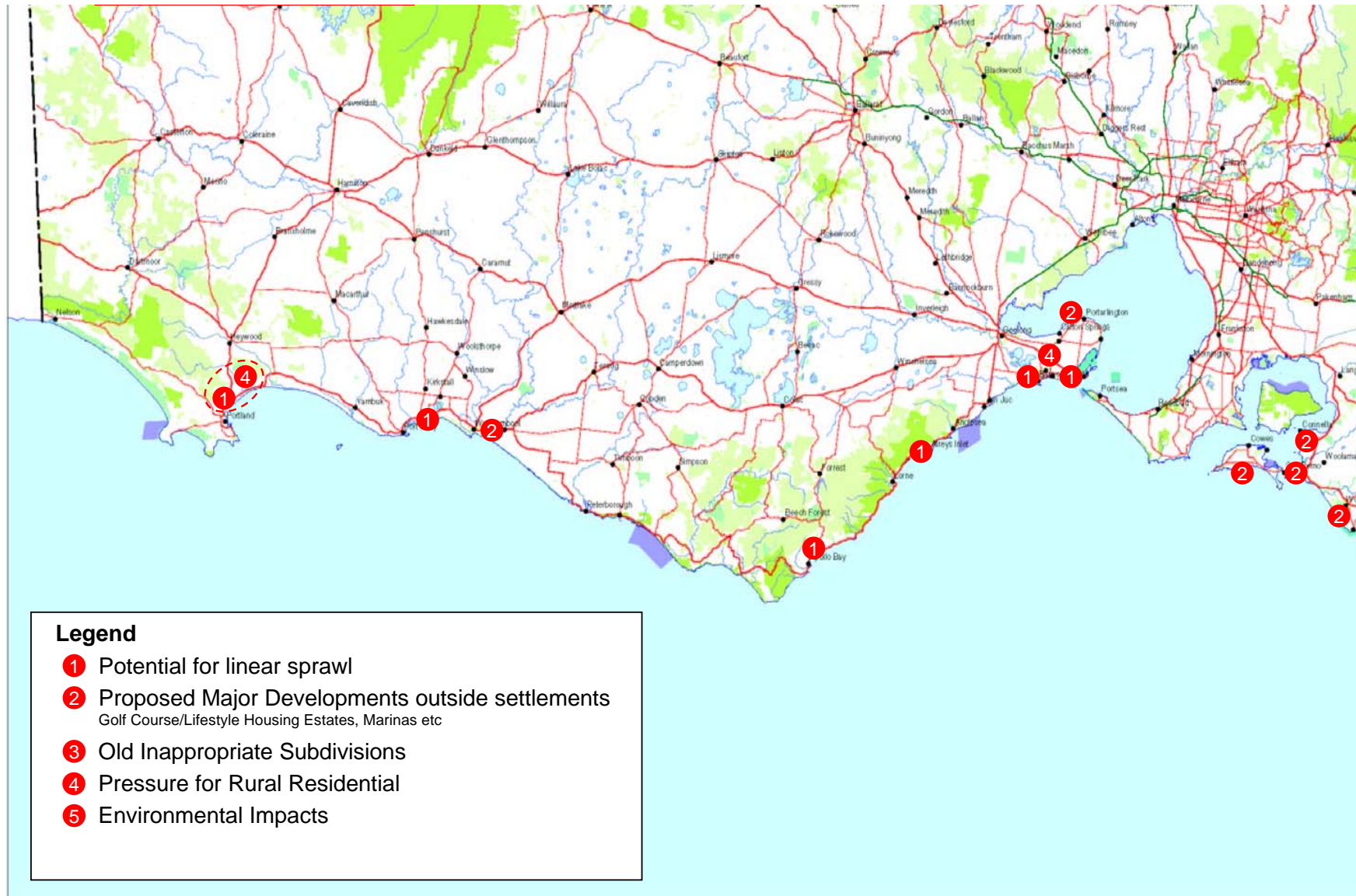
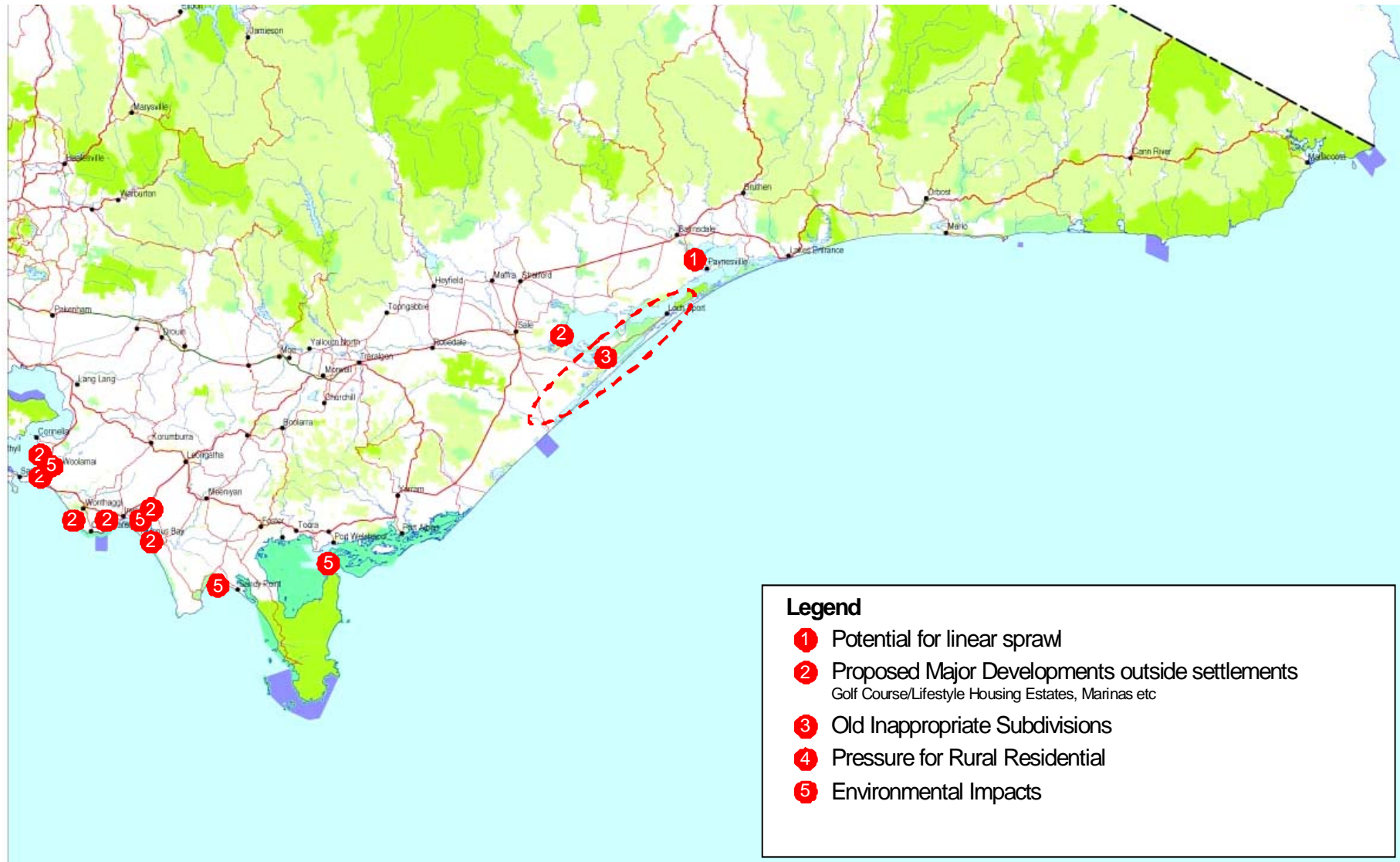




Diagram 7b: Coastal Hotspots - East





3. Emerging issues & challenges

Several emerging issues have been identified during preliminary consultations with local governments and other stakeholders, and investigations undertaken during the development of this Report. Whilst these issues have been identified, it should be noted that several initiatives are currently underway to address some of them. For example, investment in sewerage and water infrastructure is being made, current town planning schemes are being reviewed, and overall reform of rural zones is being conducted. This Report therefore focuses attention on these and explores improved approaches.

3.1 Emerging issues

The issues identified below are based on consultation with key stakeholders and preliminary research and analysis undertaken for this Report.

- ◆ All coastal local governments are experiencing levels of development activity within settlements and speculative investment pressure in areas outside settlements. The intensity is most prevalent within Bass Coast and Surf Coast Shires.
- ◆ Strong recent growth, both in terms of development and immigration, has resulted in a rapid rate of change within coastal settlements, both in built form and design and demographic makeup. In particular, local governments have noted this rapid growth is leading to inadequate social and physical infrastructure.
- ◆ Coastal municipalities on the fringe of metropolitan Melbourne are concerned the spill effects of growth from the Casey/Cardinia corridor into Westernport and beyond are not well understood and need to be considered within their context.
- ◆ Local governments and other stakeholders believe the establishment of the Melbourne Urban Growth Boundary and the introduction of the Green Wedge Zone has seen a shift of lifestyle developments, such as golf course/residential estates, into neighbouring coastal regions.
- ◆ Generally, local governments are seeking greater certainty and understanding about long term robustness of strategic growth boundaries for coastal settlements, and greater Victorian Government support on this issue.
- ◆ Most local governments are struggling to cope with the heavy demands growth is placing on them in relation to permit approvals and balancing this with the need to undertake appropriate strategic planning. Much of this is related to staffing constraints in some areas and other resourcing issues.
- ◆ Local governments and other regional stakeholders have expressed a need to understand the dynamics of the local property market from a supply/demand perspective within their region. Measures to understand supply and demand factors vary from municipality to municipality.
- ◆ Local governments in coastal areas perceive the application of policy and planning tools, such as ResCode, have a metropolitan focus. In the case of smaller coastal settlements, this is perceived as potentially leading to undesirable outcomes.
- ◆ Perceptions of the impacts of performance-based planning appear mixed. Some local governments believe that in some cases a more prescriptive planning approach may be desirable to narrow the focus for debate about planning discretion.
- ◆ Some stakeholders feel a strong link is lacking between existing plans and strategies and their application within decision making. The issue stems from inconsistent decision making contrary to the strategic intent of State and local policy. This is evident at all levels and further compounds issues faced in coastal settlements.



- ◆ Local governments have identified the need for an ongoing education and capacity building initiative for elected councillors and planning professionals.
- ◆ Rapid development of gas reserves in western Victoria has the potential to generate multiple and incremental development of gas plant infrastructure and new access roads along the coast. Opportunities to minimise the land-based impact of gas extraction should be sought.
- ◆ Varieties of new marine-related activities, including land-based aquaculture, are likely to emerge. Strategic planning for these is required.
- ◆ The increasing number of 'lifestyle' residential estate developments occurring outside existing settlements. These are all predominantly in rural zoned areas remote from existing settlements. All are located to optimise sea views and, if implemented, will strategically commit to urbanisation of the coastline, leaving local governments with the long term cost and challenge of servicing these developments.
- ◆ Latent uptake of old and subdivided lots in various locations across Victoria. For example, the increased pressure for uptake of existing small rural titles that have title to the high water mark, particularly in areas between Warrnambool and Port Fairy.
- ◆ Areas where rural land is being acquired with a view to future conversion to urban uses where local governments believe development intensification would be inappropriate.
- ◆ Environmental impacts resulting from intensified development and occupancy in un-sewered areas, and the subsequent consequences for human and other services if improved sewerage services are provided.
- ◆ Local governments and water authorities are concerned about the cumulative impact of developments outside town centres. These are often occurring without sufficient consideration of infrastructure or environmental issues.

3.2 Challenges for Coastal Spaces

This section outlines four key themes and issues to be tackled as part of the Coastal Spaces project. They have been identified on the basis of the aims of the Coastal Spaces project and as part of the consultation and research process. The key themes and issues will be used for:

- ◆ Identifying further work that will be undertaken for the Coastal Spaces project.
- ◆ Further engagement with key stakeholders.
- ◆ Developing recommendations for the Victorian Government.

3.3 Planning for settlements

Clarifying the strategic outlook for settlements

General concern exists about the need for clearer regional direction for managing growth and change. All local governments are involved in various reviews and studies regarding individual settlements (Urban Design Frameworks or Structure Plans), with some work examining the regional role of settlements. On a state-wide basis, no clear statement that identifies the role and function of settlements exists to help guide overall service planning and growth management.

Related concerns include incremental linear urban sprawl facilitated by lack of clarity or certainty, and the need to establish some form of settlement boundaries. Settlement boundaries can be a 'hard' boundary prescribed through legislation, as in Melbourne 2030, or a 'soft' boundary identified by local policy through appropriate strategic planning which is articulated in the Municipal Strategic Statement, or alternatively, the extent of land zonings noted in local planning schemes. It is also recognised that



settlement boundaries can be formed by related aspects such as public land barriers, water courses and features, or areas of environmental or landscape significance, etc. The challenge is to strategically plan for where, how, and when those boundaries may be changed.

A significant variation has also been identified in the approach and clarity around which strategic and statutory planning tools are the most effective or appropriate for managing coastal settlement growth. The standard strategic planning tools applied in coastal settlements at present are either through structure planning or urban design frameworks.

Whilst each tool is able to be altered to meet any given strategic objective, a general lack of understanding of their purpose and outcomes appears to be creating confusion and scepticism, particularly in relation to establishing township boundaries.

PROPOSED ACTION:

Coastal Spaces will further develop an overall framework (see Diagram 5, page 11) that identifies the role and function of settlements along Victoria's coast in consultation with local governments and other key stakeholders.

Coastal Spaces will aim to integrate this work with other key initiatives, such as the Victorian Government's Sustainable Water Strategies and the Country Towns Water and Sewerage Program, and will contribute to the development of Regional Water Plans.

Coastal Spaces will also facilitate targeted workshops with local governments, Catchment Management Authorities and water businesses in relation to long term planning for settlement growth. Coastal Spaces will also promote the establishment of a guideline/planning practice note on how strategic plans for settlements identify settlement boundaries, and how these can be more effectively addressed in planning schemes.

3.4 Protecting spaces between settlements

Improving management of change in rural landscapes

Spaces between Victoria's coastal settlements are valuable areas. They maintain biodiversity values, protect rural land use, hold aesthetic landscape value, provide a diversity of open spaces and experiences, and give individual settlements a sense of identity. They are also important in containing and managing service provision within settlements.

However, development and change in coastal rural landscapes is inevitable. A major challenge is to guide development so the visual impact of use and development on key coastal vistas and significant landscapes is understood, minimised and managed.

Policies and zones are a key tool for controlling use and development between settlements. The application of new Rural Zones provides an opportunity to respond to coastal land use and development issues along the coast. Implementation of the new Rural Zones has not been adopted by coastal local governments thus far due to resourcing issues and the requirement to undertake further strategic work. One challenge is to see the work begin.

PROPOSED ACTION:

Coastal Spaces has commissioned a major coastal Landscape Assessment Study that is being delivered in partnership with local governments and other stakeholders. Once completed and implemented, the Study will provide each local government with a framework to manage and guide development within landscapes.



Coastal Spaces will explore opportunities with local government to accelerate the introduction of new Rural Zones. The Municipal Association of Victoria is undertaking a pilot implementation project around the new Rural Zones.

3.5 Managing Hotspots

Gippsland old and inappropriate subdivisions

The historical subdivision of extensive areas on the Gippsland coast has resulted in a long term planning problem. This difficult and complex issue has existed for many years. The inappropriate nature of these subdivisions and the long term policy to limit development in these areas requires a more strategic approach to resolve this problem. Coastal Spaces provides the opportunity to provide an integrated strategic planning direction to inform the resolution of this issue.

PROPOSED ACTION:

Coastal Spaces will support the establishment of a high level task force to work closely with the Shire of Wellington to achieve a successful whole-of-government long term solution, including agreement on long term planning strategy and integrated approaches to providing services to nodal areas where constrained development exists.

Large scale (residential) developments proposed outside established settlement boundaries

The multitude of 'lifestyle' type developments in regional Victoria clearly shows its popularity to attract investment and new tourism attractions. Whilst investment is encouraged, it has been recognised these developments also need to respond to local strategic planning efforts and community aspirations.

The most predominant form of 'lifestyle' type developments along the coast are residential subdivisions intermixed with a golf course. These types of developments exist primarily in coastal locations well outside established settlements.

The Victorian Coastal Strategy states that development pressure and infrastructure will be directed away from sensitive areas (most of the coast) and managed within defined existing settlements (activity nodes) (VCS, pg. 42).

In Bass Coast Shire alone, some seven proposals have been mooted with all developments located along the coast. If progressed, these proposals have the potential to significantly urbanise much of the coastline from Phillip Island to Inverloch. This represents a significant challenge for local government in planning, funding and providing services that these settlements would eventually demand.

PROPOSED ACTION:

Coastal Spaces will conduct a targeted workshop in association with Tourism Victoria regarding strategic planning for large scale residential and international standard integrated facility development to understand market demands and long term sustainability opportunities.



Coastal acid sulphate soils

Coastal Spaces will develop and clarify policy in relation to development in areas containing or at high risk of Coastal Acid Sulphate Soils (CASS), consistent with the requirement of the National Coastal Framework and Strategy for CASS.

CASS can occur in low lying areas near the coast. When disturbed, CASS have the potential to cause significant environmental harm, as well as leading to the failure of structures and in-ground infrastructure. Human health can also be affected.

The Commonwealth and all State and Territory governments have endorsed a strategy to minimise adverse impacts from these soils through good planning and targeted management.

In Victoria, initial risk assessment to identify the scope of potential distribution has been completed and provided to all coastal local governments. Planning for coastal areas should ensure that coastal areas containing CASS are identified and that disturbance of these areas is minimised.

The principles to guide planning are:

- ◆ To avoid disturbance of CASS as the highest priority.
- ◆ To ensure active rehabilitation of areas where disturbance is unavoidable or has occurred in the past.
- ◆ To ensure that where CASS disturbance is required, an effective environmental management plan is prepared and endorsed prior to disturbance.

PROPOSED ACTION:

Coastal Spaces will progress the development of a planning policy and improved guidelines to give effect to national objectives.

Coastal Spaces will work with Catchment Management Authorities and local governments to seek and implement capacity building and local planning responses to this issue.

Coastal Spaces will investigate overall policy in relation to canal estate development as a high risk activity in areas susceptible to CASS.

Recreational nodes

Recreational nodes on public land outside settlements are another issue that requires consideration within the Coastal Spaces project. Clarity and greater understanding of the context of recreation nodes under the Victorian Coastal Strategy is required.

PROPOSED ACTION:

Coastal Spaces will map and define coastal recreation nodes on coastal Crown land as input to the ongoing implementation of the Victorian Coastal Strategy 2002.



3.6 Capacity building to manage change

Capacity for managing the impacts of growth

The National Seachange Taskforce is providing a focus for debate on researching issues associated with growth and management of development.

Most coastal local governments have experienced rapid development rates in recent years. In some cases, there is a limit in the capacity of local government to respond to the changing form and pattern of development and its impacts in a timely manner. While local governments have undertaken or are undertaking strategic work for settlements, the implementation of this work is a major challenge. The Victorian Government's Urban Development Program has provided important information on land availability and development patterns for strategic planning in the Geelong region.

Planning and provision of infrastructure is a challenge for coastal settlements experiencing growth pressure. For example, Bass Coast is experiencing rapid development and redevelopment in historically subdivided areas. This combination of circumstances makes it extremely difficult for Bass Coast to develop an effective overall funding strategy, including developer contribution schemes, that works effectively in a fragmented development situation. Surf Coast Shire is experiencing similar challenges.

Some coastal local governments identify concerns with the application of metropolitan-focussed policy and planning tools, particularly in smaller coastal settlements, potentially leading to undesirable outcomes. The current system provides a comprehensive suite of planning tools and there is significant variation in how they are used. Local government planners have indicated they do not wish to be burdened with additional work loads or new tools. This issue will be reviewed with key stakeholders.

PROPOSED ACTION:

Coastal Spaces will examine the feasibility of extending the Urban Development Program to include Bass Coast Shire.

Capacity building for councillors and planning professionals

Most coastal local governments highlight the importance of ongoing capacity building for councillors and planning professionals. Coastal Spaces acknowledges the current programs and efforts currently being undertaken by various local governments to address this issue, including by the Municipal Association of Victoria, the Victorian Local Governance Association, Department of Victorian Communities and the Department of Sustainability and Environment.

PROPOSED ACTION:

Coastal Spaces will undertake an audit of programs and efforts to clearly identify the opportunities for coordination and improvement.