

Planning & Building Tourism from Concept to Reality

Guidelines for Planning and Developing
Tourism Projects in Victoria

Tourism Victoria



"These guidelines have been developed from the experience of many projects. They will greatly help a would-be tourism investor through the project development and planning processes needed to turn dreams into reality."

FRED HERBERT: *Riviera Nautic Pty Ltd*

"Complete, to the point, and an essential guide for any potential investor in tourism development - large or small!"

GRAEME DAVID: *Tourism and Environmental Consultant*

"An excellent A-Z navigational guide to help any tourism developer understand and deliver the required documentation for the development and planning processes."

JASMINE AND MARK BINGEMANN: *Ash projects*



Minister's Foreword

Tourism is one of the fastest growing industries and employers in Victoria. Quality tourism infrastructure throughout the entire State is essential if Victoria is to remain a competitive tourism destination. This Government is committed to developing world class infrastructure through a broader tourism strategy that unlocks the potential of both metropolitan and regional Victoria.

We will work with the private sector to maximise the performance of existing infrastructure, attractions and events, and to facilitate the delivery of new projects. We will specifically target those projects that can make a real contribution to Victoria's tourism and economic performance.

This booklet contains planning and development guidelines for tourism infrastructure and is intended to assist developers, local government and community groups to advance projects from concepts through to business planning and statutory planning stages. I urge you to use it as a tool to assist in planning tourism infrastructure for the new millennium - a millennium in which Victorian tourism will continue to thrive.

I commend the booklet to anyone considering a tourism infrastructure project in Victoria's prosperous tourism industry.

John Pandazopoulos MP

Minister for Major Projects and Tourism



John Pandazopoulos MP

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Acknowledgments

These guidelines have been prepared by amalgamating and updating the following Tourism Victoria guidelines documents:

- *Building Tourism: Guidelines for Tourism Development in Victoria*
- *Planning Tourism: Taking Concept to Reality*

They also complement other documents including:

- "Starting Up in Tourism" Tourism Victoria
- "Local Government and Tourism: The Partnerships" Country Victoria Tourism Council 1997
- "Plan to Succeed: Meeting the needs of small business" Small Business Victoria.

A wide range of assistance was acknowledged for the preparation of those documents, from the legal, employment, planning, banking, municipal, and tourism and public sectors.

For preparation of the current guidelines additional assistance is also acknowledged from:

- Challis Design;
- Cox Sanderson Ness;
- Department of Infrastructure;
- Department of Natural Resources and Environment;
- Business Victoria; and
- Freehill Hollingdale and Page, Solicitors.

Disclaimer

While Tourism Victoria believes this publication will be of assistance to tourism developers, it should not be relied upon as a substitute for obtaining professional advice on particular matters. The accuracy of each statement is not guaranteed, and accordingly, Tourism Victoria disclaims any liability for any errors or for any loss or other consequence, which may arise from any person relying on any information in this publication.

Expert advice should always be gained, to ensure that any project is properly planned, researched, and developed with adequate funding for capital and operating costs. Guidance on contacts is contained within the document.

As legislation, and the names of Government agencies and Ministerial portfolios are periodically changed, any references to them cannot be assumed correct at the time of publication.

1 Introduction

1.1 Purpose of the Guidelines

Tourism is inherently innovative as operators strive to establish unique and appealing market niches. This often results in emerging new uses and variations on existing uses, that for approval may require flexible planning schemes and definitions.

These Guidelines are intended to encourage quality, well researched and self-sustaining tourism projects that contribute to maximising Victoria's net tourism value.

1.2 What the Guidelines contain

These Guidelines primarily cover the following:

- guidelines for developers to navigate the business planning and statutory planning processes for project development; and
- guidelines for Local Government to facilitate tourism development applications that will achieve strategic planning objectives.

1.3 What is Tourism Victoria?

Tourism Victoria is a Victorian Government statutory body with a mission 'to maximise employment and long-term economic benefits from Tourism in Victoria by developing and marketing the State as a competitive tourist destination'.

Tourism Victoria has four broad goals:

Marketing Goal

Increase visitor numbers, the length of their stay and the amount visitors spend.

Infrastructure Goal

Improve the tourism assets of Victoria by identifying infrastructure opportunities and encouraging associated development projects.

Leadership Goal

Take a leadership role in the tourism industry by encouraging professional standards and the development of co-operative arrangements to maximise the effectiveness of the industry.

Management Goal

Maximise the effective use of resources by conducting the business of Tourism Victoria in accordance with professional commercial management principles.

1.4 How does Tourism Victoria Assist Investors?

A major role of Tourism Victoria is to identify infrastructure development opportunities and assist proponents to develop proposals and negotiate through the planning and development approvals process.

Tourism Victoria's assistance includes:

- acting as a first point of contact for developers on business and planning development matters;
- coordinating Government-wide assistance where applicable;
- advising proponents of key projects on the statutory planning phase;

- accessing Tourism Victoria's market research;
- advising on key development opportunities;
- advising on sourcing finance for appropriate development projects; and
- providing referrals to listed professional advisers.

1.5 Victoria's Tourism Regions

Victoria has thirteen tourism product regions (Plate 1). The regions provide a clear focus for approximately 100 tourism promotion bodies to cooperate in marketing and product development activities.

In particular, the product regions provide for:

- effective marketing of the product strengths of each region; and
- positioning Victoria as a competitive tourist destination.

Tourism Victoria in association with the tourism industry, has developed a Regional Tourism Development Plan for each region.

Major purposes of the Plans are to:

- increase tourism planning and marketing of each region; and
- help regions including local government to be confident of their market potential, and to identify infrastructure opportunities and limitations.

The Regions and their Tourism Development Plans provide a basis for the development and interpretation of these guidelines.



Puffing Billy - Belgrave



Plate 1: Victoria's Tourism Regions

Key to Regions

1	Macedon Ranges and Spa Country	8	The Great Ocean Road
2	Yarra Valley, Dandenongs and The Ranges	9	Lakes and Wilderness
3	Melbourne	10	Legends, Wine and High Country
4	Phillip Island and Gippsland Discovery	11	The Murray
5	Goldfields	12	Murray Outback
6	Goulburn Murray Waters	13	Bays and Peninsulas (not featured)
7	The Grampians		

2 Tourism in Victoria

2.1 Introduction

Tourism is one of Australia's fastest growing industries, and one of Victoria's key industries. It is an important creator of jobs and a valuable export earner with great opportunity.

As at November 1999, it is estimated that tourism directly accounted for over 163,000 jobs in Victoria, which is approximately 7.4% of all employment in Victoria (estimates are based on the Bureau of Tourism Research Paper: Tourism's Economic Contribution 1996/7). In December 1999, this included over 21,600 employed in accommodation establishments.

Total tourist expenditure in Australia in the ending December 1998 was over \$40 billion. Value-added and multiplier benefits greatly magnify the impact of the industry on the rest of the state and national economies.

In addition, the Victorian tourism industry is highly resilient with strong total and comparative performance against other States.

2.2 International Visitors

International tourism to Australia generates around 14.5% of Australia export earnings total. The Tourism Forecasting Council predicts that Australia's total tourism export will be worth \$33 billion by the year 2007.

In 1998, Victoria attracted over 1 million of the 3.8 million international tourists who visited Australia. This is 27% of the international tourist market. Victoria experienced a 4% increase in international visitors in 1998 over 1997 compared with a national average decrease of 3% for the same period.

The State has attracted a strong 5% average visitation growth since 1993, including significant recent increases from the United States, Canadian, European, Chinese and Singapore markets. India and the Middle East are also emerging markets. The impact of the recent Asian economic crisis has been less than for New South Wales and Queensland.

During 1998 the total expenditure by the international visitors in Australia was approximately \$7.8 billion. Of this expenditure, 38% was spent on food, drink and accommodation, 25% on shopping and 10.8% on transport (See Figure 3). The average expenditure per night for international visitors to Australia during 1998 was \$163 (including package tours and prepaid international airfares).

In the year ending June 1999, 9% of total visitors to Victoria were backpackers. Victoria has 43% market share of international backpackers with an average length of stay of 24 nights, up 24% from previous year.

By 2008, around 7.7 million international visitors are expected in Australia, at an average annual growth of 7.3% a year. This includes the likely impact on international tourism of the Sydney 2000 Olympics.

It is estimated that in 2008 there will be over 2 million international visitors to Victoria.

Figure 1: International Visitors to Victoria

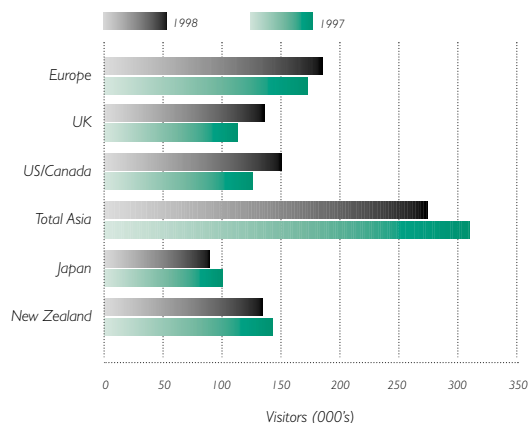


Figure 2: Actual versus Forecast Visitors to Victoria in 2008

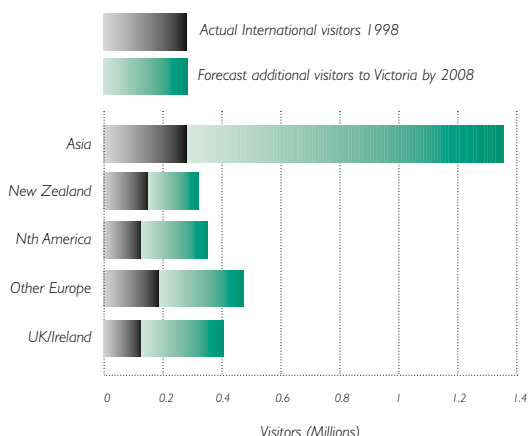
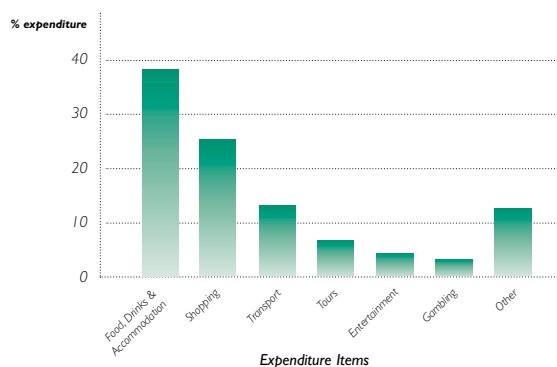


Figure 3: International Visitors: Itemised Expenditure in Australia



Source for Fig 1,2,3: International Visitors Survey, year ending December 1998 (Bureau of Tourism Research)

2.3 Domestic Visitors: Interstate and Intrastate

The National Visitor Survey indicates that in 1998, Victoria attracted 18.6 million domestic overnight visitors in 1998, or 25% of all domestic visitors.

Interstate visitors, mainly from New South Wales, South Australia and Queensland, totalled over 4.3 million, giving Victoria 21% of the national interstate visitor market.

Intrastate travel in Victoria accounted for approximately 14.3 million visitors (26% of national market share) and over 36.2 million nights (21% share of all intrastate nights).

Domestic visitors spent over 55.7 million nights in Victoria (19% market share of all domestic nights). Interstate visitors spent over 19 million nights in Victoria (16% market share of all interstate nights). Intrastate travel in Victoria accounted for over 36 million nights (21% market share of all intrastate nights).

The strong performance of Victoria in the domestic market is expected to continue with concerted marketing efforts by Tourism Victoria and its regional and industry partners.

Domestic expenditure in Victoria totalled over \$6.1 billion during 1998, which is approximately 18% of all domestic expenditure in Australia. The average expenditure per overnight visitor to Victoria was \$330.00.

Day trip expenditure in Victoria totalled over \$2.9 billion during 1998. The average day trip expenditure for Victoria during 1998 was \$67.

2.4 Tourism Importance at Regional and Local Levels

The importance of regional and local tourism is highlighted by the following brief facts:

- Over 6 million overnight visitors travelled to the Melbourne region during 1998. The Great Ocean Road received over 2.7 million visitors and the Bays and Peninsulas region received more than 2.5 million visitors.
- The regions of Melbourne, Great Ocean Road, The Murray, Bays and Peninsulas, Goldfields, Phillip Island and Gippsland Discovery each had greater than \$300 million in total overnight domestic expenditure during 1998.
- Shopping, visiting friends and relatives, sightseeing and dining out in restaurants were popular activities throughout regional Victoria.

Local facilities and services often also rely on tourism infrastructure investment. Art galleries, information centres, restaurants, shops and local supermarkets are good examples of organisations that contribute to tourism, but may not be sustained by local spending alone.

Tourism greatly impacts on local community spending patterns, employment and income levels, and service provision. Major benefiting communities include those in areas such as:

- Coastal areas like Phillip Island, Wilsons Promontory, Gippsland Lakes and Great Ocean Road;

- Alpine and sub-alpine areas around Bright, Mansfield and Marysville;
- Riverine and inland areas, such as localities along the River Murray, in Victoria's Western District, and in the Sunraysia region of Victoria's far north-west;
- Metropolitan areas, such as bayside St Kilda and Williamstown, historic parts of the CBD and environs, and inner suburbs like Fitzroy and Carlton where heritage and lifestyle elements are important for visitors and locals.

2.5 Opportunity for Investment

In summary, the opportunity for investment in the tourism industry in Victoria is heightened by:

- Victoria's current market share of international visitors to Australia being 27% per annum and of domestic trips, 25% per annum;
- Australia's projected average annual international growth of 7.3%, to 7.7 million visitors by 2008 (Tourism Forecasting Council);
- the expected increase in tourism export earnings to Australia from \$16 billion in 1998 to \$33 billion by 2007 (Tourism Forecasting Council); and
- a strong Victorian internal domestic tourism sector.

2.6 Maximising Tourism Growth

Tourism benefits are usually highly visible through employment and service provision. However, many lost opportunities occur, depriving local and State communities of tourism benefits.

Developers and planning authorities therefore need to work together to produce quality, and environmentally excellent developments. This also requires that:

- local Councils have sound policy frameworks against which to assess applications for tourism development;
- developers work in partnership with local Councils from the preliminary concept stage; and
- developers' proposals are well researched, and clearly documented.

3 Guidelines for Tourism Investors

3.1 Introduction

Careful planning and research are required to develop a successful tourism project from an initial idea. This is needed to :

- satisfy planning authorities and potential financiers of the project's credibility; and
- assist the developer to maximise benefits and minimise or avoid risk.

The benefits are presented in Table 1.

Table 1: Benefits of proper Planning and Research

•	Instils discipline
•	Demonstrates professionalism
•	Helps identify strengths and weaknesses, opportunities and potential threats
•	Highlights required appointments and tasks
•	Sets goals and targets and identifies their means of achievement
•	Strengthens decisions
•	Identifies and reduces risks
•	Gives credibility for finance
•	Gives competitive edge by demonstrating focus

3.2 Developing the Concept

Contact should be made with the relevant local Council at the earliest possible stage to identify needs and assistance required to develop the project's full potential. For large-scale tourism developments contact should also be made with Tourism Victoria.

In particular, initial attention should be applied to:

- market demand;
- site selection; and
- design and siting issues

Market Demand

A clearly defined target market segment or segments must be the base consideration for any project, and the driving force during each stage of its development and operation.

A market assessment is therefore required to:

- identify market trends;
- identify market groups; and
- assist selection of possible potential market segments.

The identification of market trends need not be complex, and base information is often available from appropriate industry bodies.

Relevant data may include:

- the number of other facilities which cater for the market group;
- whether there is surplus demand from existing facilities and services;
- whether the proposal is able to satisfy any identified demand;
- the likelihood and intensity of competition from similar existing or possible future facilities; and
- whether the proposal is supported by local, regional, or State authorities.

After potential markets are identified, a more detailed market assessment may be needed to determine the proposed target segment. This may require involvement of a professional market research consultant, and is discussed in more detail in Section 3.4.

Site Selection

Site selection is critical for most tourism projects and may well determine their success or failure.

Factors for consideration will include:

- planning requirements (refer Chapter 4);
- proximity to market populations;
- public transport availability;
- proximity to major roads and highways;
- site suitability for building, including foundations and soil preparation costs;
- compatibility of surrounding areas;
- existence of other local amenities to attract tourists to the development;
- archaeological, heritage or conservation issues;
- availability of any Government incentives (eg tax concessions or rate reductions);
- size of the site, including potential for development of ancillary activities (eg parking), and for expansion; and
- costs of acquisition, consolidation, or long-term lease.

Site selection will also critically influence design of most developments.

Design Issues

Tourism development designs need to be functional and attractive.

Other factors for consideration include:

- budget objectives;
- construction costs of both the development and any necessary associated infrastructure;
- planning and development controls;
- finishes, materials and visual aspects required;
- compatibility with the local environment;
- the purpose of the activity being undertaken;
- capacity for buffer zones;
- capacity for expansion; and
- public amenity value.

Consultation

As discussed elsewhere, preliminary discussion with industry bodies, local authorities and community groups about a proposal is extremely important. This provides for sharing of ideas on the proposal's strengths and shortcomings, and for feedback on requirements or concerns.

The main authorities which may need to be contacted are indicated in the following Table.

Table 2: Likely consultation authorities

Authority	Responsibilities
Local Council	Planning and development approval
Local Water Authority	Water/Sewerage Connection; waste discharges
Environment Protection Authority	Noise emissions
Department of Infrastructure	Zoning approvals: Alpine Resorts planning approvals
VicRoads	Traffic Management
Tourism Victoria	Research, information, support or facilitation
Business Victoria	Information on Licences, Permits, Approvals, and Registrations
Power providers	Electricity, Gas
Department of Natural Resources and Environment	Public Land, and native vegetation disturbance
Regional coastal boards (Central, Western, Eastern)	Coastal development strategies
Regional Catchment Authorities	Catchment and rivers/ streams management.

International Investment

The Commonwealth and State Governments welcome foreign investment and recognise its significant effect on the development of Australian industries and resources.

Foreign investment is regulated in all States, and governed by the Foreign Acquisitions and Takeovers Act 1975, and other periodically established policy requirements. It is also subject to specific taxation regulations.

Foreign investors into tourism infrastructure therefore need to seek professional assistance from experienced and credible operatives in all aspects of foreign investment into Australia.

3.3 Feasibility Assessment

Feasibility analysis is needed to determine the likelihood of the project succeeding. While strong analysis cannot alone guarantee success of a venture, it will indicate the potential to succeed. It should also expose projects that are either unlikely to succeed, subject to particular sensitivities, or which require more consideration or modification.

Feasibility analysis needs to address two key elements:

- Market feasibility; and
- Financial feasibility.

Market Feasibility

A market feasibility study assesses the demand for a project. While a preliminary market assessment may have been undertaken at the concept stage, a full market analysis is required prior to detailed project planning and development.

This is to:

- confirm potential markets;
- assess the characteristics and requirements of markets; and
- analyse anticipated long term performance of the project in the market place.

Information may be available from industry bodies, university research centres for tourism and hospitality, and Government authorities such as Industry Victoria. Professional assistance may also be required, and list of potential consultants is available from the Market Research Society of Australia.

Fundamental research considerations include:

- anticipated demand including seasonal distribution, and potential to increase visitation in traditionally low seasons;
- competition strength in the specific market, and in geographic areas;
- breadth of, and potential to widen market appeal, (and the compatibility of the attracted segments);
- competitive market strengths and weaknesses of the site, including accessibility, constraints, physical characteristics, and available services;
- technological edge and sustainability;

- complementary services and facilities in the surrounding region;
- existing or anticipated market trends;
- future growth prospects;
- current Government policy; and
- design proposals.

The above list is indicative and other research considerations may be required, depending on the characteristics of the proposal and its environs.

Table 3a: Market Feasibility Checklist

✓	Market demand
✓	Strength of competition
✓	Surrounding attractions
✓	Market trends
✓	Market strengths and site weaknesses
✓	Future growth potential
✓	Government policy
✓	Design proposals

Financial Feasibility

Financial feasibility assessment is needed, together with the market analysis, to gauge the developer's likely return from the initiative, and whether its continuation is warranted. The analysis is also critical to obtaining finance.

Therefore, realistic and appropriately indexed profitability and cash flow projections need to be prepared for both the development and operational life of the project.

Key matters for inclusion are:

- anticipated costs and contingency budgets, one-off costs such as capital investment, future ongoing operating costs, taxation and finance costs, and depreciation costs for plant and equipment;
- realistic estimates of short and long-term projected revenues;
- anticipated short and long-term profit and loss;
- expected rates of return on investment over a nominated period;
- projected discounted cash flow analysis over the life of the project to indicate debt and project pay-backs;
- sensitivities of the project to factors such as cost and timing overruns, higher inflation and interest rates, decreased patronage and occupancy rates (ie maximum reasonable adversity analysis);
- other reasonable investment assumptions;

- benchmarking to similar projects undertaken in the industry, where available; and
- appraisal of project options (eg staged development or other modifications, scaling down increased equity v finance etc).

Table 3b: Financial Feasibility Checklist

✓	Development costs
✓	Profitability and projected cash flows
✓	Anticipated yield, profit margin, and rate of return
✓	Particular sensitivities
✓	Preliminary financial structure
✓	Reasonable assumptions
✓	Possible benchmarking with similar projects
✓	Options appraisal

Preparing Feasibility Studies

Specialist consultants should preferably be engaged for market and financial analyses. Such experts may include market research and development consultants, appropriately qualified accountants, and specialist tourism business consultants. General advice can also be obtained at minimal or no cost from financial institutions and from organisations listed in Annex 3.

3.4 Business Planning and Obtaining Finance

Businesses do not plan to fail: they fail to plan.

Business Planning is a process of thinking strategically and combining information about the future of a business.

It requires consideration of:

- external factors including the economy, the market, customers and competition; and
- internal factors including internal organisation and management, product and market mix, facilities requirements, technology needs, and finance.

The Business Plan enables full consideration of the proposal for a given time frame, and is essential for obtaining finance from financial institutions.

It also assists to:

- clarify many of the developer's own questions and issues; and
- provide a basis for future performance analysis and forward planning.

Business Plan content requirements are discussed below. However this discussion should be regarded only as a 'first-pass' guide.

Business Plan Content

A possible Business Plan format is presented below.

Table 4: Business Plan Contents Summary

•	Cover page
•	Contents page
•	Executive Summary
•	Venture Profile
•	Business Structure and Management
•	Operation Plan (includes financial details)
•	Appendix

Cover Page

The cover page needs to clearly identify the project, the author, and the date of production.

Contents Page

A contents page, even for a short document, enables quick identification of the scope and location of information.

Executive Summary

An Executive Summary of one and a half pages maximum, should identify the nature of the project, its expected return to investors, and key strategic issues. It should be written last, when all information is available.

Venture or Product Profile

The product profile is a major component of the Business Plan. It must provide a clear but concise picture covering all of the points listed in Table 6. This will provide the reader (probably a financier) with the information needed to form opinions and questions about the venture.

Table 5: Venture Profile Contents Summary

•	Full description of proposal and its tourism product (ie what the venture is to consist of)
•	Origins of the concept (eg own idea, franchise, licence, protection by patent or other rights)
•	Market research undertaken, and its results
•	Options considered for same or alternative product
•	Objectives and targets covering market(s) and performance
•	Success factors: Strengths, weaknesses, opportunities and threats
•	Work required to bring the concept to market readiness
•	Strategies for growth
•	Risk considerations

Discussion on the key elements is provided below.

Options Appraisal

The options appraisal is critical to enable investment assessment.

Options covered need to include both:

- those for staged development of the project; and
- any alternative options available to achieve similar or comparable tourism outcomes.

Overview assessment of the relative viability of each option is required, to assist financiers and/or equity partners to determine the relative merits of the proposal within a broader context. Reasons for the choice of the preferred option need to be clear.

Business Structure and Management

Management Structure

Early decision on the legal form for business management is important. This has important functional and financial implications. Tourism investors are therefore strongly advised to seek professional legal and financial advice on the appropriate structures for their proposals.

Common management options include proprietorship, partnership (including limited liability partnership) and proprietary company. These options are summarised in Table 7. Other more complex structures include joint venture arrangements and trusts.

It is a legal requirement for limited liability companies to identify the structure, directors and any professional counselling to be used (ie accountancy, legal, marketing, etc).

Employment Details

It is also required for structures other than a sole proprietorship, that the employment structure, and the roles and responsibilities of all other parties involved in the venture be stated. This includes the directors, managers and all staff positions. Where known, details of qualifications, experience, required skills, salary and wages levels, and training needs are required. Resumes of business principals and other key personnel are normally included within an Appendix.

Project Development Management

Planning and implementing any development requires competent management. For larger projects, this may require a project management team. This will typically include the investor and other key stakeholders such as the landowner, architect builder, sub-contractors, quantity surveyors, the development company, and possibly the financier.

Project management in establishing a project is a specialist task. Its effectiveness can 'make or break' the project prior to it commencing operation. Project Management companies exist to manage the interests of investors, and tourism investors should seriously consider the need for such professional service.

Operation Plan

The Operation Plan provides the financial 'nuts and bolts' of the proposal for analysis by investors or financiers. It is the most important component of the Business Plan and its professional development and presentation are essential.

The need for a financial feasibility analysis, is discussed in Section 3.3. Its main elements are discussed below.

Detailed and Realistic Cash Flow Budgets

All possible costs including taxes, and all assumptions used to predict cash flows (cash in and cash out) need to be identified and explained. For example, predicted annual tourist numbers need to be substantiated by actual visitor statistics to the area, and to other attractions of similar type and scale in the region or State.

Cash flow must be distinguished from profit. Profit measures revenue less expenditure, but does not include one-off capital expenditures on items like site acquisition, development construction, equipment purchase and fit-out. It does however; include annual maintenance and depreciation as costs against the business.

The period for which cash-flow projections need to be prepared, and their required level of detail requires discussion with professional advisers including prospective financiers. A business plan should normally cover no less than three years of operation, with at least the first year's figures presented on a monthly basis.

Return on Investment

The proposed investment's profitability needs to be determined as accurately as possible, supported by financial feasibility studies. Where information is available, profit projections should be compared to those from other like investments.

If the estimated profit margin is a little more or less than what could be earned in a traditional 'safe' investment, proponents and investors should carefully consider the wisdom of proceeding.

Availability of Government Incentives

Various financial and other incentives may be available from Government sources to facilitate tourism investment, especially in areas of high economic significance. Such incentives could include tax or rate concessions, marketing assistance, or access to Government planning approval services or facilitation assistance.

All possible areas of Government support should be investigated at Local, State and Federal levels. A list of relevant 'first-pass' contacts is included as Appendix 3.

Table 6: Business Structure Options

One of the earliest decisions to be made by the investor is the legal form of the business. Each option has advantages and disadvantages. Legal and financial advice should be sought before deciding which structure best suits the ownership and management of the proposed business venture.

OPTION 1 SOLE PROPRIETORSHIP	OPTION 2 PARTNERSHIP	OPTION 3 PROPRIETARY COMPANY
<p>ADVANTAGES</p> <ul style="list-style-type: none"> • simplest legal structure • low start up costs • exclusive control of assets and profits 	<p>ADVANTAGES</p> <ul style="list-style-type: none"> • simplicity of formation • minimal start up costs • increased access to finance • skills/expertise diversity • limited regulation and protection from public scrutiny 	<p>ADVANTAGES</p> <ul style="list-style-type: none"> • separate legal identity • limited liability • preferable management structure • ready access to finance
<p>DISADVANTAGES</p> <ul style="list-style-type: none"> • sole responsibility for all debts and obligations • possible difficulties in raising capital 	<p>DISADVANTAGES</p> <ul style="list-style-type: none"> • unlimited legal liability • public scrutiny • divided authority • potential for friction • limitations on size 	<p>DISADVANTAGES</p> <ul style="list-style-type: none"> • establishment costs • increased regulation • more record keeping necessary • annual returns • public scrutiny needs

Appendix

The Appendix to the Business Plan holds important reference information. Its location at the rear of the document does not diminish its importance.

The Appendix will typically include:

- resumes of the developer and other principals;
- market research background;
- product description;
- past financial data; and
- any marketing/promotional documentation and copies of press cuttings etc.

Financial Submission

The Business Plan discussed above, provides understanding of a proposal's expected business and operating environment to assist financiers and investors ascertain debt servicing capabilities and requirements.

Financiers generally also require a detailed Financial Submission containing additional information including a project financing proposal. This and other required information is presented in Table 7 as an indicative Financial Submission 'checklist'. Main elements are also discussed below.

Early consultation with potential financial institutions is essential, to clarify their requirements.

Table 7: Indicative Financial Submission Checklist

•	Business Plan
•	Track Record
•	Financial Standing
•	Finance and Repayment Proposal
•	Supporting Documentation
•	Additional Collateral Security

Developer's Track Record

Financiers need knowledge of the developer's business track record, particularly in business related to the submission. Descriptions of past ventures and of management experience and credentials are essential. Developers with limited experience in the tourism industry may be advised to consider employing a manager experienced in the industry.

Financial Standing

Financiers assess a developer's current personal and business financial positions, and past credit and financial commitment history. Financial statements including balance sheets, profit and loss statements, management accounts and taxation returns will be required for current and recent past years.

The Finance Proposal

A viable finance proposal for the project will be needed. A financial consultant may be required for this task.

The proposal will need to include at least:

- the purpose of the required loan;
- the amount of debt required, and the proposed loan term;
- the amount of equity to be injected by the developer; and its proposed timing;
- the proposed method of debt repayment, substantiated by cash-flow and other financial detail including guarantee information if applicable, and the proposed exit strategy for the lender;
- proposed debt servicing arrangements supported by expected cash-flow and abilities to meet repayments and interest; and
- security offered over the development, on a going concern basis, to include that over any land, leasehold interest, buildings, plant and equipment, goodwill and debts.

Documentation to Support the Finance Proposal

The tourism developer will also need to provide the following support documentation with the Finance Proposal:

- the previously discussed Business Plan incorporating feasibility studies and management strategies;
- an assets schedule, including valuations of property offered as financial security whether for the development site or collateral security;
- where construction would be needed, a quantity surveyor's report substantiating design, construction and development costs;
- group structure charts detailing ownership shareholding and all connected entities;
- a schedule of the developer's legal, financial and other key advisers;
- details of planning and development approvals required and obtained (refer Chapters 4 and 5);
- a summary of the developer's individual or connected entities' financial statements, and explanations for any major fluctuations in trading and balance movements;
- summaries and reconciliations of key items in projected profitability and cash flow budgets, to explain funding requirements;
- relevant corporation documentation such as Memorandum and Articles of Association, Trust Deeds etc;

- details of the developer's accounting system and reviews by independent accounting firms;
- current aged debtors and creditors listings and fixed asset depreciation schedules; and
- realistic costings and timing factored into project expense considerations such as lease payments, income tax, interest, superannuation contribution, insurance, trading expenses, fringe benefits tax, annual and long service leave, capital expenses and debt repayment. Availability of contingency funds should also be demonstrated.

Additional Collateral Security

Collateral is security pledged as a guarantee for repayment of a loan.

While the security of a venture may be sufficient collateral, financiers may also require additional collateral to guarantee payment. Examples may include a mortgage over the family home, or directors' or shareholders' guarantees. Developers may therefore need to be prepared to risk foreclosure of mortgages if venture failure occurs.

Financiers may also require additional security such as fixed and floating debenture charges over the business, or charges over specific property or leasehold mortgages.

Details of the above will be subject to individual circumstances and negotiation with prospective financiers.

Credit Assessment Factors

In addition to financial security matters, financiers will generally assess the following credit risk factors:

- the financial institution's lending policy for the type of business;
- proven market for the proposed venture product, benchmarked against the performance of existing clients in the same market;
- the proponent's experience, and business planning, and management skills;
- the ratio of debt versus equity;
- the professional standing of consultants, advisers and contractors engaged by the proponent;
- industry trends and competition;
- insurance availability for high risk or unusual ventures;
- the proponent's track record and disclosure integrity;
- the proponent's analytical objectivity and rigour used in assessing adverse factors impacting on cash flow; and
- the quality of the proponent's business reporting systems.

Equity versus Debt Finance

Equity is the amount or proportion of the overall investment supplied by owners towards the venture.

The greater the investor's equity in the venture, the greater the risk being taken on its success. Equity provides funding opportunities where conventional security is not available, and where cash flows are uncertain to support debt financing.

Some specialised capital venture companies offer equity partnerships. Costs, project control and ownership issues of such partnerships will require professional legal and financial assessment. Debt finance may be obtained from various institutions such as banks, building societies, finance companies, credit unions and professional groups such as solicitors.

In determining the correct mix between equity and debt finance for a development, factors to be considered include:

- the developer's funds potentially available;
- the project size and cost;
- taxation considerations;
- gearing ratios for other ventures of that type;
- prevailing and anticipated interest rates; and
- the degree of control over the project development and cash flow stream.

Where interest rates are high or expected to be high, restricted borrowing may be desirable to reduce the risk of failure due to sudden interest rate increases.

Also, debt financing conditions need to provide for projected business cash flow and development requirements. For example, the choice of short, medium or long-term debt finance, and whether on an interest-only or progressive repayment, can impact greatly on business viability.

Other considerations include:

- the size of security sought by the debt financier;
- penalties potentially imposed against early loan repayment;
- consequences of late or non-payment of debt; and
- the financier's flexibility in meeting the needs of the business venture.

Taxation Considerations

Taxation is a major and complex consideration in the financial structuring of projects, and in business planning generally. The apportionment of project, market and revenue risks between parties can impact greatly on a project's viability.

Most banks have finance project teams to develop customised project financing structures and proposals. Also, sensitive taxation aspects are usually confirmed via legally binding private taxation rulings obtained from the Australian Taxation Office.



Riviera Nautic - Metung

Taxation law is constantly changing. For example, the Commonwealth Goods and Services Tax (GST), to be introduced in July 2000, and proposed business tax reforms are to bring fundamental change. Details on these and other associated taxation laws are evolving during preparation of this document.

It is, therefore, essential that prospective developers seek professional taxation advice in the early stages of concept development, for attention within business planning and associated feasibility assessment documentation.

Some broad overview issues are discussed below.

Types of Taxes

Relevant taxes include income tax, the GST and any associated sales taxes, pay-roll tax, fringe benefits tax, land tax, municipal rates and charges (including water rates, environmental levies, and general rates), bank account deposits and withdrawals taxes, and other Government licence fees and charges.

Taxation Deductions and Incentives

Taxation deductions or incentives against legitimate business establishment or improvement expenses, influence income tax liability and hence business viability. Operational expenditure is usually deductible in the year incurred, while 'capital' or structural expenditure over \$300 is generally deductible as depreciation over the approximated useful life of the asset.

Some conditional tax incentives may be available to stimulate greater private sector infrastructure investment.

Depreciation

Accelerated depreciation rates may apply against business plant and equipment (including those installed on leased Crown Land). Guidelines are available from the Australian Taxation Office.

Infrastructure Bonds

Infrastructure bonds may be applicable to the financing of land/air transport or seaport infrastructure facilities associated with a project. These would reduce project financing costs through concessional tax treatment of paid bond interest.

Company, individual or superannuation fund investors may apply to the Commissioner of Taxation for a tax rebate or tax exemption against positive taxable income, over 15 years.

As with all other aspects of project financing, it is important that professional advice be sought on infrastructure bonds and associated implications where they are potentially applicable.

3.5 Victoria's Planning Framework

The Planning Focus

Victoria's Planning Framework is established under the *Planning and Environment Act 1987*. It is based on local government planning schemes, which provide policies and controls for the use, development and protection of land.

Emphasis on planning in Victoria is to promote appropriate investment and development, by providing certainty and guidance to developers.

This is proposed through:

- clearly defined State and municipal strategic objectives;
- consistent local government planning formats across the State; and
- changing the culture and perception of planning to one based on facilitation, rather than on detail regulation.

While statutory planning requirements remain important, local Councils must place emphasis on the intent of their strategic planning policies contained within their planning schemes. The relevant types of strategic policies are described in Section 4.

What is a Planning Scheme?

The structure of municipal planning schemes is presented in Figure 4.

Planning schemes are legal documents that are developed by planning authorities, usually the local Council or the designated Government Department, and approved by the State Planning Minister. All municipalities have a planning scheme. There is also an Alpine Resorts Planning Scheme covering the State's legislated Alpine Resorts.

In short, a planning scheme is the vehicle for the control of planning within an area. It sets out policies and controls for the use, development and protection of the land. It establishes zones and overlays within which requirements for use and development of land are listed. It also provides relevant maps, plans, and other related documents.

Planning schemes have both a clear State and a local strategic focus.

They contain:

- a State Planning Policy Framework (SPPF) which describes strategic issues of State importance;
- a Local Planning Policy Framework (LPPF), which contains a Municipal Strategic Statement (MSS), and local planning policies. The framework identifies long-term directions about land use and development in the municipality, presents a vision for its community and other stakeholders, and provides the rationale for the Zone and Overlay requirements and particular provisions in the scheme;
- Zones, Overlays, and Particular Provisions which contain the requirements for land use, development and subdivision; and
- General Provisions and Definitions.



Great Ocean Road Cottages - Lorne

The Municipal Strategic Statement (MSS)

The MSS identifies the primary features, influences, visions, implementation objectives, and monitoring and review mechanisms to evaluate planning performance.

The MSS must be consistent with the State Planning Policy Framework established by the State Government and is prepared in consultation with the community.

Table 8: Typical format for Municipal Strategic Statements

•	Municipal profile
•	Key influences
•	Vision- strategic framework
•	Objectives-strategies-implementation
	Settlement
	Environment
	Housing
	Economic Development
	Infrastructure
	Particular Use and Development
	Tourism
•	Monitoring and review
•	Local policies - descriptions of these

Zones

Zones control land uses and development. Each zone includes a description of its purpose and the requirements that apply regarding use, subdivision and the construction and carrying out of buildings and works. There are 25 standard zones, however planning schemes contain only those relevant to the municipality.

All land (except Commonwealth-owned land) is within a planning zone and the use of the land must be in accordance with the provisions of the zone. Each zone lists land uses in three sections:

Section 1: uses that do not need a planning permit

Section 2: uses which need a planning permit

Section 3: uses that are prohibited

Overlays

Overlays affect subdivision, buildings and works and (occasionally) land use. They operate in addition to the zone requirements and generally concern environmental, landscape, heritage, built form and site management issues. Overlays are applied only where particular values are relevant.

It is important that at the earliest stage developers acquaint themselves with the zoning and other requirements which apply to potential development sites, and the implications of these for development.

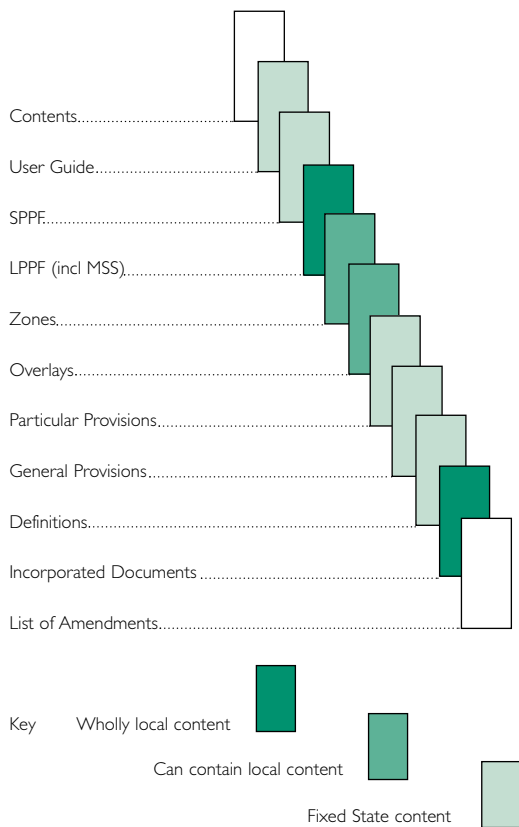
Where can I get more Information?

The local council is responsible for preparing and administering the planning scheme. It is the best source of direct local information.

The Department of Infrastructure (DOI) has a range of publications available on many aspects of town planning. Detailed information and explanation is also available from the DOI Web site on www.doi.vic.gov.au, and from its Customer Service Centre in Melbourne. It also has Regional Offices at Traralgon, Benalla, Bendigo, Ballarat, Geelong, Sunshine, and Burwood (refer Appendix 3).

Further important explanation of statutory planning provisions is provided in Appendix 1.

Figure 4: Structure of a local Government Planning Scheme in Victoria



3.6 Guidelines for Developers: Navigating the Planning System

This section is to assist developers to:

- develop the initial concept with the local council and other relevant agencies;
- identify the people or agencies who need to be approached, and when to approach them;
- consider design and siting guidelines when refining the design concept; and
- identify the level of information required to accompany a development application.

Where development on public lands is proposed, information in this section needs to be considered together with that presented for public land in Section 4.3 and in Appendix 2.

STEP 1: Coming up with the idea!

As discussed in Section 3, many good tourism concepts have not evolved because of inadequate research and development into marketable, or financially feasible products. To avoid this outcome, a wide range of financial and other strategic matters require attention from the start.

Key considerations include:

- Market demand - the target market must be clearly defined and understood.
- Site selection
 - any strategic objectives or policies specific to that area of the municipality;
 - site zoning and compatibility of the development type with adjoining land uses;
 - any restrictive covenants including heritage, archaeological, or conservation issues;
 - existing infrastructure and accessibility to roads or transport networks; and
 - opportunity for potential later expansion.
- Design and siting issues - compatibility of the proposed building design and scale with the surrounding area.

These are further discussed within the following sections.

STEP 2: Contacting the Local Council: the pre-application stage

It is imperative from the start of proposal development to consult with the local council.

Councils:

- understand their local issues;
- are responsible for dealing with town planning applications; and
- know their own internal practices and process requirements.

Tourism Victoria can advise on alignment with State priorities, and potentially on investment and development opportunities.

Pre-application Consultation

Consultation with council prior to lodging a planning application is essential to efficiently work through the planning process.

However, while constructive consultation greatly assists the council's assessment of a development application, planning approvals are not issued overnight, regardless of a proposal's strength.

Finding the right Council Department for discussion

Most councils have a town planning department. Many also have an economic development unit and/or a tourism/promotions unit. Each is likely to be interested in tourism matters.

It is usually best to meet initially with council's planning manager; economic development officer; and tourism officer to discuss:

- whether a concept fits with council's strategic land use policies and corporate plan;
- the issues relevant to its progression through the planning process; and
- any likely support and/or assistance available from the council.

Meeting preparation and content

It is important to be well prepared for the initial and all subsequent meetings. Concept papers should usually be distributed in advance to assist participants prepare for the meeting.

The following principles are also important for the conduct of successful meetings, and to minimise potential for confusion on outcomes:

- Start on time;
- Involve all relevant stakeholders;
- Meet with a clearly defined purpose and establish meeting ground rules prior to the meeting;
- Seek to gain trust through well documented proposals and open discussion;
- Allow opinions to be expressed without straying from the pertinent issues;

- Focus on the issues rather than the personalities involved in the meeting;
- Consider all options in decision making;
- Establish ongoing communication needs and processes; and
- Record and distribute meeting outcomes.

Finding out what issues need to be addressed

For tourism proposals, important information to be addressed during initial discussions with council should include:

- clarification of the content, purpose and scale of the proposal, and its current status;
- how tourism issues are addressed in Council's Municipal Strategic Statement and Corporate Plan, and in any other relevant planning policy or strategic planning document;
- identification of main issues and implications relevant to furthering the proposal, including:
 - relevant planning Zones and their provisions within the Planning Scheme;
 - whether an Environmental Effects Statement (EES) may be required, and if so, the likely implications of this on the planning processes;
 - whether local residents and community groups need to be consulted; and
 - other social, environmental, economic and physical issues.
- identification of Referral Authorities and other organisations to be contacted at the concept stage (eg: the Department of Natural Resources and Environment, water and sewerage authorities, Vic Roads, Liquor Licensing Victoria, Victorian Casino and Gaming Authority etc. as appropriate); and
- whether engagement of specialist professionals is required (eg: town/urban planners, traffic engineers, market analysts, architects, solicitors etc).

How to move forward?

If the initial concept is consistent with council's strategic planning policies, the proposal can be further developed. This requires discussion with specified referral authorities and other nominated organisations. Contact with design and other consultants should also occur at this point.

If the proposal is deemed contrary to council's strategic planning policies, the implications of this need to be clearly understood prior to further work being undertaken by either the proponent or the council.

STEP 3: Developing the Tourism Concept at the pre-application stage

Developing the proposal beyond the concept stage requires further pre-application consultations with the relevant council departments, and the other interests identified in Step 2. All parties need to be open and honest to facilitate information flow and the potential for satisfactory outcomes.

STEP 4: Refining the Concept

Potential community and local area attitudes and impacts, need to be considered. It is therefore common during the pre-application stage, for tourism investors to modify concepts, examine other sites, or even to abandon the proposal in response to identified issues.

Tables 9, 10 and 11 identify issues and checklists for consideration in proposing and developing a tourism development. The lists do not replace the need to consult with the local council.

Table 9: General issues to consider in proposing a Tourism Development

•	Amenity of the local residents
•	Compatibility of the proposed use with the surrounding uses
•	Traffic generation
•	Noise generation, social, environmental and economic impact of the proposal and whether it would provide net community benefit
•	Staging of the development
•	Need for interpretative facilities to promote a greater understanding of an attraction
•	Infrastructure requirements: eg car parking, widened roads, water supply, sewerage requirements etc.
•	Other local complementary or competing tourism developments, and potential for the development to add to or detract from the area's features

**STEP 5: Making a Planning Application
What Information Needs to be Included?**

Planning permit applications should be lodged with council only after all issues have been identified and addressed. A systematic planning application that properly addresses all issues, also provides a comprehensive analysis of the proposal and enables council to make an informed decision.

Information requirements will vary between proposals, but should generally include:

- identification of the relevant State and Local planning policy frameworks of the municipal planning scheme;
- site analysis, identifying site opportunities and constraints;
- the proposal's expected social, economic and environmental impacts;
- detail of pre-application consultations, including: names of people contacted in Council and other agencies, and local residents; meetings dates; and outcomes statements;

- case studies relevant to the proposal;
- a Site Plan, drawn to scale showing:
 - site boundaries and dimensions;
 - the location of existing buildings on the site, including identification of those proposed for retention and removal;
 - abutting land uses and buildings; and
 - proposed setbacks of proposed site developments.
- Elevations of proposed infrastructure showing:
 - the elevations of every building and associated infrastructure (eg car parks);
 - the relationship of the elevation of proposed buildings and infrastructure to natural ground level, and showing any proposed cut and fill; and
 - a schedule of finishes, detailing proposed building materials, and the colour of the main external surfaces including roofs and buildings.
- a landscape concept plan showing:
 - existing trees and shrubs proposed to be removed or retained; and
 - any proposed landscaping, including the type of trees and shrubs proposed, and their estimated heights at maturity.
- proposed signage or interpretative facilities; and
- any management issues, for example the restriction of domestic dogs and cats on land which abuts a fauna reserve or National Park.



J Ward - Ararat



Coldstream Hills Winery - Yarra Valley

A Checklist for Developers

The following checklist for developers summarises the matters that need to be addressed before lodging a planning application with Council.

Table 10: Tourism Planning Checklist for Developers

✓	Come up with the idea and develop the concept
✓	Contact council's planning department to discuss the initial tourism concept, and Tourism Victoria on compatibility with the State's Tourism product regions, and for assistance options
✓	Identify what planning policies affect the land where the development is proposed, including the zoning of the subject land and the surrounding area
✓	Determine what issues, including design and siting issues, need to be investigated to refine the initial concept
✓	Determine whether any relevant referral authorities should be consulted with at the preliminary design concept stage
✓	Determine whether Councillors, local residents, or community groups should be consulted prior to the lodgment of the planning application
✓	If appropriate, appoint professional design and planning advisors to assist with concept development
✓	Refine the concept, in conjunction with Council officers and other relevant agencies, after having investigated the relevant issues
✓	Identify what information needs to be included in the planning application; this will depend on the location, scale and complexity of the proposal

Table 11: Land Use and Design Issues Relevant to Different Environments

Area	Issues to consider
URBAN	<ul style="list-style-type: none"> • Access to car parking • Whether the proposal's scale and design reflect the character and building elements of the local area • Whether the proposal is in an urban conservation area • Whether there are any controls requiring an existing heritage building to be retained
NON-URBAN	<ul style="list-style-type: none"> • Excavation required to construct a building and associated outbuildings • Proposed scale and visual impact; buildings should not be sited on ridgelines • Compatibility of proposed building materials and colours with local environmental characteristics • Retention of existing vegetation • Siting of roads and driveways so that they are not visually obtrusive • Off-site effects such as erosion, run-off into streams, the impact on the existing water supply • Sewerage and wastewater disposal provisions • Measures to minimise erosion • Infrastructure requirements: eg the need for roads upgrading and/or construction • Management of domestic pets
RURAL	<ul style="list-style-type: none"> • Loss of high quality, productive agricultural land • Potential of the proposed design and scale to maintain or enhance the existing rural ambience • Siting and design of roads and driveways to minimise visual impact • Off -site effects, such as erosion, run-off into streams, and impact on the existing water supply • Sewerage and wastewater disposal requirements • Measures to minimise erosion • Management of domestic pets
COASTAL	<ul style="list-style-type: none"> • Land status: as large areas of coastal land are administered by the Department of Natural Resources and the Environment (DNRE), it is important to determine whether the land is Crown Land and the use or development procedures required • Visual impact of design and scale on the "coastal experience" • Impact of proposed building materials, siting and colours on the local character and appearance • Whether the location and scale of car parks are visually or otherwise intrusive
WILDERNESS AREAS	<ul style="list-style-type: none"> • Design and scale impacts on local environment and "wilderness experience" • The need for defined walking tracks to protect the existing vegetation • Visual impact of the siting and design of roads and driveways • Off-site effects, such as erosion, run-off into streams, the impact on the existing water supply • Sewerage and wastewater disposal
ALPINE RESORTS	<ul style="list-style-type: none"> • DOI is responsible for statutory planning within Victoria's alpine resorts. DOI and Resort Management Boards should be contacted as early as possible to identify issues, including restricted construction times • Conformity of alpine buildings with specific environmental design and visibility requirements • Site servicing issues (ie water; gas, sewerage, drainage connections/installations, gas cylinders, garbage collection) • Landscaping, including the extent of earthworks and backfilling required
CROWN LAND	<ul style="list-style-type: none"> • DNRE administers Crown Land in Victoria, and should be contacted as soon as possible for issues identification • Siting of roads and driveways to minimise visual intrusion • Potential to lease land from the DNRE for a proposed venture, and commercial viability impacts of available tenure licences • Design and scale of the proposed development to protect and enhance the area's character

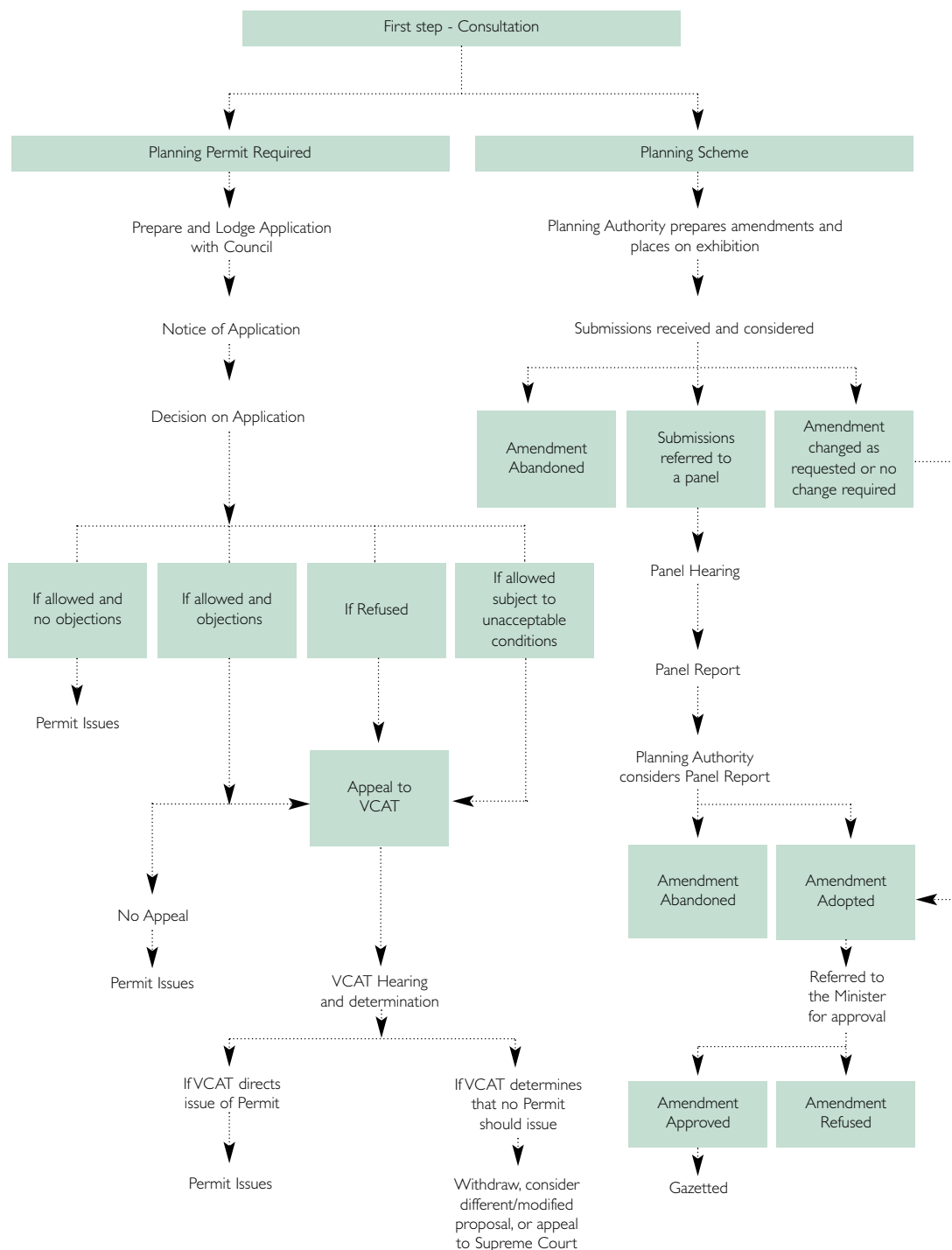
Figure 5: Planning and Development Approvals Process

This section outlines the procedures for gaining planning and development approval on freehold land in Victoria, and highlights the importance of:

- early consultation with relevant authorities
- a well conceived design
- good supporting documentation

Procedures for Alpine Resorts are presented in Appendix 2.

Procedures for other Crown Land are under review. This may result in formalised approaches across land categories.



3.7 Tourism Development on Public Land

Public land in Victoria is a valuable community resource which accommodates an estimated 60 million tourists and recreational visits annually. Tourism development that enhances public benefit and experience is supported in appropriate areas.

Victoria's public land includes National Parks and State Forests, Alpine Resorts, most of the State's coastal foreshore and rivers, flora and fauna reserves, gardens, cultural and historic sites, and thousands of small allotments throughout rural and urban areas. It comprises approximately 40% of Victoria's land area. The Department of Natural Resources and Environment (DNRE) is its primary custodian.

The land is managed by a range of bodies appointed by the Minister for Environment and Conservation including Parks Victoria and Committees of Management. Planning for its use and development is subject to a range of policies and strategies, statutory planning schemes and legislation.

Availability of Public Land for Tourism Development

Access to public land for private development is very limited, and will only be considered where there are compelling arguments for a public site, and freehold alternatives do not exist or are not appropriate. Thus, any proposal will be subject to considerable scrutiny, including examination of alternative options. Potentials for development on adjacent private land should therefore be thoroughly investigated prior to proposing use of public land.

Prospective development proponents are also requested to seek advice on land availability from the Executive Director, Parks Flora and Fauna, DNRE at a very early concept stage of any tourism development proposed for public land.

General Principles for Planning a Tourism Development on Public Land

The overall intent for public land is to protect the intrinsic characteristics and valued environments, and to make areas more accessible for visitors to experience and appreciate.

Tourism development concepts on public land are initiated by either:

- the relevant land management agency, via park management plans, local government plans, coastal action plans, alpine area plans, or regional strategic plans; or
- private investors who approach the Government with a concept.

Accordingly, proposals will only be considered where:

- legislation and land use policies for the area allow tourism facilities;
- the location and function of the facility is consistent with strategies endorsed by Government;
- tourism is the highest priority and best use of the land, or will not preclude other desirable uses;
- there is a demonstrated demand for the facility;
- any similar facilities already existing in the area are fully or highly utilised;

- the facility is ecologically sustainable;
- negative environmental or cultural effects on the site or on other land can be avoided or minimised, or satisfactory ameliorative measures can be provided;
- the facility needs a public location to function effectively and would not be better sited on freehold land; or in some cases a resort area;
- remote or undeveloped recreation options will not be unreasonably reduced;
- the main activities serviced by the facility are based on experience of the natural environment (except in urban areas); and
- the facility will not increase tourist numbers in the area to levels which degrade the tourist experience.

Legislation and Public Land

The main legislation relevant to tourism development on public land, is presented in Table 12. Prospective tourism investors need to be familiar with the relevant legislation.

Native Title

The Commonwealth *Native Title Act 1993* provides for the establishment and protection of a range of native title rights, and future regimes and compensation, and for determinations over future grants and acts affecting native title to land and water.

The Act requires notification of development on or uses of public land to claimants, potential claimants, or owners.

Developers are strongly advised to seek clarification of the Act and any associated issues, during early consultation with DNRE.

Government Strategies and Guidelines

Proponents need to be familiar with relevant government strategies, plans and guidelines, and statutory requirements in their project planning phase.

Examples include:

- Coastal
 - Victorian Coastal Strategy and approved Coastal Action Plans;
 - Coastal Management Act Consent;
 - Approved coastal siting and design guidelines;
 - Relevant National Park or Foreshore Management Plans.
- Alpine
 - Alpine Planning Scheme.
- Parks and Reserves
 - Approved Park Management Plan or concept plan.

In all cases, proponents must have regard to the relevant Planning Scheme affecting the site, as discussed in Section 4.

Planning Processes for Public Land

There is currently no single process for approval of tourism development on (non-Alpine Resort) public land. However, any tourism developments on public land will require approval from the following:

- DNRE, as the land owner; and
- the responsible authority under the *Planning and Environment Act 1987*.

Also, regardless of the origins of a concept, the Government may require an expression of interest and/or a formal tendering process to be followed, to ensure the best public interest outcome.

As previously noted, it is important for initiating developers to liaise with DNRE and the responsible authority at the earliest possible stage to:

- determine whether the preliminary concept is consistent with relevant policies and requirements; and
- gain specific advice on planning and development processes if they are applicable, including other referral authorities for discussion.

The consultations will enable early identification of issues, and assist with coordination of Government attention, particularly for larger scale projects. The guidelines presented in Section 4 should be used as a basis for a concept development program.

Consideration of Proposals

The normal process for DNRE consideration of major new development applications on public land is outlined in Table 13.

Assessment is likely to involve two phases:

- Phase one: Consideration of the preliminary concept, the demand for the facility, consistency with management objectives, likely environmental effects, and implications for other land uses and viability of the enterprise; and
- Phase two: If the concept is endorsed in principle from Phase I consideration of more specific issues is needed such as: design and siting matters, location, scale, function, service requirements, environmental effects, economic evaluation and the like.

Prior to determining a proposal's appropriateness, the proponent must demonstrate that there are no impediments to obtaining approvals from other authorities. This includes a planning permit from the Responsible Authority, usually the local council.

If the proposal is acceptable, DNRE issues an approval with appropriate conditions and tenure arrangements. This does not replace the need to obtain any other relevant planning permits and approvals.

Tourism Development in Alpine Resorts

Victoria's legislated Alpine Resorts are at Falls Creek, Mt Buller, Lake Mountain, Mt Baw Baw, Mt Hotham, and Mt Stirling. Virtually all land in Alpine Resorts is Crown Land.

The Alpine Resorts are subject to specific planning arrangements. These account for the Resorts' unique management characteristics, which cover intensive tourism and recreation, together with careful management and protection of their natural features and values.

The planning arrangements also address the need to:

- provide certainty for development;
- ensure sound environmental management; and
- promote best practice techniques.

What Planning Processes apply within Alpine Resorts?

Development in Alpine Resorts is administered under the Alpine Resorts Planning Scheme. The Scheme has a very similar format to that for municipalities, discussed in Section 4. It contains both State and local policy frameworks, and local strategic statements, and implements the local policies and development guidelines for each Alpine Resort, in accordance with planning zone provisions.

However, as the Resorts are primarily public land, different responsibilities and processes are required to administer the Planning Scheme. An overview of key factors is provided below. Process detail is provided in Appendix 2 .

Who is responsible for Alpine Resorts Planning and Management ?

Responsibilities for Alpine Resorts planning and management are described in Appendix 2.

Key responsibilities are vested in the following:

- The Minister for Planning is the Planning Authority and responsible authority for all planning matters. This includes the receipt of all planning applications and the approval of Planning Permits and Planning Certificates. The Department of Infrastructure administers the Alpine Resorts Planning Scheme for the Minister;
- The Minister for Environment and Conservation is responsible for the granting of leases on Crown Land. Also, as the custodian of Crown Land, the Minister's consent is required for an application for a planning permit;
- The Department of Natural Resources and Environment, Regional Water Boards and other bodies including utility providers (eg: gas, electricity companies) are designated Referral Authorities under the Alpine Resorts Planning Scheme;
- The Resort Management Boards are the designated managers of Crown Land in Alpine Resorts. Their functions include provision of a number of services, and promotion of the Resorts. The Boards also comment on planning applications;
- Local Government: Alpine Resorts are excised out of their surrounding municipalities. Because of the strong interface between on-mountain and off-mountain activities and development, adjacent municipalities are invited to comment on applications; and
- The Resorts communities have an interest in, and input to the orderly and strategic development of resorts.

What Information is Available?

A comprehensive Alpine Planning Information Package is available from the Department of Infrastructure. The package explains the regulations, procedures and requirements for planning applications. The discussion in Appendix 2 summarises the package relevant to tourism and other developments.

It does not replace the need to obtain the package and to consult with the Department of Infrastructure, the individual Resort Management Board, and for substantial development proposals, Tourism Victoria.

Table 12: Legislation and Public Land

Legislation	Purpose	Agency
<i>Alpine Resorts Act 1983</i>	To provide for the reservation of Alpine Resorts	Department of Natural Resources and Environment (DNRE)
<i>Alpine Resorts (Management) Act 1997</i>	Provides for the establishment and functions of Alpine Resort Boards	DNRE
<i>Coastal Management Act 1995</i>	To plan for and manage the sustainable use of Victoria's coastal resources	DNRE
<i>Crown Land (Reserves) Act 1978</i>	To provide for the reservation of Crown Land	DNRE
<i>Environmental Effects Act 1978</i>	To ensure full consideration of environmental effects of proposals	Department of Infrastructure (DoI)
<i>Forests Act 1958</i>	To protect and manage State forests	DNRE
<i>National Parks Act 1975</i>	To preserve and protect National and State Parks	DNRE
<i>Planning and Environment Act 1987</i>	Administration of planning schemes	DoI

Table 13: The Process for Considering Major New Developments on Public Land

PART A: PRELIMINARY INVESTIGATIONS

1. The general effects of a development will be assessed against the general principles outlined under Section 4.3 of this document
2. Consistency with relevant strategies and plans approved by Government.
3. If the proposal meets the general principles, DNRE may require further work to be undertaken, including:
 - a) establishing coordinating arrangements within Government;
 - b) community consultation to determine the issues that need to be investigated;
 - c) determining the issues to be investigated;
 - d) determining opportunities and constraints, alternative sites, and the environmental, social, economic and public benefit ramifications of a proposal;
 - e) public exhibition of the study and assessment of submissions by an independent panel to test community response and to ensure that all implications are considered;
 - f) assessment of whether the land should remain as Public Land and be leased for development, or should be made available for sale to the preferred development.
4. Consideration of Competition Policy ramifications.
5. If the development could have significant environmental effects, the Minister for Planning may determine that an Environmental Effects Statement is required.

On completion of Part A investigations, DNRE will decide whether 'in principle' support is appropriate. If this is the case, the site and guidelines are specified (generally as a development brief) relating to the type, scale and components of the development.

PART B: DETAILED PLANNING

1. Expressions of interest to develop facilities on the specified site within the development guidelines may be called.
2. A developer will be selected according to the extent to which the proposal meets both the objectives of the development, and the requirements of the development brief.
3. The successful 'applicant' will be required to prepare a detailed proposal which must address any outstanding environmental issues, or any other issues identified in Part A that require further consideration.
4. Site tenure, usually by leasehold, is negotiated and offered by means of a due-performance agreement. This will set out conditions, such as completion of the development within defined time limits, and in accordance with the proposal's requirements. The granting of a lease would require fulfilment of these conditions.
5. All necessary permits and approvals, such as planning permits and building approvals would need to be obtained prior to the development's commencement.

4 Guidelines for Local Government

4.1 Introduction

The Victorian statutory planning framework is explained in Section 3.5.

Local government is a lead player in attracting local tourism, however to be fully effective, councils need to have a good strategic planning policy framework which:

- outlines land use objectives of the municipality, and
- identifies tourism precincts or individual sites where tourism development would be supported.

This is achieved through municipal planning schemes and associated strategic documents.

While most councils have finalised or are well advanced in preparation of their 'new format' planning schemes the following advice should be useful in completion and ongoing refinement of those schemes.

4.2 Establishing a Sound Planning Policy Framework for Tourism

Tourism and 'new format' planning schemes

Tourism often results in emerging new uses and variations on existing uses, that for approval may require flexible planning schemes and definitions.

Within Victoria's new format planning schemes, municipalities must outline their strategic planning objectives, as the basis for assessment of planning applications, land use proposals, and planning performance. The suggested process for municipalities to strategically address tourism is outlined below.

STEP 1: Incorporate Tourism into Council's Corporate Plan

A Council's Corporate Plan is its principal policy document. It needs to provide strategic direction for the council itself, and for the municipal community. If tourism is currently or potentially important to a municipality, it should be addressed in the Corporate Plan.

The following tourism issues should normally be included in the Corporate Plan:

- identification of the municipality's economic, social, environmental and infrastructure assets and constraints which contribute to its tourism potential; and
- specific and achievable tourism goals and objectives which can be implemented or overseen by council. This may identify a need for more specific council strategies.

STEP 2: Incorporate Tourism into the Local Planning Policy Framework of the Planning Scheme.

The Local Planning Policy Framework (LPPF) complements the councils' Corporate Plan by providing strategic direction and more detailed local policies on land use issues. It usually includes:

- the strategic planning, land use and development objectives of the municipality and the strategies for achieving the objectives;

- explanation of the relationship between those objectives and strategies, and the controls on the use and development of land in the planning scheme;
- relevant land use or development opportunities and constraints, which provide a context for planning decisions; and
- identified links between strategic planning in the municipality, the objectives of surrounding municipalities in the region and the State Planning Policy Framework.

It therefore addresses the questions: "What do we want?", "Where do we want it?", and "How will we achieve it?".

Strategy plans and Council processes

Land use and other strategy plans are increasingly important within council decision processes. As planning schemes become more strategic and flexible, the defined goals and policies within the strategy plans will be used by councils and the Victorian Civil and Administrative Appeals Tribunal (VCAT) in assessing tourism development applications.

Therefore, in municipalities with tourism potential, councils need to identify tourism development objectives and policy guidelines within strategy plans, to influence the development and assessment of tourist proposals, and for use in marketing local tourism development opportunities.

What Tourism detail is required?

The level of tourism detail within strategy plans will depend on tourism's importance to local economies, but may include the following :

- existing municipal tourism assets and facilities, and the current and future potential of tourism to the local economy;
- opportunities and constraints to tourism development potentially requiring council action;
- specific tourism goals, policies and actions;
- statements encouraging appropriate tourism development and council facilitation of the approvals process for appropriate, well-sited tourist developments;
- identification of precincts and specific sites potentially attractive for identified tourist activities, and policies to encourage appropriate and sustainable tourism facilities in those areas;
- guidance on matters considered in assessing the planning merits of tourism projects, (eg for environmentally sensitive areas with high tourism potential), to enable balanced consideration of potentials and impacts associated with projects.



National Golf Course - Cape Schanck

STEP 3: Incorporate Tourism into Council's Economic Development Strategy

The municipal economic development strategies are intended to facilitate economic growth and to create investment and jobs. They should reinforce and elaborate on the broader policies within the Municipal Corporate Plan and land use strategy plan. The strategies should cover all aspects of the local economy, of which tourism is one part. The strategies should:

- address the interrelationship between tourism and other economic sectors, and their impacts on existing infrastructure; and
- explore opportunities for increasing economic benefit through improved linkages within other parts of the local and regional economy.

Tourism issues within an economic development strategy may include:

- an assessment of the contribution tourism makes to the local economy;
- identification of possible sites or precincts for future tourism development; and
- policies and recommendations integrated with those of the municipal land use strategy and planning scheme, and other relevant strategies, such as a tourism strategy or a recreation strategy.

STEP 4: Promote Tourism in the Municipality by preparing a Tourism Strategy

A specific tourism strategy is appropriate for municipalities where tourism has current or potential economic importance. This provides the vehicle for a local council to promote the municipality, or potentially the region, as a tourism destination.

The strategy would focus on the tourism economy, providing detailed information and incentives to attract tourism investment. It may include content on:

- the area's tourist attractions and their created investment and jobs;
- existing tourist facilities and services;

- tourism profiles and trends; and
- the economic significance of tourism to the local area.

This strategy would also include recommended or endorsed actions and incentives to achieve existing or potential tourism opportunities, and identify possible precincts or sites for tourism initiatives.

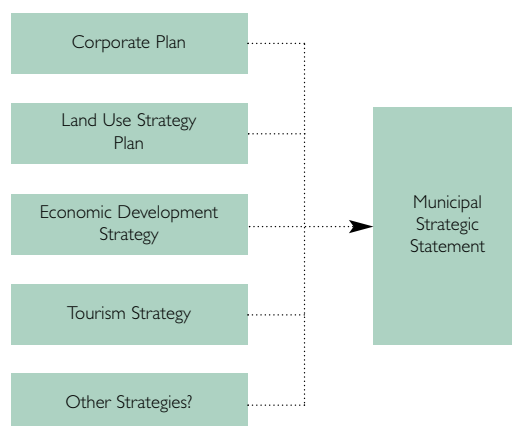
STEP 5: Identify Tourism In Council's Municipal Strategic Statement and Planning Scheme

The objectives of the municipal Corporate Plan and associated strategic plans discussed in the above section will form the basis to Council's Municipal Strategic Statement (MSS).

The MSS in turn effectively forms the basis of a council's planning scheme. Planning decisions will be made within the context of how a planning application achieves the objectives of the MSS and the associated strategic objectives of a municipality.

A diagram of the planning framework is shown below.

Figure 6: Local Government planning policy framework



A main tourism facilitating issue is to maximise the flexibility of planning schemes to promote the widest range of appropriate uses. This can be achieved by avoiding the blanket prohibition of unspecified or undefined uses in land use zones, and by minimising the number of uses prohibited in different zones.

A council therefore needs to refer to its MSS and its supporting land use development policies or strategies, to determine whether tourism concepts or applications are consistent with the municipality's strategic vision.

Tourism issues may be included in a planning scheme by:

- including key tourism objectives and statements encouraging appropriate tourism activities, within the MSS and land use strategy plan;

- promoting maximum flexibility in the control of land uses.

This may require detailed council policy guidelines for certain use types, or for certain areas, to assist in assessment of development proposals, and to avoid undesirable impacts;

- providing greater flexibility in interpreting uses with ancillary tourism benefits,

This can improve opportunity to consider the planning merits of tourist uses associated with other uses permitted in a zone; and

- applying overlay controls across areas with tourism potential, and which may require a different level of control or direction to that provided in the standard State zones.

STEP 6: Attracting Tourism Investment

Councils can actively encourage appropriate tourism development, by identifying precincts or individual sites appropriate for tourism development, and creating a conducive business environment.

Other initiatives might include:

- offering rate reductions or other financial assistance to attract investment likely to generate long-term economic benefits for the municipality;
- conducting seminars for developers to identify opportunities on particular sites or precincts, and outlining available council assistance (eg provision of professional or design expertise, financial incentives, etc);
- informing developers on council's assessment and determination processes for applications; and
- offering to 'fast-track' applications consistent with council's municipal strategic statement or other strategic planning policy documents, by specific allocation of council resources.

4.3 Ways for Council to Facilitate Tourism Development

In addition to having a sound planning policy framework within council Corporate Plans, and strategic documents, councils may need to assist developers to progress appropriate tourism developments, to achieve their strategic objectives.

Most of the steps involved in this are described in preceding sections of this document. In summary however; municipalities can facilitate tourism development by proceeding through the following steps:

- Coordinate decision-making between council departments.

Developers can initially be assisted by involving all relevant council departments in consultation meetings, and by providing council's organisational and decision-making chart to developers.

- Promote early pre-application consultations with council and key stakeholders.

This issue is discussed in Section 4.2. Importantly, where projects are consistent with council's strategic planning policies, balances may still be needed between immediate community needs, and the expected net longer term community benefits.

If concepts are not consistent with its strategies and policies, council may consider confirming interest by nominating options for other development forms, or alternative sites.

As community resistance to change is common regardless of a proposal's demonstrated benefit, care is needed to ensure good projects are not unnecessarily hampered.

- Fast-track appropriate applications which have been subject to successful pre-application consultations.

This can actively encourage developers to undertake pre-application consultations.

- Monitor and Review Planning Facilitation Procedures.

A council's organisational and decision-making structure, and effectiveness of its pre-application program, needs to be periodically monitored and reviewed (eg: twelve monthly). This is important in determining whether strategic planning objectives are being achieved.

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Appendix 1: Statutory Planning Provisions

Appendix 2: Planning Provisions in Alpine Resorts

Appendix 3: Contact Organisations



Appendix

Appendix 1: Statutory Planning Provisions

What is a Planning Permit?

A Planning Permit allows the establishment of a building or works, or both, on a site. It may be required for any new or changed building or use.

If a planning permit is required, an application must be made to the responsible authority (which is usually the local Council) to enable it to assess the likely impact of the proposed use and/or development on the surrounding area.

Sufficient information is required to allow the responsible authority and other relevant referral authority to fully understand what is proposed. The amount of information required will vary depending on the proposal's location, scale and complexity.

Discussion should be held with the responsible authority at an early stage to confirm detail requirements.

What is a Referral Authority?

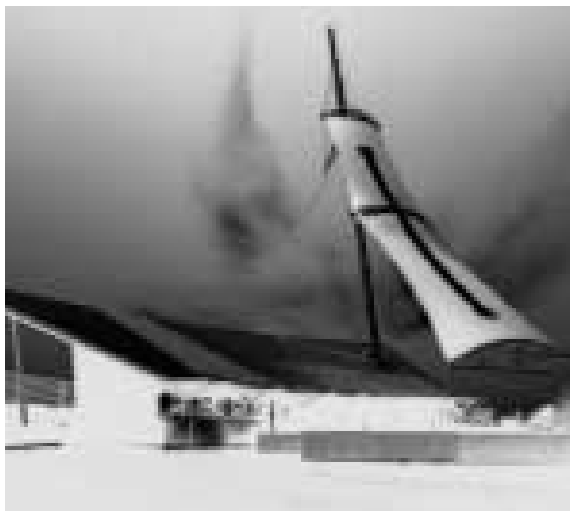
A referral authority is a person or organisation specified in the planning scheme that must be given notice of a planning application. Typical examples include water authorities, power authorities etc.

Is a Planning Permit Application Advertised?

The responsible authority will often require advertisement of a planning application to gauge the community's response to a proposal. The type of notice will depend on the nature and scale of the proposal.

Common requirements include one or more of:

- erecting a Public Notice on the subject land;
- sending a public notice to:



Eureka Stockade Centre - Ballarat

- the owners and occupiers of adjoining land;
 - any person or referral authority required by the planning scheme to be given notice; and
 - any other person who may be affected by the proposal.
- putting a public notice in the local newspaper; or if a large scale development is proposed, in a metropolitan newspaper.

How is a Planning Permit Application Decided?

In deciding on an application, the responsible authority must consider:

- the State Planning Policy Framework and the Local Planning Policy Framework of the planning scheme, including the Municipal Strategic Statement and local planning policies within the scheme;
- the provisions of the planning scheme;
- any strategic plan, policy statement, code, guideline or amendment to the planning scheme which has been adopted by a planning authority;
- any objections or other submissions;
- any decision or comments from referral authorities;
- any significant social, economic and environmental effects likely to result from the proposal.

Also, on deciding on a planning application, a responsible authority may resolve to issue any of the following:

- a Planning Permit, with conditions - this is issued if a responsible authority supports an application and no objections have been received;
- a Notice of Decision to Grant a Permit (NOD) with conditions - this is issued if the responsible authority supports an application, but one or more objections have been received;
- a Refusal to Grant a Permit with the grounds of refusal - this is issued if the responsible authority considers that a proposal is inappropriate, or if a relevant referral authority objects to the grant of a permit.

How long does it take for a Planning Permit to be processed?

The time taken to obtain a planning permit will depend on several factors such as:

- whether the application requires advertisement;
- the proposal's complexity;



Seal Rocks Sea Life Centre - Phillip Island

- the adequacy of information provided with the application;
- if any objections are received; and
- the responsible authority's workload.

Generally, however, it may take between a few weeks and several months.

Do Proponents and Objectors have Appeal Rights?

Proponents and objectors to an application may lodge an appeal at the Victorian Civil and Administrative Appeals Tribunal (VCAT) against the responsible authority's decision, or its failure to determine, on the application. Generally, appeals are lodged when the proponent or objectors do not support either a Council's decision or the proposed planning conditions.

What is a Planning Scheme Amendment?

A planning scheme amendment is required if a use or development is proposed in an area where such use or development is prohibited under the current planning scheme.

Planning scheme amendments propose to change provisions of a planning scheme, and therefore require approval of the Minister for Planning.

Amendments are prepared by planning authorities, which for amendments affecting the Local Planning Policy Framework, local zones, overlays or local provisions, will usually be the local Council.

Is a Planning Scheme Amendment Advertised?

A proposed planning scheme amendment is usually placed on public exhibition for at least four weeks. Notification is given to relevant Ministers, public authorities and relevant local Councils, and to owners and occupiers of land which may be materially affected by the amendment.

Following exhibition, and consideration of all submissions received, a local Council must decide to either:

- adopt the amendment and refer it to the Minister for Planning for approval;
- abandon the amendment; or
- refer any objecting submissions to an independent panel appointed by the Minister for Planning.

When a panel is required, the panel will conduct a public hearing and report its findings to the planning authority. If the planning authority then decides to proceed with the amendment, it is referred to the Minister for Planning for approval.

How long does it take for a Planning Scheme Amendment to be processed?

As amendments seek to change existing planning schemes, they will generally take longer to process than planning permit applications. Depending on the nature of an amendment, and the need for its referral to an independent panel, the amendment process could take between two to eighteen months.

A summary of the planning approval process is shown in Figure 5.

What is a Section 173 Agreement?

A Section 173 Agreement is an agreement made pursuant to the *Planning and Environment Act 1987* between the responsible authority and other parties, usually including the land owner. It is generally used to prohibit, restrict or regulate the use or development of land, and is registered as a covenant on the land title. A Section 173 Agreement may be required as a planning permit condition, or as part of a planning scheme amendment.

Appendix 2: Planning Provisions in Alpine Resorts

The Alpine Resorts Planning Scheme

As for Municipal planning schemes, the Victorian Planning Provisions require the application of strategic and performance based planning in Alpine Resorts.

The Alpine Resorts Planning Scheme is to contain a Comprehensive Development Plan for each resort. (These are not all completed at the time of preparation of this document). The Comprehensive Development Plans will provide a basis for the type, style and variety of development for the individual mountains.

They are also important for achieving the objectives for alpine planning which include to:

- provide consistent planning controls for alpine areas which recognises the individual character of each resort;
- provide for the use and development for year round activities;
- provide for different uses at different intensities during the same period of the year which ever season; and
- ensure that future planning of alpine areas provides certainty with relation to environmental social and economic matters.

Planning Scheme Format

The Planning Scheme has the same form as municipal planning schemes described in Chapter 4.

It therefore contains:

- the State Planning Policy Framework;
- the Local Planning Policy Framework comprised of the Strategic Statements and Local Planning Policies;
 - The Alpine Resort Strategic Statement covers all Alpine Resorts. It provides a vision for the future development of the Alpine Resort areas, and expresses overall strategic directions;
 - Each Resort also has a Strategic Statement, which identifies local issues affecting that Resort. The Strategic Statements include:
 - the strategic planning, land use and development objectives of the planning authority;
 - the strategies for achieving the objectives;
 - the land use or development opportunities and constraints relevant to the resort and a framework for local planning decisions;
 - a general explanation of the relationship between those objectives and strategies and the controls on the use and development of land in the planning scheme; and

- any other provision or matter considered relevant; and

- Local Planning Policies apply for all or one of the resorts and address specific planning issues.

Planning Zones

As with municipal planning schemes, all land within Resorts is within, and is subject to provisions of, a zone.

Four zones are applicable within the Alpine Planning Scheme:

- Comprehensive Development Zone
- Public Park and Recreation Zone
- Public Use Zone
- Road Zone

Proposals for tourism development therefore need to conform with the strategic requirements of the zone within which they would be, or are situated.

Summary discussion on the four zones follows.

The Comprehensive Development Zone contains two Schedules.

The Comprehensive Development Zone-Alpine Village covers the core residential and commercial development areas or those areas where future development has been strategically identified.

The Comprehensive Development Zone - Alpine Recreation covers the ski-field areas designated for passive and active recreation, and limited commercial and residential development, with minimal environmental impact.

The Public Park and Recreation Zone identifies land for public recreation and open space, to conserve areas of significance, and to provide for appropriate commercial uses.

The Public Use Zone identifies land for utility and community services and facilities. It is currently used only in limited locations.

The Road Zone identifies significant roads which access or pass through the resorts.

The Planning Approvals Process within Alpine Resorts

The planning approvals process for Alpine Resorts is similar to that in municipalities.

Important core issues are:

- the need for a lease to be held over proposed land prior to commencement of the planning process;
- the compatibility of the proposed use with the relevant planning zone and its provisions; and
- timelines for the gaining of permits.

The process to be followed is presented diagrammatically in Figure 7.

Key stages are:

- Pre-application Meeting
- Permit Application
- Minister
- Referrals
- Giving Notice
- Considerations
- Decision
- Appeal

Pre-application Meetings

It is important that all issues and potential problems are identified and if possible resolved, before lodging a planning permit application. To achieve this, it is necessary to meet with the Responsible Authority, the Resort Management Board, and other relevant parties as often as required before finalising and lodging an application. (Refer Section 4.2 for additional information on this subject.)

Permit Application

Applications must be lodged with the Department of Infrastructure on the correct application forms, and be accompanied by the prescribed fee.

Minister

The application is processed in accordance with the *Planning and Environment Act 1987* and the *Alpine Resorts Planning Scheme*. This requires referral for comment from specified Referral Authorities under Section 55 of the Act, and Clause 66 of the *Alpine Resorts Planning Scheme*.

Referrals

Referral Authorities will usually include:

- The Department of Natural Resources and Environment for native vegetation removal and soil disturbance;
- Water boards or authorities; and
- Relevant utility providers (eg. energy company)

Referral will also be required to Liquor Licensing Victoria, for relevant applications.

Referral Authorities have 28 days to assess the application and 21 days to ask for additional information if required. If a Referral Authority objects to an application for a planning permit the application must be refused. Similarly, any conditions nominated by Referral Authorities must be included in any issued permit.

The referral requirements applicable to the Alpine Resorts are provided in Clause 66 of the *Alpine Resorts Planning Scheme*. Other referral requirements may also be outlined in other parts of the *Planning Scheme*, such as in the zones.

Giving of Notice

Formal notification to other persons may be required, as specified under the *Planning and Environment Act* and the *planning scheme*. Newspaper advertisements, signs on site, or mailed notification may be required, and for a period of not less than 14 days, the Responsible Authority cannot determine the application.

Mandatory notice is given to:

- the Resort Management Board and to the adjoining Municipal Council; and
- Parks Victoria for any ski field development including nordic trails, buildings and works exceeding 12 metres height above ground level, heliport or airport if the land adjoining the resort boundary is in a National Park.

Kind of Application	Responsible Referral Authority
Any use or development	Relevant Resort Management Board
Any use or development	Relevant adjoining Municipal Council
Any ski field development including nordic trails, buildings and works in excess of 12 metres in height above ground level, heliport or airport, if the land adjoining the resort boundary is in a National Park	Parks Victoria

Considerations

Assessment of permit applications requires evaluation of its merits and its support documentation, and item 5 of the *Alpine Resorts Planning Scheme*.

If submissions are lodged on the application, the Responsible Authority must consider these before making a decision. An authority can reject or disregard an objection if the motive for it is considered primarily to secure or maintain a direct or indirect commercial advantage over the objector.

Permit Decision

Upon receiving the Referral Authorities' advice and reviewing any submissions received, the Responsible Authority will decide to either grant or refuse a Planning Permit. This requires the issue of a Notice of Decision to Grant a Permit, or a Refusal to Grant a Permit. The Alpine Resort Management Board, Referral Authorities, and submitters are to be notified of the decision.

A Notice of Refusal to Grant a Permit must state the grounds for the refusal, and show which were those of the Responsible Authority and which were those of a Referral Authority.

Appeal

Objectors and the proponent may appeal for review to the Victorian Civil and Administrative Appeals Tribunal (VCAT). This may be against the notice of decision to grant, or refuse, a planning permit, or against any conditions imposed on a permit. An appeal from an objector must be lodged within 21 days of the giving of notice of the decision. The period for applicants appealing against a Permit Refusal, is 60 days. Appeals must state the grounds for appeal, and be lodged on the prescribed form.

Other Planning Issues in Alpine Resorts

Urban Design Impact Statements

In preparing a planning permit application, an urban design impact statement is required as one decision component of the application. This needs to demonstrate the adoption of good urban design values, including the recognition of local cultural and physical identity and diversity, amenity and safety for all the community, and the sustainability of the community and its environment. Attention is therefore needed for landmark enhancement and protection, views and vistas, design to complement the alpine environment, and high architectural design standards.

The principal components of the Urban Design Impact Statement are:

- Basic Project data: Information that explains the applicant contact and project details;
- Planning considerations: Brief description of the project and a statement of the planning considerations and regulations applicable to the site;
- Site analysis: Analysis of the site and its environs, having particular regard to the *Alpine Development Code 1997*, and any other appropriate 'good design' guidelines;
- Proposed development: Detailed explanation of the proposed development, and demonstration that it meets local policy requirements; and
- Argument for the Change of Planning Conditions (if relevant).

Advice may be sought from the Department of Infrastructure on preparation of the statement.

Site Environmental Management Statements

A Site Environmental Management Statement (SEMS) is required to enable assessment of the overall environmental impact of a proposed use or development. It covers the natural, physical, biological and social environments, in two stages:

- construction stage; and
- ongoing site management stage.

The SEMS:

- documents the environmental impacts of a proposed use or development;
- analyses and evaluates means to reduce environmental impacts; and

- illustrates how the Resort Environmental Management Plan is to be implemented on the site.

It is best, but not essential, that a person experienced in natural resources management and conservation prepares the SEMS. Document size is less important than information quality.

The following preparation process is suggested:

- scope the potential impacts assessment against the planning proposal and for discussion with the responsible authority; and
- assemble contents based on the agreed scope.

The contents of the SEMS is likely to include:

- Background Planning Issues: Identification of policy and planning influences and constraints relevant to the application;
- Existing environment: A description of the existing natural, physical, biological and social environments, and identification of environmental constraints and opportunities.
- Monitoring: A description of monitoring needs and the process to be implemented.
- Statement of Review: A review mechanism and conclusion;
- Appendix: Compilation of relevant supporting information.

Land Release and Native Title

Land Release

The availability of Crown Land for development is controlled by the Resorts' Management Boards as designated Committees of Management.

The agreement of the respective Board, and any current lessee of the land must therefore be gained before any development proceeds. Early discussion is required to ensure that:

- the site's existing lease is not compromised or invalidated by what is proposed; and
- the land is actually available for lease and the proposed use and development conforms with the land manager's requirements.

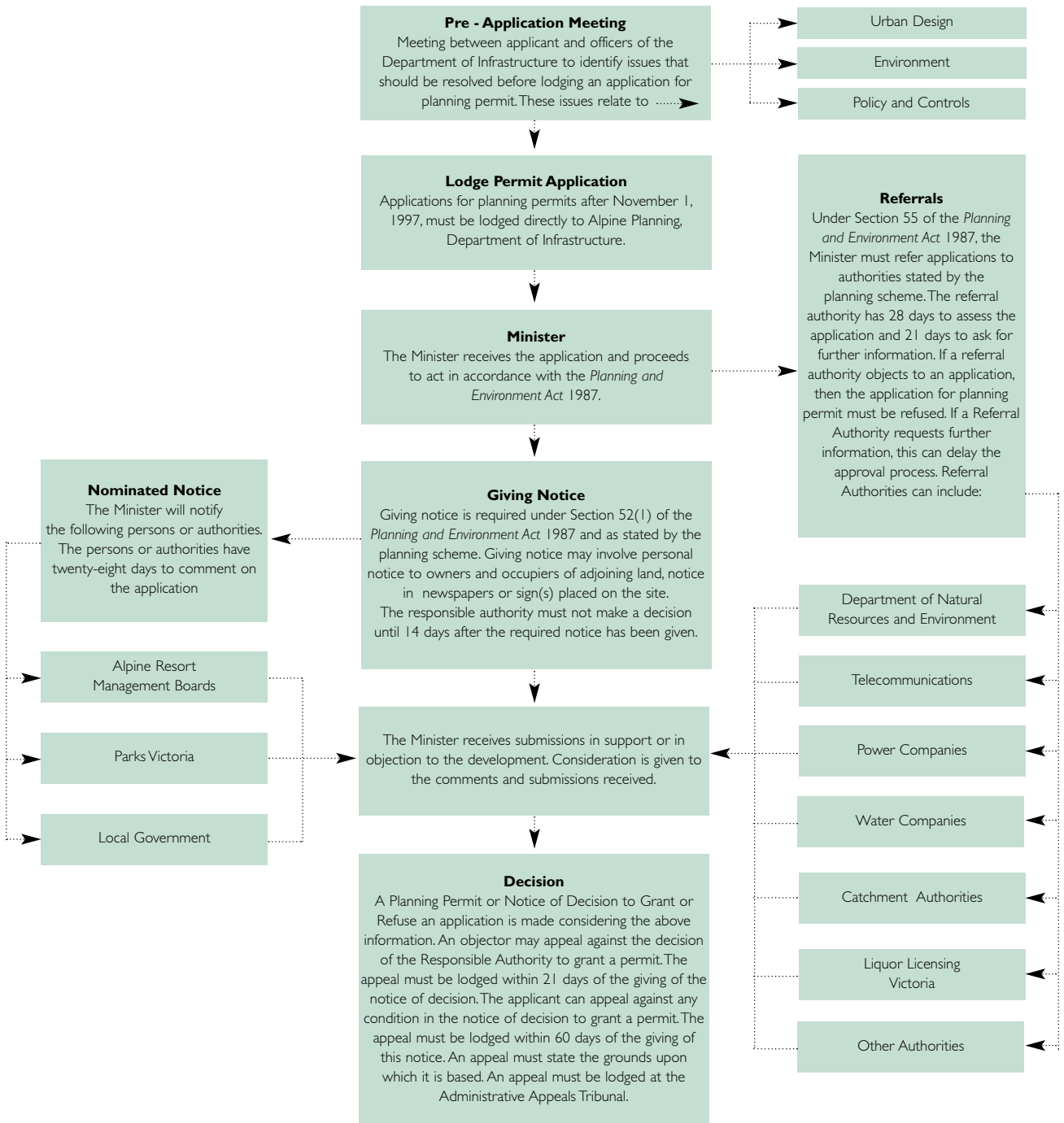
Various policy issues may impact on availability including:

- the requirement to promote and achieve Resort development goals, with due regard to overall impact and environmental and ecological considerations; and
- potential requirements for land release to occur via open competitive tender.

Native Title

This subject is addressed in Section 4.3. The same conditions apply in Alpine Resorts as on other Crown Land.

Figure 7: Statutory Planning Process in Alpine Resorts



Appendix 3: Contact Organisations

The following list of Government and Industry organisations provides a 'first port of call' for discussion on tourism development and planning issues. Other useful contact organisations do exist.

The Victorian Government internet site (www.vic.gov.au) provides links to all Government agencies and is a valuable primary Government information reference prior to direct contact.

STATE GOVERNMENT AND SEMI-GOVERNMENT AGENCIES

Business Licence Centre

Level 5
55 Collins Street
MELBOURNE VIC 3000
Tel: 13 22 15
www.sbv.vic.gov.au

Central Coastal Board

Level 24, Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000
Tel: 9614 8188

Country Victoria Tourism Council

Level 3
114 Flinders Street
MELBOURNE VIC 3000
Tel: 9650 8399

Department of Infrastructure

80 Collins Street
MELBOURNE VIC 3000
Tel: 9655 6666
www.doi.vic.gov.au

Department of Natural Resources and Environment

Level 14
8 Nicholson Street
EAST MELBOURNE VIC 3002
Tel: 9637 8084
www.nre.vic.gov.au

Department of Treasury and Finance

1 Treasury Place
MELBOURNE VIC 3002
Tel: 9651 5111
www.vic.gov.au/treasury/treasury

Docklands Authority

Level 38
Rialto South Tower
525 Collins Street
MELBOURNE VIC 3000
Tel: 9628 4499
www.docklands.vic.gov.au

Environment Protection Authority Information Centre

H&WT Tower
40 City Road
SOUTHBANK VIC 3006
Tel: 9695 2722
www.epa.vic.gov.au

Gippsland Coastal Board

3/107 Nicholson Street
BAIRNSDALE VIC 3875
Tel: 5153 0451

Heritage Victoria and Heritage Council

Level 22
80 Collins Street
MELBOURNE VIC 3000
Tel: 9655 6519
www.heritage.vic.gov.au

Information Victoria

356 Collins Street
MELBOURNE VIC 3000
Tel: 1300 366 356 (toll free)
www.vic.gov.au

Investment Facilitation

Industry Victoria
55 Collins Street
MELBOURNE VIC 3000
Tel: 9651 9350
www.business.vic.gov.au

Liquor Licensing Victoria

Level 24
80 Collins Street
MELBOURNE VIC 3000
Tel: 9655 6696
www.liquor.vic.gov.au

Multimedia Victoria

Level 10
55 Collins Street
MELBOURNE VIC 3000
Tel: 9651 9868
www.mmv.vic.gov.au

Parks Victoria

Level 2
35 Whitehorse Road
DEEPPDENE VIC 3103
Tel: 13 19 63
www.parkweb.vic.gov.au

Small Business Victoria

Level 5
55 Collins Street
MELBOURNE VIC 3000
Tel: 13 22 15
www.sbv.vic.gov.au

Tourism Victoria

Infrastructure Development & Aviation
GPO Box 2219T
MELBOURNE VIC 3001
Tel: 9653 9765
www.tourismvictoria.com.au

Urban Land Corporation

Level 11
Melbourne Central
360 Elizabeth Street
MELBOURNE VIC 3000
Tel: 9664 8444
www.ulc.vic.gov.au

Victorian Coastal Council

Level 4
240 Victoria Parade
EAST MELBOURNE VIC 3002
Tel: 9412 4690

Victorian Wineries Tourism Council

Level 6
55 Collins Street
MELBOURNE VIC 3000
Tel: 9653 9792

Western Coastal Board

78 Henna Street
WARRNAMBOOL VIC 3280
Tel: 5561 9924

COMMONWEALTH GOVERNMENT AND SEMI-GOVERNMENT AGENCIES**Australian Bureau of Statistics**

Level 5
485 Latrobe Street
MELBOURNE VIC 3000
Tel: 9615 7000
www.abs.gov.au

Bureau of Tourism Research

GPO Box 787
CANBERRA CITY ACT 2601
Tel: 02 6213 6940
www.btr.gov.au

Foreign Investment Review Board

The Treasury
Parkes Place
CANBERRA ACT 2600
Tel: 02 6263 3795
www.treasury.gov.au/firb

Tourism Council Australia

Level 7
189 Flinders Lane
MELBOURNE VIC 3000
Tel: 9654 5536
www.tourism.org.au

NON-GOVERNMENT ORGANISATIONS**Australian Association of Planners**

Consultants (AAPC) - Victorian Division
615 Burwood Road
HAWTHORN VIC 3122
Tel: 9819 0930

Australian Hotels Association

322 Glenferrie Road
MALVERN VIC 3144
Tel: 9822 0900
www.aha@ahha.com.au

Bus Association

450 Graham Street
PORT MELBOURNE VIC
Tel: 9645 3300
www.busvic.asn.au

Farm and Country Tourism Victoria

Level 6
230 Collins Street
MELBOURNE VIC 3000
Tel: 9650 2922
www.factv.com

Local Planners Association (LPA)

615 Burwood Road
HAWTHORN VIC 3122
Tel: 9819 0930

Market Research Society of Australia

Level 2
700 High Street
EAST KEW VIC 3102
Tel: 9859 0200
www.mrsa.com.au

Municipal Association of Victoria

Level 12
60 Collins Street
MELBOURNE VIC 3000
Tel: 9823 5555
www.mav.asn.au

National Trust of Australia (Victoria)

Tasma Terrace
4 Parliament Place
MELBOURNE VIC 3002
Tel: 9654 4711
www.vicnet.net.au/~nattrust

Property Council of Australia (PCA)

Level 7
136 Exhibition Street
MELBOURNE VIC 3000
Tel: 9650 8300
www.propertyoz.com.au

Royal Planning Institute (RAPI)

Victorian Division
615 Burwood Road
HAWTHORN VIC 3122
Tel: 9819 0728

**Victorian Employers' Chamber of Commerce
and Industry (VECCI)**

50 Burwood Road
HAWTHORN VIC 3122
Tel: 9251 4333
www.vecci.org.au

Victorian Tourism Operators Association

Level M2
Rialto North Tower
525 Collins Street
MELBOURNE VIC 3000
Tel: 9614 8855
www.vtoa.asn.au

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