

RMCG

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Warburton Mountain Bike Destination Project: social impacts assessment

Final Report

Yarra Ranges Council

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Executive Summary

The Warburton Mountain Bike Destination (WMBD) involves the construction of 110km of trails around the town of Warburton, with a planned expansion to over 160km.

This study assesses the potential social impacts of the proposed development on the local community of Warburton and the surrounding area. Whilst many of the impacts of the development are likely to be positive, this study focuses on some of the potentially negative impacts in order to assist in planning to avoid or minimise negative impacts of the project. It quantifies the impacts, places them within a wider context, and where possible and reasonable, identifies potential mitigation strategies.

The study analyses the impact on:

- Socially disadvantaged community members: the impact of increasing house prices on renting households.
- Community amenity: the impact on the community of changing tranquillity and community character
- Amenity for private landholders: noise, privacy and security impacts.

The study uses desktop literature and data analysis, as well as drawing on the experiences of other locations that have experienced mountain bike trail developments.

For most people the development will be a positive change. Home owners will benefit from house price rises. The community in the Yarra Valley have an opportunity to benefit from increased economic activity and job creation. Many will welcome the cultural changes to the town. However, some rental households will be put under further stress, and some long-term residents may dislike changes from the status quo. Each of the impacts are explored further below.

SOCIAL DISADVANTAGE

The development is likely to lead to an increase in house prices. The affordability of property in Warburton relative to Melbourne, combined with increased recreational opportunities, employment and demand for short-term accommodation could lead to an increase in house prices and rents, and a decrease in the availability of rental accommodation. These changes will impact more vulnerable rental households: those with low income; people who are disengaged from the labour force and those who are dependent on benefits.

Amongst the 185 households that currently live in rented accommodation in Warburton, there are 95 whose household income is amongst the lowest in the state. An estimated 60 households are already in rental stress: the cost of rent accounts for more than 30 per cent of their household income. In time, these households could be displaced from the area.

The development of the MTB trails and associated benefit to the local economy is likely to create new employment opportunities in the town. However, with over 16,000 people living within half an hour of Warburton, there is likely to be strong competition for the jobs, and local unemployed people may not benefit. Competition for jobs, combined with low levels of pay in the service sector means that the creation of new jobs is unlikely to compensate for the likely increases in house and rental prices in Warburton.

We recommend the following mitigation measures:

- Provision of sufficient social housing for vulnerable low-income households.
- Targeting employment opportunities for local unemployed people.
- Training schemes for unemployed and disadvantaged people.

As a side note, for the majority of residents, these impacts will be beneficial: home owners will benefit from house price increases, while some residents are also likely to benefit from employment opportunities.

COMMUNITY AMENITY

Warburton is already a tourist destination due to its location in the scenic Yarra Valley, the availability of outdoor recreation opportunities in the town and surrounding area, and the natural beauty of the area, including features like the Warburton redwood forest. This means the community is already accustomed to the impacts of tourism.

That said, with between 55,000 and 165,000 users anticipated to visit the MTB destination annually (including between 10,000 and 30,000 overnight visitors), impacts on the local community are inevitable. These include:

- Direct impacts relating to increased numbers of tourists, change in local businesses and a loss of tranquillity
- Indirect impacts relating to the changing composition of the local community including a potential influx of new residents and an increase in second home ownership.

The extent to which these are perceived as positive or negative will vary between individuals and groups within the local community. For example, the economic boost of increased tourism may be viewed positively by local business owners, but negatively by residents seeking a quieter locale away from crowds. The evidence from the case study examples suggests that the experience of most people in towns where this type of development has occurred is broadly positive – particularly in terms of young families moving to the area and benefits to the local economy. Some negative impacts were also reported – including cases of local residents not feeling engaged with the visitors and their reasons for visiting, and examples where long-term residents did not want to see the town change.

We recommend the following actions to mitigate any impacts on community amenity:

- Consultation with the local community throughout the development phase of the project and during its operation.
- Careful placement of trailheads, facilities and event staging areas in order to minimise impacts particularly of major events.
- Support for non-MTB activities and ventures within the area e.g. funding for community arts/cultural program; timing of events to avoid clashes.
- Support for vulnerable members of the community to ensure that the development does not have a polarising effect in the community.
- Community engagement events to help ensure that the benefits of the trails are felt by the wider community.

PRIVATE LANDHOLDER AMENITY

Potential impacts on private landholders include:

- Impacts from riders using the trails themselves

- Impacts from riders in the areas around the trails
- Impacts during major events.

Whilst the evidence from case studies is limited, it indicates that the impacts of riders on the trails themselves are likely to be low. There were no specific examples where this was cited as a significant concern at the existing MTB trails. However, we recommend that any potential impacts be considered and managed through:

- Stakeholder consultation to identify specific concerns.
- Design and maintenance of trails to reduce the risk of riders leaving the trails.
- Provision of up-to-date information on the condition of trails.
- Appropriate design of mitigation measures e.g. screening/sound barriers.
- Well-designed signage reminding riders of trail etiquette, particularly in close proximity to dwellings.

More significant impacts were reported from visitors using the areas around the trails before and after riding, and during major events. These include increased traffic, inconsiderate parking, and litter. The impacts can be managed through:

- Provision and placement of adequate facilities including litter bins and toilets.
- Sensitive location of event staging area considering noise impacts, access, parking, facilities etc.
- Appropriate crowd management including limiting access to some areas of the trails, and provision of sufficient litter bins etc.

1 Introduction

1.1 BACKGROUND

Yarra Ranges Council is planning several major cycle trail construction projects in the Yarra Valley region, including the Warburton Mountain Bike Destination, and a major development extending the existing Lilydale to Warburton Rail Trail.

The Warburton Mountain Bike Destination (WMBD) involves the construction of 110km of trails around the town of Warburton. The goal of the council is to create a Gold-Level Ride Centre under the International Mountain Bicycling Association's classification. There are currently six Gold-Level Ride Centres, two in New Zealand and four in the USA. The council's long-term goal is to create a network of trails that provides an experience that exceeds the current set of Gold-Level Ride Centres and puts Warburton on the national and international tourism radar. There are plans to expand the network to 160km.

The economic impacts of the proposed MTB trail development have been estimated separately in previous analyses. This includes a separate study aimed at quantifying the economic benefits arising from improved health and recreation associated with the development. The evidence from these studies suggests that the project will deliver significant benefits to the local and regional economy: through direct and indirect expenditure from visitors and local residents and associated job and wealth creation, and through the increasing health and wellbeing of those people that utilise the trails.

However, the wider social impacts, particularly on the local community, have not yet been explored in depth. These impacts are much more difficult to quantify, but it is nonetheless important to understand them, consider their significance and assess how the community can prepare for them.

This study investigates the social impacts of the proposed development on the local community of Warburton and the surrounding area. Whilst many of these impacts on the community are likely to be positive, this study focusses on some of the potentially negative impacts in order to quantify them, place them within a wider context, and where possible and reasonable, identify potential mitigation strategies.

1.2 WARBURTON AND SURROUNDING AREAS

Warburton is a town of just over 2,000 people, located in the Yarra Valley 70 kilometres from the centre of Melbourne (Figure 1-1). The Yarra River runs through the town, which is situated between the Yarra Ranges National Park to the north and Yarra State Forest to the south. The town supports a range of shops, cafes and other local businesses, and is already a popular destination for visitors to the Yarra Valley. Features like the scenic redwood forest close to the town and the existing Warburton-Lilydale rail trail draw tourists from within the region and further afield. The proposed new cycling trails will be through bushland on both sides of the town, placing Warburton at the epicentre of the proposed Mountain Bike Destination project.

A small community of Warburton residents live to the south of the main town area, in the historic settlement of Old Warburton. These rural properties are on larger blocks of land between the slopes of Mt. Little Joe and Mt. Tugwell. Based on the most recent plans, some of the proposed trails will run close to some of the properties within Old Warburton.

Close by lies the settlement of East Warburton, which has a population of 860. East Warburton lacks the shops and amenities of its neighbour, and effectively operates as a ‘bedroom community’ for residents that work in the surrounding area and further afield. Although located further from the mountain biking ‘hub’, East Warburton may experience some indirect impacts from the development of the trails.

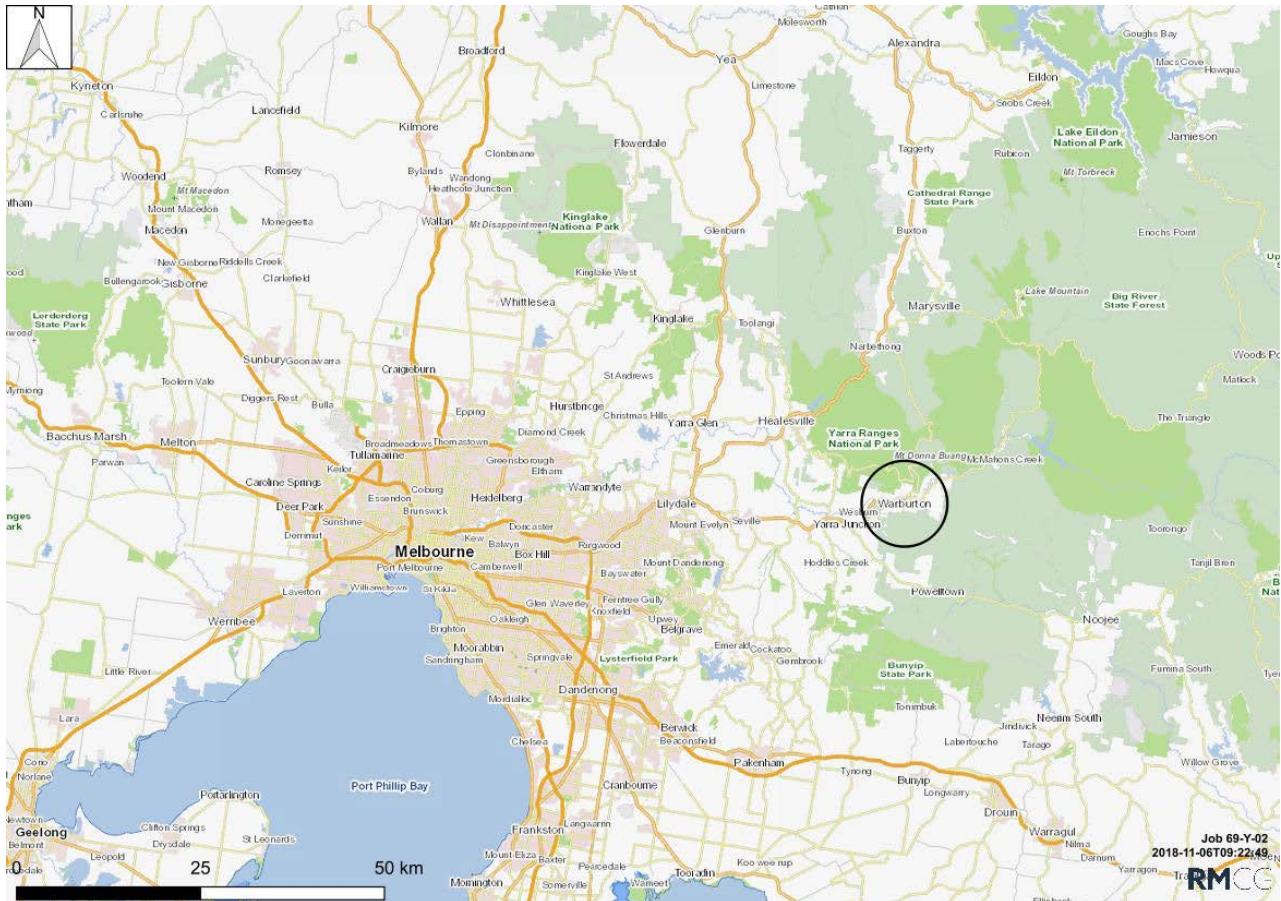


Figure 1-1: Location of Warburton in the Yarra Valley close to Melbourne

1.3 PROPOSED MOUNTAIN BIKE TRAILS

The aim of creating a world class mountain bike destination in the Yarra Ranges sits alongside a wider plan to extend and connect the existing Warburton-Lilydale rail trail to other towns in the surrounding area. This report focuses specifically on the mountain bike trails. The rail trail expansion is addressed in a companion report.

The WMBD development aims to capitalise on the increasing popularity of mountain biking, and the existing popularity of the Yarra Valley as a destination for tourism and outdoor recreation. An economic impact assessment, undertaken as part of the project development, estimates that between 55,000 and 165,000 annual visitors will travel to the WMBD annually, including 10,000-30,000 overnight visitors using the trails across multiple days.

The project involves the construction of 110km of trails, with a planned expansion to over 160km in the area surrounding Warburton – on both the north (National Park) side of Warburton and on the south (State Forest)

side of town (see Figure 1-2 and Figure 1-3). These include a combination of 'All-Mountain' and cross-country trails, ranging in difficulty from beginner to expert.

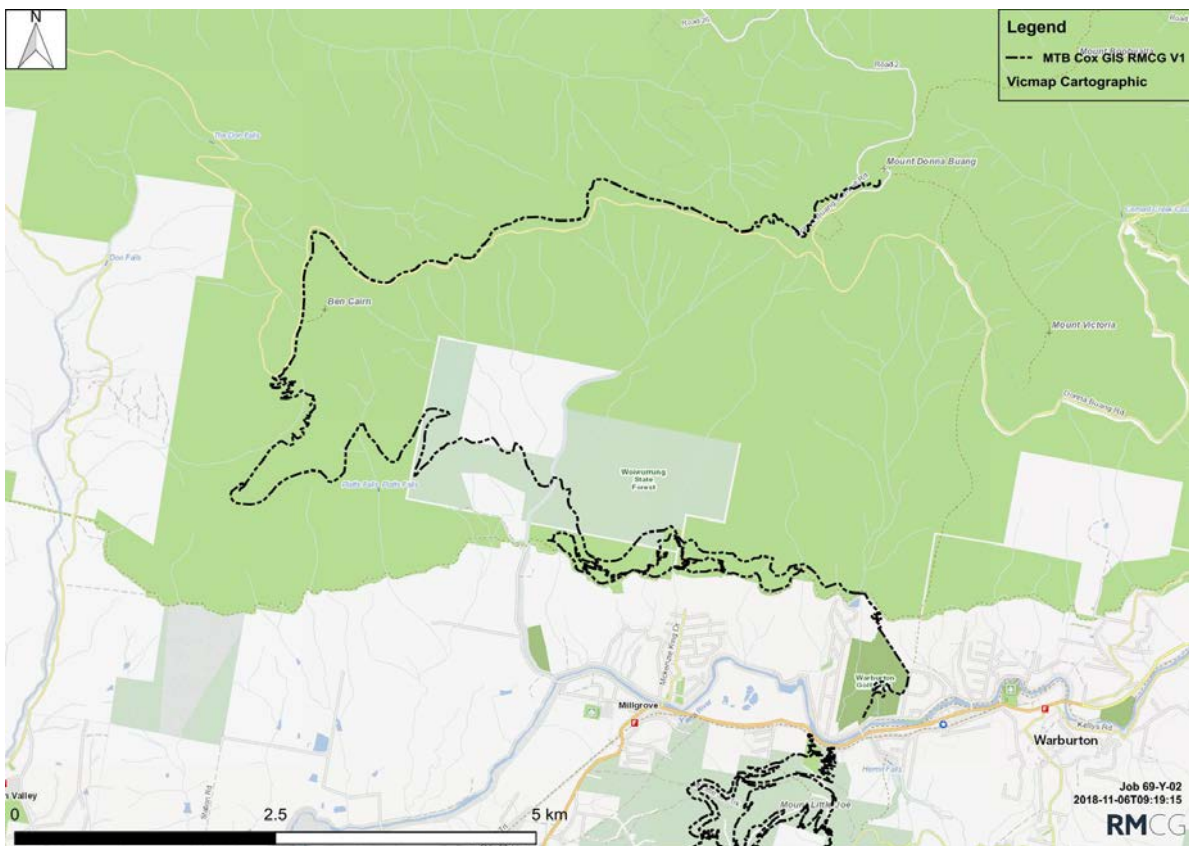


Figure 1-2: Proposed trail locations, north of Warburton

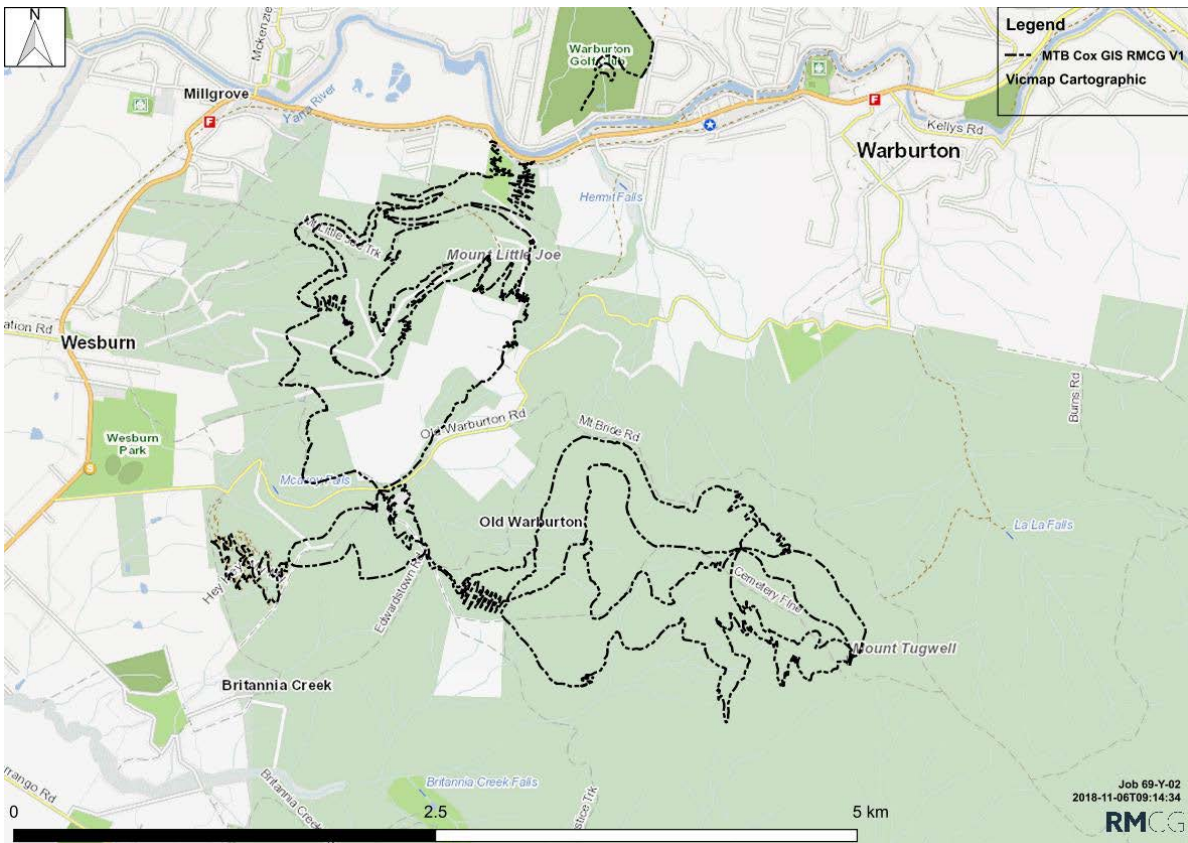


Figure 1-3 Proposed trail locations, south of Warburton

2 Assessment Approach

2.1 ASSESSMENT APPROACH

The assessment of social impacts will be based on two key components: a desktop assessment of available data, and interviews conducted with stakeholders from similar case study towns.

Desktop assessment

The desktop assessment comprises a combination of quantitative and qualitative analysis of data sourced from:

- Academic literature, principally regarding the social impacts of economic shocks on small towns.
- Yarra Ranges Council for previous studies regarding the trails, patronage estimates and council policies such as economic development and housing.
- Australian Bureau of Statistics (ABS) Census data. We will rely heavily on ABS data on population, employment, housing in Warburton and comparator towns.

The desktop assessment provides evidence about the likelihood and magnitude of any potential social and health impacts, focussing particularly on the community of Warburton and the surrounding area.

Case study interviews

Experiences from other towns with prominent trails provide valuable evidence and insights for the potential social impacts that might occur. Semi-structured interviews with local community members and other stakeholders were undertaken to gain insight into the nature and scale of the social impacts in those case studies. This included interviews with:

- Local council staff
- Tourist information staff
- Local real estate agents
- Local businesses (including e.g. cafes, shops, accommodation)
- Local Mountain Biking Association and/or other target user groups
- Local residents

Case study interviews followed a semi-structured format, with questions covering all relevant areas of social/health impacts. The guidelines interview structure is provided in Appendix 1.

2.2 CASE STUDY TOWNS

Existing mountain biking (MTB) destinations can provide some insight into the potential impacts that such projects can have on regional towns and communities. This report looks broadly across existing MTB park developments as well as other tourist destinations, but will focus primarily on three case study towns:

- Derby, in north eastern Tasmania
- Forrest, in the Otways, Victoria
- Bright, in Alpine Victoria.

DERBY

Situated in north eastern Tasmania, roughly 100km from the city of Launceston, the town of Derby is home to the Blue Derby mountain bike park. Derby was once a thriving mining and forestry town, but the loss of industry from the area had led to declining population and low house prices.

The Blue Derby mountain bike park - initially a network of 85km of trails - opened in 2014 at a cost of \$3.1M. A further 30km of trails are currently under development. The park has around 30,000 visitors per year (with expectations that this will grow to 50,000 per year) and adds an estimated \$30M to the regional economy annually. The park has hosted major international events, including the Enduro World Series, and has won major awards including Specialised Trail of the Year in 2017. The standard of trails ranges from beginner to expert, offering broad appeal.

The development of the mountain bike park is credited with turning around the fortunes of a declining town – bringing new residents and businesses and creating a ‘property boom’¹. The impacts that this has had on the local economy and community will be discussed in this report.

FORREST

Forrest is a small rural town located on the edge of the Otway Ranges, Victoria. In some ways, its story is similar to Derby – the town was formerly an important forestry hub in the region, but the collapse of the industry left the town struggling. One of the earlier MTB parks to be developed in Australia, government investment in the early 2000s enabled a network of informal local trails to be transformed into a major destination for mountain bikers at the time. The network includes trails ranging from easy to difficult.

In its early years, the trails appealed to committed mountain bike enthusiasts and hosted a number of major events which placed Forrest firmly on the mountain biking map. Over time, as the sport has matured and gained wider appeal, and a number of other MTB destinations have been developed in Victoria and wider Australia, the trail’s appeal has broadened to include families and less experienced riders.

The town itself has also changed over time – new businesses have arrived including a micro-brewery and a number of eateries and shops. Whilst initially businesses were focussed on the MTB market, the town has broadened its appeal and is now seen as a burgeoning tourist destination in its own right, appealing to food and wine enthusiasts as well as travellers heading to other destinations in the Otways.

BRIGHT

Located in the Alpine region of north east Victoria, Bright is a larger town than the other case studies with a population of 2,406. Slightly larger than Warburton, the town has a long history of tourism – particularly due to its proximity to the ski resorts of the Victorian Alps, and the scenic appeal of the picturesque trees in autumn. The Bright Autumn Festival is a major cultural event in the town, but the area is also busy during weekends and holidays throughout the year.

The area has long been popular for outdoor recreation, and the development of the Mystic Mountain Bike Park added to that offering. The park includes a network of cross-country and downhill trails, with a total length of

¹ See media coverage, e.g. <https://www.abc.net.au/news/2018-04-21/world-class-mountain-bike-trail-transforms-derby-from-ghost-town/9677344>

109km of graded trails², most of which were hand built. Trails range in difficulty from beginner to expert, with 70 per cent of trails at intermediate level.³

COMPARISON TO WARBURTON

These case studies can provide useful insight into the experiences of other MTB destinations in terms of the recreation, health and wider social impacts of the trails. That said, no two examples are exactly the same, and Warburton is distinctive in a number of ways:

- Its proximity to Melbourne – a city of well over four million people
- Its location at the centre of a region that is already popular for tourism
- The proximity of the proposed trails to private dwellings
- The population, economy and trends for the town of Warburton
- The level of ambition of the trails, in terms of scale, visitor numbers and objective to host major events.

It is therefore important to note that the case studies can only tell us so much about the potential impacts of the proposed Warburton development. A key focus of this report is to ground those comparisons in a solid understanding of the unique characteristics of Warburton and the surrounding area. For information, a summary setting out the some of the key characteristics of Warburton and the case study MTB destinations is provided in Table 2-1.

² <https://www.trailforks.com/region/mystic-park/>

³ <https://www.visitbright.com.au/bright-mountain-biking-mtb/>

Table 2-1: Characteristics of Warburton and case study MTB destinations

CASE STUDY	POPULATION OF TOWN	NEAREST MAJOR CITY	LEVEL OF TOURSIM PRE-TRAILS	TRAIL LENGTH	TRAILS CLOSE TO DWELLINGS?	HOSTS MAJOR EVENTS?
Derby	173	Launceston, Tas. Approx. 95km	None	110km	No	Yes
Forrest	230	Geelong, Vic. Approx. 90km	Low, but close to Great Ocean Road and the Great Otways NP	65km	No	Yes
Bright	2,406	Melbourne, Vic. Approx. 325km	Medium-High, within popular destination for skiing, outdoor rec and other tourism	109km	Yes	Yes
Proposed Warburton MTBD	2,012	Melbourne, Vic. Approx. 70km	Medium and increasing; within Yarra Valley – popular tourist destination	160km	Yes	Yes

2.3 SCOPE OF REPORT

The focus of the report is on assessing the potential social impacts of the project – particularly focussed on impacts for residents of Warburton and the surrounding area. Other types of impact are to be assessed through other studies/processes.

A shortlist of key areas of impact to be assessed in the report was identified through an initial scoping exercise, in consultation with Yarra Ranges Council. This short-listing was drawn from council consultation with community members and landholders proximate to the trail. A summary of the approach for assessing each impact is shown in Table 2-2.

Some health/social impacts are to be assessed in more detail in standalone studies (e.g. traffic). In order to reduce duplication of effort where this is the case, this report only notes the potential impact and refers to other studies and/or processes as appropriate.

Table 2-2 Summary of project scope

SOCIAL/HEALTH IMPACT	DESKTOP DATA ASSESSMENT	CASE STUDY INTERVIEWS	OUT OF SCOPE ⁴
Local employment	X	X	
House prices / rental costs	X	X	
Amenity (community):			
Community character		X	
Tranquillity		X	
Amenity (landholder):			
Sound pollution		X	
Privacy / security		X	
Cultural heritage			X
Traffic			X
Shuttling			X
Fire risk / stress on emergency services			X
Environment (species/habitats)			X

⁴ Some impacts that are out of scope for this report are to be addressed in complimentary reports relating to the project.

3 Social Disadvantage

3.1 INTRODUCTION

The economic impact assessment for the Warburton MTB trails highlights a range of benefits that will result from the proposed project. These include:

- **Job creation:** more than 20 FTE jobs will be created during the construction phase, and between 33 and 100 FTE jobs will be created once the trails are operational.
- **Wealth creation:** an estimated 55,000 – 165,000 users will visit the trails each year, spending an average of \$83 (day users) and \$140 (overnight users) per visit. This expenditure will support local business in Warburton and the surrounding area.
- **Increasing property values:** whilst house prices in the region are already increasing, evidence from other trail destinations points to an additional increase in property values, driven by growth of the local economy. This will benefit local residents that own their own home.

Whilst many of these impacts are positive, these benefits are unlikely to be evenly distributed across all sections of the local community, and some of the indirect consequences of these changes may be negative for some sections of the population. Although there may be many “winners” as a result of the trail development, there are some groups that, in the absence of intervention, may lose out.

Negative impacts may include:

- **Increase in rental stress:** as house prices are driven up by (a) increased desirability of the area to live/have a second home; (b) increased demand for temporary/seasonal accommodation, households on low or fixed incomes may struggle meet rising rental costs.
- **Lack of benefit from job creation:** many of the job roles created are likely to be in low-paying roles, and may be part-time/seasonal, limiting the benefits for struggling households and people seeking full-time work. In addition, the proximity of Warburton to other population centres may mean that competition for jobs is high, and access to jobs for the long-term unemployed is likely to be limited.
- **Displacement of renters on low incomes:** a combination of these factors could lead to households on low incomes living in rented accommodation being forced to move out of the area due to shortages in affordable housing and increasing rental stress.

Those groups that are most likely to be negatively affected are those that are already socially disadvantaged – households that don't own their own home, are on low incomes and are disengaged from the labour force.

The focus of this section of the report is to investigate the nature and potential scale of some of the negative impacts, and where possible, to identify management options that may mitigate some of these impacts.

Given the proximity and connectedness of surrounding residential areas, the impacts of the proposed MTB trails – in particular changing house prices - are unlikely to be limited exclusively to Warburton town itself. This assessment will therefore focus on 'Warburton and Surrounds', an area specified by 'id.' which also includes East Warburton and surrounding rural residential properties.

3.2 WARBURTON NOW

DEMOGRAPHIC FACTORS

Population and household structure

Warburton is an important population centre in the Yarra Valley. The town itself has 2,012 residents, with a further 1,010 people living in the surrounding area including 864 in the neighbouring residential area of East Warburton (ABS, 2016).

The population of Warburton and Surrounds comprises a total of 1,295 households, including couples with children (18 per cent of households), couples without children (both younger and older couples with no dependent children at home – 27 per cent), one-parent families (13 per cent), and lone persons (30 per cent) (ABS, 2016).

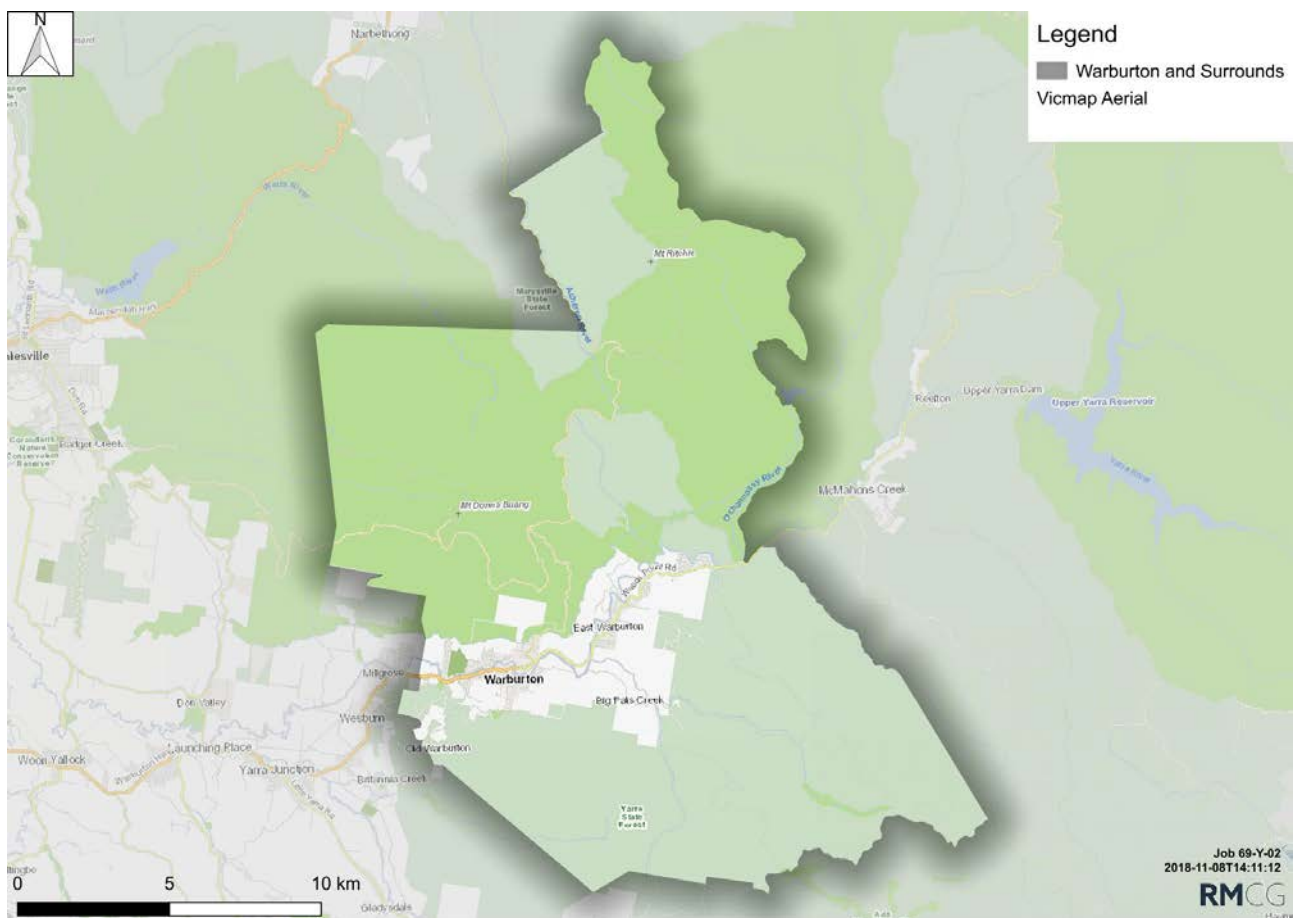


Figure 3-1: "Warburton and surrounds"⁵

Labour force

Based on ABS census data, of the 2,499 residents aged over 15 years, 1,026 (41 per cent) were 'not in the labour force' – including all those that are not working or are unavailable to start work for a variety of reasons.

⁵ Source: id.profile. <https://profile.id.com.au/yarra-ranges>

This group includes full-time care-givers, those in education, retired people, and those that are temporarily or permanently unable to work.

Of the 296 people in the area aged from 15-24, 40 people (14 per cent) were ‘fully disengaged’ from the workforce – meaning they were not employed, seeking work or in any form of education. This level of youth disengagement is higher than that for the wider Yarra Ranges Council (YRC) region (8 per cent).

In 2016, Warburton and Surrounds’ labour force comprised 1,267 people of which 1,177 (93 per cent) were employed - 617 full-time and 512 part-time⁶. A total of 89 people (7 per cent) were unemployed, seeking either full-time (59 people) or part-time (30 people) work. Again, this unemployment rate is higher than that of the YRC region as a whole (5 per cent).

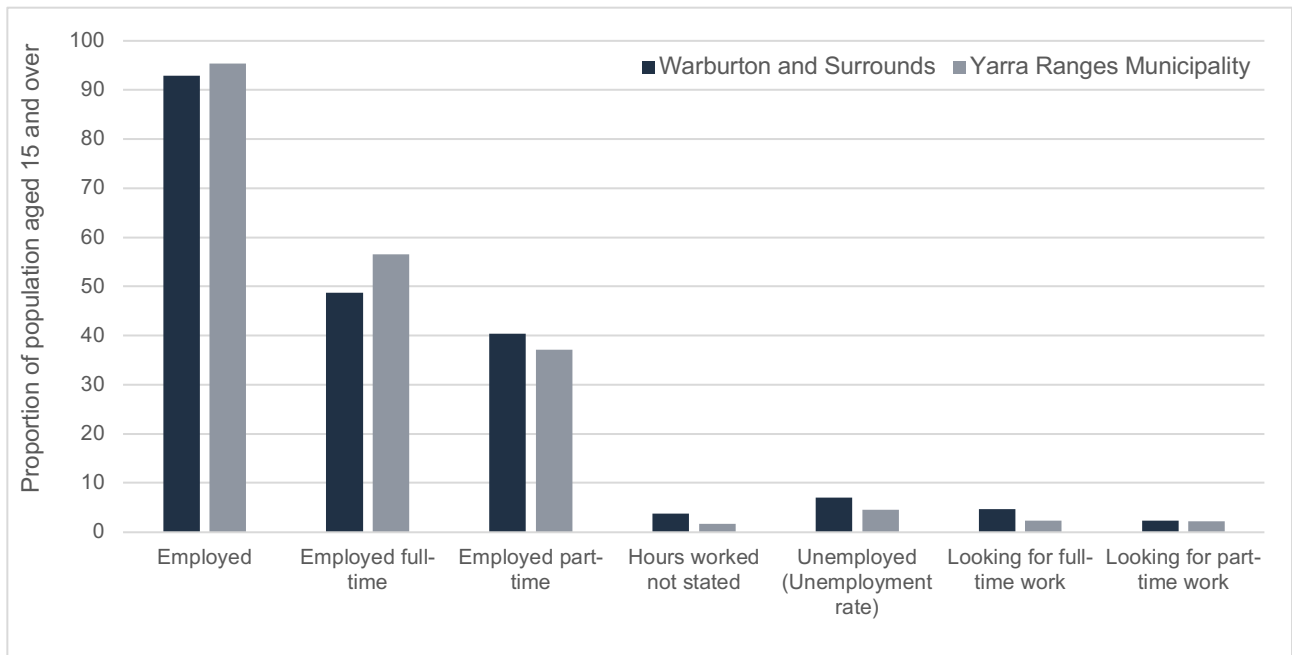


Figure 3-2: Labour force statistics for Warburton and Surrounds and Yarra Ranges Municipality (ABS, 2016).

Employment

An analysis of employment by sector for residents of Warburton and Surrounds identifies the top five industries for employment, which collectively account for 53 per cent of all residents’ employment:

- Health Care and Social Assistance (161 people, 14% of employment)
- Education and Training (130 people, 11%)
- Retail Trade (116 people, 10%)
- Construction (107 people, 9%)
- Accommodation and Food Services (99 people, 9%).

Amongst these top five industries, only Construction has seen a fall in the number of employed persons in the decade from 2006-2016 (-11 people). The other four major sectors have all seen growth in that time, including an additional 29 people employed in Accommodation and Food Services – potentially linked to a growth in tourism in the region over that time period.

⁶ 47 Census respondents did not state their working hours (ABS, 2016)

Distance to work

Warburton town offers a higher level of local employment opportunities than much of the surrounding area including East Warburton – which lacks the shops, cafes and other businesses found in Warburton itself. This is reflected in the distances travelled to work by local residents: in Warburton, 93 people (13 per cent of all employed persons) travelled between zero and 2.5km to work, compared to just three people (less than 1 per cent) in East Warburton. In both suburbs, 12 per cent of residents travelled between 2.5 and 10km for work – a range which includes some of the nearby towns within the Yarra Valley. However, a majority of people in both suburbs travel outside the local area for work, with 66 per cent (in Warburton) and 76 per cent (in East Warburton) of employed persons travelling more than 10km for work.

Income

In 2016, the median weekly household income in Warburton was \$889, and in East Warburton was slightly higher at \$948. Over a third of households are on a low income⁷ - 38 per cent, compared to 22 per cent in the wider Yarra Ranges Council region. Fewer households were on a medium to high income⁸ in Warburton and Surrounds (30 per cent) compared to the wider region (53 per cent).

Recipients of support payments

Households with low incomes including people accessing social support payments may be more vulnerable to economic shifts than those with higher incomes. Based on data from the Department of Social Services for the '3799' post code area (which includes both Warburton and East Warburton), a total of 773 individuals were in receipt of an Age Pension in March 2016. 454 people received a Disability Support Pension, and 202 received a Carer Allowance. 160 people were holders of a Low Income Card, and 347 people received a Newstart Allowance.

Conclusion

Warburton has a higher level of economic disadvantage than other parts of the Yarra Valley. Comparatively, Warburton has a high unemployment rate, a high rate of youth disadvantage and a high proportion of residents with low incomes. A majority of Warburton residents travel outside the town for work.

HOUSING AFFORDABILITY

Home owners

Most households within Warburton and Surrounds live in purchased homes – 36 per cent are owned outright (compared to 33 per cent in the wider YRC region and 32 per cent across Victoria), and 37 per cent are owned with a mortgage (compared to 46 per cent in the wider region, and 35 per cent across Victoria) (Figure 3-3).

In 2016, the median monthly mortgage repayment was \$1,291 in Warburton and \$1,300 in East Warburton (compared to \$1,733 for the YRC region). 41 per cent of households with a mortgage were paying less than \$1,133 per month, compared to 24 per cent in the wider YRC region. The median house price in Warburton in 2016 was \$380,000⁹, compared to \$552,000 for the wider YRC region and \$500,000 for Victoria¹⁰.

⁷ 'Low income' defined as within the lowest quartile of the income range for Victoria (from \$0 to \$740 dollars per week) (ABS, 2016).

⁸ 'Medium to High income' defined as within the top two quartiles of the income range for Victoria (\$1,417 or above per week).

⁹ Based on property price trend data from RealEstate.com.au

¹⁰ Based on regional house price analysis from Microburbs.com.au

Whilst the high levels of home ownership and comparatively low house prices might suggest a relatively high level of housing stability, an estimated 12 per cent of households in the Yarra Valley area (which includes Warburton) were facing mortgage stress (having mortgage payments of more than 30 per cent of their total household income), compared to 10 per cent in the wider YRC region and 7.5 per cent across Victoria.

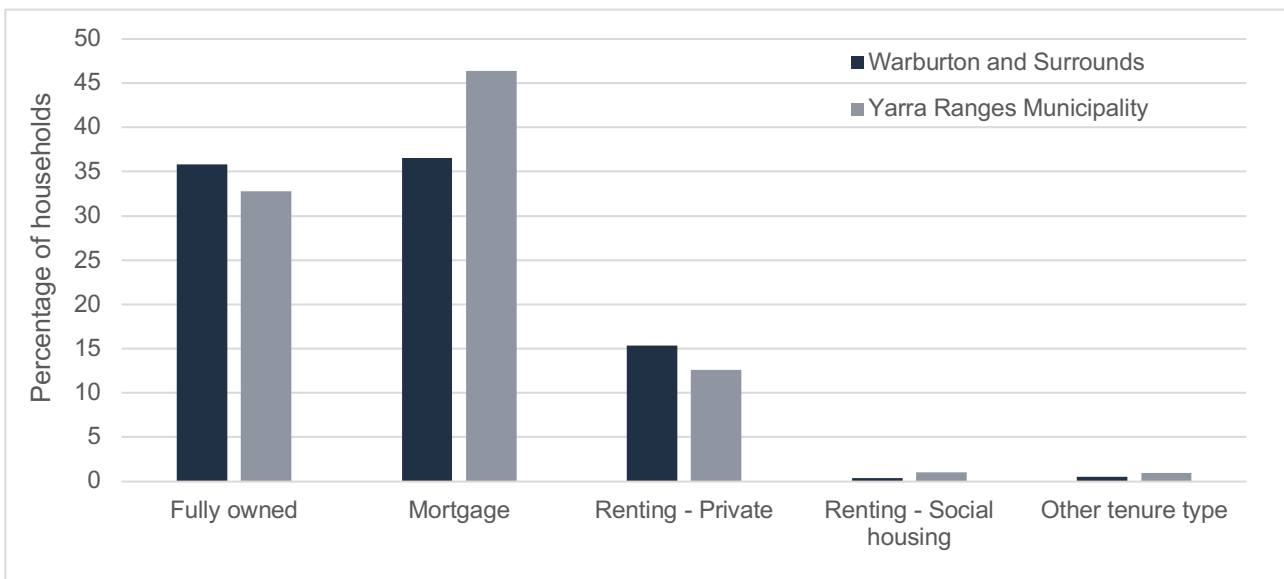


Figure 3-3: Housing tenure for Warburton and Surrounds and Yarra Ranges Municipality (ABS, 2016).

Renters

16 per cent of homes in Warburton and Surrounds are rented (Figure 3-3). Whilst this is slightly higher than the proportion for the YRC region (14 per cent), it is considerably lower than that across Victoria (29 per cent). A vast majority of these homes are rented privately (95 per cent of rental properties, or 15 per cent of all homes). Only a tiny proportion are social housing (2 per cent of rental properties or 0.4 per cent of all homes).

The supply of rental accommodation in the YRC is relatively limited, with relatively low numbers of active bonds (an indicator of rental housing supply) than other parts of the wider Metropolitan area¹¹. In Warburton itself, local real estate agents anecdotally report comparatively low numbers of rental properties becoming available compared to other parts of the region, and at the time of writing only two domestic properties were listed for rent across the entire 3799 postcode area¹².

In 2016, the median weekly rental payment was \$265 in Warburton and \$250 in East Warburton – lower than the median for the YRC region (\$325). In Warburton, of the 185 homes that are rented, 95 housed families on a low income (<\$800, based on the lowest income quartile across Victoria). An estimated 60 households faced rental stress in 2016 – where weekly rent was more than 30 per cent of weekly household income. This equates to 5 per cent of all households and 34 per cent of renters. This is broadly similar to the results for the Yarra Valley area in which Warburton is situated.

¹¹ Yarra Ranges Council: Yarra Ranges Health and Wellbeing Profile, 2017

¹² Properties listed on RealEstate.Com on 06/11/18.

Trends

Median house prices in Warburton have increased by over 50 per cent since 2009, from \$270,000 to \$415,000 (Figure 3-4). An even greater increase has been observed in East Warburton, with median house prices outstripping Warburton over the same period (increasing from \$242,000 to \$420,000).

Unsurprisingly, rental costs have also increased over that time. Median rental costs in the YRC region increased 131 per cent from 2000 to 2017. This is higher than the increases seen across the Melbourne Metropolitan Area as whole over the same period (117 per cent).

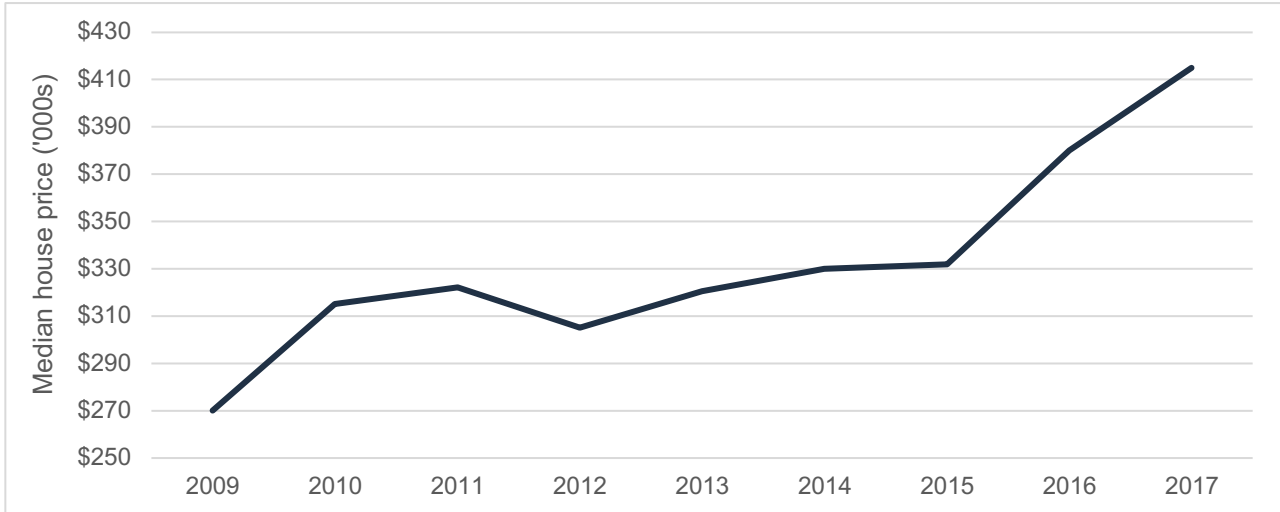


Figure 3-4: Trends in median house prices in Warburton 2009-2017¹³

Whilst average household incomes have increased broadly in line with increasing rental costs, social support payments have not risen at the same pace, increasing the level of rental stress on households relying on such payments. The level of rentals in the Yarra Ranges that are affordable to people accessing social support payments has fallen over the last decade – from 28 per cent of rental dwellings (in March 2007) to 8 per cent (December 2016)¹⁴, and in 2017 was lower in the Yarra Ranges than across the Melbourne Metropolitan area, regional Victoria and Victoria as a whole.

Conclusion

Warburton has a high level of home ownership and low level of rented accommodation compared with other parts of the Yarra Valley and Victoria.

It is difficult for renters to find a house in Warburton. As with Melbourne, prices have increased sharply over the past decade and the proportion of houses that are affordable to people dependent on social support payments has also fallen and is now very low. 60 households in Warburton experience rental stress. These households are most vulnerable to increases in rental rates.

¹³ Based on data obtained from RealEstate.com

¹⁴ Yarra Ranges Council: Yarra Ranges Health and Wellbeing Profile, 2017

3.3 ESTIMATED IMPACT

JOB CREATION

A previous assessment of the economic impacts of the proposed MTB trails highlights a significant level of job creation during both the construction phase and during the operation of the trails.

Construction Phase

For the trail development, an estimated total of 23 FTE jobs would be generated during the construction period, including indirect jobs. Of those 23 jobs, 6 FTE jobs are related to the supply of materials which are likely to be sourced from the wider Victorian region, and so may have minimal impacts on the local economy in Warburton and Surrounds. 18 of the jobs are predicted to be supported in the construction industry.

The specialist skills involved in the construction of a state-of-the-art MTB trail suggests that many of these jobs will go to companies and individuals with existing experience and skills in this industry, reducing the potential employment benefit to the local community. Whilst the construction industry is one of the top three employment sectors for young people joining the workforce, a 'lack of skills and experience' can be a major barrier to entry¹⁵, suggesting that these jobs may not be readily accessible to school-leavers and those that are disengaged from the labour force.

Consultation with the trail developers may help to understand the type of jobs that will be created during the construction phase of the trail and to accurately estimate the number of job roles that will be open and accessible to local people seeking employment in the industry.

The construction phase is temporary and will not provide lasting employment. However, by employing local residents who are unemployed it could provide an entry into the labour force, providing skills and experience that could be transferred to the maintenance of the trails, or to other work in the construction industry.

We understand that in Bright, specialist MTB trail construction companies exist, in response to the construction of trails in that area.

Operational phase

During the operational phase of the MTB destination, the economic impacts of the trail (and related job creation) will be driven by expenditure of users in the surrounding areas. The existing economic assessment for the MTB destination estimates that between 33 (in a 'conservative base case' scenario) and 99 ('full potential') FTE jobs will be generated regionally. Across all scenarios, a vast majority of these jobs are created in the following four sectors:

- Accommodation: c. 30% (10 to 30 FTE jobs)
- Recreation services/other services: c. 30% (10 to 30 FTE jobs)
- Food and beverage: c. 24% (8 to 24 FTE jobs)
- Other retail: c. 10% (3 to 10 FTE jobs).
- Other: c. 6% (2 – 6 FTE jobs).

¹⁵ Australian Government, Department of Employment (2015) Entry Level Jobs – Opportunities and Barriers

Warburton is already an emerging tourism destination within the Yarra Valley, with high visitor numbers during peak times (weekends and school holidays). There are a variety of existing businesses in the food and beverage, accommodation and retail sectors, some of which are open seven days a week. Anecdotally, a number of businesses operate limited hours during the quieter periods on weekdays, and small number of restaurants are only open three or four evenings per week. As well as supporting the establishment of new businesses in Warburton, increased trade from trail users (particularly overnight visitors) could support increased opening hours (and therefore employment) within a number of existing businesses.

Given the nature of these sectors, the likelihood is that many of these roles will be relatively low-paid, part time and potentially seasonal. For example, a 'food services employee' in Melbourne earns on average \$18.32 per hour, whilst a 'retail assistant' in Melbourne earns on average \$19.41 per hour¹⁶. Anecdotally, in towns with a significant tourism economy, such as Bright and Lorne, it is common for service workers to live outside the town and commute into the town. This is a result of the mismatch between wages and house prices and the inability of service workers to afford to live in the town.

The proximity of Warburton to a number of significant (and growing) population centres could mean that competition for new jobs is high. 16,400 people live within 30 mins travel time of Warburton, and 270,000 live within one hour. This may limit the opportunities for those people that are currently disengaged from the labour force (including young people and the long-term unemployed) to benefit from this job creation. The jobs will go to those judged to have the most skills, experience, not necessarily local residents.

It can be difficult for young people disengaged from the labour force to break into the workforce. Often a 'lack of previous experience' is often cited by employers as a barrier to entry¹⁷.

Conclusion

Overall the creation of new jobs is likely to be welcome amongst many in the local community, and the additional income available will be beneficial. However, some of the socially disadvantaged members – who are experiencing rental stress, are unemployed or disengaged from the labour force - may not benefit from the increased employment opportunities.

HOUSE PRICES AND RENTAL AFFORDABILITY

The development of the MTB destination in Warburton may create three (related) additional drivers of house price increases (additional to the existing trend):

- Increased desirability of the area due to increased recreational and economic opportunities
- Increased employment
- Increased demand for short-term accommodation

Increased desirability

Warburton's location in the scenic Yarra Valley already makes it a desirable place for many Melbourne residents to visit – as evidenced by the high visitor numbers during weekends and holidays. Close proximity to the city, along with improving internet connectivity have seen the popularity of towns like Warburton increase significantly in recent years, particularly as increasing house prices closer to the city are prompting more young

¹⁶ Based on analysis by PayScale.com.au

¹⁷ Australian Government, Department of Employment (2015) Entry Level Jobs – Opportunities and Barriers

people and families to look further afield. These existing drivers may have contributed to the existing trend of increasing house and rental prices in Warburton and the YRC region more broadly.

The additional draw of new recreational opportunities in the region – and the associated boost to the local economy – could further drive increases in house prices. The economic impact assessment for the MTB destination suggests it could drive significant benefits to Warburton’s local economy and create new job opportunities (as discussed above).

This has certainly occurred in other towns with a nearby mountain bike park such as Forrest and Bright. And these towns are further from Melbourne than Warburton, so we would expect the phenomenon to be exaggerated in Warburton relative to these towns. Some of the reasons that people cited for the move to these towns was:

- Access to recreational opportunities (MTB trails in particular, but also other activities in the region)
- The scenery/landscape value of the area
- The low-cost of property relative to e.g. Melbourne
- Changing culture that is more accepting of mountain biking and the overall lifestyle of newcomers

Anecdotally, local residents point to a significant increase in property values in both these towns in recent years which they attribute to the development of the MTB trails and the associated increase in visitor numbers.

Increased employment

Increasing employment opportunities will also create demand for housing. Housing in Warburton is currently still affordable.

As discussed above, the MTB destination is expected to create 33 to 99 ongoing full-time jobs. New jobs will attract workers from other areas, some of whom will want to live in Warburton. Evidence from the case studies demonstrates many of the businesses servicing mountain bikers – cafes, bars, bike shops, mountain biking instructors - are operated by people who have moved to the town. Some of the new workers will bring families with them also.

To illustrate the scale of the effect, if each of these new workers were to move to the area with their household, it would add another 33 to 99 households into the housing market. This represents 3 to 8 per cent of the current 1,295 households in Warburton. This scenario is the upper bound and the effect will be dampened by the fact that some of the jobs will be filled by people already living in Warburton, or by residents from other areas - these workers will not increase the demand for housing.

Increased demand for short term accommodation

The economic impact assessment for the Warburton MTB destination estimates that between 250 and 750 additional overnight users per week, over a 40-week period. The variation reflects a range from a ‘conservative base case’ to meeting the destinations ‘full potential’.

Weekends are likely to be significantly busier than weekdays, with many of the visitors originating from Melbourne. Anecdotally, 75 per cent of existing users on the Lilydale Rail to Warburton Rail Trail visit on the weekend. Based on the weekly estimates above, 190 to 560 additional visitors could be seeking accommodation in Warburton on the weekend. If all of these visitors stay in an Airbnb, with an average of 3 people per house, then this demand equates to 60 to 190 houses, or 5 to 14 per cent of the 1,295 existing households in Warburton.

The proximity of Warburton to other tourism destinations within the Yarra Ranges mean that it is likely that some of the demand for additional accommodation will be met within other parts of the region. However, an increased demand for short-stay accommodation within the town is very likely.

Existing accommodation in Warburton includes a hotel (up to 80 guests), motel (up to 22 guests), holiday park (with several multi-occupancy cabins and over 100 camping/caravanning sites) several bed-and-breakfasts and a number of self-contained holiday rentals. In addition, several private properties are already listed on the accommodation site AirBnb.

Insufficient data on occupancy rates for existing accommodation is available to quantify the scale of additional demand for accommodation (beyond what could already be met by existing supply). However, it is likely that even in a 'conservative base case' scenario, demand will outstrip current supply at times, particularly during peak visitor times (weekends, public holidays, school holidays).

The case studies highlight the impact that increasing tourism can have on house prices – anecdotally, house prices across all case study towns increased following the development of the trails. A comparison of trends in median house prices in Bright and Wangaratta (a similar-sized regional town with lower levels of tourism) highlight a larger increase over time in the popular tourist town.

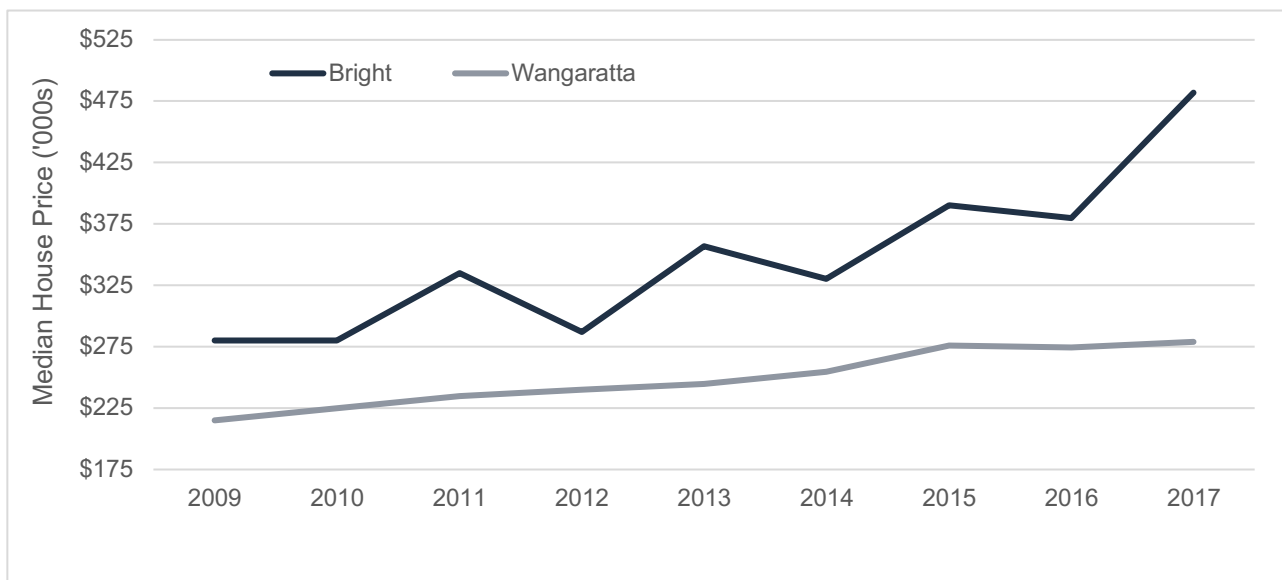


Figure 3-5: Trends in median house prices in Bright and Wangaratta, 2009-2017.

Evidence from the literature and from other towns that experience an increase in tourism, including the case study towns supporting this assessment, suggests that an increase in visitor numbers can lead to increases in the numbers of private properties listed for short-term accommodation (see Gurran & Phibbs, 2017). This can increase rental rates as long-term rental properties and residential houses are converted into Airbnb properties, thereby decreasing the supply of rental properties.

Warburton properties currently listed on Airbnb range in price from \$110 to upwards of \$650 per night. Given a median weekly rental price of \$265 for long-term rental properties, it is easy to see how long-term renters could be displaced by this increasing demand for short-term accommodation.

Evidence from other towns that have seen an increase in tourism driving demand for short term accommodation highlights the issue of displacement of long-term renters: for example, long-term renters in

Lorne and Apollo Bay on the Great Ocean Road have experienced both increases in rental prices and a significant decrease in the availability of long-term rental properties¹⁸. This effect is likely to be most pronounced within Warburton itself (as the tourism and commercial centre of the area) but may have knock-on effects for surrounding areas including East Warburton.

Conclusion

The MTB destination will attract overnight visitors as well as new residents seeking employment. To give a picture of the scale of this demand, if all of the visitors stayed in Airbnbs, and the new employees moved to Warburton and chose to stay/live in Warburton, this demand could be between 8 to 22 per cent of the existing housing stock. This is the upper bound of the demand and presented for illustrative purposes only. The demand brought by new residents attracted to the town for lifestyle is difficult to assess, but from other towns appears to be significant.

The MTB destination will almost certainly push up house and rental prices in Warburton. This has been experienced in other towns with MTB parks, such as Bright and Forrest. The impact in Warburton may be greater than it has been in those towns due to the proximity of the Warburton to Melbourne CBD.

CONCLUSIONS

The development of the Warburton MTB destination is likely to have a range of economic impacts that will affect the local community. Many of these impacts are positive. In particular home owners will benefit, and the majority of households own their own home. Many people will benefit from employment opportunities. However, some groups may lose out, particularly those at most significant social disadvantage already. These impacts are the focus of this report.

Australian mining towns present an extreme example of the potential impacts. A 2009 study by McKenzie et al¹⁹ found that the most noticeable social impacts of rapidly increasing house prices was “the difficulties faced by low- and moderate-income households in accessing affordable housing”.

Increased visitor numbers, employment opportunities and an increase in the desirability of the area, is likely to drive growth in house prices and rental rates.

The impact on the 16 per cent of Warburton households that are renters could be significant, particularly those already facing rental stress and experiencing social disadvantage. In Warburton itself, there were an estimated 60 households experiencing rental stress in 2016.

The creation of jobs will also benefit the town. However, many of the new jobs are in low-paying service sectors and could also be part-time and seasonal. It is also likely that some of the most disadvantaged residents will be outcompeted for the new jobs.

There is a significant risk that these factors could lead to the displacement of some low-income households in rented homes to other parts of the region. Of particular concern are those households that are disengaged from the labour force and receive Centrelink payments.

¹⁸ See news media articles including: <https://www.theage.com.au/national/forlorn-lorne-seeks-answers-to-low-season-blues-20071116-ge6bhx.html>; and <https://www.geelongadvertiser.com.au/news/geelong/coastal-renters-struggling-to-find-year-round-homes-as-landlords-cash-in-on-the-summer-trade/news-story/e36f8e4b88527d99afb2cfffdbcd61851>;

¹⁹ McKenzie, F.; Phillips, R.; Rowley, S.; Brereton, D.; and Birdsall-Jones, C. (2009) *Housing market dynamics in resource boom towns* (AHURI Final Report No. 135; Australian Housing and Urban Research Institute)

3.4 MITIGATION MEASURES

Increasing house prices and rental costs is, to a degree, inevitable in regions where population growth is combined with increased tourism. The challenge of mitigating the impact of rental price increases on low-income households, particularly those on fixed incomes, is not unique to this project or to Warburton, but is part of a wider challenge facing local councils and communities in many regions.

Social disadvantage and unemployment are complex issues that require multiple forms of intervention at all levels of government, not only Yarra Ranges Council.

However, there may be some measures that can be taken to reduce the potentially negative impacts of such changes, particularly for the most vulnerable members of the community. These include:

- **Provision of sufficient social housing to vulnerable low-income households:** In Warburton and Surrounds, social housing currently accounts for less than 1 per cent of all homes. Further investment to increase the availability of social housing could help to provide affordable homes for vulnerable households within their local community. This may be outside the remit of the local council, but there may be opportunities to raise awareness of the issue at the appropriate level.
- **Targeting employment opportunities for local unemployed people:** Whilst there is little opportunity to influence recruitment within private businesses, the development and maintenance of the MTB trails will largely be funded through council contracts. There is a potential opportunity to include a training and work placement component as part of those contracts to help unemployed people to join the labour force. This may be particularly valuable to disengaged young people for whom a lack of experience can be a major barrier for accessing even entry-level jobs.
- **Training schemes for unemployed and disadvantaged people:** The development of the MTB destination is likely to create new opportunities in outdoor recreation and tourism. There is a potential opportunity for YRC to support training schemes that allow local unemployed and disadvantaged people to engage with these opportunities e.g. training in bike maintenance and trail maintenance. Training and schemes should be linked to any employment schemes.
- **Increasing housing supply:** YRC could consider opportunities to increase the supply of affordable housing as part of a strategy for the long-term development of the region. This might include an assessment of existing planning and zoning restrictions. This is a blunt measure compared with the other mitigation options.

4 Amenity (community)

4.1 INTRODUCTION

Whilst many of the impacts of the proposed MTB trails will have an economic dimension, the local community may experience impacts that are less readily quantified. Through its consultation, Yarra Ranges Council has identified community concerns about the impact the MTB trails (in particular the increased numbers of visitors) may have on a range of 'amenity values' – that is, on the 'pleasantness or attractiveness of a place'.

This section of the report will focus on potential changes in amenity values that may impact the Warburton community as a whole (as opposed to individual private landholders). These impacts can be broadly categorised into two groups:

- Impacts on community character – including changing culture and economic focus of the town, and the composition of the local community
- Impacts on tranquillity – related directly to increased activity related to mountain biking (such as increased visitor numbers, events, traffic etc.)

Other important community concerns, including the impacts of changes in traffic and parking as well as impacts on cultural heritage, are to be addressed through separate standalone studies or other planning processes.

The subjective nature of the concepts of 'character' and 'tranquillity' makes them difficult to assess quantitatively, so this component of the assessment will draw on a combination of literature reviews and case study interviews. The aim of this approach is to use similar situations to explore whether these amenity impacts have arisen, how they have changed over time and to what extent they have been mitigated.

4.2 WARBURTON NOW

The town of Warburton is positioned in a picturesque and scenic location, in the heart of the Yarra Valley, surrounded by State Forest and National Park land. In 2016, the total population of Warburton was just in excess of two thousand people. Although the population size has changed little in the last five years, there has been some change in the composition of that population: 33 per cent of the 2016 population lived elsewhere in Australia in 2011, whilst 2 per cent lived overseas. This baseline level of migration is similar to that experienced in surrounding towns of a similar size, including Millgrove, Woori Yallock and Yarra Junction. The significance of this is that it suggests that Warburton is a town that is already experiencing a steady flow of new arrivals, around one third over five years.

As well as experiencing new people migrating to the town, Warburton also experiences high numbers of visitors, particularly during weekends and holidays. Anecdotally, visitor numbers have increased significantly since a picturesque local redwood forest featured on a popular television show in 2016²⁰. Data provided by the Warburton Tourist Information Centre indicates that over 35,000 people have visited the centre in the year to September (approximately 25 per cent higher than last year), with over 400 visitors on one particular Sunday. Local residents and employees of local businesses report that the town is often very busy at weekends (throughout the year) and during school holidays. On a typical weekend, local people report that it can be challenging to find somewhere to park, and that often the local cafes are full of visitors. The same sources

²⁰ See local media reports e.g.: <https://www.heraldsun.com.au/leader/outer-east/tv-show-spruik-brings-big-numbers-to-rare-forest-sparking-concerns-about-environmental-damage/news-story/8e951afa09eab655298b0306afb9969a>

report that the town is much quieter on weekdays – although a small number of visitors still pass through, often drawn by the Warburton-Lilydale rail trail.

Warburton and surrounding area also already offer a lot in terms of outdoor recreation: the existing rail trail is popular; there is an extensive range of hiking options throughout the Yarra Ranges; and sections of the Yarra River are popular for canoeing and kayaking. Each year, the town hosts significant sporting events for road cyclists and trail runners which draws large numbers of visitors to the area. In addition, local residents highlight wider recreation opportunities (e.g. caving, rock climbing, other cycling) within easy reach of Warburton.

Alongside outdoor recreation, Warburton also supports a range of artistic and creative enterprises. The town and its surrounds are home to galleries and studios that open their doors to visitors, and the Arts Centre in Warburton hosts a range of exhibitions, films and live performances. In 2019, Warburton will host the River Folk Festival for the second year. During the consultation processes, some members of the community raised particular concerns that these aspects of its character could be lost, as they are displaced by cycling and mountain biking ‘culture’.

Outdoor recreation, and tourism more generally, are not new to the town, and already the local economy is geared towards these industries. Compared to other MTB destinations within Australia (in particular the examples of Forrest and Derby), Warburton is already a medium-sized and increasingly popular tourism destination. The impacts of the proposed MTB trails should therefore be assessed against this baseline – as an addition to the existing (and growing) impact of tourism and recreation on the town and the local community, as opposed to a transformation from an otherwise relatively unvisited town.

4.3 ESTIMATED IMPACTS

The nature of the potential impacts of the proposed MTB trails can be broadly characterised into two types:

1. Direct impacts: increased visitor numbers and a shift in the local economy towards tourism
2. Indirect impacts of tourism on the composition of the local community itself (permanent residents, second-home owners, absentee home owners).

In the case of the Warburton MTB Destination, the most significant direct impact of the trails is likely to be an increase in the number of visitors to the town. The economic impact assessment for the MTB trails predicts between 55,000 and 165,000 additional visitors per year. Over three quarters of those are predicted to be day users, but a significant number (between 10,000 and 30,000) are predicted to stay overnight. Even the low-end of this range represents more than doubling of current visitor numbers (based on loosely estimated visitor numbers provided by the Visitor Information Centre). The likelihood is that many of those additional users (particularly those from within the State) will visit during peak times (weekends, holidays).

It is almost inevitable that such an increase in visitor numbers to a town the size of Warburton is likely to have both direct and indirect impacts on the community. The nature and possible scale of some of these impacts are discussed below.

TRANQUILLITY (DIRECT IMPACTS)

Consultation with the community indicates that the impact of increased visitor numbers on traffic and parking are a significant concern for the community. These impacts will be addressed in standalone studies, so are outside the scope of this report. However, they are part of the assessment of the impact on the broader

tranquillity of the town will, which is a focus of this report. The overall impact of the development on tranquillity will depend on the design of the trails and associated facilities/infrastructure.

The experience from the case study MTB destinations suggests that there are some impacts on tranquillity, however, they were considered to be modest compared to the benefits. In Forrest, the position of the trailhead some distance from the centre of town means that many of the direct impacts for local residents (in terms of traffic and car parking) during a typical weekend are reportedly relatively limited. However, the local residents that were interviewed did report that during events, increased traffic and parking in the town can have a more significant impact. In Forrest, typically, the staging ground for MTB events is situated close to the trailhead outside of town, but higher-than-normal visitor numbers and a lack of toilets and changing facilities at the trailhead mean that the town itself can be impacted.

However, one local business owner in Forrest stated that the placement of the event staging area outside of town meant that the benefit to local businesses was reduced. This highlights the trade-offs that can exist between boosting local businesses and maintaining tranquillity. In the Forrest case study, several of the residents and business owners reported that the town was still a very desirable place to live – through a combination of the tranquil and scenic setting and the increase in viability of the local economy.

In Derby, Tasmania, the impact of the MTB development on tranquillity was not raised as a major concern. This may be influenced by the state of decline that the town faced prior to the development. The sense was that the area remained dominated by its natural features and the increased visitor numbers and mountain biking activity had not significantly diminished that character.

COMMUNITY CHARACTER (DIRECT AND INDIRECT IMPACTS)

Due to the difficulty in measuring impacts on community character directly, the social scientific literature tends to focus on communities' *perception* of tourism impacts – in terms of economic, social, cultural and environmental impacts. The evidence suggests that individuals' perceptions of tourism impacts will (unsurprisingly) depend on factors like age, gender, socio-economic and social status, level of interaction with tourists, distance from the 'tourism zone', and extent to which they depend economically on tourism or related sectors (Sharpley, 2014).

Given the anticipated increases in visitor numbers, it seems inevitable that there will be some impact on the character of the town. In Warburton, as with other towns that have become MTB tourism destinations, there is no single consistent view on the impacts on the communities' character – and while some may perceive changes as broadly positive, others may perceive the same changes as having a negative impact. That said, it is possible to gain some insight from the experiences of businesses and residents in towns that have already experienced this type of development.

In Forrest, residents report that the development of the trails (and some early major events which raised their profile in the MTB community) did drive a shift in the local economy. Initially, this began with the opening of a microbrewery in the town in 2010, primarily targeting mountain bikers. That development has been followed in more recent years by the opening of new businesses (including a hotel/restaurant, and café/chocolatier) and changes to the business model of Forrest general store to cater to tourists alongside the local community. In the first few years after the trails opened, residents report that visitors were primarily MTB enthusiasts, but over time the composition of this group has shifted to include families and more general tourists stopping en route to other tourist destinations in the Otways.

The ongoing development of Forrest as a tourist destination has led to the diversification of the local economy and allowed new businesses in town to tap into the wider food/art/culture scene in the Otways. The town now supports a studio and gallery and is included as a stop on the Colac Otways 'Arts Trail'. It also hosts an annual food festival – Soupfest – which draws many visitors to the area. Forrest continues to appeal to visitors keen to enjoy the natural landscape of the Otways, and a local operator based in the town offers a range of nature tours. In the example of Forrest, the development of MTB trails does not seem to have detracted from the town's cultural identity – and in fact the increase in visitors has helped support a range of non-MTB businesses and events.

It is worth noting that Forrest, before the MTB trails, was considerably smaller and quieter than Warburton, so these changes represent a significant transformative change. Interviews with several local business owners (and residents) suggest that the boost in tourism is generally viewed positively. However, some do note that for the subset of local residents these changes have not been viewed so positively. Anecdotally, this group primarily comprises long-term residents that experienced Forrest as a significant forestry town prior to the collapse of that industry. These people also seem to be less likely to be enjoying the direct personal benefits of the increase in tourism.

In Derby, much like Forrest, the town had seen decades of steady decline. The MTB development has certainly had an impact on the character of the town (and surrounding areas) but the dominant view is that it has been positive. This is largely driven by the alternative, which appeared to be continuing inevitable decline. Interview participants reported that the increase in visitors has driven economic activity across Derby and nearby towns, as food and accommodation businesses have emerged alongside the businesses directly servicing mountain bike riders (bike shops and transport services). They also noted that house building and renovation has emerged, which is bringing more life to the town.

In terms of indirect impacts - one of the consequences of an increase in tourism can be to draw new businesses and residents to an area, which can lead to changes in the composition of the local community. These could include an influx of new residents from different parts of the region (including metropolitan areas) – potentially bringing different socio-economic and demographic groups into the existing community. This could include an increase in second-home ownership where owners are only in town some of time.

In Derby this pattern was certainly reported as a significant change in the local community. The local real estate agent reported that there were properties being purchased and renovated by people from mainland Australia. They would typically use the property for two months of the year and then make it available for short-term rentals. This pattern was notable in Derby but, given was considered to be among the range of positive benefits from the development, rather than being a threat to the character of the town.

In Forrest, the new recreational opportunities combined with the broader appeal of flourishing new businesses has drawn new residents to the area – in particular, professionals (that commute and/or work from home) and younger families with children, moving from larger regional towns including Geelong. One resident highlighted that the affordability of the town combined with 'a good local primary school' was part of the appeal. Some interviewed residents pointed to improvements in connectivity affording professionals the flexibility to work from home for at least some of the week, whilst some residents commute significant distances outside the area for work. The increase in families in the town has – anecdotally – led to a demographic shift in the community structure, bringing more families and young people to an area that previously had a significantly ageing population. This has helped ensure the viability of the local school, and local residents report a significant increase in house prices. Once again, the perception of these changes is broadly positive amongst at least some of the local population.

One observation regarding the change in character of the community in Derby was that the local community members were curious about the development, but were not able to easily access it because they are not mountain bikers. There was some sense that they understood that this development was having positive impacts on their community but it remained somewhat of a mystery because they could not, for instance, walk through the area²¹.

4.4 MANAGEMENT/MITIGATION OPTIONS

Perceptions of the impacts of tourism on Warburton are likely to vary between individuals and groups, and there are likely to be trade-offs between realising the economic benefits that increased tourism can bring for some with the desire by others to maintain the status quo.

Consultation with the local community has identified concerns about the impact of additional visitors on the town's character and tranquillity. In Warburton, it is important to note that the status quo does not mean 'no tourism' – the town is already a popular destination for outdoor recreation and experiences high and increasing numbers of visitors, particular at peak times like evenings and weekends.

There are a number of mitigation options that could help to address some of the concerns raised, but it will be challenging to find a solution that pleases everyone. Management options include:

- **Consultation with the local community throughout the development phase of the project and during its operation.** Community consultation has clearly already played a part in the development of the proposals so far and has helped to identify concerns. In developing solutions, a two-way conversation with a diverse range of community members can help to identify 'least bad' solutions to challenging problems and ensure that community groups do not feel marginalised. This consultation should commence in the development phase and continue through the operational life of the facility. Continuously and routinely engaging the community can have long term benefits through early identification of issues and timely joint problem solving.
- **Careful placement of trailheads, facilities and event staging areas.** This can reduce the impact that increased visitor numbers have on the tranquillity of the town. However, developers should be mindful that there may be trade-offs in terms of the economic benefits to local businesses – as seen in Forrest. The design of traffic/parking systems will be key to addressing this problem – this issue is to be addressed in a separate report.
- **Support for non-MTB activities and ventures within the area.** Residents raised concerns about a possible change in the culture of the town. Whilst the example of Forrest demonstrates that the development of a MTB trail can help to seed a more diverse local economy that supports a range of cultural endeavours, commitment to continued government investment in the arts in Warburton could help to address these concerns.
- **Support for vulnerable members of the community.** The appeal of the region for new residents could lead to demographic changes in town. Whilst many of these may be broadly positive (as in Forrest) they could leave vulnerable community members (including ageing or socially-disadvantaged people) feeling marginalised. Investment in social support aimed at vulnerable community members (including investment in public transport, community groups, home support) could help to ensure that the development does not have a polarising effect in the community.
- **Community engagement events.** In order to ensure that the benefits of the trails are felt by the wider community (and not just those that own businesses), a program to target local community

²¹ There was no suggestion that the tracks should be open to walkers. Those interviewed understood the safety issues and were well aware of the need to manage the track network carefully.

engagement with mountain-biking and the trails could be beneficial. This could include support for events that combine other activities with mountain biking, community training and demo days, subsidised bike hire to encourage people to try the trails, support for family membership for the MTB club, and the provision of bike parking at community facilities including the schools. In addition to building broader support for the development, this could have wider benefits in terms of community health and well-being.

5 Amenity (Private Landholders)

5.1 INTRODUCTION

Whilst many of the potential impacts of the MTB trails will be felt by the community as a whole, some are uniquely applicable to private landholders with properties close to the development including the trails themselves, parking areas, and any staging areas for major events. These impacts may include:

- Sound pollution – particularly in relation to users of the trails and events
- Impacts on privacy/security – in relation to large numbers of trail users in close proximity to dwellings.

The impact of traffic is to be assessed in a standalone report, and so is not considered within the scope of this assessment.

In relation to the Warburton Mountain Bike Destination Project, consultation with the community has identified particular concerns in relation to potential impacts on private landholders in the Old Warburton area. Within the proposed development, this is the area where the proposed trails go closest to dwellings. This section will draw on insights from the case studies, where applicable, to provide insight into the potential positive and negative impacts of the project on private landholders, aiming in particular to speak to the concerns of residents in the Old Warburton area.

5.2 WARBURTON NOW

As noted in previous sections of this report, Warburton is a town which already experiences relatively high visitor numbers – particularly in relation to outdoor recreation and visiting scenic locations in the area including the picturesque redwood forest close to town.

The area around Warburton (including Old Warburton) is particularly popular with road cyclists. The Old Warburton Road includes climbs up Mt. Little Joe and is described as “a must do” for cyclists in the region²². Many of the private properties in this area are set back from the road, so the impact of these users on local amenity values is likely to be relatively low.

The proposed location of the trails to the south of Warburton, on the slopes of Mt. Little Joe and Mt. Tugwell, lie close to the edge of some properties in Old Warburton, including dwellings (Figure 5-1). Whilst Old Warburton Road is popular with road cyclists and experiences some traffic, the surrounding bushland is currently relatively undisturbed beyond a small number of access tracks and informal trails.

²² See: <http://www.thedandenongranges.com/yarra-valley/old-warburton-road-aka-little-joe/>

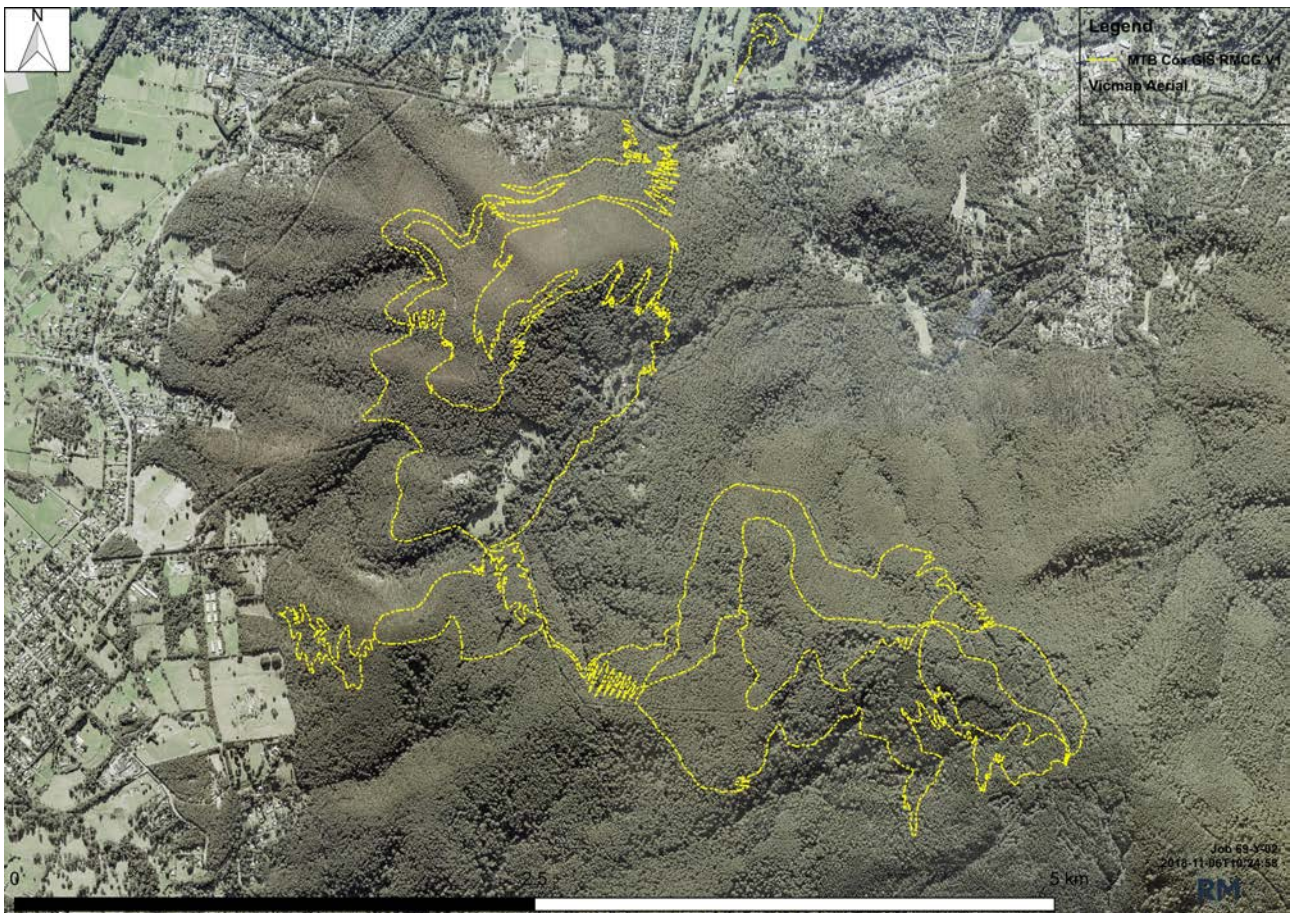


Figure 5-1: Location of trails around Old Warburton

5.3 ESTIMATED IMPACTS

SOUND POLLUTION

Many of the existing MTB destinations considered in this study (including Forrest and Derby) do not include trails that are located close to private properties, and so provide little insight into the noise impacts on dwellings.

Anecdotally, members of the community in Forrest reported relatively little noise transmission along the trails themselves during normal use – as mountain bikers tend to use the trail alone or in relatively small groups, and the vegetation around the trails helps to reduce the attenuation of sound. Mountain bikers in Forrest suggested that the noise impacts might be higher during events, when higher-than-normal numbers of users are on the trail. Where residents did report any impact, it was in relation to riders off the trails – using local roads to get between trails or between the trailhead and parked vehicles or the town – and in that example, the most notable concern was around their safety on roads rather than regarding noise impact.

At Mystic Mountain Bike Park in Bright, some trails do come much closer to dwellings (Figure 5-2), but the impact appears to be relatively small: a representative of Tourism North East reported that they have never had any complaints about disturbance in relation to riders on the trails.



Figure 5-2: Location of trails close to dwellings at Mystic Mountain Bike Park, Bright.

The evidence from other trails is relatively limited, although what information is available suggests that the impacts may be low outside of major events. Obviously, the sound impact of the proposed trails around Old Warburton will depend heavily on their placement relative to properties and local conditions (including surrounding vegetation). A sound impact assessment, undertaken by adequately qualified professionals, could provide further information on the likely impacts of these specific trails.

PRIVACY/SECURITY

Again, evidence with regards to the impacts of existing trails with respect to the privacy and security of private dwellings is limited by a lack of comparable examples.

The absence of complaints in Bright could point to a limited impact in that example.

In Forrest, members of the mountain biking community suggested that riders generally follow the trails rather than taking off-trail routes. One member of the local mountain bike club highlighted the importance of good trail maintenance, up-to-date information on trail conditions (blockages, trail closures etc) and good signage to make riders aware of any trail rules.

In terms of impacts of riders whilst away from the trails, residents suggested that the trail users are broadly respectful of the local community, and none of the people interviewed reported any incidents of trespass or other crime. During events residents did report increased impacts for some property owners in town – in terms

of people parking outside their properties, occasional issues with litter, and issues caused by a lack of toilet facilities.

Although the available information is limited, it suggests that the impact of users on the trails themselves are likely to be fairly limited – with no reported problems from any of the case study interviews. The evidence suggests that riders are unlikely to ride off-trail where the trails are well-designed and well-maintained. Respectful behaviour on the trails can be encouraged by good signage and up-to-date information on trail conditions. Where problems were mentioned, this related to riders away from the trails – and particularly related to events when there were higher numbers of visitors in the area. Again, these issues tended to relate to lack of well-placed facilities (including toilets and parking) – which could be addressed during the planning phase of the project.

5.4 MANAGEMENT AND MITIGATION

The impacts of the proposed development on the amenity value of private dwellings can be divided into three categories, with differing options for management:

- Impacts of users whilst riding on the trails themselves
- Impacts of riders whilst in the areas close to the trails (e.g. carparks, trailheads etc)
- Impacts during events when there are high numbers of riders and supporters in the area.

Impacts of users on the trails:

- **Stakeholder consultation** – this is likely to be key to ensuring that concerns are identified, and that stakeholders feel they have been listened to during the process of designing the trails. In order to reach an adequate solution, it will be useful to identify the specific cause of any concerns - in relation to certain stretches of trail, types of impact, and particular dwellings – as opposed to more general, non-specific concerns which may be more challenging to address through the design process.
- **Design and maintenance of trails** – design of trails that include ‘something for everyone’ reduces the likelihood of riders seeking to go ‘off-trail’. This should include trails that cater to a range of abilities, and sufficient diversity to keep riders entertained. In addition, regular monitoring of track conditions and high standards of maintenance will help to ensure that riders do not start to go off-trail to avoid unpassable sections. Provision of up-to-date information on the condition of trails where problems do occur will help to ensure that any impact is minimised. This can be provided through websites, social media and state-of-the-art signage within the park.
- **Appropriate design of mitigation measures** – Whilst engineered solutions to noise impacts could include sight/sound screens, it may be possible to use vegetation to reduce the visual/sound impacts of the trail, and this may be more sympathetic to the surrounding landscape.
- **Well-designed signage** – the provision and strategic placement of signage to remind riders about trail etiquette could help to reduce impacts on nearby dwellings. This could include trail-specific signage to make riders aware of that the trail passes close to properties and to be respectful of local residents.

Impacts of riders in areas close to the trails:

- **Provision and placement of adequate facilities** – Planning and consultation to ensure that facilities are adequate to meet the needs of the riders (including parking, toilets, changing areas and litter bins), and are well-placed to meet the needs of local residents as well as riders. Many of the reported impact on properties from the case studies was in relation to riders before/after taking to the trails, and most issues could be addressed through better provision of facilities in consultation with the local community.

- **Well-designed signage** – this also applies to the provision of information away from the trails. Providing information on the location of facilities, and highlighting local points of interest can not only help to direct visitors away from residential areas, but may also help to engender interest and respect for the local area.

Impacts during events:

- **Location of event staging area** - once again, the design of the MTB park should be cognisant of the potential impact on any local residents. This includes the location of the staging area for any events – including smaller community events – and the associated impacts (noise, traffic, parking etc).
- **Crowd management** – major MTB events can draw large crowds, and supporters may congregate at more accessible sections of the trail to watch riders pass through. Whilst providing accessible areas along suitable sections of trails will help to reduce this problem, there is a risk that spectators may independently find other viewing areas – particularly if they are close to roads/tracks etc. Signage and fencing to limit access during events could help to reduce the potential impact of any spectators on private properties.
- **Provision of additional facilities** – as well as providing obvious facilities like additional toilets, event organisers should also consider provision of sufficient litter bins – not just in the staging area but in places where supporters may gather.

6 Conclusions

This report has investigated potentially negative impacts of the trails on some members of the community. The impacts examined are:

- Social disadvantage
- Community amenity
- Private landholder amenity.

A summary of the assessed impacts and mitigation measures is provided in Table 6-1.

Table 6-1: Social impacts and mitigation measures

CATEGORY	EXISTING CONTEXT	POTENTIAL IMPACT	MITIGATION OPTIONS
Social disadvantage	<p>Only 16 per cent of households in Warburton and surrounds live in rented accommodation.</p> <p>However, Warburton has a high level of social disadvantage.</p> <p>House prices are lower than surrounding areas but have been increasing rapidly over the last decade. Availability of affordable rental properties is already low, and an estimated 60 households experience 'rental stress'.</p>	<p>The development could drive increases in house prices. This will be beneficial to a significant majority of Warburton residents who own their own homes.</p> <p>However, it could lead to:</p> <ul style="list-style-type: none"> ▪ A further reduction in availability of affordable rental properties ▪ An increase in rental stress for households on low incomes ▪ The potential displacement of some households to other areas. <p>Those most likely to be affected are households that are already on low or fixed incomes (e.g. recipients of government support payments) and those that are already experiencing rental stress.</p>	<ul style="list-style-type: none"> ▪ Provision of sufficient social housing for vulnerable low-income households: Advocate for increased investment in social housing at the appropriate level of government. ▪ Targeting employment opportunities for local unemployed people: Identify opportunities to include a training and work placement component as part of government contracts for trail construction and maintenance. ▪ Training schemes for unemployed and disadvantaged people: There is a potential opportunity for YRC to support training schemes that allow local unemployed and disadvantaged people to engage with new opportunities in tourism and recreation.

CATEGORY	EXISTING CONTEXT	POTENTIAL IMPACT	MITIGATION OPTIONS
<p>Community amenity</p>	<p>The Warburton community value the scenery and tranquillity of the town as a key part of its appeal. However, the town is already a growing tourism destination within the Yarra Valley. Warburton currently experiences high numbers of visitors, particularly during peak times including weekends and public holidays.</p> <p>The existing rail trail is already popular for recreational tourism, but the town also supports a vibrant arts and cultural scene.</p> <p>Consultation with local community groups highlighted concerns that the trails could impact the feeling of tranquillity and character of the town.</p>	<p>Although Warburton already has a high (and growing) number of visitors, the trails are predicted to attract 55,000-165,000 additional visitors per year, including over 10,000 overnight visitors. This represents a significant increase on existing visitor levels.</p> <p>Such increases will inevitably impact the tranquillity of the town, particularly during peak periods and events.</p> <p>Evidence from our case studies of comparable towns suggests that most residents' experiences of mountain bike developments were positive.</p> <p>Reported positive impacts include:</p> <ul style="list-style-type: none"> ▪ New families and young people moving to the area ▪ Increased viability of local businesses and services such as schools ▪ Increased diversity of local businesses. <p>There were reports of limited negative impacts including:</p> <ul style="list-style-type: none"> ▪ Risk of vulnerable community members feeling 'marginalised' – not benefitting from trails ▪ Long-term residents disliking change from the status quo, particularly in relation to many new residents moving to the area. 	<ul style="list-style-type: none"> ▪ Consultation with the local community throughout the development phase of the project and during its operation. ▪ Careful placement of trailheads, facilities and event staging areas in order to minimise impacts particularly of major events. ▪ Support for non-MTB activities and ventures within the area e.g. funding for community arts/cultural program; timing of events to avoid clashes. ▪ Support for vulnerable members of the community to ensure that the development does not have a polarising effect in the community. ▪ Community engagement events to help ensure that the benefits of the trails are felt by the wider community. This could include periodically making the trails available for a range of community groups to use, or support for subsidised MTB bike hire.

CATEGORY	EXISTING CONTEXT	POTENTIAL IMPACT	MITIGATION OPTIONS
<p>Private landholder amenity</p>	<p>Some of the proposed trail routes pass close to private properties. Some local community groups have raised concerns about the potential impacts of the trails on such properties, including the impact of:</p> <ul style="list-style-type: none"> ▪ Sound disturbance ▪ Privacy/security of the property. 	<p>The potential impacts of the proposed development can be divided into three categories:</p> <ul style="list-style-type: none"> ▪ Impacts of users whilst riding on the trails themselves. Evidence from other trails suggests that the impact of riders when on the trails is likely to be minimal, particularly if trails are well-maintained and there is adequate signage. ▪ Impacts of riders whilst in the areas close to the trails (e.g. carparks, trailheads etc). There are potential issues with litter and Traffic management is out of scope of this report. ▪ Impacts during events when there are high numbers of riders and supporters in the area. This impact can be significant if not managed. 	<p><u>Impacts of riders on trails:</u></p> <ul style="list-style-type: none"> ▪ Stakeholder consultation – to identify specific concerns. ▪ Design and maintenance of trails – to reduce the risk of riders leaving the trails. ▪ Provision of up-to-date information on the condition of trails. ▪ Appropriate design of mitigation measures e.g. screening/sound barriers. ▪ Well-designed signage reminding riders of trail etiquette, particularly in close proximity to dwellings. <p><u>Impacts of riders in areas close to the trails:</u></p> <ul style="list-style-type: none"> ▪ Provision and placement of adequate facilities including litter bins and toilets. These should be clearly signed. <p><u>Impacts during events:</u></p> <ul style="list-style-type: none"> ▪ Sensitive location of event staging area considering noise impacts, access, parking, facilities etc. ▪ Appropriate crowd management including limiting access to some areas of the trails, and provision of sufficient litter bins etc.

Appendix 1: Interview guide

To understand the economic and social impacts of existing trails in case study towns RMCG conducted semi-structured interviews with council staff, businesses, employment agencies, trail managers and representative bike groups. The following represents the guide used for the interviews.

1.1 GENERAL QUESTIONS

- How would you have described this area before the trails opened? (e.g. tranquillity, demographic trends, local businesses, local community cohesion etc)
- How do you think it has changed since the trails opened?
- What have been the positive impacts? What have been the negative impacts?
- Would you describe the net impact of the trails as positive or negative for the local community? Why?

1.2 SPECIFIC IMPACTS

1.2.1 LOCAL EMPLOYMENT

- Do you think the development of the trails has created any jobs? If so, what sorts of jobs (sectors, full/part time, temporary/permanent)?
- Have any new businesses opened since the trails were developed?
- Have pre-existing local businesses been impacted at all (change in numbers of customers/employees etc)?
- For any new jobs related to the trails, have they been filled by local people or people from elsewhere?
- What were those people doing before the trails were opened?
- Has anything been done to try to encourage those jobs to go to local people?
- What has happened to any previously unemployed people in the area now? Do they still live in town, are they still unemployed?

1.2.2 HOUSE PRICES/RENTAL COSTS

- Do you think there has been any changes in the value of local properties since the trails opened?
- In your opinion, could local people buy a home in this area? Are there enough houses available? Are they affordable? Has that changed since the trails opened?
- Are you aware of any changes in the nature of home owners in the area since the trails have opened? Have more non-local people bought homes in the area? Do they live here full time?
- Have rental prices changed at all in the area? Has the availability of rental properties changed? What do you think is driving that (e.g. conversion to short-term accommodation)?
- Has there been any displacement of local people since the trails opened?
- Do the people that work in town live in town and vice versa?

1.2.3 AMENITY (COMMUNITY)

- Community character:

- Do you think the trails have had an impact on the culture of the local community? In what ways (e.g. has the community become closer/more engaged, or more disparate)?
- Do you feel the local community are engaged with the trails and/or the MTB/cycling community or are they not closely involved?
- Have the number of events organised for the local community changed since the trails opened? Are there any specific events organised to encourage the local community to use the trails?
- Are the local amenities (shops/cafes etc) primarily used by local people, by visitors, or both? Has that changed since the trails opened? What impact do you think that has had?
- **Tranquillity:**
 - Before the trails were opened, would you have described the local area as peaceful or tranquil?
 - Do you think the trails have impacted the tranquillity or peacefulness of the area? What have the main impacts been?
 - Has anything been done to try to manage those impacts? Has it worked? What could be done better?
 - When they've hosted major events, what is the impact on the town?

1.2.4 AMENITY (LOCAL LANDHOLDER)

- **Sound pollution:**
 - How close to the trails come to local properties? Are they in earshot of local residents?
 - Do you think the trails have had an impact in terms of noise?
 - Has anything been done to try to reduce any noise impact? Has it worked? What could be done better?
- **Privacy/security:**
 - Have the trails had any impact on private properties? Do they close to private land?
 - Are you aware of any impacts that the trails have had on private property owners?
 - Before the trails opened, would you have described the area as feeling particularly safe or not? Was there much crime in the area? What sort?
 - Since the trails have opened, do you think that has changed? Have there been any incidents that you have been aware of (e.g. trespassing, thefts etc)?
 - Would you say that visitors to the area are respectful of private property and the local community? If not, can you give any examples that illustrate the issues?
 - Has there been an increase in littering or other kinds of disturbance since the trails opened?

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