

SUMMARY FOR COMMUNITY CONSULTATION

Mansfield 2040: Background & Discussion Paper

MANSFIELD SHIRE COUNCIL

MARCH 2021

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RMCG

Most of the analysis in this report was undertaken prior to the global COVID-19 pandemic. The ongoing economic, social, and environmental impacts of the pandemic are uncertain at this stage. Any new information on the impact of the pandemic will inform Mansfield 2040.

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SGS Economics and Planning Pty Ltd

ACN 007 437 729

www.sgsep.com.au

Offices in Canberra, Hobart, Melbourne, Sydney

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1. INTRODUCTION

Mansfield Shire is preparing a planning strategy for the municipality: Mansfield 2040. The development of Mansfield 2040 is a significant undertaking for the Shire and its communities. The strategy will guide land use and development decisions across the municipality over the long term.

1.1 Project overview

Mansfield Shire's population is growing, and its demographic profile is shifting. Australia's economy is moving towards services-based and knowledge-intensive sectors, and communities throughout Australia are increasingly feeling the impacts of climate change. While change is inevitable, it needs to be managed in a way that ensures the ongoing health and prosperity of existing communities and preserves Mansfield Shire's valued historical, cultural, and natural living landscape for future generations – including having a clear plan for:

- where people will live
- where people will access services
- how the local economy will prosper, and
- how the environment can be sustainably managed to mitigate and minimise the impacts of climate change, protect the landscape and promote biodiversity, alongside other immediate concerns.

Mansfield Shire Council (Council) has committed to developing Mansfield 2040 (the Strategy) to help manage change across the Shire over the long term. The purpose of the Strategy is to:

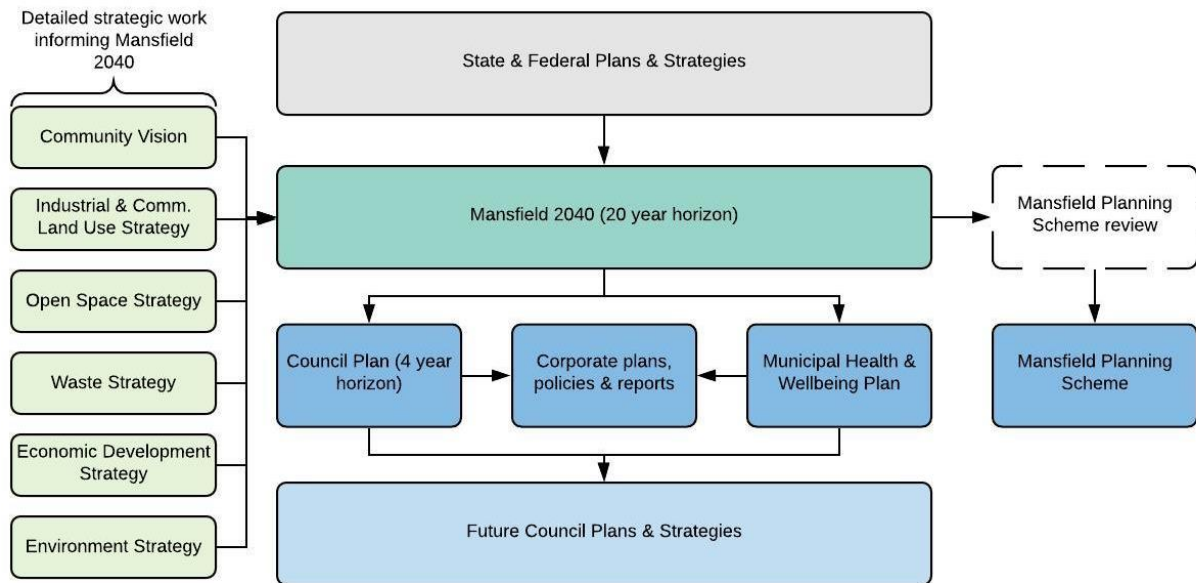
- Facilitate orderly development of urban land uses that makes effective use of existing infrastructure and responds to environmental constraints.
- Protect areas of agricultural productivity and environmental significance and sensitivity, and areas subject to natural hazards.
- Identify the need for additional infrastructure to serve changing communities.
- Enable change that appropriately responds to the valued character and qualities that distinguish each of the municipality's townships and settlements.

Mansfield 2040 will provide a land use planning framework for the Shire so that it can:

- Respond to the changing needs of residents and businesses.
- Develop urban land in an orderly way, making effective use of existing infrastructure.
- Adapt to any challenges brought about by growth or environmental pressures such as flooding and bushfire.

The Strategy will be developed in consultation with the community and will inform the direction of the Council Plan (to be updated in 2021), and the Municipal Health and Wellbeing Plan. It will provide overarching policy guidance, setting the big picture and long-term direction for the municipality.

THE MANSFIELD 2040 WILL PROVIDE THE OVERARCHING POLICY DIRECTION FOR FUTURE COUNCIL PLANS AND STRATEGIES



The Strategy will operate as an umbrella document that brings together findings from parallel studies such as the:

- Mansfield Environment Strategy
- Mansfield Economic Development Strategy
- Mansfield Waste Strategy
- Mansfield Commercial and Industrial Land Use Strategy
- (Upcoming) Open Space Strategy and Community Vision project to update the Council Plan.

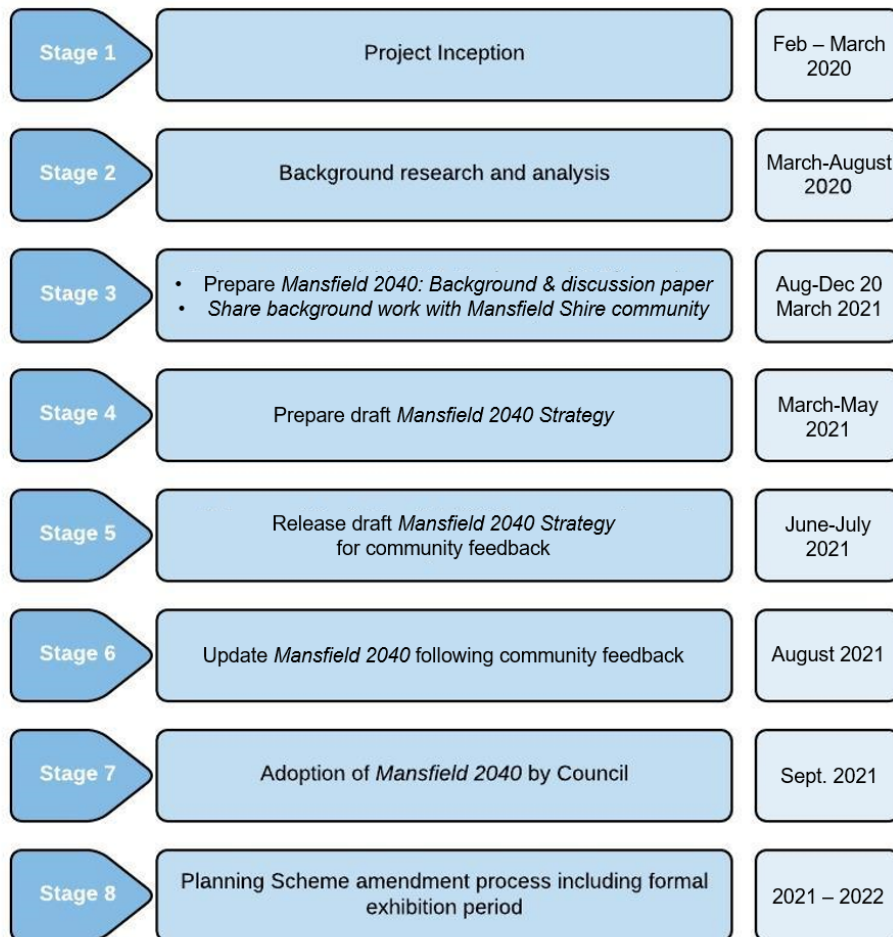
The policy directions of Mansfield 2040 will be implemented into the *Mansfield Planning Scheme* via a planning scheme amendment process, including local policies about commercial land, housing, local town character, the environment, significant landscapes, and so on.

1.2 Project method

Method and key project stages

The project background work commenced in 2020 and it will run until late-2021. The project team consists of SGS Economics and Planning, RMCG and RCI Planning. The team will work with Council to prepare Mansfield 2040. An overview of the project, key stages and anticipated timing is shown in the figure below.

THE MANSFIELD 2040 WILL BE DEVELOPED OVER EIGHT STAGES



1.3 Community engagement

Council is keen for people to share ideas and provide feedback on Mansfield 2040 as it is being prepared. The purpose of collecting community feedback is to ensure that the vision and actions can be developed and refined with residents, business owners and others who have an interest in the future of Mansfield Shire.

The project has been staged to allow two opportunities for people to learn about the technical parts of the project and ask lots of questions. The first stage is to review this document. The community's input will help the project team and Council to:

- Identify core values that stakeholders and community members wish to protect, promote, or grow.
- Identify a vision for sustainable development in Mansfield Shire.
- Identify potential immediate and long-term planning challenges.
- Test planning recommendations identified as part of the research and consultation phase.

2. CONTEXT

Mansfield Shire has a unique cultural and natural landscape, shaped across thousands of years of history. This section overviews the key features of the municipality and surrounds, provides a brief account of the history of the land that today comprises the Shire, and profiles the residents and workers of Mansfield.

2.1 Demographic and household profile

In 2016, the Shire had a **population of 8,400**. While the population is small, it is growing. Driven by its proximity to Melbourne, and its attractive lifestyle offering, the population of the Shire has risen from approximately 6,600 in 2006 and is expected to further increase to almost 11,000 by 2036.¹ This pace of growth is expected to be higher than that for regional Victoria to 2026 (at about 1.2 to 1.6 per cent on average per year) but will slow to 2036 as total population increases.

There are **more than 4,000 households** in the Shire. Mansfield has a high proportion of couple families without children; 50 per cent in 2016 compared with 43 per cent across the rest of regional Victoria. Family composition has remained relatively stable in the Shire over time, experiencing only a small increase in couple families with children and a comparative increase in lone parent households.

Mansfield Shire has between **6,500 and 6,800 dwellings**, with Mansfield township accommodating the highest number of dwellings of the towns and settlements in the Shire. The Shire's other main town, Bonnie Doon, has several smaller settlements including Goughs Bay and Jamieson. The greater number of dwellings compared to resident households is an indicator of the high proportion of non-resident landowners and holiday homes across the Shire, which are mainly concentrated around Lake Eildon and in the hinterland of the Mount Buller Alpine Resort.

In 2016, the **median age of people in Mansfield was 48 years** (compared with 43 in regional Victoria), having risen from 44 years in 2006. Population forecasts show that this trend of population ageing will continue, with 31 per cent of the population anticipated to be of retirement age by 2036 (compared to 23 per cent in 2016).

Seventy per cent of people in Mansfield were in the **labour force** in 2016. Of those, 54 per cent worked full-time, 31 per cent worked part-time, 6 per cent were away from work, and 6 per cent were unemployed. These findings are similar to the employment status of workers across regional Victoria in 2016.

According to the 2016 Census, the Shire of Mansfield employed a total of 4,047 people. The largest single industry of employment is **agriculture**, employing some 620 people in 2016 (based on the ABS Census). Industries closely related to the **tourism** (e.g., accommodation and food services, 478), **health** (415) and **education** (391), and population-serving sectors (e.g., **construction**, 431, and **retail**, 515) also employ large numbers of people in Mansfield LGA. Mansfield Shire has a higher proportion of employed people who work as managers, technicians, and trades workers, and a lower proportion of professionals, than regional Victoria as a whole.

¹ Victorian Government (2019), Victoria in Future.

2.2 Macrotrends affecting Mansfield Shire

The Shire's planning and development are influenced by external drivers including population trends, climate variability, technology change, patterns in living choice as well as shifts in agriculture and trade. Mansfield's development will also be affected by COVID-19, mainly through its impacts on the tourism industry.

In recent years, there has been (anecdotally) a **trend towards telecommuting** with some non-resident landowners moving permanently to Mansfield and working remotely, either part- or full-time. The COVID-19 pandemic has effectively stalled Australia's population growth (due to border closures) and disrupted its economy. It is also accelerating working from home trends, particularly for professionals and those in some service sectors.

There may be a permanent increase in the number of people seeking to telecommute from lifestyle locations such as Mansfield Shire. This may lead to a (perhaps small) increase in holiday homes becoming people's permanent residence as workplaces entrench flexible practices, provided this is supported by appropriate telecommunications infrastructure.

Australia's **population is ageing**, and the proportion of people aged over 65 is increasing. A key infrastructure challenge for Victoria's ageing population will be to ensure that there is sufficient accommodation that meets the diverse needs of each community. This includes a growing demand for smaller dwellings such as units and apartments, aged care facilities and assisted living communities. In the right locations, housing diversity helps to facilitate better allocation of housing, by providing people with more choice around downsizing homes within their communities.

Climate change will result in increased fire danger, increased number of extreme heat days, long term drought, increased energy access variability, and increased incidence of flooding.² The climate variability may also impact tourist destinations such as Mansfield due to longer or shorter periods for both winter and summer recreation.

Victoria's economy has become increasingly integrated into the **global economy**. As such, it is increasingly impacted by global and local trends, including technological innovations, environmental pressures, geopolitical developments and the emergence of Asia as the centre of the global economy. These global trends are driving **shifts in the structure of the national and state economies**. In particular, the national economy is continuing to shift towards creative and population-led sectors and away from traditional industries, such as manufacturing. These growing sectors are consolidating in and around central business areas and major economic nodes and transport corridors. However, the COVID-19 pandemic and other factors suggest the effects of globalisation may be slowing.

These factors include:

- The cost of moving goods has stopped falling.
- Multinational firms have found the cost of global sprawl (including fragmented and 'just in time' supply chains) untenable, including when competing against local rival firms.
- Activity is shifting towards services, which are harder to sell across borders.

In the **agricultural sector**, output for sheep and cattle meat remain high, driven by continuing export demand. Across the industry, there is a trend towards larger farm size and concentration of agricultural output on larger livestock businesses. This trend is consistent with restructure across most agricultural industries resulting in production concentrated amongst a smaller number of producers.

An increasing trend in **tourism** towards 'experiential' travel (away from more sedentary or 'resort-based' approaches) offers potential for rural and regional areas. This trend is driving products that are adventurous, personalised, attuned to local culture. The transformation of the short-stay market has also impacted the tourist accommodation industry through websites such as Airbnb.

² CSIRO, Climate change information for Australia (2019). Available from URL: <https://www.csiro.au/en/Research/OandA/Areas/Oceans-and-climate/Climate-change-information>.

The global pandemic **COVID-19** may also have significant impacts on the way Australians and Victorians live, work, and integrate into the global economy in future. Further reflections on how the effects of the pandemic may influence Mansfield Shire are included later in the report.

2.3 Policy settings

State and local plans summarised in this section establish a policy framework under which the Mansfield 2040 will sit. Some of the key issues identified include the need to ensure there is sufficient housing supply (quantity, and type of housing) for residents across the Shire, the need to adapt to the effects of climate change, or to diversify the local economic base.

State policy

- *Plan Melbourne 2017-2050* emphasises that the state government will continue to invest in regional Victoria, to support housing and economic growth, enhance social and economic participation, and to support healthy communities. It emphasises that growth in rural townships should be in keeping with the character of those places, and balanced with the protection of productive land, economic resources and biodiversity assets.
- The *Hume Regional Growth Plan* identifies Mansfield Township as a place where moderate population growth is expected to occur. The Plan highlights that most growth in the region will be directed into Wangaratta and Benalla, as larger service centres. The Plan identifies regional issues, many of which affect the Mansfield Shire: climate change, the need for residential, commercial and industrial land, protection of agricultural industries, transport and community connectivity, environmental protection, natural hazard management, and economic diversification.
- Following Plan Melbourne, the planning policy framework (PPF) section of the *Mansfield Planning Scheme* contains broad strategies to manage rural lands and townships, such as directing growth into existing urban areas, while fostering the sustainability of smaller rural settlements. It also highlights that new forms of industry, agriculture, tourism and alternative energy production may be encouraged. For new tourism and industrial uses, the policy is to locate these away from productive agricultural areas (that is, into existing urban places, or where land capability for agriculture is low). The policy supports tourism activities that add value to agriculture, such as cellar door and farm-gate sales.

Local policy

The *Mansfield Planning Scheme* identifies several issues for the Shire:

- Maintaining the role of Mansfield township as the main town, supplying most housing, attracting commercial/retail and industrial growth, and ensuring there is enough land supply to meet demand.
- Providing a diversity of housing choices including medium-density housing and 'lifestyle' opportunities on rural living land, while balancing the pressure this latter form creates for improved services and infrastructure in rural areas.
- Protecting productive agricultural land and addressing the pressure to use it for other purposes than farming.
- Supporting the continued growth of the agricultural sector, including supporting the diversification of the agricultural base.
- Protecting European and Aboriginal heritage.
- Protecting the Alpine approaches as major transport and tourism routes.
- Adapting to a changing climate and protecting sensitive and environmentally valuable landscapes.
- Protecting and, where possible, improving water quality.
- Maintaining the natural resource base and amenity is critical to long term sustainability.
- Managing flooding and bushfire risks to development, pest plants and animals on private and public land.

- Diversifying the economic base, particularly tourism, to provide for year-round opportunities.
- Supporting traditional and emerging forms of agriculture and 'clean and green' industries as alternatives to the traditional forms of industry.
- Maximising eco-tourism opportunities.
- Planning for reticulated infrastructure in urban areas and assessing this in smaller towns.

3. SUMMARY OF THEMES

A detailed analysis has been undertaken across several key themes: settlement and housing, environment and landscape, built environment and heritage, economic development, transport and infrastructure. This section provides a summary of the findings of this background research. Refer to the *Mansfield 2040: Background Ground Discussion and Issues Paper- Technical Report* for further detail.

3.1 Settlement and housing

Regarding housing, the following challenges should be considered when preparing the draft Mansfield 2040:

- Population growth to 2036 will result in **demand for an additional 1,094 dwellings** across the Shire by 2036. There is substantial capacity within existing residentially zoned areas to accommodate this demand. This includes sufficient capacity within urban and rural residential areas.
- The **excess capacity for residential development** given the identified demand (in the order of 120 years supply) risks continued fragmented, uncoordinated and costly urban growth, with infrastructure servicing requirements on multiple fronts and likely significant cost implications for Council. The challenge is to develop a framework for orderly growth, supported by an infrastructure funding plan.
- A considerable share of **recent housing growth** has occurred within the **Farming Zone**. Ad hoc or unplanned development in productive agricultural areas - that is unrelated to the agricultural use of the land - impacts on high-value agricultural production and has implications for the local housing market and the amenity of residents. Importantly, this also demonstrates that the housing supply in township areas does not match the location of demand for housing people are seeking in agricultural places that are not intended for settlement.
- While **household incomes** have been growing in the Shire, growth has not kept pace with rising housing costs. The purchase prices of housing increased at 4 per cent per annum between 2011 and 2016, while mortgage repayments increased at 5.1 per cent per annum and rent by 4 per cent per annum.
- Declining **housing affordability** is resulting in an increasing number of households experiencing rental stress. Without intervention, the gap in the provision of social and affordable housing will increase to 378 dwellings by 2036.
- There is a **high rate of absentee landowners** in Mansfield LGA compared with other regional areas. While the purchase of holiday and second homes by residents from outside of the municipality supports the local economy, it can place additional pressure on the affordability of the housing market for locals.
- **Insufficient planning scheme guidance** to reduce interface issues between existing and future residential and non-residential uses such as farming uses, industrial uses, commercial uses, major roads, township approaches and environmental assets.

3.2 Environment and landscape

- **Climate change** poses significant challenges to the Mansfield Shire, to its environmental and biodiversity values, capacity for primary production, and as a tourism destination. Wetting and drying regimes are shifting, with longer, hotter, and drier summers. Heavy rainfalls have the potential to cause flash flooding and exacerbate erosion issues, especially where land has been cleared.
- Over **60 per cent of land** in Mansfield Shire is **publicly owned and managed**, by various agencies including the Victorian State Government, Mansfield Shire Council, Catchment Management Authorities, and Parks

Victoria. Some crown land is used for softwood timber plantations and harvesting (around Lake Eildon, Spring Creek, and the Blue Range, for example), while most land is forested and designated as State/National Park and State Forest. The scenic landscape values across the Shire are iconic, and many are nationally renowned. Public access to and recreation in Mansfield's forests, mountains and along rivers is highly valued, and these destinations are popular both during winter snow seasons and in summer.

- Extensive **land clearing** has occurred across the Central Victorian Uplands where more land is in private ownership and used for a range of primary production activities. In some cases, there are policy gaps that do not provide sufficient guidance about appropriate principles and parameters for subdivision in Farming Zone areas.
- In the more densely settled areas, there are major threats to **biodiversity**. These include the lack of linkages between forest blocks; and the continued decline in the quality and extent of grassy woodlands and forests due to changes in land-use; and the quality of large forest blocks due to the effects of changes in fire regimes.
- **Erosion** is also a major threat to local biodiversity. Organic matter decline, soil acidification, contamination, compaction, salinisation and biodiversity decline are also threats in this social-ecological system (SES). Pest plant and animal invasion is a further threat.
- Major **invasive species** that affect the land in this SES are rabbits and deer, which cause erosion and prevent regeneration of native species. A major plant threat is Blackberry, which clogs waterways, overtakes agricultural land, and provides harbour for rabbits.

3.3 Built environment and heritage

As a rural municipality, Mansfield's built environment is characterised by rural towns and villages set within an agricultural and natural landscape setting. Many towns have large open spaces, street trees and well-established vegetation, and waterways nearby, creating an attractive atmosphere around the township and rural residential settlements.

Mansfield Shire's environment and landscape values face the following challenges:

- Lack of identification of the Shire's heritage assets, including **Aboriginal cultural heritage**.
- Lack of documentation and research into the significance of the existing **built heritage** of Mansfield.
- **Rural and regional centres** have several unique characteristics when compared with metropolitan or typical suburban development. The differences stem from their historical development and stages of residential growth. In Mansfield township, several growth fronts are extending into the surrounding rural lifestyle and farming areas that are not well-connected back into town.
- In Mansfield, **infill development** may change the urban character in some places.

3.4 Economic development

- The **ageing population** will increase the need to attract greater numbers of younger residents to avoid labour market constraints.
- A **growing population** is resulting in the ongoing demand for new housing in the Shire. In some areas, the emergence of residential development is creating conflict with existing employment uses.
- The Shire's popularity as a **holiday and recreation destination** results in large, seasonal fluctuations in the population. This high variability places pressure on local businesses and emphasises the need for greater diversification.
- While the Shire has strengths in **tourism**, the sector is highly susceptible to the impacts of climate change, and other natural disasters such as bushfires.

- Mansfield District Hospital has limited capacity. It's lack of health practitioners, and limited aged-care services and facilities, has placed a strain on the **healthcare sector** and negatively impacting liveability of the Shire.
- There is limited appropriately zoned **industrial land**, and the **commercial** zone in Mansfield township applies to a large, dispersed area. Industrial areas that were formerly on the fringe of the urban area are also now located close to newer residential subdivisions, creating **buffer and interface issues** that limit industrial potential.
- There are cases where the **current zoning of employment land** does not align with its current use or employment capability, including the area zoned for Mixed Use along Crosby's Lane and the Stock Route/Saw Mill Site currently zoned for industrial uses.
- There is a high degree of land fragmentation across the Shire raises concern for the ongoing, productive use of **agricultural land** for the traditional mainstays of broad hectare livestock grazing. There is some potential for more intensified agricultural pursuits such as viticulture and hydroponics
- There is a lack of **transport connectivity** to support the movement of workers and goods within the Shire, to surrounding regions and beyond. This lack of connectivity also affects community resilience, where most services are clustered in Mansfield, or further afield in Benalla and Wangaratta.

3.5 Agriculture

- Agriculture remains a **significant contributor** to the local economy with the major agricultural pursuits being timber processing, pasture seed production, wool production, prime lamb and beef production.
- At a macroeconomic level, demand for beef and slaughter lambs is primarily driven by demand from international markets, namely China and the Middle East. Consequently, the industries are increasingly **export oriented** and influenced by movements and trends in international markets
- There is a high degree of **land fragmentation** across the Shire which raises concern for the ongoing, productive use of agricultural land for the traditional mainstays of broad hectare livestock grazing.
- Small lots in farming areas commonly raise expectations amongst landholders that they will be able to construct a dwelling. Unfettered **dwelling development in rural areas** has several significant consequences; raising competition, and consequently prices, of productive farming land, creating land use conflicts, and syphoning development from areas already identified as appropriate for rural living.
- The PPF provides clear **policy guidance** for the protection of productive agricultural land, including protection from conflict with inappropriate land use in rural areas and the consolidation of small lots to ensure viable farm sizes.

3.6 Transport

- Mansfield Shire is located off the principal corridor, the **Hume Highway**, which connects Melbourne and Sydney. This corridor is the focus for state government investment in transport infrastructure, population growth and service provision.
- There is limited **public transport** linking the Shire to neighbouring centres and connecting the towns and settlements within Mansfield to one another. This is a concern for groups who are more dependent on public transport to access necessary services, such as younger people and the elderly.
- There are several important but **unsealed road connections** within the Shire that have been identified as a deterrent to tourists and cyclists. Unsealed connections also pose risks for the safe evacuation of residents during an emergency.
- The connectivity of the **Great Victorian Rail Trail** into the Mansfield township could be improved
- New residential areas in Mansfield township are not well connected to the central business area, and key community destinations. **Pedestrian and cycling connections** need to be improved.

- **Climate change** is likely to impact the Shire’s transport infrastructure, including increasing the frequency of maintenance and replacement. Transport infrastructure will need to be designed/ upgraded to withstand rising temperatures and drier conditions, as well as increasingly severe weather events (such as bushfire and flooding).
- Existing urban areas have limited connectivity for **active travel** (footpath and cycling networks).

3.7 Infrastructure

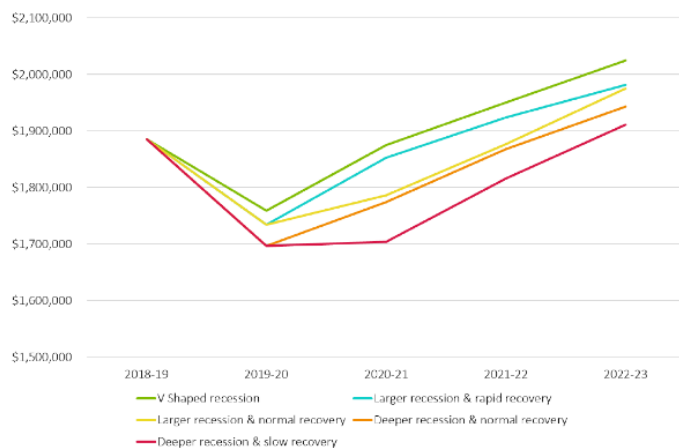
- There are resourcing challenges to ensure efficient **infrastructure provision**, given multiple potential development fronts within existing zoned urban areas.
- There are challenges ensuring ongoing **water supply** and security and reducing overreliance on a single source of drinking water, particularly within the context of ongoing population growth and climate change.
- The **Mansfield Wastewater Treatment Plant** is at capacity and requires an upgrade to accommodate ongoing housing development, and to limit downstream impacts from additional nutrients for the unplanned discharges.
- Parts of the Mansfield township are **unsewered** (approximately 20 per cent), but they pose a small environmental and community risk, given the lack of active management.
- The existing urban layout of Mansfield is not sympathetic to natural drainage lines, and the town’s **drainage scheme** is inadequate in some areas. It poses risks to public safety and property from major flow events. Climate change will significantly impact the intensity of rainfall events and will further exacerbate existing urban flood areas.
- There has been significant informal **encroachment of major drainage lines** such as houses, fences, gardens and sheds, and there is a lack of flood awareness within the community. Highton Lane is a major development area that will put more pressure on existing drainage. Encroachment issues are also present with key water, waste and energy facilities, where appropriate buffers may not be in place.
- The **energy supply** and **telecommunications** services can be unreliable across the Shire.
- **Seasonal population** fluctuations add another level of complexity to planning for infrastructure, considering many areas have between 40-60 per cent or more holiday homes.

4. COVID-19 AND POTENTIAL IMPLICATIONS

This report was prepared during the COVID-19 pandemic. The impacts of COVID19 are still unfolding and no detailed data on the long term impacts, or the likely form of recovery, is known.

However, through the analysis of early economic indicators and trends, some potential impacts relevant to the Mansfield Planning Strategy are apparent. Depending on how the pandemic unfolds and the government’s response, there are five possible scenarios:

- **Shallow recession** – if the virus is rapidly contained and the economy is able to quickly open back up.
- **Large recession and rapid recovery** – A quick bounce back after restrictions are lifted
- **Large recession and normal recovery**
- **Deep recession and normal recovery**
- **Deep recession and slow recovery**



This potential economic impact will play out differently by sector and location. Some will be short sharp impacts (i.e. those associated with enforced business closures during lockdown). In contrast, others may result in prolonged structural effects on the economy (i.e. an increased requirement for local manufacturing of key goods). Outlined below are some potential sector implications relevant to the Mansfield Planning Strategy.

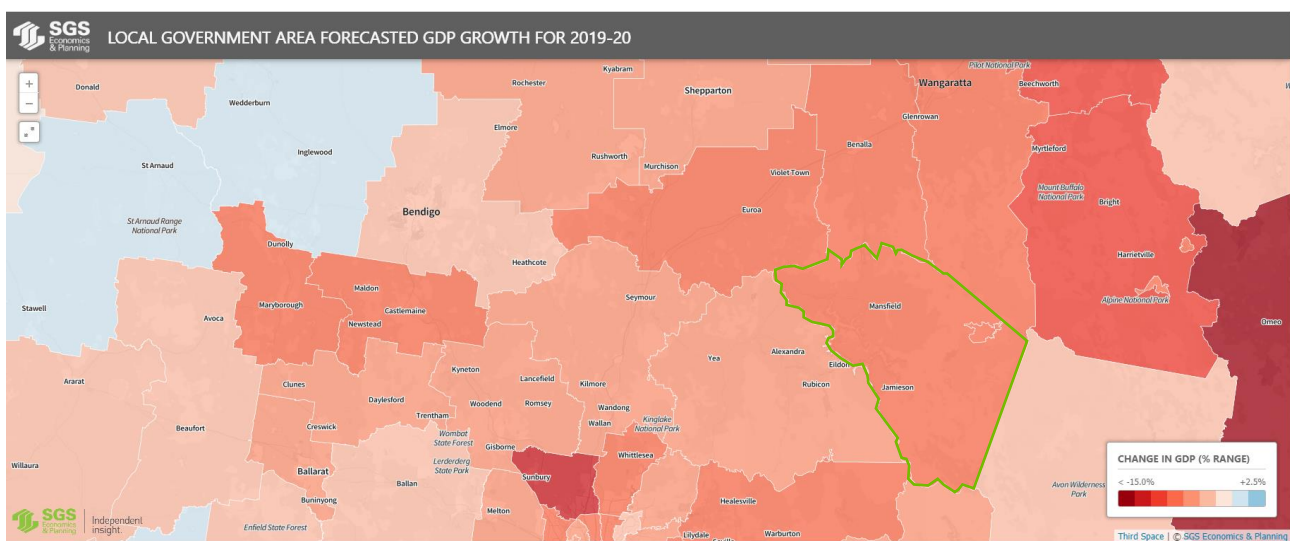
<p>The demand for local manufacturing could increase as businesses want greater certainty for their supply chains. This means that there would be fewer imports and more domestic production. This would increase the demand for employment floorspace as manufacturers increase production.</p>	<p>Retail could experience a shift away from ‘bricks and mortar’ models and more towards online sales. This could reduce the demand for conventional retail space but open up more demand for retail / wholesale type spaces well suited to online delivery.</p>	<p>A shift away from ‘just in time’ supply chains could mean that businesses hold much more stock than is currently the case. This would include the demand for additional warehouse floorspace.</p>
<p>Under a deep recession and slow recovery, there could be a 1 million less than projected people in Victoria in 2046. Less population growth across Victoria would reduce residential development which in turn could impact on the number of populations serving jobs. This would decrease the demand for employment floorspace.</p>	<p>Tourism was immediately affected due to lockdown. Social distancing and stay-at-home orders mean many people in sectors like hospitality and short-stay accommodation have lost their main source of income. Domestic tourism may flourish immediately after restrictions lift given international travel constraints. Longer-term flow-on effects may include a reduction in conservation efforts in nature- and adventure-based tourism destinations due to a lack of funding from tourism investment.</p>	<p>Households may increase working in alternative locations. This has already been identified by some remote workers in Mansfield, who formerly owned holiday homes and now live in the Shire full-time. Such a trend of telecommuting could expand in a post-lockdown setting as ways of working flexibly/remotely are more firmly entrenched in workplaces. This could result in more people living and possibly working from home around Mansfield; a trend already identified before the COVID pandemic.</p>

Gross Domestic Product (GDP) is expected to decline in 2019-20 following the 2019-20 summer bushfires and COVID-19. The Australian economy is forecast to be in recession in the short term, while medium-term prospects depend on stimulus decisions and the global economy.

Analysis undertaken by SGS forecasts the economic decline to vary across Australia in-depth and length with the economic structures and resource availability of regions and cities affecting outcomes. Municipalities with significant mining and agricultural industries which have been impacted less by social distancing measures may experience economic growth. Municipalities which rely on tourism will experience a sharper economic impact due to travel and gathering restrictions.

How the economic impacts play out spatially will, therefore, depend on the structure of the local economy. The map below provides a snapshot of the potential short-term impacts on local GDP estimates. This early analysis suggests over the short term the Mansfield Shire is likely to experience a drop in GDP of between 7.5 to 10 per cent because of the COVID-19 pandemic.

LOCAL GOVERNMENT AREA FORECASTED GDP GROWTH FOR 2019-20.



Source: SGS Economics and Planning, 2020.

Further information about the economic impacts of COVID-19 and 2019-20 bushfires here:

<https://www.sgsep.com.au/publications/insights/the-economic-impact-of-covid-19-and-bushfires>

5. EMERGING NARRATIVE AND IMPLICATIONS FOR MANSFIELD 2040

This background review has revealed several challenges and opportunities. These will inform possible directions in Mansfield 2040, to be developed in the next phase of the project.

5.1 Narrative and implications

While the population in Mansfield Shire is relatively small, it is dispersed across a large area and several settlements

The Shire's economy is principally based on primary production, the regional service role of the Mansfield township and tourism. While the population is small, it is growing, underpinned by its proximity to Melbourne and its attractive lifestyle offering, the population of the Shire has risen from approximately 6,600 in 2006 to 8,400 in 2016 and is expected to further increase to almost 11,000 by 2036.

While the Mansfield township contains about 35 per cent of the Shire's population, due to its popularity as a lifestyle destination, there are several small settlements scattered throughout the Shire; with some in remote locations. As in many regional areas, this poses a challenge for Council, to provide accessible community services, and meet infrastructure expectations of community members across these dispersed settlements. Another challenge for Council is to manage exaggerated peak demands for infrastructure during holiday seasons equitably. Expectations and needs vary between the permanent, non-resident, and tourist populations and these need to be balanced when making servicing and infrastructure decisions.

A clear town hierarchy is needed, to direct Council's limited resources for infrastructure, reticulated services and community buildings equitably

As highlighted above, Mansfield's population is concentrated in and around the Mansfield township, and smaller towns such as Bonnie Doon, Jamieson and Goughs Bay. The remainder of the population is distributed across several small settlements and the rural area.

A clear town hierarchy could help Council determine how to best direct resources to meet the service and infrastructure needs of the population equitably. However, this may also establish a need for improved transport, or possibly community transport options, from smaller towns and settlements connecting people to services and facilities they need. The need for a recognised town hub that could support visiting services would remain an important aspect of Mansfield's towns – for example, within an existing community hall. Such spaces could accommodate satellite or drop-in services.

A centres or towns hierarchy and its implications for the delivery of social and community facilities, including their scale and feasibility, with overlapping considerations about access, and irregular servicing for community hubs, would need to be further explored through a Community Infrastructure Planning process for example.

At present, there are multiple growth fronts around the Mansfield Township placing significant demand on local infrastructure

The supply of residential land across Mansfield Shire, and concentrated in the Mansfield township, is sufficient to allow for more than 120 years' growth, based on the forecast population growth in the Shire. With multiple growth fronts accommodating modest growth around the Mansfield town centre, Council faces a challenge to provide sufficient footpath networks, traffic management works, community services, and reticulated infrastructure to meet the community's needs in and around the town. In the past, there hasn't been a clear

direction for where housing growth should be targeted or how development should be appropriately staged to allow for coordinated infrastructure provision.

Agriculture makes significant contributions to the local economy in terms of jobs and total industry output; however, land fragmentation threatens the sustainability of the industry.

Agriculture supports more than 350 jobs and \$60 million in total industry output, with the value of the industry increasing over time. Assessment and mapping of land suitability shows that most of the private land in Mansfield is suitable for agriculture, mainly for livestock grazing and some cropping.

Broader trends in the industry reveal a positive outlook for sheep and cattle meat production driven by export markets, and a shift towards a concentration of agricultural output on larger livestock businesses.

There are a large number of lots in the Farming Zone that are under the state-wide default of a 40 hectare lot size, and many less than 20 hectares in size. While many of these smaller lots are held as part of larger tenements, this high degree of fragmentation poses a risk to the ongoing viability of the traditional agricultural mainstays of broad hectare sheep and cattle grazing due to potential for ownership transfer and/ or dwelling construction.

The introduction of more intensified agricultural pursuits such as viticulture and hydroponics may mean that some lots less than 40 hectares in farming zoned areas of the Shire can be used sustainably.

More than a third of recent planning permits for dwelling development have been for the construction of houses in the Farming Zone, with implications for the agriculture industry and housing market.

Rural living is desirable for a range of reasons and a significant draw for new homeowners to the Shire – for example, the potential for hobby farming, a sense of remoteness, the attractive landscape setting. However, dwelling development in the Farming Zone, which is not directly associated with the agricultural use of the land, has the potential to compromise the continued use of land for productive agriculture. This trend can also lead to land price increases, fragmentation, and land conversion.

Residential use of farming lots can exacerbate interface issues between non-farming lots and agricultural activities. Expectations of new migrants in an agricultural landscape of a benign rural environment also create land use and associated amenity conflicts with surrounding agricultural uses due to the use of chemical sprays, noise and smells from livestock, for example.

Likewise, leakage of residential development from designated rural living areas reduces the viability of development in these areas and further stretches Council's infrastructure and servicing resources.

Median weekly rents have been increasing rapidly in the Shire, resulting in a growing need for social and affordable housing

Rapidly rising rents are contributing to a growing number of renter households and families in the Shire experiencing rental stress.

The prevalence of rental stress is likely to increase as the Shire's population grows. If the State Government continues to adopt a relatively passive approach to investment in social housing, and the number of social housing dwellings in Mansfield remains stable, it can be expected that this gap in provision will increase to 378 houses by 2036.

Addressing this shortfall in demand for social and affordable housing would require 35 per cent of future dwellings to be social and affordable rental dwellings.³

³ It is noted that high house prices and rising monthly mortgage repayments are likely contributing to an increasing number of households experiencing mortgage stress. However, addressing mortgage stress requires policy solutions that are typically outside of the control of local government. As a result, this report is primarily focused on rental stress in Mansfield LGA.

The supply of urban employment (industrial and commercial) land across the Shire is poorly defined, at capacity, or constrained by its location, creating challenges for the local economy to capture new sectors

According to the *Commercial and Industrial Lands Strategy* (CILS), which is currently being prepared, the industrial land supply across Mansfield Shire has been exhausted for some time. In Mansfield township, industrial precincts which were once on the fringe of town, are now located adjacent to residential growth areas, introducing interface issues where industrial and sensitive residential areas abut one another. The current configuration does not allow sufficient buffers, meaning the potential for flexible industrial activities is limited.

Around Mansfield township, the land zoned for commercial uses extends beyond the urban core, containing several community and residential buildings. This poses challenges for agglomeration, diluting activity in Mansfield's urban centre.

The *CILS* will involve more investigation into how the location and configuration of commercial and industrial land will be managed into the future. This would include considering how precincts can be integrated with the town to ensure urban services are accessible while creating opportunities to capture interregional export opportunities. It would also address how to harmonise and create a hierarchy of commercial and industrial activities, so they may be located appropriately to reach their optimal role in the local economy.

Environmental hazards, land clearing and climate change have the potential to undermine Mansfield's significant biodiversity values, leading to environmental degradation

Across Mansfield's extensive areas of public land, major threats to biodiversity include invasive plant and animal species (including deer, rabbits and Blackberry), erosion, bushfire, and polluted runoff from private land.

On private land, extensive land clearing, loss of trees and vegetation cover also contributes to habitat loss, erosion, and land slip, as well as exacerbating heat effects.

Mansfield 2040 will support the findings from the *Mansfield Environmental Strategy* to ensure environmental landscapes are extended and protected where possible.

Environmental impacts also have the potential to undermine Mansfield's tourism industry, leading to greater economic vulnerability

Mansfield Shire is a rural area renowned as a holiday destination, and gateway to the Alpine National Park.

Bushfires severely impacted the tourism sector over summer 2019-20. Firefighter deployment elsewhere in the state forced the closure of popular campgrounds across the Shire and prevented the usually large summer tourist influx. Climate change is also threatening the length of the snow season, a major attractor for winter tourists. The impacts of climate change also affect the viability of different agricultural activities.

Mansfield 2040 will provide important directions about how to manage these land use and development challenges into the future

This background review has revealed several implications to be examined further, and which will inform the preparation of Mansfield 2040.

Regarding funding and resourcing, multiple challenges need to be addressed, including how to service rural populations in a rate-capped environment and balance the needs of resident and absentee landowners equitably.

Across the Shire there are scattered settlements, multiple growth fronts which create servicing challenges, and many dimensions to the growing and ageing population. This creates significant challenges for funding and resource management, and the project will further consider the need for different funding models that could address such challenges – for example, development contributions plans, or special rates schemes.

Mansfield 2040 will further consider the implications from this emerging narrative, to establish recommendations and directions for how to manage land use and development challenges in the future.

5.2 Scope of Mansfield 2040

WHAT MANSFIELD 2040 CAN AND CAN'T DO

Many of the issues raised in this report have implications that extend to disciplines or areas of government beyond land use planning. As a strategic land use plan, Mansfield 2040 is primarily concerned with influencing, controlling or directing changes in the use of land and development. However, the Strategy will be an important launching point and guide for future work undertaken across Council and within the community. The points below outline the intended scope of Mansfield 2040.

Mansfield 2040 can:

- Recommend patterns of zoning to ensure that the provision of land matches expected demand, state government requirements, and supports a properly functioning market.
- Provide clear policy direction to prevent development in areas where it is not compatible with other uses, is not sustainable and or does not meet the expectations of the community.
- Identify and seek to protect through zoning, overlays and policy, features of the Shire that are valued by the community, including landscape and environmental values, urban character and heritage places.
- Suggest grant and funding mechanisms including methods for collecting development contributions, to enable funds to be raised for infrastructure as development incrementally occurs across townships.
- Identify items of advocacy for Council to higher levels of government related to land use planning (for example, major infrastructure items that cannot be funded by Council without support).
- Identify gaps in infrastructure and service provision and suggest project delivery timing and priority for Council investment.
- Identify areas where further work could be undertaken.
- Express support for community-led initiatives.

Mansfield 2040 cannot:

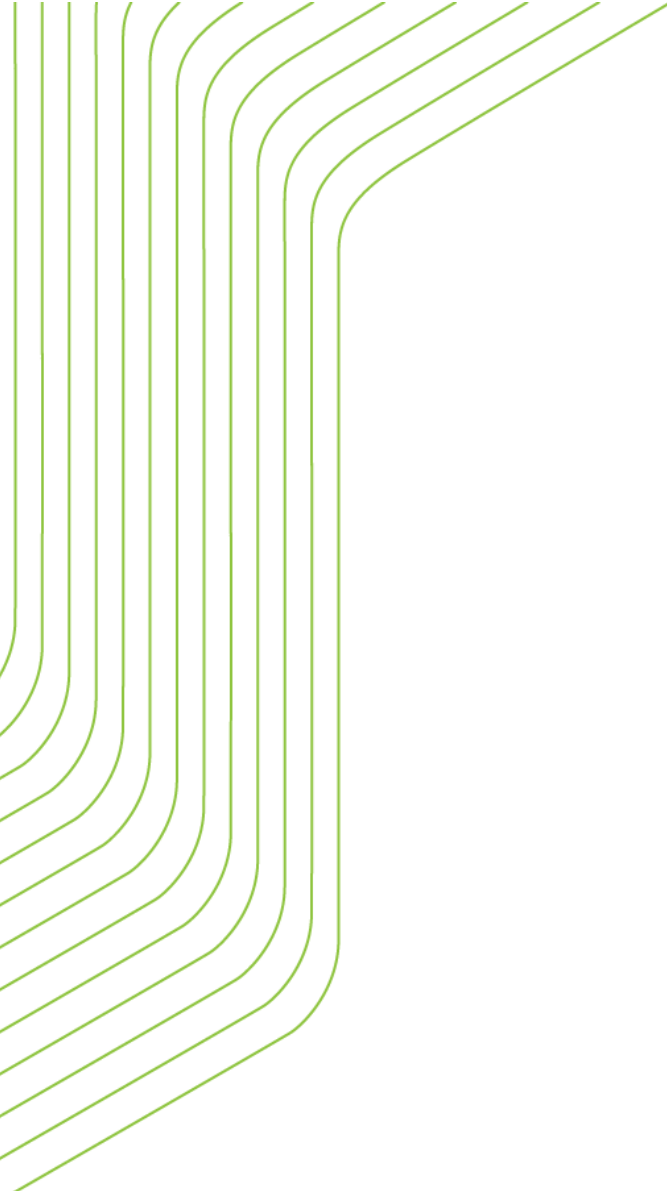
- Force developers to provide development that is not feasible.
- Dictate to a highly detailed level the types of businesses or forms of development that occur. For example, it is up to the market to decide whether a bar or an office is developed in the Commercial 1 Zone.
- Alter current land use or development regulations under the current Mansfield Planning Scheme regulations. Any recommended changes because of Mansfield 2040 would require further preparation of a Planning Scheme Amendment, where further community input would also be invited.
- Tackle labour market, skills and community development challenges that are not related to strategic and land use planning.
- Provide a detailed infrastructure and asset management plans, including specific project costs and timing.

6. NEXT STEPS

The next phase of this project is to talk to the community about Mansfield Shire and its future. This community consultation aims to explore and expand upon the challenges and opportunities identified in this background work and to test emerging implications or findings that will shape the Planning Strategy.

Council has recently launched a project website, and further information will be shared online:

<https://haveyoursay.mansfield.vic.gov.au/mansfield-planning-strategy>.



Contact us

CANBERRA

Level 2, 28-36 Ainslie Place
Canberra ACT 2601
+61 2 6257 4525
sgsact@sgsep.com.au

HOBART

PO Box 123
Franklin TAS 7113
+61 421 372 940
sgstas@sgsep.com.au

MELBOURNE

Level 14, 222 Exhibition St
Melbourne VIC 3000
+61 3 8616 0331
sgsvic@sgsep.com.au

SYDNEY

209/50 Holt St
Surry Hills NSW 2010
+61 2 8307 0121
sgsnsw@sgsep.com.au