

The Challenge of Coastal Growth

The movement of population to the coast is occurring in every Australian state and is gathering pace. This movement has been referred to as 'the big shift' by demographer Bernard Salt. It is also known as the 'sea change' phenomenon.

In March 2005, data released by the Australian Bureau of Statistics indicated the rate of growth in coastal local government authorities (LGAs) in the year to June 2004 was 2%, which is 60% higher than the national average growth rate for Australia of 1.2%.

The ABS figures were further analysed to calculate the proportion of Australia's population living in coastal areas. The national population at 30 June 2004 was 20.1 million. The population living in capital cities was 12.6 million. The population living in non-metropolitan Australia – sometimes referred to as rural or regional population – was 7.5 million. Of these 7.5 million, some 5.6 million people were found to be living in coastal LGAs. This indicates that 75% of Australia's non-metropolitan population is living in coastal areas.

Bernard Salt observes that the shift to the coast is occurring on such a scale that some coastal areas, such as the Gold Coast and the Sunshine Coast in Queensland, are now emerging as major population centres. In March 2004 he noted the Gold Coast had become a larger population base than Canberra and the Sunshine Coast had replaced Hobart as the tenth largest urban centre in Australia. Rapid population growth is also evident on the northern, central and southern coast of NSW, the southern coast of Victoria and South Australia, the eastern coast of Tasmania and the coastline north and south of Perth, in Western Australia.

Australia's coastal areas offer an attractive quality of life and an appealing environment. As indicated previously, however, councils in these areas are struggling to keep pace with demand.

Unlike growth corridors in outer metropolitan areas, these coastal areas have not been planned with the objective of accommodating high population growth. Coastal councils have therefore been unprepared for the large inflow of new residents, which has been largely unexpected. They do not have the resources to meet the continuing increase in demand for infrastructure, such as roads, mains water supply, sewerage, and power. High growth coastal communities also experience a lack of essential services, such as public transport, health care, emergency services and education facilities.

The movement to the coast is expected to continue for the next 10 to 15 years, driven in part by the retirement of the 'baby boomer' generation and by factors such as the rapid increase in house prices in capital cities and a desire by many people to seek a better lifestyle, away from the congestion of the cities. Given the acceleration of growth in these areas, and the scale of projected growth in the future, local councils face a significant challenge in dealing with the social, environmental and economic issues related to rapid growth.

It is now clear that sea change growth is not just occurring in a few individual coastal areas. It is a national issue that is impacting on the management, operations and budgets of coastal councils in every Australian state.

Coastal councils believe they have a responsibility to address the issue of growth in the interests of safeguarding the welfare of their residents. They seek the support and cooperation of State and Federal Governments as a fundamental step in identifying effective solutions to meeting the challenge of sea change growth.

The National Sea Change Taskforce

The National Sea Change Taskforce (NSCT) was initiated in February 2004, when CEOs from 27 high growth councils met to consider options for addressing the challenge of rapid growth in coastal areas. The meeting, called the Sea Change Summit, took place at Mudjimba, on the Sunshine Coast, on 1 and 2 February.

After two days of workshops, presentations and deliberations the CEOs released a communiqué announcing the establishment of a national task force to seek the cooperation of State and Federal Governments to address the challenge of coastal growth.

The communiqué proposed the development of a specific sea change funding program to assist councils and regions to deal with increasing demand associated with sea change growth. It also called for the development of coordinated regional plans by State Governments that would provide greater certainty about the extent and rate of growth in coastal communities.

The number of councils involved in the NSCT has steadily increased since the 2004 Summit. A Sea Change conference held in Melbourne in May 2004 was attended by CEOs, mayors and councilors representing 56 high growth coastal councils from every State in Australia. By the time the organization was formally constituted, in November 2004, the Taskforce involved more than 60 participating councils.

The Taskforce has now appointed an executive comprising representatives of coastal councils in each state. The role of the executive is to set strategic directions for the group and to make representations on its behalf to State and Federal Governments.

The Taskforce received seed funding from many coastal councils to undertake research into the effects of sea change growth and to lobby for the support and cooperation of State and Federal Governments to address the issue.

The impact of tourism

Not only are coastal communities attempting to cope with unprecedented levels of population growth, they are also facing a dramatic increase in the level of international and domestic tourism, which is forecast to become Australia's major export earner by the year 2007.

Tourism currently accounts for approximately 430 million visitor nights a year nationally, with 69% of tourist activity in non-capital city areas. It is predicted that this level of activity will increase to 620 million visitor nights in 2020, with a corresponding 43% increase in the economic value of the sector.

Local communities are struggling to cope with this rapid growth in tourism demand. Tourism brings an economic benefit to local commercial operators and helps to generate part time employment opportunities. But while visitors generate revenue for accommodation, meals and local retail outlets they do not contribute to the cost of the public infrastructure they use, such as roads, water, sewerage treatment, collection of waste and recreation facilities. The burden of expanding the capacity of this infrastructure to meet the increasing demands of tourism inevitably falls on local ratepayers.

Coastal councils do not want to discourage tourists from visiting their communities, but they do need help to provide the infrastructure and services they require and to ensure that local residents continue to support tourism in their areas.

Tourism consumption in Australia in the year 2002-2003 amounted to \$73.3 billion. (ABS 2004b) These figures indicate that international tourism accounted for 23% of this consumption figure and domestic tourism accounted for 77%. GST revenues to the states from this consumption are estimated at \$6.66 billion.

The National Sea Change Taskforce proposes that a proportion of this GST revenue be allocated to coastal councils in areas experiencing high tourism growth to assist them to meet the increase in demand for infrastructure and services associated with tourism.

This approach is supported by the Tourism Transport Forum. In 2002 the then Tourism Task Force noted that ‘local Governments, especially in New South Wales, have tight budgets and the tourism infrastructure costs borne by local councils are either subsidised by ratepayers or businesses. Neither group is the exclusive beneficiary of the activity. State and Territory Governments... should investigate ways of using a portion of this revenue windfall to help Local Councils maintain infrastructure.’

The continuing growth in tourism not only impacts on coastal communities. It also has significant effect on natural assets in coastal regions, particularly in areas with tourist icons such as Fraser Island, the Otways, the Daintree and the Barrier Reef. Coastal councils need considerable support and assistance to deal with the impact of tourism visitation.

Social implications of sea change

Rapid population and tourism growth is having a significant social impact on existing coastal communities. Many of these communities are experiencing high levels of unemployment and a rising crime rate. Local residents find it increasingly difficult to gain access to professional services such as health care, legal advice and financial management.

The 'sea changers' themselves are often disappointed at the gap between their expectations and the reality. Too often, a sleepy town that was the perfect holiday destination is transformed into an area of constant construction activity, traffic congestion and crowded supermarkets.

The coastal communities of southeastern Queensland have been at the epicentre of 'sea change' population growth in Australia for more than a decade. The effects on the region are obvious – increasing traffic congestion, the proliferation of high density development, and increasing numbers of people flocking to the beaches in summer.

There have been winners and losers in the shift to the coast. The obvious winners are property owners in high growth areas who have reaped substantial windfall profits from the sale of their land for development. State and Federal Governments have also benefited from the collection of taxes associated with these transactions, such as capital gains tax, GST and stamp duty. Other winners include the construction industry and commercial operators such as retailers, resort owners and food and beverage outlets.

While some residents and commercial operators have benefited, others have been disadvantaged. First, the influx of large numbers of new residents and tourists often leads to a loss of community identity. This can be an insidious process, lasting for years, as long-term residents, and even 'sea changers', complain that 'the place isn't what it used to be'.

The influx of so many people into a coastal community impacts in many different ways. Affluent 'sea changers' tend to drive up property prices. Low-income earners moving into the area find they are priced out of the local property market. They also find there are few local job opportunities.

Unemployment rates in sea change areas are noticeably higher than in metropolitan areas. In Western Australia the council of Mandurah reports a youth unemployment rate of 23%. The

councils of Rockingham and Wanneroo, on the coastal fringe outside Perth, similarly report high youth unemployment rates - of 16.5% and 18% respectively.

Further research is required on the social implications of sea change growth. To gather the necessary data the National Sea Change Taskforce commissioned a collaborative research project with the Planning Research Centre at The University of Sydney titled *Meeting The Sea Change Challenge*.

The research project assessed the social, environmental and economic impact of sea change growth. It has also identified best practice models of local and regional planning for sea change communities from Australia, North America and Europe.

Phase one of the research project found there is an urgent need to support local councils to address the complex challenges associated with coastal growth.

The research report observes that coastal councils are struggling to plan for population growth driven by internal migration from metropolitan cities and inland areas and that they do not have the resources necessary to meet the growth in demand associated with rapid population growth.

The second stage of the research project has focused on national and international models of best practice in planning for and managing growth in sensitive environmental settings such as those in Australia's coastal areas.

Who are the ‘sea changers’?

Until recently, it was believed the shift to the coast is being led by the ‘baby boomer’ generation and included a high proportion of people aged over 50. A recent report released by the Australian Bureau of Statistics, however, throws new light on the demographic profile of ‘sea changers’, revealing they are younger than previously thought.

The report, *Australian Social Trends 2004*, is the 11th edition in a series by the ABS examining social issues and areas of public policy concern. The report, released in May 2004, shows that 79% of people who moved to high growth coastal regions in the year prior to the 2001 census were aged less than 50.

The report found that 31% of people moving to the coast came from a capital city, with the remainder coming from other large population centres or from the country. It also reported that 78% of people who shifted to the coast in the year under review made the move within their own state or territory.

The report identified a variety of reasons for people making the move to the coast, including both ‘push’ and ‘pull’ factors. Some people are looking for a better climate. Others are seeking affordable housing. Some ‘sea changers’ are looking for work and others are seeking a better lifestyle, away from the congestion of the city.

The *Australian Social Trends 2004* report highlights a need for further research to more clearly identify the impact of migration to the coast. Coastal councils need to understand the factors at work so they can put appropriate strategies in place to deal with the increasing demands being placed on them. As the ABS report points out, the influx of a large number of people will radically change these coastal communities.

Need for a new funding formula

Coastal councils are attempting to keep pace with growth in demand within severe limitations. These limitations include lack of coordinated regional planning, inadequate development contribution regulations and inflexible local government rating provisions.

High growth coastal communities do not have the human or financial resources to keep pace with increasing demand for infrastructure such as water, sewerage and roads. In addition, these communities cannot meet demand for services such as hospitals, public transport, emergency services and educational facilities.

Mechanisms to fund regional infrastructure within Australia are inadequate and inconsistent. There is considerable variation, for example, in the systems of developer contributions adopted by the States. In Victoria, for example, contributions can be from \$500 to \$5000 an allotment. In NSW the recently amended Section 94 developer contribution scheme can involve contributions of between \$20,000 and \$50,000 per allotment. In Western Australia the level of private sector contributions can be as little as nothing.

The level of unmet demand for infrastructure and related needs in coastal communities needs to be accurately assessed as the first step in addressing the challenge of coastal growth. It is proposed that the State, Territory and Federal governments initiate a detailed scoping and assessment of infrastructure gaps for coastal areas and provide the necessary funding to enable coastal councils to prepare such detailed assessments.

Conclusion

Australian coastal communities and the coastal environment are at significant risk from unprecedented growth in population and tourism. It is essential to take the long-term view in addressing the challenge of sea change growth. This means making everyone involved in the process - elected representatives, public servants and local communities - aware of what is happening.

Local residents concerned at the impact of rising traffic congestion or accelerating residential development need to be aware it is a consequence of a fundamental transformation that is occurring nationally, not just in their own local area.

If adequate preparations are not made for managing growth in coastal areas there will inevitably be significant damage to coastal environments and failure of coastal communities around Australia.

It is only with the support and cooperation of all three tiers of Government that the future needs of these communities can be met. It is only through developing a policy framework for sustainable growth, and developing a new funding approach, that local councils will be equipped to meet the challenge of growth and provide adequate support to the communities they serve.