

**Submission to Macedon Ranges Shire Council****DRAFT MRSC VISITOR ECONOMY STRATEGY** December 2018

12 February 2019

**1 OVERVIEW - THE DRAFT MACEDON RANGES VISITOR ECONOMY STRATEGY**

The Association recognises that tourism is important, is an economic driver and will continue to play a key role in the Shire's future. However, to be successful and to cause no harm, tourism must be undertaken in the context of, and be subservient to, protecting the Shire's cultural and environmental attributes (the 'goose that lays the golden eggs'), and the rights of the local community. The draft Visitor Economy Strategy doesn't do this.

The visitor economy isn't *tourism* but all visitors, apparently including local residents visiting other Shire towns for reasons unrelated to tourism, and the draft Strategy isn't a *tourism* strategy, but an economics strategy.

It starts with economics, not environment and community, and doesn't adequately analyse the suitability or consequences of what it recommends, or where its recommendations conflict with other priorities. The document's lack of integration with other important issues (including planning restrictions), and failure to adequately assess adverse impacts, is considered one of its major failings.

Macedon Ranges Shire is the first "declared area" under the Distinctive Areas and Landscape legislation, under which a Declaration for Macedon Ranges has been made. The Declaration identifies threats to the values that are protected under the legislation. Threats include tourism activity, but the draft Strategy doesn't recognise the Declaration, or the threats. A substantial rethink of the visitor economy objectives on offer is required, as is a great deal more care, awareness and respect for the Shire's environment and community than is evident in this document. Until these issues are thoroughly addressed, the draft Strategy must be regarded as anomalous with the values the legislation was introduced to protect, and unfit for purpose.

**2 CONCERNS WITH THE DRAFT STRATEGY'S PREPARATION**

In February 2018, Council's Economic Development Unit invited the Association to provide a representative for the Visitor Economy Reference Group [VERG]. After attending a first meeting with the Reference Group about the project to redraft the 2017 Visitor Economy Future Directions Paper, the Association's representative expressed concerns to Council, including:

- a) How and who is doing due diligence with regard to the project's brief and tender/process for consultant appointment.
- b) Lack of alignment with community and business planning strategies/vision/longer term strategic goals.
- c) Not addressing / including risk, risk management and mitigation, budgetary considerations, defined metrics and a business case.
- d) No process for or application of conflict of interest protocols for the Reference Group participants, noting he was the only Reference Group participant without a commercial interest.
- e) Timing, particularly the appropriateness of preparing a new tourism document while outcomes of protection processes were not known.
- f) Tourism cannot be treated as a stand-alone strategy; a ten year visitor economy strategy is too long term.

- g) The decision not to engage in broad community consultation during preparation of the Strategy and instead rely on dissemination and feedback from the Visitor Economy Reference Group participants, who cannot be considered representative / inclusive of the broader community.

Lack of a process to identify conflicts of interest, and restricted consultation, created the risk that directions and outcomes that respond to specific personal or financial interests – as detected in the 2017 Future Directions Paper – would persist in the 2018 draft Strategy.

MRRA's representative also expressed the following concern to Council:

*"During our [VERG's] first meeting many participants including me asked the question, 'does the council want this'? The response, that the council will consider very highly any strategy developed and supported by the community, lacks the alignment with community and business planning strategies that I was looking for. The MRSC should have an overall long term plan/vision which should be referenced. I would have liked to see some supporting commentary from executive stake holders and sponsors demonstrating the alignment with MRSC mission/vision & longer term strategic goals.*

These concerns continue, and are among the reasons why the Association withholds its support for the 2018 draft *Macedon Ranges Visitor Economy Strategy* in its current form.

### 3 THE STRATEGY'S DIRECTION IS THE PREVIOUS COUNCIL'S DIRECTION

In 2017, the Association made a submission objecting to the proposals and directions in the draft *Macedon Ranges Visitor Economy Future Directions Paper 2017*, the predecessor to the 2018 draft Visitor Economy Strategy.

The 2018 draft Strategy is essentially the 2017 document repackaged – reformatted, with less aggressive language – which continues to prioritise economic objectives and directions set by the previous Council in the draft *Macedon Ranges Visitor Economy Future Directions Paper 2017*, but in a less controversial way because less information and explanation is provided.

This lack of description and definition creates a new concern because many of the draft Strategy's statements and recommendations are sufficiently broad-brushed to be widely interpreted and used to justify a range of proposals, leaving the door open to unexpected (and undesirable) outcomes.

An example is paragraph 1 on page 25 which refers to "rock climbing" as an active recreation experience (Nature based tourism) without explaining what this means. The 2017 draft Visitor Economy Directions Paper promoted rock climbing at the Camel's Hump. Is this still an unspoken objective in the 2018 draft Strategy?

Another example is the Strategy's promotion of temporary camping/glamping, which doesn't appear to have been analysed in terms of risks, feasibility, desirability or impacts. Size, frequency, location, support and servicing logistics (including effluent disposal), planning restrictions, costs, and environmental/social impacts aren't discussed, and appear to have not been considered before making the recommendation.

### 4 INADEQUATE RESPONSE TO MACEDON RANGES' SIGNIFICANCE AND VALUES

The draft Visitor Economy Strategy is an economics strategy. It prioritises economics and economic opportunities over environmental and social values, creating strong potential to undermine Macedon Ranges Shire's high level environmental significance and values, community amenity and the principles of sustainability.

The Strategy does not take an integrated approach, and makes recommendations for activities and actions that have high potential to conflict with objectives and priorities for other values in the Shire. The draft Strategy hasn't attempted a SWOT (strengths, weaknesses, opportunities and threats) analysis to pick up on potential impacts, damage and conflicts, and many recommendations are put forward on an economics basis in isolation of all of Shire's strategic priorities. This risks a series of 'square peg in round hole' outcomes.

#### 4.1 Macedon Ranges' Draft Statement of Planning Policy

The draft Strategy refers to the flawed draft Macedon Ranges Statement of Planning Policy (page 14), but only to the extent of Objective 7, Visitor Economy. Objectives relating to other relevant matters that would be impacted by the draft Strategy's recommendations are not referenced.

#### 4.2 Macedon Ranges' Declaration

The starting point for a tourism/visitor/leisure/recreation strategy must be the Declaration made by the Minister for Planning in August 2018, which formally announces that Macedon Ranges Shire is a "declared area" under the Distinctive Areas and Landscapes provisions of the Planning and Environment Act 1987.

At Part 5 (below), the Declaration identifies land use changes which threaten the Shire's values and attributes. These threats include urban development, intensity of land use, cumulative impacts of development, increased tourism activity and recreation, and natural hazards.

<p><b>5. Threats of significant land use change of the declared area</b></p> <p>In accordance with section 46AO(2)(c), the list below identifies the threats of significant or irreversible land use change, as described in section 46AP(2), that would affect the environmental, social or economic values of the declared area.</p> <ul style="list-style-type: none"> <li>(a) Threats to areas of significant biodiversity from weeds and pests, climate change, natural hazards such as bushfire, and urban development.</li> <li>(b) Threats to natural landscapes and landforms from intensity of land use and urban development.</li> <li>(c) Threats to preservation of heritage and cultural attributes from the cumulative impact of development and land use practice and increased tourism activity and recreation.</li> <li>(d) Threats to natural resources, water catchments and productive land from land use conflicts (including intensity of uses) between conservation, catchment management, agricultural use, residential use and recreation activities; cumulative impacts of development; and natural hazards, including bushfire and flooding.</li> <li>(e) Threats to future effectiveness of strategic infrastructure from climate change impacts and expanded tourism activity.</li> </ul>
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Assessing recommendations to avoid these threats is imperative. The draft Strategy doesn't reference the Declaration and instead makes recommendations which potentially create more of the threats identified, not least with its comments regarding Places of Assembly, and an intention to investigate "barriers" to accommodation in the Farm [sic] zone.

#### 4.3 Clause 22.01 – Statement of Planning Policy No. 8

The draft strategy doesn't reference Statement of Planning Policy No. 8 (Clause 22.01, Macedon Ranges Planning Scheme). If it had, it would recognise that the policy has long set a requirement for co-ordination of land use and development, and an integrated conservation / recreation strategy, as follows:

*"The formulation and application of an efficient system of management designed to ensure co-ordination of planning and careful regulation of the use and development of private and public land."*

*"The preparation of a positive, comprehensive and coordinated conservation and recreation strategy for the policy area which:-*

- Is consistent with long term water catchment management objectives;*
- Takes account of the various values of all lands in the policy area for nature conservation and for satisfying a broad range of recreational needs;*
- Makes provision for the conservation of landscapes, flora and fauna and the protection of natural systems;*
- Provides for the location, planning and management of recreation and tourist facilities and associated services;*

- Provides for the protection or enhancement of areas and improvements of cultural or historical value; and
- Makes positive proposals for implementation of the strategy.

#### 4.4 Macedon Ranges' Council Plan

Lack of integration is further underlined by the draft Strategy's reference at page 14 to the Council Plan, where only one of the Plan's priorities is recognized: *"enhance the social and economic environment"*. *"Protect the natural environment"* and other Plan priorities are apparently not considered relevant to the Visitor Economy Strategy.

#### 4.5 Macedon Ranges' Visitor Accommodation Opportunities Study 2010

This now dated Study is referenced in the draft Strategy although acknowledged as needing review. A complete rethink would be more appropriate. The Study spent substantial time addressing "planning barriers", with Farming and Rural Conservation zones in particular seen as "barriers" to economic development of accommodation premises. The Study showed a profound lack of understanding of integrated planning by concluding these "barriers" could be resolved by rezoning Farming and Rural Conservation zoned areas to the Rural Activity Zone, about which the Study says:

*"The Rural Activity Zone provides a greater level of discretion with regard to tourism uses. The Planning Practice Note for Application of Rural Zones identifies that it may be considered for tourism purposes in rural areas." Page 41*

The draft Visitor Economy Strategy identifies accommodation as an *"area for growth or emerging product"* (page 23), and follows up with a recommendation, at "Opportunities", page 30, to *"Investigate options for accommodation in the Farm [sic] Zone to support diversification and sustainability of the farm sector."*

The previous council had an intention to apply the Rural Activity Zone as part of its so-called *"In The Farming Zone"* review. Endorsement of the draft Strategy may give renewed imprimatur to that intention.

## 5 UNSATISFACTORY RESPONSES TO PLANNING ISSUES

The draft Strategy's recommendation to investigate barriers to accommodation activities in the Farm [sic] zone, and other references to perceived difficulties created by the planning scheme, suggests a lack of understanding of the reasons for existing planning scheme controls, re-emphasising the lack of integration already noted. It can also potentially be seen as flagging an intention to carry over the previous Council's plan to change the planning scheme in order to serve individual commercial interests. Potential is also created to adversely impact existing economic activities, including town economies and agricultural production.

There is also uncertainty about the meaning of several references to Macedon Ranges *"having one of the more complex planning systems [sic]"*, to producing "clear guidelines" and "decision guidelines", and to having a *"facilitative environment"*. The draft Strategy doesn't explain what, how, where, or who.

What do these words mean, and what actions and changes would flow from them?

#### 5.1 Manningham City Council - Amendment C117 Planning Panel Report

A recent planning panel report (19 December, 2018) for Manningham City Council's Amendment C117 raises issues relevant to Macedon Ranges. Manningham City Council sought changes to policy in its Municipal Strategic Statement to increase priority for tourism and economic development in its Green Wedge, which is almost entirely zoned Rural Conservation Zone [RCZ].

The Council argued that a decline in agricultural employment in its Green Wedge area created a need to replace jobs in the Green Wedge with increased tourism and economic development. The planning panel disagreed this was an imperative.

Although Macedon Ranges is not a Green Wedge, it is Victoria's first "declared area" under the Distinctive Areas and Landscapes legislation (similarly operating under legislative requirements), and also applies the Rural Conservation Zone. A VCAT decision quoted in the planning panel report notes the Rural Conservation Zone does not specifically have a tourism related purpose. The following extracts of the report's findings provide an insight into restrictions for tourism and economic development in terms of the Rural Conservation Zone, and Bushfire.

### 5.1.1 Rural Conservation Zone [RCZ]

The planning panel (Lester Townsend, Chair) did not support the policy changes proposed by Manningham City Council, saying -

At Executive Summary:

*"The Panel has concluded that the broader policy position to support more tourism in the green wedge is contrary to sound planning and runs counter to the purposes of the RCZ."*

At pages 22 and 23:

*"The proposed policy changes essentially look at the green wedge as an economic development opportunity, and while there is acknowledgment of green wedge values it would tip the balance towards more development."*

*Two purposes of the RCZ deal with economic activity:*

- *To encourage development and use of land which is consistent with sustainable land management and land capability practices and which takes into account the conservation values and environmental sensitivity of the locality.*
- *To provide for agricultural use consistent with the conservation of environmental and landscape values of the area.*

*The Panel agrees with submissions that land which falls within the RCZ is in an area where the planning scheme seeks to protect and enhance the existing character, landscape quality, view lines and other natural environmental characteristics in an equitable and sustainable manner.*

*The Panel thinks that the economic development opportunities supported by the policy would inevitably be at odds with the four of the purposes of the RCZ which are clearly aimed at conservation:*

- *To conserve the values specified in a schedule to this zone.*
- *To protect and enhance the natural environment and natural processes for their historic, archaeological and scientific interest, landscape, faunal habitat and cultural values.*
- *To protect and enhance natural resources and the biodiversity of the area.*
- *To conserve and enhance the cultural significance and character of open rural and scenic non-urban landscapes.*

*The Panel notes that Council wrote to the Planning Minister in March 2017, stating that the current planning restrictions that apply to the green wedge frequently do not support a proactive approach to promoting tourism and other economic opportunities for councils. In particular, the letter stated that the existing RCZ provides limited autonomy for the operation of tourism and other related uses due to the overriding restrictions contained within the RCZ. Clearly Council's view of what is appropriate in areas in the RCZ is different to the what the drafters of the zone had in mind when they drafted provisions to encourage use and development that:*

***Macedon Ranges: an ENDANGERED environment***



- *is consistent with sustainable land management and land capability practices*
- *takes into account the conservation values and environmental sensitivity of the locality.*

*The Panel concludes:*

- *The policy would encourage economic development at the expense of green wedge values.*
- *The policy would exacerbate the tension between policy and zone controls.*
- *Council's vision for tourism goes beyond the scale of activity permitted under current controls."*

### 5.1.2 Bushfire

The Manningham C117 planning panel also concluded the amendment was potentially contrary to Clause 13.02-5 – Bushfire, in the (State) Planning Policy Framework. Manningham Council intended to assess non-residential proposals under the Bushfire Management Overlay applied to most of its RCZ.

However, the planning panel report noted, at pages 26 and 27:

*"that Clause 13.02-5 sets out the strategy:*

*"Not approving any strategic planning document, local planning policy, or planning scheme amendment that will result in the introduction or intensification of development in an area that has, or will on completion have, more than a BAL-12.5 rating under AS 3959-2009 Construction of Buildings in Bushfire-prone Areas (Standards Australia, 2009)". [MRRA emphasis added]*

*To the extent that the Amendment encourages more tourism development in the Manningham green wedge it potentially encourages more development in areas with more than a BAL-12.5 rating. Not all of the green wedge area is treed and there may well be some areas with a BAL rating of less than BAL-12.5, however the basic premise of intensifying tourism development in the RCZ would seem to be contrary to Clause 13.02.*

*The Panel concludes:*

- *The policy changes are potentially contrary to Clause 13.02 Bushfire in the PPF."*

State policy requires that a strategic planning document (such as the draft Visitor Economy Strategy) is not to be approved where it does not meet the Clause's requirement. There is no evidence that this issue has been considered or recommendations assessed against this requirement, in the draft Strategy.

The findings about the RCZ and Bushfire in this panel report have relevance for the draft Visitor Economy Strategy, and can also be extrapolated to other non-urban zones, including the Farming Zone.

## 6 CONCERNS WITH VISITOR, EXPENDITURE & JOB FIGURES

Figures presented in the draft Strategy raise more questions than they provide answers. The *visitor* situation, and the *tourism* component of this in Macedon Ranges Shire, isn't sufficiently clear to foster confidence in the statistics or what they mean. Concerns include:

### 6.1 Visitations

The "visitor economy" isn't tourism *per se*, but tourism and all other forms of 'visitation' which potentially make an economic contribution. The draft Strategy provides definitions for types of visitors ('holiday', 'visiting friends and relatives', 'business' and 'other') at page 3, and it is surprising to find that "other" visitors that are included in the total visitor numbers appear to include local residents travelling to destinations within the Shire for school, appointments, health, etc. The draft Strategy doesn't explain how visitor numbers are produced, or how types of visitations (overnight/daytrip) are determined, particularly as figures provided for overnight/daytrip statistics are for all of Regional Victoria, not Macedon Ranges.

*Macedon Ranges: an **ENDANGERED** environment*

## 6.2 Expenditure

Australian Bureau of Statistics publications <sup>1</sup> indicate tourism statistics include a significant and at times surprising range of products that are counted as contributing to tourism expenditure, including newspapers, domestic appliances, furniture, radio television and communication equipment, personal hygiene products, umbrellas, tableware and glassware, umbrellas, human health services, beauty and physical well-being services, trailers and semi-trailers, fuel, and even tobacco products. This suggests that the *tourism* component of the visitor economy is possibly overstated. This in turn creates difficulties in terms of determining the contribution of tourism, and for making decisions about the Shire's future tourism direction.

## 6.3 Employment

The draft Strategy says the visitor economy in Macedon Ranges provides 2,354/2,355 jobs. This figure doesn't correspond with the figure of 1,413 in Australian Bureau of Statistics data for tourism employment in the Shire presented in Table 9 (page 19). The source of the 2,355 figure isn't obvious but can be found at Figure 6, page 11, *Macedon Ranges Visitor Economy Impact Study, 2017*, which presents a total of 2,354.9 jobs.

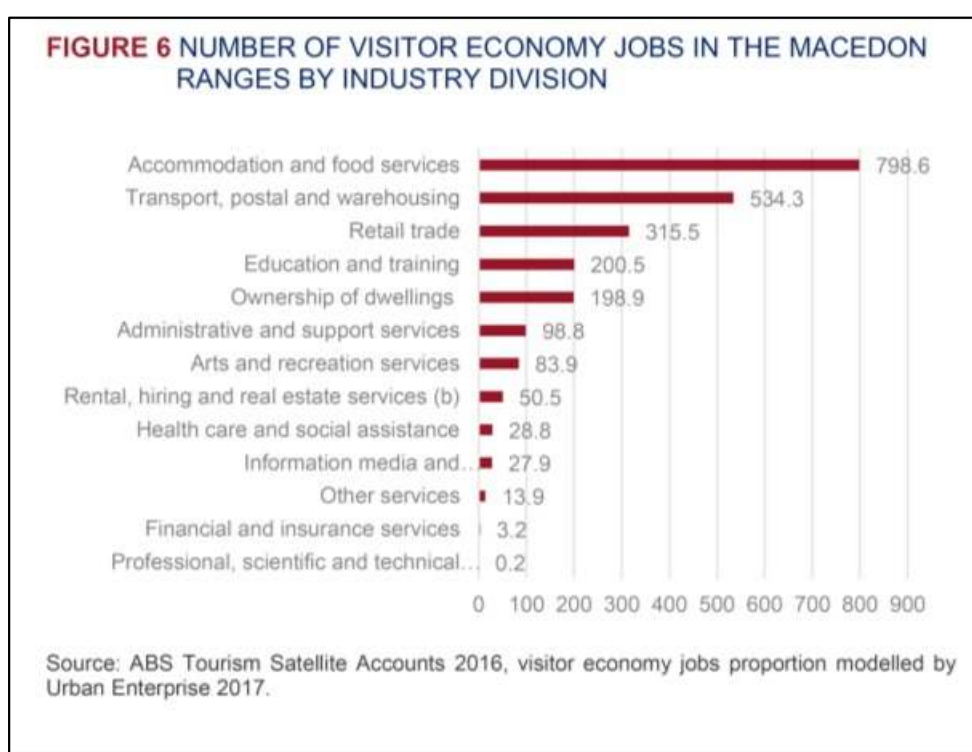


Figure 6 shows substantial diversity in areas of employment attributed to the *visitor economy*, but doesn't distinguish those related to *tourism*. Although the draft Strategy is confident its recommendations will increase jobs, it doesn't identify the types of jobs its recommendations would produce, or their relationship with tourism.

## 7 ADDITIONAL COMMENTS ON SPECIFIC ISSUES

While the draft Strategy puts forward some themes e.g. "maker", "artisan", overall the recommendations lack cohesion, and are potentially conflicting, for example, it is difficult to marry "nature-based" with promotion of substantial mountain bike riding in reserves, and with private wedding receptions on public land. Improvements to infrastructure are recognised as needed, but there is no discussion of the timing gap between promotion, and having plans and infrastructure in place. The following issues also raise concerns, as discussed below.

<sup>1</sup> Publication 5249.0, Appendix 2, *Tourism Product Correspondence: Tourism Related Products*

## **7.1 Another 1 Million Visitors In The Next 7 Years / Actively Seeking A Greater Share Of The Asian Market**

- a) Statement of Planning Policy No. 8 recognised 40 years ago that tourists and visitors need to be very carefully managed to prevent damage to the very values that attract them. There is a real risk of 'loving the place to death'.
- b) The Shire has had difficulty coping with existing visitation levels. Recent experiences also indicate Asian visitors can create additional considerations in relation to cultural differences and language, necessitating additional actions to overcome this, all of which must be factored into assessment of recommendations.
- c) The impact of increased visitation must also be measured in terms of disadvantage, detriment and intrusion for the local community and residents.

## **7.2 Increased Commercial Use and Development In Non-Urban Areas / Farm Gate**

- d) This has the potential to divert expenditure away from the towns, create conflicts with agriculture and non-urban based activities, be detrimental to conservation values (e.g. wildlife) and residential amenity, and impact on rural infrastructure, including roads. All are highly undesirable outcomes, and to be avoided.
- e) Farm Gate Sales are officially termed "primary produce sales" in the planning scheme. Although some seem to think it means starting a shop or retail outlet in rural areas, strong restrictions apply.

## **7.3 Artisan Villages, Villages**

- f) The draft Strategy exclusively calls towns "villages", which while welcome, doesn't address the towns realistically. The terms "village" and "artisan village" sit uncomfortably with planning scheme policies for substantial (urban) growth and residential development in some towns, particularly Kyneton. If "village" character is preferred, it will need a reconsideration of planning scheme policies, not just visual improvements.

## **7.4 Infrastructure Improvements: More Public Transport, Public Toilets / Mobile And NBN Blackspots**

- g) It is not clear whether or how the local community benefits from these improvements, or whether focussing on improvements for visitors will divert funding and resources from infrastructure improvements benefiting local residents and businesses.

## **7.5 Promotion Of Outdoor Experiences, Nature-Based Tourism / More Use Of "Under-Utilised" Reserves, Bushland Reserves / Mountain Bikes**

- h) Outdoor experiences and nature-based tourism aren't well explained, and unless clearly defined could include most of the commercial developments previously proposed for Hanging Rock as "nature-based" tourism. This must be clarified.
- i) The document doesn't acknowledge VEAC recommendations for the Cobaw State Forest to become a Conservation Park, and Wombat State Forest to become a Regional Park and makes recommendations for their use which may conflict with VEAC recommendations (if adopted).
- j) Bushland reserves are conservation reserves, not recreation reserves, and directions for visitation and activities must respect this. The MR Biodiversity Strategy recommends all bushland reserves be rezoned Public Conservation and Resource Zone, except the East Paddock at Hanging Rock.
- k) Passive recreation should be given more emphasis as it is more compatible with the Shire's environmental values.
- l) More mountain bike trails, facilities. Why? How is this compatible with environmental priorities, and why does Macedon Ranges need to increase facilities to compete with those elsewhere?



**7.6 More Utilisation Of Mount William, And The Lancefield Megafauna Site / Heritage**

- m) Cultural heritage needs to be treated with more respect, not seen as something to be exploited.
- n) It is ironic to propose interpretive/educational ventures for the nationally (if not internationally) significant Lancefield Swamp archaeological site when Google shows the site as the "Lancefield Equine Reserve".
- o) (Post-contact) heritage only gets one mention, in regard to promoting it in villages.

**7.7 More weddings, and wedding venues, improved processes for hiring public land for private events**

- p) The draft Strategy seems to overlook the meaning of "public" in public land. Current advertising for weddings at the new shelters at Hanging Rock is already offensive, and exploitative. This suitability and desirability of these recommendations need realistic review.

**7.8 5 Star Hotel / Eco-Cabins / Temporary Camping/Glamping/Caravanning / Accommodation In Farm Zones Conference Centres**

- q) All of these proposals, including the old chestnut about a so-called 5 star hotel, need to be measured against the down sides (negatives) of doing this.

**7.9 Improvements To Kyneton Mineral Springs / More RV Friendly Venues**

- r) As the best Macedon Ranges has achieved so far is to put an RV black water dump at the (State) significant Kyneton Mineral Springs, relocation rather than improvements are indicated before attempting any more.

**7.10 More Road Cycling Events / More Festivals And Events / Expanded Open Gardens Scheme**

- s) Cycling events and other festivals and events have the potential for adverse impacts on conservation values, roads, and residents. Parameters need to be set to minimise disadvantage.
- t) Care is needed in using the term "Open Gardens Scheme". This is a not-for-profit program, not *ad hoc* opening of gardens on a commercial basis, as some currently do. Traffic is an issue with this.

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