



TORQUAY-JAN JUC RETAIL & EMPLOYMENT LAND STRATEGY

ADOPTED OCTOBER 2021



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Executive Summary

Torquay Jan-Juc is an iconic Australian sea-side destination. The towns have evolved from small holiday settlements to become a major urban area home to more than 22,000 residents and 5,000 workers in 2020.

As the largest settlement in Surf Coast Shire, the economic prosperity of Torquay Jan-Juc is central to that of all residents and businesses in the region. Surf Coast Shire Council recognises the important role of the retail and business sectors in the towns and has prepared this Retail and Employment Land Strategy to support ongoing prosperity and growth in these important sectors.

The Strategy identifies changes needed to the current planning policy, an updated activity centre hierarchy, locations for future employment land and changes to existing employment precincts to ensure that the towns have both the capacity and appropriate zoning to accommodate growth.

Context

The economy of Torquay-Jan Juc is the driving force of the Surf Coast economy: the Torquay economy has an output of \$1.6bn, making up 60% of the municipal output, and supported 5,344 jobs in 2016, 60% of the municipal total. It is critical that retailers and businesses in Torquay can continue to prosper and grow over the period of this Strategy.

Retail and employment land in Torquay and Jan Juc is contained within three main zones: the Commercial 1 Zone, the Industrial 3 Zone and the Special Use Zone. Other zones such as the Commercial 2 Zone, Commercial 3 Zone, Mixed

Use Zone, Industrial 1 Zone and Industrial 2 Zone are available but not applied in Torquay-Jan Juc.

Land in the Commercial 1 Zone is almost fully occupied, while sections of vacant industrial and Special Use Zone land are primarily held in 2 strategic properties: the balance of the West Coast Business Park (IN3Z) and the Horse Paddocks site (SUZ5).

As a result, there are very limited opportunities for new premises to be developed on vacant land, meaning that under the current zoning, the majority of new development, floorspace and economic opportunity would need to be facilitated through the redevelopment of existing occupied properties.

Since the previous Strategy was prepared in 2011, several significant changes have occurred which the Strategy responds to:

- Torquay - Jan Juc has experienced major and sustained population growth and demographic change over the past 10 years, resulting in the establishment of a large permanent residential community and a subsequent change in the prevailing role of the town from its former tourism role to a major urban centre.
- Activity centres and employment precincts have experienced considerable development and investment over the past 10 years and several major developments are currently proposed by both the private sector and Council, although none of these are located in the town centre.
- The tourism market in Torquay-Jan Juc continues to grow with strong domestic tourism and a growing international



market prior to the impacts of the COVID-19 pandemic.

- The retail sector overall has experienced significant changes and traditional business models face substantial challenges, many of which have been accelerated by the impacts of the COVID-19 pandemic.
- The Geelong Region is experiencing a major shift in its economy away from traditional manufacturing toward population services and professional industries.

Growth Projections

Population, visitation and employment growth in Torquay and Jan Juc over the Strategy period will create demand for additional retail and employment floorspace and land. Table i summarise the growth projections over the period 2019 – 2036 – further detail is provided in the body of this report.

Table i. Growth Projections

Projected Growth (2019 to 2036)	
Population	+ 12,000 residents
Employment	+ 2,900 - 3,500 jobs
Retail Floorspace	+ 22,500 sqm
Office Floorspace	+ 16,000 - 24,000 sqm
Health Land	+ 2.6 - 4.6 hectares
Industrial Land	+ 12 - 28 hectares

Issues and Opportunities

An assessment of the suitability of existing zoned land to accommodate existing and future demand in an efficient and productive manner was undertaken for the Strategy. The major issues and opportunities arising from the assessment are:

- The existing network of activity centres and retailers is fragmented and there is a lack of clarity regarding the role of each centre;
- There is a lack of capacity to accommodate the new development needed to meet projected demand;
- The town centre is under-performing and requires strong policy support and pro-active reinvestment;
- Employment precincts at Surf City and Baines Crescent have existing strengths that need to be consolidated and leveraged as the area undergoes transition;
- Current planning tools are not adequate to respond to changes in the town's role and economic opportunities, especially in response to the challenges posed by the COVID-19 pandemic;
- As Torquay's economy changes, there is the opportunity to facilitate new growth through small businesses, creative industries, niche production and professional services while seeking to offset the loss of the Quiksilver headquarters;
- There is an opportunity to capture the dividends of growth and capitalise on the town's popularity, especially in relation to tourism, hospitality and population services, by accommodating business, employment and service growth;
- The image and attraction of a surf-side town can be enhanced, protected and leveraged to guide the next phase of economic growth.



Planning Policy

State and regional planning policy provides the following direction for the Strategy in responding to issues and opportunities:

- The co-location of retail, employment and entertainment uses in activity centres is encouraged, while the new concept of the 20-minute neighbourhood needs to be integrated into planning for Torquay Jan Juc.
- The creation of local jobs to support the growing community is an important objective and key industries of surfing, tourism, construction and rural businesses are to be encouraged.
- The changing nature of work will influence the Strategy period - substantial value can be created through the identification of Enterprise Precincts in suitable locations.
- Provision of at least 15 years land supply is required across all land uses – this is particularly relevant given strong population growth projections and the lack of vacant land in commercial and industrial zones.

Strategy

The vision for retail and employment land over the Strategy period is as follows:

Torquay-Jan Juc has a prosperous economy which offers a diverse range of employment, goods and services to residents and visitors. Residents have everyday goods and services within their 20-minute neighbourhood and have access to a wide variety of hospitality, entertainment, health and recreation facilities in the town.

The activity centre network is well defined and reinvestment and expansion of the retail offering occurs incrementally in-line with demand. Employment precincts provide opportunities for investment and change so that businesses can respond to changing market needs and broader economic opportunities, while increasing overall employment and value-added.

The visitor economy remains an important element of the town's offering, with accommodation, hospitality and entertainment driving year-round visitation and supporting a vibrant network of activity centres which serve visitors from near and far as well as local residents.

The culture of relaxed coastal living and entrepreneurialism is evident throughout retail and employment areas, driving business creation, employment growth, self-sufficiency, economic specialisation, innovation and creativity.

Activity Centre Hierarchy and Role of Key Precincts

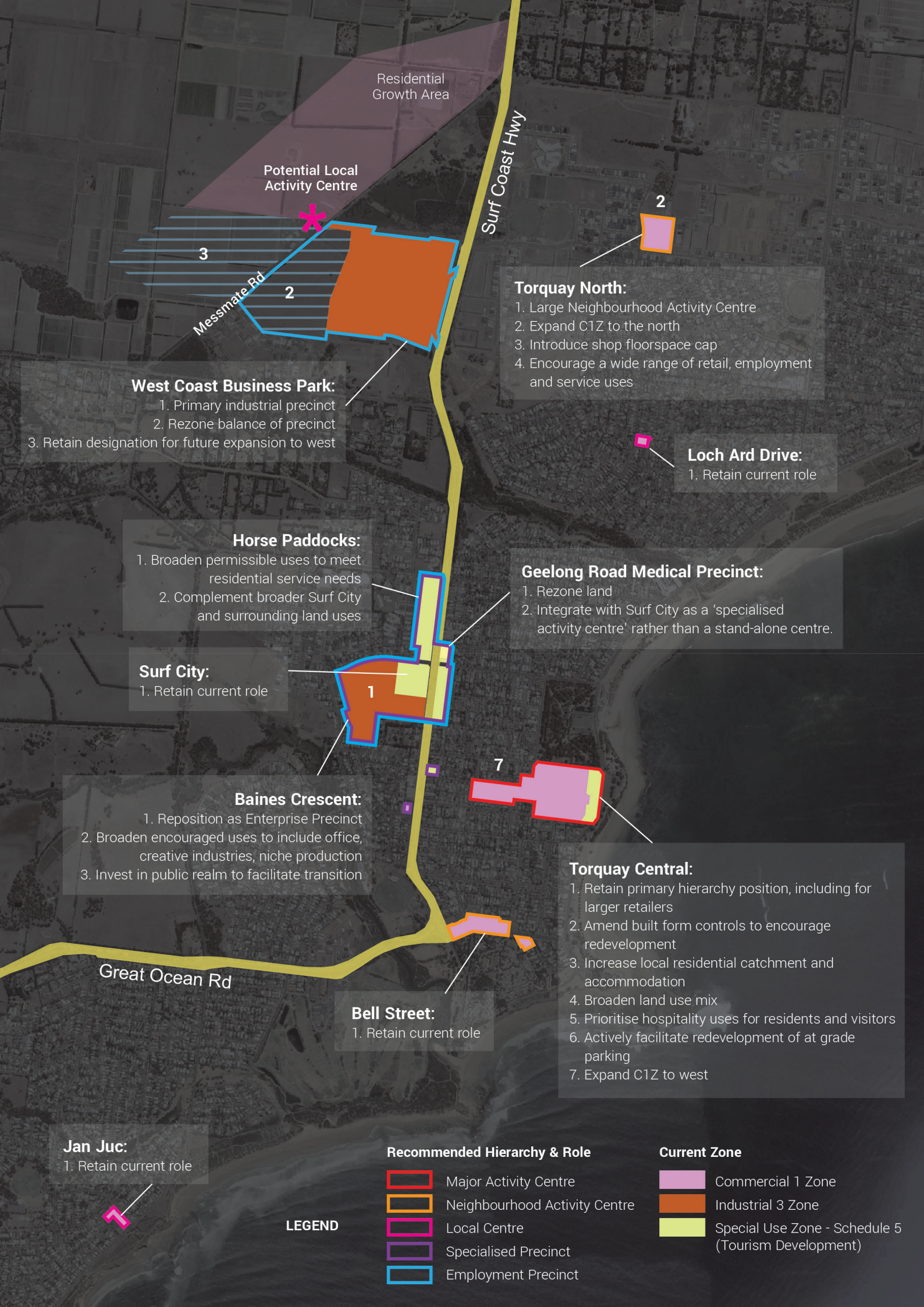
The figure on the following page shows the key strategic directions for retail and employment land in Torquay Jan Juc as part of this Strategy. The future hierarchy position and role of each activity centre and employment precinct is summarised in Table ii.

The body of this report sets out a series of objectives and actions to implement the strategy over time, with the overarching objective to ensure that all existing and future residents, visitors and businesses are provided with appropriate retail and employment opportunities and that the towns remain prosperous, vibrant places to live, work and visit.

Table ii. Activity Centre Hierarchy and Role of Key Precincts

	Location	Current Hierarchy Position	Revised Hierarchy Position	Strategy Period Role
ACTIVITY CENTRES	Torquay Town Centre	Major Activity Centre	Major Activity Centre	Primary centre for retail, supported by hospitality, office and residential use. Preferred location for larger core retailers and mixed use development.
	Torquay North	Neighbourhood Activity Centre	Large Neighbourhood Activity Centre	An increased scale of neighbourhood-focused retail goods and services for residents of Torquay North, supported by local employment and hospitality.
	Jan Juc	Local Activity Centre	Local Activity Centre	Local convenience centre continuing to serve residents and visitors.
	Bell Street	Local Activity Centre	Local Activity Centre	Ongoing hospitality, accommodation and specialty retail for residents and visitors.
	Loch Ard Drive	Local Activity Centre	Local Activity Centre	Ongoing convenience retail for local residents.
	Messmate Road	None	Future Local Activity Centre	Convenience retail, food and services for growth area residents.
	North East Torquay	None	Potential Future LAC (if SIA developed)	Convenience retail, food and services for growth area residents.
	Geelong Road C1Z	Local Centre	Local Centre	Local retail services
EMPLOYMENT PRECINCTS	Surf City Cluster	Specialised Employment Precinct	Specialised Employment Precinct	Strategic employment land providing a variety of surf retail, employment, commercial activity and health, entertainment, recreation, tourism and civic services.
	Surf City	Specialised Precinct	Enterprise Precinct	
	Baines Crescent	Employment Precinct		
	Horse Paddock	Specialised Precinct		
	SUZ East Side Highway	Specialised Precinct	Commercial Precinct	
	Geelong Rd Medical Precinct	Ad-Hoc Precinct		
	West Coast Business Park	Employment Precinct	Employment Precinct	

Source: Urban Enterprise, 2020. Note: Spring Creek Activity Centre should only be added to the hierarchy if and when the PSP is approved.



Residential Growth Area

Potential Local Activity Centre

Surf Coast Hwy

Messmate Rd

Great Ocean Rd

Torquay North:

1. Large Neighbourhood Activity Centre
2. Expand C1Z to the north
3. Introduce shop floorspace cap
4. Encourage a wide range of retail, employment and service uses

West Coast Business Park:

1. Primary industrial precinct
2. Rezone balance of precinct
3. Retain designation for future expansion to west

Loch Ard Drive:

1. Retain current role

Horse Paddocks:

1. Broaden permissible uses to meet residential service needs
2. Complement broader Surf City and surrounding land uses

Geelong Road Medical Precinct:

1. Rezone land
2. Integrate with Surf City as a 'specialised activity centre' rather than a stand-alone centre.

Surf City:

1. Retain current role

Baines Crescent:

1. Reposition as Enterprise Precinct
2. Broaden encouraged uses to include office, creative industries, niche production
3. Invest in public realm to facilitate transition

Torquay Central:

1. Retain primary hierarchy position, including for larger retailers
2. Amend built form controls to encourage redevelopment
3. Increase local residential catchment and accommodation
4. Broaden land use mix
5. Prioritise hospitality uses for residents and visitors
6. Actively facilitate redevelopment of at grade parking
7. Expand C1Z to west

Bell Street:

1. Retain current role

Jan Juc:

1. Retain current role

LEGEND

Recommended Hierarchy & Role

- Major Activity Centre
- Neighbourhood Activity Centre
- Local Centre
- Specialised Precinct
- Employment Precinct

Current Zone

- Commercial 1 Zone
- Industrial 3 Zone
- Special Use Zone - Schedule 5 (Tourism Development)

1.0 Introduction

Torquay Jan-Juc is an iconic Australian sea-side destination. The towns have evolved from small holiday settlements to become a major urban area home to more than 22,000 residents and 5,000 workers in 2020.

As the towns have grown, so too has the retail and employment mix. There are now nine main locations where retail and employment uses occur across the towns, meeting the needs of both residents and visitors.

As the largest settlement in Surf Coast Shire, the economic prosperity of Torquay Jan-Juc is central to that of all residents and businesses in the region. Surf Coast Shire Council recognises the important role of the retail and business sectors in the towns and has prepared this Retail and Employment Land Strategy to support ongoing prosperity and growth in these important sectors.

The previous Torquay-Jan Juc Retail Strategy was prepared in 2011 - considerable changes have been experienced both locally and across the broader economy since then. This Strategy seeks to position the towns to capitalise on opportunities over the period 2020 – 2036.

The 16 year timeframe enables Council to respond to the requirements of the Victorian Planning Provisions which are for retail and employment land to be provided to meet needs of at least a 15 year period.

1.2 Scope and Content

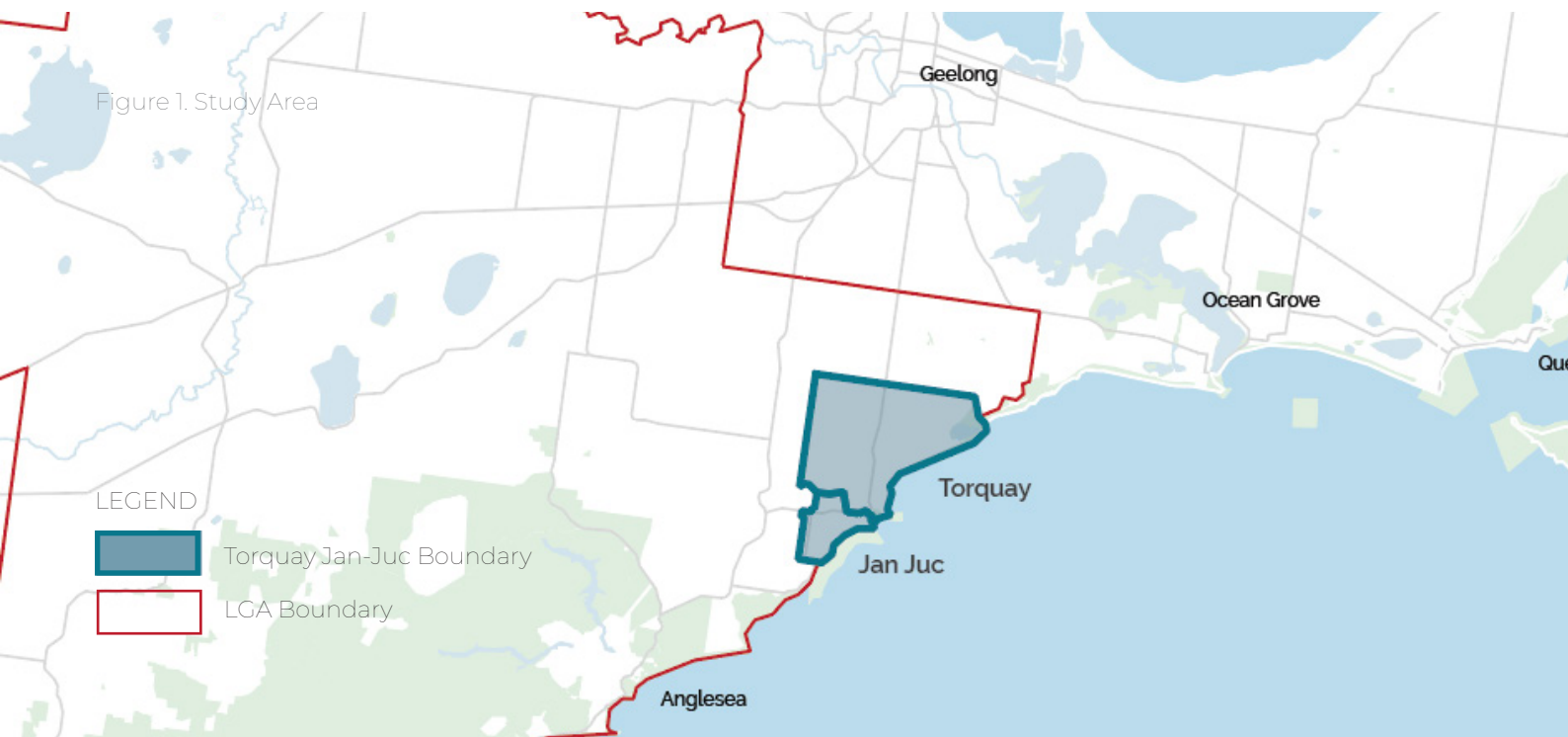
This Strategy builds on a Background Report which provides detailed context and technical analysis to underpin the strategies identified in this report.

The Strategy applies to all land in Torquay and Jan Juc (Figure 1), with a particular focus on land in the commercial, industrial and Special Use Zones in the towns. The Strategy sets out the main influences impacting the local economy and provides direction on how Council will manage land supply and planning policy to optimise the performance of activity centres and employment precincts.

The Strategy identifies changes needed to the current planning policy, an updated activity centre hierarchy, locations for future employment land and changes to existing employment precincts to ensure that the towns have both the capacity and appropriate zoning to accommodate growth.

Ultimately, the Strategy seeks to ensure that all existing and future residents, visitors and businesses are provided with appropriate retail and employment opportunities and that the towns remain prosperous, vibrant places to live, work and visit.

Figure 1. Study Area



The Strategy at a Glance

EXISTING SITUATION

Population & Economy

21,766

Population
(ERP, 2019)

5,344

Jobs
(ABS, 2016)

\$1.6B

Economic Output

Floorspace 2020

52,700m²

Retail

21,100m²

Commercial

49,800m²

Industrial

Projected Demand 2020 - 2036

+22,500m²

Retail Floorspace

+16,000 -
24,000m²

Office Floorspace

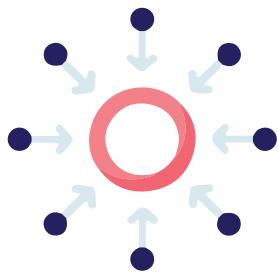
+2.6 -
4.6ha

Health Land

+12 -
28ha

Industrial Land

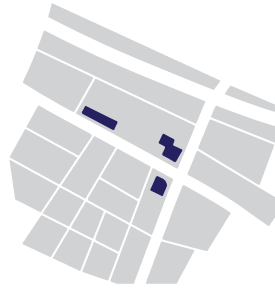
STRATEGY: THEMES AND OBJECTIVES



1

Overarching
Objectives

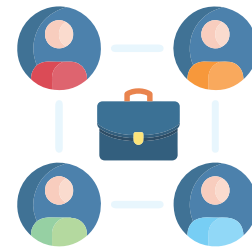
- 1 Update the Retail and Employment Strategy for the towns
- 2 Regularly monitor and review key elements of the Strategy and progress on key indicators
- 3 Support business resilience and position the local economy for prosperity in the context of retail sector changes and the impacts of the COVID-19 pandemic
- 4 Facilitate the development of '20 Minute Neighbourhoods' in Torquay-Jan Juc



2

Activity Centres

- 5 Provide clearer direction on the existing and growth role of each Activity Centre
- 6 Facilitate a prosperous Major Activity Centre in the Torquay Town Centre which successfully meets the needs of residents and visitors and responds to structural changes in the retail sector.
- 7 Provide land and opportunities for additional retailers and services in proximity to projected residential growth areas



3

Employment
Precincts

- 8 More clearly differentiate between the role of employment precincts in the towns
- 9 Reposition the Surf City Precinct as a location for employment, innovation and population services
- 10 Utilise all land types to accommodate employment growth across the town to ensure jobs growth and new opportunities keep pace with residential growth
- 11 Provide land to meet industrial requirements over the Strategy period

2.0 Context

2.1 Activity Centres & Employment Precincts

Torquay-Jan Juc currently contains:

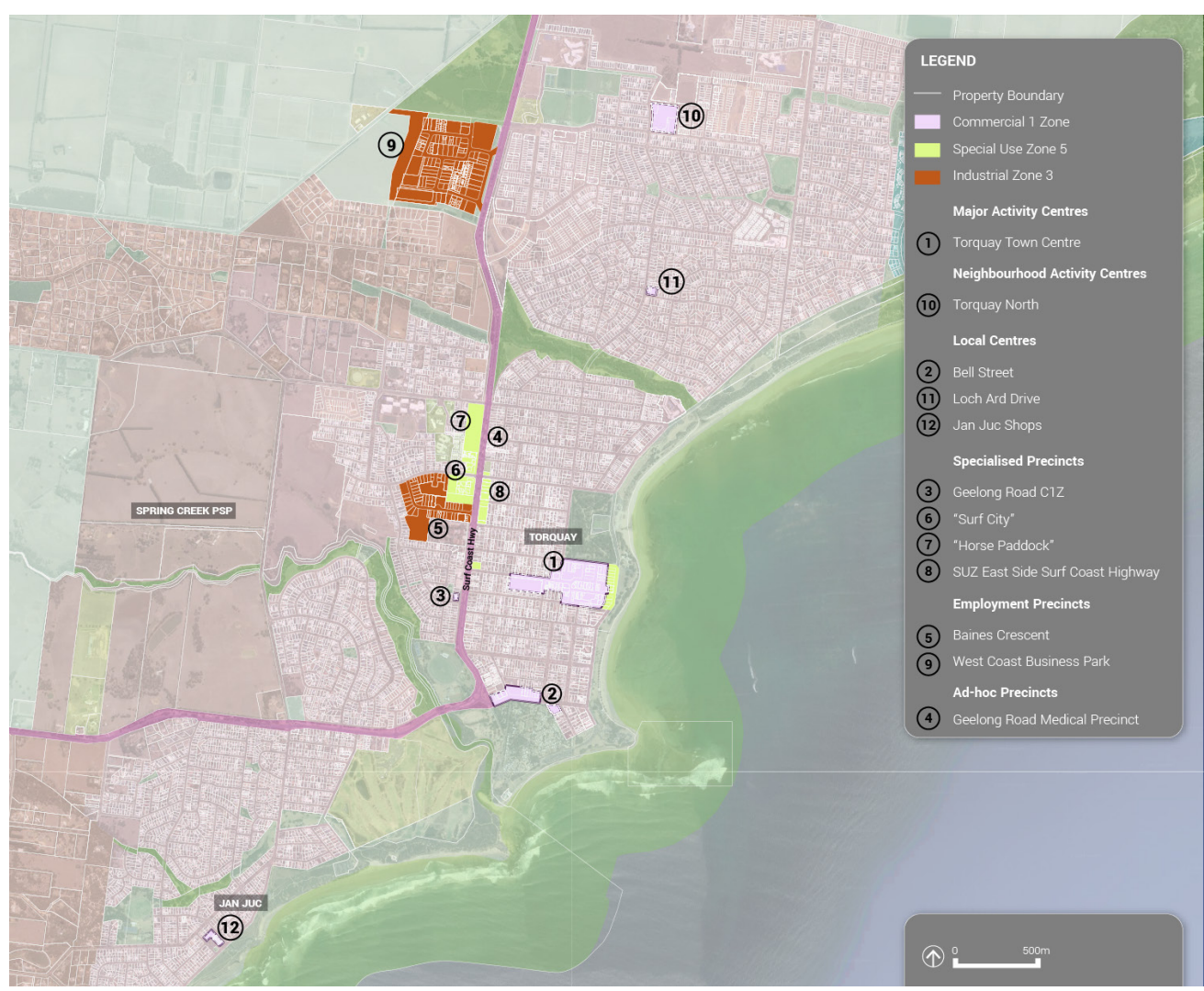
- One Major Activity Centre (Torquay Town Centre);
- One Neighbourhood Activity Centre (Torquay North);
- Three Local Activity Centres (Jan Juc, Bell Street and Loch Ard Drive);
- Two employment precincts (West Coast Business Park and Baines Crescent); and

- A cluster of specialised precincts along the Surf Coast Highway, the largest of which is known as Surf City.

The location of these activity centres and precincts is shown in Figure 2. The Torquay Town Centre and Jan Juc are the only retail or employment land which abuts the coastline.

The distribution of precincts across Torquay-Jan Juc is highly fragmented across all 12 centres.

Figure 2. Location of Existing Retail and Employment Land, Torquay-Jan Juc



2.2 Existing conditions

The Background Report provides detailed data and analysis of the floorspace and business mix across each activity centre and employment precinct. The following is a snapshot of key facts and figures regarding the current retail and employment land and offer in the towns.

Figure 3. Existing Conditions Snapshot



The Economy

The economy of Torquay-Jan Juc is the driving force of the Surf Coast economy: the Torquay economy has an output of \$1.6bn, making up 60% of the municipal output, and supported 5,344 jobs in 2016, 60% of the municipal total. It is critical that retailers and businesses in Torquay can continue to prosper and grow over the period of this Strategy.

The Torquay-Jan Juc economy is underpinned by three key sectors: construction, tourism and manufacturing. The economy is supported by a range of population-led sectors, including civic, retail, health and education, while there is an emerging professional services sector.

The retail, accommodation and food services industries make up 30% of all employment in the towns, with employment weighted strongly to hospitality, accommodation and food retail.

The local economy has traditionally held a strong specialisation relating to surf retail, products and employment, owing to two of the world's largest surfwear brands – Quiksilver and Rip Curl – being founded in Torquay. This has led to a strong economic role in surfwear retail, production and related employment over many years and flow-on benefits to other local businesses.

In recent times, the local economy has seen a transition towards greater employment and activity in professional services, creative industries and niche manufacturing, recreation and population services. The building and construction, creatives and professional services have also contributed to the growth in Home

Based Businesses (HBBs) in Torquay. This has coincided with strong population growth and the attraction of a new cohort of entrepreneurs and skilled workers to the area.

The Community

Torquay-Jan Juc is home to approximately 22,000 residents and welcomes more than 1 million visitors per year, many of which stay in holiday homes throughout the town.

The population has grown rapidly over the past 10 years at a rate of 4.4% per annum, resulting in significant changes to the scale and profile of the community and substantial growth in the demand for local goods, services and activities.

The community is younger than that of Geelong and regional Victoria and is characterised by above-average income earners and a growing number of young families, especially in the growth areas of Torquay North, although projections are for an increasing proportion of older residents and smaller households.

The community of Torquay is heavily influenced by the coastal location and the proximity to employment, education and services in Geelong and Melbourne. The access and connectivity to Melbourne has been improved with the construction of the Geelong Ring Road. The surf culture and natural environment remains a major driver of the attractiveness of Torquay and Jan Juc to both residents and visitors, often leading to visitors becoming residents and residents starting businesses in the town.



Existing Land Uses

In 2020, there was an estimated 52,700sqm of occupied retail floorspace in Torquay-Jan Juc, including 3 full line supermarkets and two smaller supermarkets. The retail offer serves a catchment of more than 33,000 residents across the towns, nearby rural areas and settlements along the Surf Coast, as well as meeting the needs of the more than a million annual visitors.

The town also accommodates approximately 20,000sqm of office floorspace (much of which is within the headquarters of Quiksilver) and has approximately 20 hectares of occupied industrial land.

Land Supply and Capacity

Retail and employment land in Torquay and Jan Juc is contained within three main zones: the Commercial 1 Zone, the Industrial 3 Zone and the Special Use Zone. Other zones such as the Commercial 2 Zone, Commercial 3 Zone, Mixed Use Zone, Industrial 1 Zone and Industrial 2 Zone are available but not applied in Torquay-Jan Juc.

Land in the Commercial 1 Zone is almost fully occupied, while sections of vacant industrial and Special Use Zone land are primarily held in 2 strategic properties: the balance of the West Coast Business Park (IN3Z) and the Horse Paddocks site (SUZ5).

As a result, there are very limited opportunities for new premises to be developed on vacant land, meaning that under the current zoning, the majority of new development, floorspace and economic opportunity would need to be facilitated through the redevelopment of existing occupied properties.

Table 1. Floorspace by Land Use, Torquay-Jan Juc

Land Use	Occupied Land Uses (2020)	Key Uses
Retail	52,700sqm	Supermarkets, cafes and restaurants, clothing, bulky goods, retail services
Commercial & Office	21,100sqm	Quiksilver headquarters, small businesses, medical centres, banks, post office.
Industrial	19.5ha	Variety of factories, warehouses, manufacturers and repairs. Mainly smaller businesses.

Source: Urban Enterprise, 2020

Table 2. Land Supply by Zone, Torquay-Jan Juc

Zone	Total	Occupied	Vacant
Commercial 1 Zone	11.29	10.78	0.51
Industrial 3 Zone	30.66	19.46	11.2
Special Use Zone 5	7.16	4.18	2.98
Sub-total Zoned Land	49.11	34.42	14.69
Other land identified for future employment*	16.66	0	16.66
Total	65.77	34.42	32.28

Source: Council Rates Database, 2020. *Land in the Farming Zone identified for future expansion of the West Coast Business Park

2.3 Drivers of Change Since the Previous Strategy

Since the previous Strategy was prepared in 2011, significant changes have occurred within the local and regional economy. The following summarises the key changes relevant to this strategy.

A Step Change in the Role and Scale of Torquay

Torquay and Jan Juc have experienced major and sustained population growth over the period (+7,000 residents). The Torquay retail offer has expanded significantly (+22,000sqm) to accommodate two new supermarkets and a Bunnings Warehouse hardware store. Local employment has also increased by 26%, however this rate of increase was not as high as the population and retail increases in percentage terms.

Much of Torquay's growth has derived from strong population growth and affordability issues in Melbourne (and to a lesser extent, Geelong), with many people moving from these larger cities to the coastal township. Torquay North in particular has become home for a significant cohort of new families.

Most retail floorspace growth over the period was due to the establishment of major retailers Aldi, Woolworths and Bunnings - these three retailers comprised 15,000sqm (71%) of the additional floorspace.

Figure 4. Key Changes Since 2011



Source: ABS Census, 2011, 2016; Surf Coast Shire, 2020; Remplan, 2020.

A Larger, Younger Permanent Community

Much of the population growth in Torquay over the period has been driven by families and higher income earners attracted to Torquay North. This has resulted in the establishment of a large permanent residential community and a subsequent change in the prevailing role of the town from its former tourism role to a major urban centre.

As a result, there is considerably greater demand for local goods and services, and the opportunity for larger scale facilities given the permanent population catchment now exceeds 20,000 residents.

It is important that planning policy acknowledges the changing role of the towns and responds to demand for more population services (such as childcare, play centres, education, medical and aged care), the need and opportunity to support a greater permanent employment base in the towns and the ongoing demand for local retail and hospitality businesses.

Economic Growth and Investment

Activity centres and employment precincts have experienced considerable development and investment over the past 10 years and several major developments are currently proposed by both the private sector and Council, although none of these are located in the town centre.

It is clear that the recent and proposed investment and development interest needs to be guided by the Strategy so that the major economic opportunities associated with residential and tourism growth to the town are facilitated in a co-ordinated and deliberate way. Planning controls should seek to provide direction and facilitate investment that is needed to meet the ongoing retail, services, entertainment and employment needs of the growing community.

Tourism and Hospitality Role

The tourism market in Torquay-Jan Juc continues to grow with strong domestic tourism and a growing international market.

Tourism remains a key element of the Torquay economy and has experienced growth in visitation over recent years, driven mainly by domestic visitors. Investment in the tourism and hospitality sectors must keep pace with demand and expectations of visitors to maintain the strength in tourism.

Key drivers of this opportunity include the following:

- Metropolitan Melbourne is the largest tourism visitor market and the city's ongoing population growth continues to increase the scale of Torquay's domestic visitor catchment given close proximity, which has been improved with the Geelong Ring Road. There is great opportunity for investment to support daytrip, overnight and holiday home markets. This market is especially relevant in the period after the initial effects of the COVID pandemic subside, when domestic travel is likely to be permitted but international travel will be restricted.
- Geelong is experiencing major population growth, increasing the daytrip market for Torquay, especially from residents of the fast-growing Armstrong Creek Growth Area, many of whom will be closer to Torquay than central Geelong;
- The international visitor market to Victoria continues to grow, with increasing expectations of high quality accommodation and authentic visitor experiences.

Structural Change in the Retail Sector

Since 2011, the retail sector has experienced significant changes and faces major challenges for traditional business models. Many of these challenges have been accelerated by the impacts of the COVID-19 pandemic.

Physical retailers are experiencing growing competition from online retailing. The impacts are keenly felt in certain industries, including clothing, electronics, books and financial services, retailers of which are often the cornerstone of regional township activity centres, including the Torquay town centre.

This has been coupled with an overall decline in spending on surf and apparel retail and changes to the commercial zones in Victoria allowing certain retailers in industrial zones. As a result, the Torquay town centre continues to under-perform and the outlook remains weak for many elements of the physical retail sector that are highly exposed to existing trends.

The COVID pandemic has accelerated many of these trends and will present challenges for many retailers in Torquay. The pandemic's impact on hospitality and events businesses will also be particularly challenging in the short term.

Changing Nature of Employment in the Region

The Geelong Region is experiencing a major shift in its economy away from traditional manufacturing toward population services and professional industries.

Jobs in the local and regional economy are changing with the growth and change in population. This is to some extent being influenced by the attraction of new residents to the region with professional skills, as well as macro-economic drivers and trends.

Geelong's transition from a traditional manufacturing focus to knowledge and service sectors is well underway, and Torquay is in the midst of economic changes affecting existing specialisations in surfwear, with manufacturing moving offshore and the potential erosion of the 'place brand' of Surf City due to the relocation of Quiksilver's head office.

At the same time, economic opportunities and specialisations are emerging in both Geelong and Torquay, including growth in the creative sector, a range of emerging businesses in niche manufacturing and small business in Torquay, strong growth in the construction sector locally, an increasingly professional labour force and an increase in remote working that is likely to be accelerated by the impacts of the COVID-19 pandemic. This includes ongoing growth in the high number and proportion of HBBs in Torquay. The potential for accelerated change driven by the pandemic raises important considerations for flexible office provision and co-working space to cater for these business types.

This Strategy needs to provide opportunity – both in terms of physical space and land use flexibility – to enable the local economy and individual businesses to respond to these shifts and capitalise on economic opportunities.

2.4 Growth Projections

Torquay and its retail catchment are projected to experience ongoing strong population growth, with an additional 10,000 residents expected to reside in the Torquay area over the period 2019 – 2036, with a total of 12,000 additional residents across the broader catchment when secondary catchments are included.

Population and visitation growth over the projection period is expected to result in demand for a further 22,500sqm of retail floorspace in Torquay-Jan Juc, a similar scale of retail floorspace growth to that which has been experienced since the previous retail strategy.

Employment projections are for an additional 2,900 - 3,500 jobs in Torquay-Jan Juc between 2019 and 2036, a considerable increase on the current employment level of approximately 6,000 jobs. This will require:

- 16,000 – 24,000sqm of office floorspace;
- 12 - 28ha of industrial land; and
- 2.6-4.6ha of land to accommodate health uses.

Figure 5. Growth Projections and Spatial Requirements, 2019 - 2036



3 Issues and Opportunities

Over the course of the previous Strategy period, several issues and opportunities have emerged which need to be addressed by this Strategy. These have been captured through consultation and research as part of the Background report process and through consideration of the alignment between the trends and projections with the current performance and layout of existing activity centre and employment precincts.

The major issues and opportunities to be addressed are:

- The existing network of activity centres and retailers is fragmented and there is a lack of clarity regarding the role of each centre;
- There is a lack of capacity to accommodate new development needed to meet projected needs;
- The town centre is under-performing and requires strong policy support and pro-active reinvestment;
- Surf City and Baines Crescent have existing strengths that need to be consolidated and leveraged as the precinct undergoes transition;
- Planning tools are not adequate to respond to changes in the town's role and economic opportunities, especially in response to the challenges posed by the COVID-19 pandemic;
- As Torquay's economy changes, there is the opportunity to facilitate new growth through small businesses, creative industries, niche production and professional services while seeking to offset the loss of Quiksilver head office (while Quiksilver's head office has relocated to Queensland, the company still maintains a significant contingent of office based staff as well as a major retail presence in Surf City);
- There is an opportunity to capture the dividends of growth and capitalise on the town's popularity, especially in relation to tourism, hospitality and population services;
- Industrial land in the West Coast Business Park is significantly more expensive than other industrial areas in Geelong or the Surf Coast creating affordability concerns and potential barriers to investment;
- The image and attraction of a surf-side town can be enhanced, protected and leveraged to guide the next phase of economic growth.



Fragmented Activity Centres and Precincts

The role of each activity centre and employment precinct is not well defined, resulting in a fragmented network of retail and employment land and a lack of direction on preferred land uses.

Changes to commercial zones in 2013 resulted in a broader range of retail uses being permitted in industrial zones, contributing to the use of industrial land at the West Coast Business Park for retail uses and a wide range of land uses are now located in most employment and retail precincts. This has contributed to the erosion of many potential benefits that would exist if each precinct performed a clear role. There is the opportunity to improve the clarity of local policy support for particular land uses in each precinct and for public sector investment to be aligned to support the desired land use outcomes.

From a retail perspective, there are many isolated locations in which residents and visitors undertake regular shopping across the towns, contributing to the under-performance of the Torquay town centre as a retail location and resulting in foregone economic, social and environmental benefits of mixed use and consolidated activity centres.

All of the major development proposals currently known to council are for sites outside the town centre.

It is also relevant that all of the major development proposals currently known to council are for sites outside the town centre. It is important that larger developments are able to proceed in the town to respond to economic needs and opportunities, but that key developments do not contribute further to the fragmentation of the retail offer of the town.

Limited Capacity to Accommodate Growth

There is very limited vacant retail and employment land in Torquay and Jan Juc to accommodate growth. The lack of vacant land is particularly acute in the Commercial 1 Zone, which in the town centre is further impacted by height controls.

There are only two significant locations of vacant employment land in the towns: the undeveloped section of the West Coast Business Park (Industrial 3 Zone and Farming Zone land designated for future Business Park expansion) and the Horse Paddocks site in Surf City precinct. This leaves the majority of remaining employment land under the control of only two landowners.

As Torquay continues to grow, demand will continue to increase for local goods and services across retail, commercial and industrial land uses. The capacity of the town's employment and retail land to accommodate this growth needs to be increased in a strategic way to ensure that local needs are met and to capitalise on the economic opportunities presented by this growth in demand and labour.

Demand projections indicate that approximately 22,000sqm of retail floorspace will be required over the period to 2036, including core retail and bulky goods. Much of the new population will be located to the north of the town, requiring ongoing increases in floorspace and services in the growth areas, however it is important that a strong activity centre is planned without any further fragmentation of the retail offer across the town.

A further 16,000 – 24,000sqm of office floorspace will be required over the period. Several employment locations exist across the town, and there is the opportunity to accommodate office employment across the town in a variety of settings. The growing professional labour force and the acceleration of remote-working will drive the need for a considerable increase in the spaces available to small businesses and individual professionals in the town.

Up to 28 hectares of industrial land will be needed over the period for a range of uses, mostly for smaller and medium sized



businesses, many of which will be responding to the strong population growth, meeting construction and transport needs as well as businesses in the growing niche production and creative industries sector.

The health sector will also require suitable land and floorspace to meet the needs of the growing local community. Community uses, including childcare, recreation as well as shared office space, are also important contributors to economic activity and are often suitable uses at the periphery of activity centres.

It is important that sufficient available and developable land is provided across all of these sectors to ensure that local needs are met. This will require changes to existing planning controls (including in the town centre) and rezoning of land to accommodate growth and to ensure that planning is not a barrier to investment, economic development and service provision.

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Supporting Investment in the Town Centre

The Torquay Town Centre is the traditional heart of the town and the focus of its retail, commercial and social interactions, however it continues to perform poorly as a retail centre (and subsequently as an activity centre).

This is at odds with the favourable economic conditions that exist for the centre – both the residential and visitor markets are growing, the community is becoming more affluent and the town centre remains the only activity centre in Torquay located on the coastline.

Several issues have been identified which are contributing to the challenges of the town centre. Existing retailers are exposed to competition from larger shopping centres and online retailers, there is a lack of diversity of land uses in the centre and redevelopment of sites is slow. Competition from new retailers outside the centre, primarily Torquay North and West Coast Business Park, coupled with retail industry shifts has intensified the competition and challenges for the centre. There are also few redevelopment opportunities in the town centre; a situation exacerbated by built form requirements and the lack of vacant land.

In these circumstances, it is critical that reinvestment in the centre is facilitated to

It is critical that reinvestment in the centre is facilitated to provide opportunities for a wide range of new activities to occur in the centre

provide opportunities for a wide range of new activities to occur in the centre, including but not solely reliant on retail uses. This includes office employment, residential housing and visitor accommodation, contemporary hospitality premises and opportunities for larger retailers to establish over time.

Strong policy support for the town centre to remain the primary retail centre for the town is needed, along with a pro-active approach to transition to a higher-density mixed-use environment. Without these interventions, there is a clear risk of further decline in the performance of the centre and negative economic and social implications for the broader town.

Strong policy support for the town centre to remain the primary retail centre for the town is needed, along with a pro-active approach to transition to a higher-density mixed-use environment.

Capitalise On Existing Surf City Strengths

The existing café and retail strengths of Surf City and Baines Crescent should be leveraged to help transition the role of the area along with major investment proposals.

Although there is a current disconnect between the industrial, hospitality and retail roles, the surf culture and organic vibe of the precinct is attractive for visitation. However, the quality of the streetscape and transition towards industrial land uses presents an unattractive aspect to the area.

Major investment proposals, such as at the former Quiksilver head office and the library / cultural centre, present an opportunity for new development to catalyse land use change and

increase employment diversity in the Baines Crescent area while maintaining the popular surf and organic character of the area.

Planning Tools Need To Be Updated And Expanded

The planning tools currently applied to Torquay-Jan Juc's retail and employment land are outdated and need to be refreshed.

The local economy is changing, and as the population grows, demand for population led services will continue to increase. Although tourism remains an important specialisation of the town, facilitating growth in emerging industries such as niche production and manufacturing, creative industries, professional services is an important opportunity that requires flexibility in the types of businesses that can locate in the town's relatively limited employment land.

These opportunities need to be considered alongside the macro-economic conditions and competing locations for employment which mean that the town's specialisation in surfwear retailing and associated administration jobs may need to be supplemented or replaced by new employment and business opportunities, many of which are created by small and start up businesses drawn to Torquay by its coastal lifestyle, entrepreneurial spirit, skilled labour force and affluent but socially and environmentally-conscious market.

The impacts of the COVID pandemic are further accelerating trends towards remote working, challenges for traditional retailers and the importance of local production, supply chain and distribution networks.

In order to capitalise on these opportunities, greater policy support and guidance on locations where emerging industries will be encouraged and can be accommodated will be required, in particular in the Surf City precinct and through reviewing the built form controls of the West Coast Business Park. It is important that the planning controls put in place as a result of this strategy position the town for economic prosperity over the next 10 – 15 years, requiring a pro-active and forward-looking approach to the use of planning tools. Otherwise, opportunity costs will be incurred such as lost investment, and increasing escape



expenditure and employment to surrounding towns and cities and sub-optimal availability of services to meet the needs of local residents.

In certain employment precincts (such as Baines Crescent), uncertainty about the land use vision and the development types that will ultimately be approved is resulting in challenges for both Council and proponents and a missed opportunity to capitalise on the opportunities presented by this strategic location. This represents a cost to the community – it is important that planning controls are updated to provide opportunity and avoid these costs.

Another location where planning tools should be reviewed is the land at the north-east corner of the intersection of Geelong Road and Bell Street (2-4 Geelong Road, 48-50 Bell Street and adjacent properties) – these sites form a prominent gateway to the Great Ocean Road and are located at the edge of the Bell Street Activity Centre. Despite the importance of the sites, there are some inconsistencies created by existing planning controls. For example, land at 48-50 Bell Street is in the Commercial 1 Zone, however the site is subject to a Design and Development Overlay which promotes residential land use while the balance of the C1Z land in the Bell Street Activity Centre is subject to a different DDO. Other sites have land included in both the General Residential Zone and Commercial 1 Zone. It is important that the use and development potential of this land is clear and that this is reflected in the planning scheme.

➤ Capturing The Dividends Of Growth For Local Benefit

Torquay is a highly popular place to live and visit and the key origin markets for residents and visitors are growing strongly. There is the opportunity to capture the benefits of this popularity for local residents, in terms of employment opportunities, access to local services, hospitality and entertainment and infrastructure improvements.

In many parts of Torquay, meaningful improvements to the public realm, service provision and employment opportunities are currently limited by the relative lack of suitable land for development. As urban Geelong continues to expand to the south and domestic tourism takes on even greater importance post-COVID, Torquay is well positioned to capture the benefits of growth and diversification of the retail, employment and tourism sectors.

The primary driver of the Torquay economy is the beach and associated coastal lifestyle – this connection permeates through resident attraction and retention, business creation (including the culture of start-up and small local businesses) and the ongoing strength of the tourism and surf-related industries. It is important that the next phase of Torquay's growth is grounded in the knowledge that most people want to live, work and play in the town in order to enjoy the coastal lifestyle.

This requires planning policy and actions which seek to maintain an authentic coastal brand to the town's key activity centres and employment precincts, while encouraging uses which complement lifestyle drivers, especially hospitality, entertainment, recreation, local production and physical connections to the coast and the natural environment.

4 Planning Policy

The way in which Council can respond to the issues and opportunities identified in this Strategy must have regard to existing State and regional policies and strategies. There will also be the need to balance the various objectives of the Surf Coast Planning Scheme when making changes to existing controls to capitalise on the opportunities and remove barriers to growth.

4.1 State Planning Policy

Plan Melbourne is the long-term strategic planning document to guide growth in Melbourne and key parts of regional Victoria to 2050. Torquay is identified as one of several 'peri-urban towns' with capacity to accommodate more housing and employment-generating development without having a negative impact on the economic and environmental role of surrounding non-urban areas (Policy 7.1.2).

Plan Melbourne notes that development in peri-urban areas must be in keeping with the local character, attractiveness and amenity of the area.

The Victorian Planning Provisions refer to the now long-standing government policy of encouraging the "concentration of major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres that are highly accessible to the community." A series of related policies discourage major retail developments that are not in activity centres (known as 'out of centre' development) and encourage the development of 20-minute neighbourhoods

20 Minute Neighbourhoods

Plan Melbourne introduced the concept of the 20-minute neighbourhood to planning in Victoria. The concept builds on the Strategy to encourage jobs, services, community uses and transport close to homes by setting out the range of services, housing, employment and transport that should be planned within 20 minutes walk of residents. Although the concept applies to metropolitan Melbourne, the principles are also relevant to larger urban centres in regional Victoria such as Torquay.

As part of the implementation of Plan Melbourne, research by DELWP promotes the opportunities associated with Enterprise Precincts – dense, diverse and specialised areas of business activity which are responding to changes in the way people work, capitalising on digital technology and leveraging physical clustering of like-minded businesses to drive collaboration, innovation and productivity.

The research on enterprise precincts led to the introduction of the Commercial 3 Zone to the suite of planning zones available across Victoria. The success factors for enterprise precincts are shown in Figure 7. The success factors and drivers of enterprise precincts are most relevant to the Surf City area of Torquay, in that economic synergies and anchor institutions have been established around the surfwear and surf-retail sectors, and the precinct has the potential to offer several other success factors, such as affordable business premises, access to labour, collaboration across different industries and a quality place environment.



Figure 6. Features of A 20-Minute Neighbourhood

Source: DELWP, planning.vic.gov.au.



Figure 7. Success Factors for Enterprise Precincts

Source: DELWP, Unlocking Enterprise in a Changing-Economy



Planning Policies for Economic Development

State planning policy (Clause 11) includes the objective to “ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses” which is to be achieved through strategies including ensuring that “sufficient land is available to meet forecast demand” and planning to “accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur.”

The Victorian Planning Provisions (Clause 17) identify the need for planning to “provide a strong and innovative economy, where all sectors are critical to economic prosperity” and “to contribute to the economic wellbeing of the state and foster economic growth by providing land, facilitating decisions, and resolving land use conflicts so each region may build upon its strengths and achieve its economic potential”. Specific policy support is provided for opportunities for innovation and the knowledge economy including in existing and emerging industries.

Policy encourages the provision of adequate land supply in appropriate areas for both commercial and industrial land and to manage out of centre development and discourages the expansion of retail, commercial and recreational facilities outside of activity centres, with a preference for these uses to be located in or on the border of activity centres. Policy also encourages tourism development which maximises the benefits (economic, social and cultural) of the state becoming a competitive domestic and international tourist destination.

The implications of these state level policies for Torquay-Jan Juc are that:

- Substantial additional land and floorspace will need to be provided to meet projected demand over a 15 year period across all sectors;
- The Strategy should enable the towns to capitalise on their strengths, provide opportunities for innovation and encourage tourism development;
- The Strategy needs to closely manage, and discourage where possible, large ‘out-of-centre’ retail, commercial and recreational facilities.

4.2 Regional Strategies and Policy

Torquay-Jan Juc is a significant settlement at the regional level.

The G21 Growth Plan identifies Torquay as a ‘District Town’, a ‘sub-regional employment centre’ and the largest coastal centre in the region, acting as the gateway to the Great Ocean Road coast and home to an international surf industry. In terms of employment directions, the Growth Plan promotes “strengthening and protecting the identified existing and planned employment areas... as well as tourism precincts and district town activity centres.” The Growth Plan also promotes the opportunity to connect Torquay to urban Geelong through a new public transport link.

Regional planning policy included in the Surf Coast Planning Scheme reinforces the findings of the growth plan, identifying Torquay as a location to “strengthen and protect the identified existing and planned employment areas.” The policy also aims to achieve a diversified economy in the region, building on the region’s “strengths such as agriculture, tourism as well as economic, social and natural assets”, “support new businesses which provide employment as well as innovation in employment nodes” in the region and to “support industries that utilise skills within the region”.

It is noted that regional planning policy (Clause 17.03-1R) identifies the need to plan for “the expansion of industrial employment areas at Colac and Winchelsea” but does not mention Torquay.

The Regional Growth Plan identifies that Torquay will be a focus for urban growth in the region and plans for a total population of 25,000 residents in the town. The Plan also references a target to provide one new job per additional household and to achieve no net increase in employment travel to Melbourne.

Regional strategies and policy does not provide clear direction on how employment growth will be provided for in Torquay, necessitating a strong, proactive strategy and local policy as part of this project.

4.3 Current Projects

The Department of Environment, Land, Water and Planning (DELWP) has commenced planning work associated with the designation of the Surf Coast as a Distinctive Area and Landscape (DAL). The project is yet to be finalised and no clear direction is available at the time of preparation of this Strategy.

It is also noted that planning for the Spring Creek Precinct – a proposed urban growth area to the immediate west of the Torquay settlement – has been placed on hold subject to a decision by the Victorian Minister for

Planning, pending the outcomes of the DAL process.

This Strategy does not seek to pre-empt the findings of the significant planning processes and decisions that are pending – rather, the current circumstances and growth possible within the existing planning framework have been used to underpin the required retail and employment needs of the community. There is clearly the need to closely monitor the outcomes of the DAL and Spring Creek processes and incorporate a response to the key findings and implications once available.

Distinctive Areas and Landscapes

Surf Coast has been identified by the Victorian state government as a Distinctive Area and Landscape. The Distinctive Areas and Landscapes is a program currently being undertaken by the Department of Environment, Land, Water and Planning to protect areas and landscapes in Victoria which are highly valued for their cultural, economic, environmental and social assets which are under pressure from development and climate change as well as other environmental challenges.

The program has identified three other distinctive areas and landscapes in addition to Surf Coast within Victoria and are Macedon Ranges, Bass Coast, Bellarine Peninsula.

It is expected that a Final Statement of Planning Policy for Surf Coast will be released by the end of 2021.

Current planning policy at Clause 11.03-5S identifies the need to 'protect and enhance the valued attributes of identified 'distinctive areas and landscapes'.

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4.4 Implications

The following implications are identified for how the Strategy must respond to policy issues and opportunities:

- The co-location of retail, employment and entertainment uses in activity centres continues to underpin State planning policy and the new concept of the 20-minute neighbourhood should be integrated into planning for Torquay.
- A number of strategic and policy documents support the creation of local jobs to support the growing community and key industries of surfing, tourism, construction and rural businesses. State planning recognises the changing nature of work and the value of creating Enterprise Precincts.
- Policy requires the provision of at least 15 years land supply across all land uses – this is particularly relevant for Torquay given strong population growth projections and the lack of vacant land.
- State planning decisions on major projects (such as the DAL and Spring Creek PSP) could materially influence the basis for this strategy over the Strategy period – this will require flexibility and regular review.

5 Strategy

This section sets out the strategy for retail and employment land in Torquay and Juc over the period 2020 – 2036 which seeks to achieve the following vision.

5.1 Vision

Torquay-Jan Juc has a prosperous economy which offers a diverse range of employment, goods and services to residents and visitors. Residents have everyday goods and services within their 20-minute neighbourhood and have access to a wide variety of hospitality, entertainment, health and recreation facilities in the town.

The activity centre network is well defined and reinvestment and expansion of the retail offering occurs incrementally in-line with demand. Employment precincts provide opportunities for investment and change so that businesses can respond to changing market needs and broader economic opportunities, while increasing overall employment and value-added.

The visitor economy remains an important element of the town's offering, with accommodation, hospitality and entertainment driving year-round visitation and supporting a vibrant network of activity centres which serve visitors from near and far as well as local residents.

The culture of relaxed coastal living and entrepreneurialism is evident throughout retail and employment areas, driving business creation, employment growth, self-sufficiency, economic specialisation, innovation and creativity.

5.2 Retail Role & Floorspace Growth

As the population of Torquay continues to increase, there is the need to provide opportunities for additional retail floorspace. Consistent with State planning policy, core retail floorspace must primarily be accommodated in activity centres. In many parts of the existing activity centre network there is a relative lack of vacant land, development capacity or both.

The following expected distribution of population growth provides a broad indication of the locations in which retail demand is expected to increase over the strategy period:

- The majority of population growth will occur in the Torquay North area, with Forecast ID estimating 6,466 additional residents in the area between 2019 and 2036, taking the total population of this area to approximately 14,700 residents. For most of these residents, the closest Neighbourhood Activity Centre will be Torquay North, while expenditure will also occur in other centres including Torquay Town Centre, other retailers in Torquay and in urban Geelong;
- Considerable population growth is also projected for Torquay central and Jan Juc, with a combined 4,366 additional residents projected for these areas according to Forecast ID over the period 2019 to 2036 (however this includes population expected to be accommodated in the Spring Creek Precinct which is not yet approved). For these residents, the closest activity centre with full line supermarket offering is the Torquay Town Centre (or the potential Spring Creek Neighbourhood Activity Centre if the precinct is ultimately approved).

If the Spring Creek PSP is not approved and no alternative land supply is provided to the south and west of the town, then it is clear that most of the population growth in the town over the strategy period will occur in Torquay North. These residents will generate demand

for additional retail goods and services, many of which should be provided within the respective neighbourhoods.

For higher order retail goods and services, it is important to note that the Armstrong Creek Town Centre is planned to accommodate a range of major core and restricted retailers which will be highly accessible to Torquay residents, especially those located in Torquay North. Therefore, it is not necessary to seek to provide all types of retail to residents in the local area. It is essential, however, that the retail hierarchy within the town provides local, neighbourhood and some sub-regional retail goods and services to residents within a clearly defined hierarchy.

It is also relevant that the Torquay Town Centre is under-performing as a retail centre and that further challenges are possible due to retail sector trends and the likely need to more retail space in Torquay North. In these circumstances, it is important that the primacy of the town centre as the primary activity centre is protected while concurrently providing opportunities for new retail space to be provided within the urban growth areas of the town.

Recommended Retail Hierarchy

Table 3 sets out the proposed retail role of the existing activity centres (and employment precincts for completeness), having regard to the need to retain a strong activity centre hierarchy, prevent 'out of centre' retail development and provide suitable opportunities to accommodate additional retailers in locations accessible to residents.

Several planning tools are proposed to implement the hierarchy, including:

- Using local policy to more clearly define the role of each centre within the revised hierarchy;
- Increasing the zoned land available for activity centre purposes in the Town Centre and Torquay North;
- Introducing a floorspace cap to Torquay North to manage growth of the centre in line with population growth;
- Introduce floorspace caps to any new or proposed Neighbourhood Activity Centres (NAC) or local centres. If left 'uncapped' there is potential that the role of the Town Centre could be compromised.
- Revising built form restrictions in the town centre to ensure that there are incentives for mixed use redevelopment of existing sites in private ownership; and
- Maintaining the restrictions on core retail outside activity centres through zoning and local policy.

A shop floorspace cap is proposed for the C1Z in Torquay North to accompany the recommended expansion to the zoned area. This will enable further retail and commercial space to be provided in proximity to the growing resident base in Torquay North (including potential future growth areas yet to be zoned) whilst ensuring that major retail expansion which might attract existing trade from the Town Centre is not permitted. The cap is proposed to be reviewed over time.



Table 3. Retail Role and Floorspace Caps

Location	Zone	Retail Floorspace (sqm)	Existing Floorspace Cap	Retail Growth Role and Capacity	Proposed Planning Tools for Retail Purposes
Torquay Town Centre	C1Z SUZ5	15,900	None	Strategic location serving entire settlement – capacity limited by built form controls.	- No floorspace cap - Reduce built form capacity constraints
Torquay North	C1Z	4,800	None	Strong growth projected for catchment, one vacant site but further space required.	- Increase zoned land - Introduce shop floorspace cap of 8,000sqm - Review cap at next Strategy review
Jan Juc	C1Z	1,600	None	Minimal growth in catchment, one vacant zoned site, no change in role.	No changes proposed
Bell Street	C1Z	5,600	None	Limited capacity for expansion, market for hospitality and tourism expected to grow.	Investigate increasing zoned land to east
Loch Ard Drive	C1Z	150	None	Limited growth in immediate catchment, one vacant site. No change in role.	No changes proposed
Geelong Road C1Z	C1Z	570	None	Established minor retail service cluster, no change in role.	No cap proposed.
Geelong Rd Medical Precinct	GRZ	1,100	None	Established food and medical cluster, limited capacity to expand.	Rezoning proposed, no floorspace cap proposed.
Surf City	SUZ5	6,000	None ¹	Ongoing retail outlet role. Limited capacity for growth, Council investing in public facilities.	No core retail supported.
Baines Crescent	IN3Z	3,200	None ²	No retail role at present, strategic location with opportunity for redevelopment of existing sites for employment.	No core retail supported.
Horse Paddock	SUZ5	1,100	None ¹	Major development site.	No core retail supported.
SUZ East Side Highway	SUZ5	2,100	None ¹	No vacant land, limited capacity for growth other than through redevelopment.	No changes proposed
West Coast Business Park	IN3Z	10,700	None ²	Capacity for infill and ongoing subdivision of broadhectare land to meet catchment needs.	No changes proposed

Source: Urban Enterprise. Note 1: SUZ5 includes several limitations on the type and scale of retail uses permitted. Note 2: In the IN3Z supermarkets of up to 1,800sqm do not need a planning permit.

In addition to the existing centres, urban growth is proposed or possible in three main locations around the towns:

- Spring Creek Precinct – subject to planning approval, with a Neighbourhood Activity Centre included in the PSP.
- North-west of Messmate Road. This area could accommodate approximately 1,400 residents, most of whom would be more than 20 minutes walk of the Torquay North Neighbourhood Centre and would face barriers to movement such as the Surf Coast highway and nature reserves. Although much of the demand for local goods and services could be met at Torquay North, a local activity centre should be considered as part of planning for this area to provide conveniently accessible retail, potentially in a location adjacent to or within the proposed extension to the West Coast Business Park.
- North-east of Horseshoe Bend and South Beach Roads. This area could accommodate approximately 1,750 residents, most of whom would be more than 20 minutes walk of the Torquay North Neighbourhood Centre. A local activity centre should be considered as part of the planning for this area, for example at the south-western corner of the development.

Major Retailers

There are presently few ‘major’ retailers in Torquay, with the main exceptions being Bunnings and large surfwear retailers. The potential need for a Discount Department Store (DDS) was identified in the previous Strategy, however no store has since been established and the establishment of a DDS is not a priority for this strategy.

The population of Torquay’s retail catchment is currently approximately 33,000 and is projected to increase to 45,000 residents by 2036. This is a substantial catchment that under recent trading conditions would approach and then meet the usual catchment for a Discount Department Store within the Strategy period. However, the following circumstances will present challenges for this retail type in Torquay:

- Strong competition accelerated by e-commerce (and likely to be further accelerated by the COVID pandemic) is resulting in challenging conditions for this

retail type. Many retailers are reducing, rather than expanding, their store networks.

- Other retailers in the town absorb some of the trade that would otherwise go to a DDS in a typical urban area or town, such as the many surfwear and related apparel and footwear outlets; and
- Residents of Torquay, especially those in the growth areas of Torquay North, can readily access existing DDS in Waurin Ponds and will be able to access higher order retailers within 10 minutes drive time at the proposed Armstrong Creek Major Activity Centre.

Given these circumstances, facilitating a DDS is not considered a high priority, however it is important that the Strategy provides clear direction on the preferred location for major retailers if a retailer does seek to locate, especially in the latter part of the Strategy period. Because a DDS is a major driver of retail activity and visitation, it should be located within a larger centre that can offer a wide range of retail, commercial and hospitality uses centrally located to the core retail catchment. In Torquay-Jan Juc, the Torquay Town Centre is best positioned to offer this diversity.

The lack of vacant land remains a challenge to delivery of larger retailers in the town centre, as with most established retail centres. A different approach would be required to establish the pre-conditions for a DDS opportunity, including:

- Seeking to provide genuine large site redevelopment opportunities within the town centre, rather than existing policy which encourage lot consolidation (an often insurmountable obstacle to development);
- Actively facilitating the redevelopment of at-grade car parking, which would present the concurrent opportunity to address car parking issues in the town centre and strategically apply parking contributions;
- Encourage incremental redevelopment of other smaller sites within the town centre by adjusting existing built form controls so that the retail, commercial and residential role and catchment can be increased and diversified over time. This will ensure that once a development opportunity has been created for a larger site / retailer, the retail role of the town centre has been strengthened, its local demand base increased and its built form redeveloped and improved; and
- Providing clear policy support for this outcome.

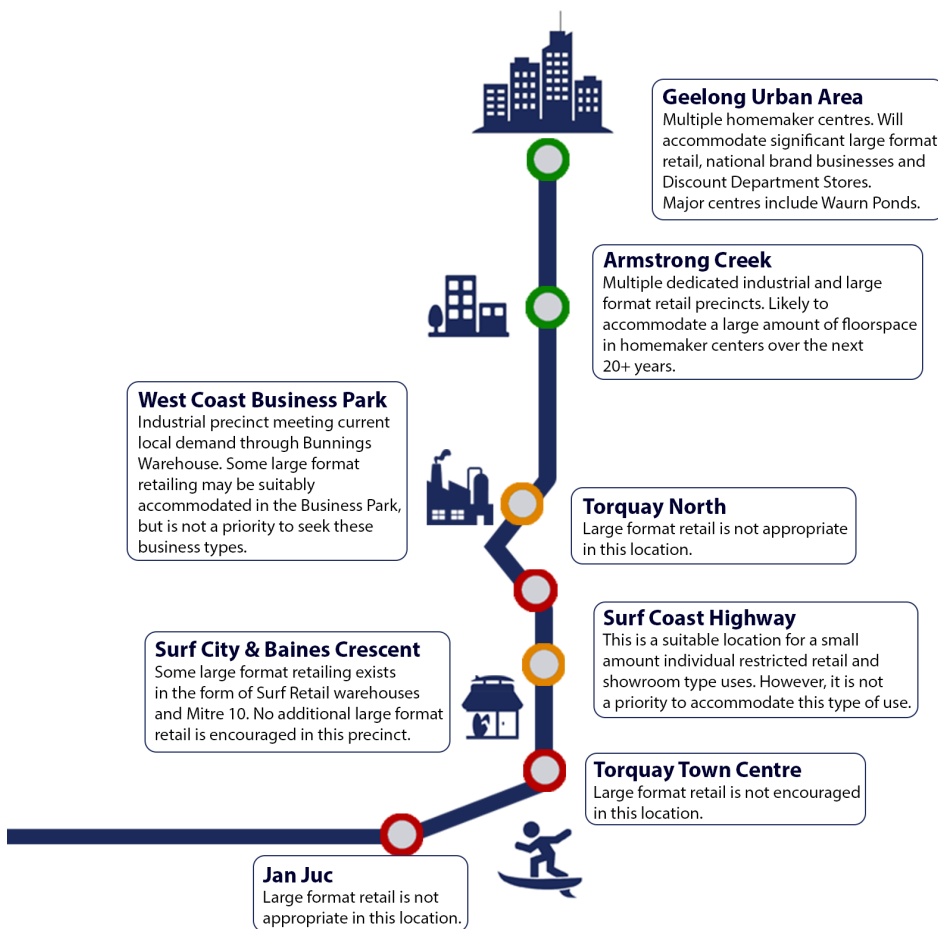
Large Format Retail

Bulky goods demand will continue to arise from Torquay residents. Some existing demand is met by Bunnings, Mitre 10 and independent retailers in the town, however most expenditure will escape to Geelong, especially Waurn Ponds.

Armstrong Creek will have large dedicated bulky goods precincts (expected to accommodate homemaker centres) within close proximity to Torquay residents. Similar to a Discount Department Store, it is not a priority to seek to accommodate bulky goods retailers in Torquay, however it is important that direction is provided on suitable locations of larger format retailers in the town. Individual

restricted retailers and showrooms are suited to locate along the Surf Coast Highway within the urban area around the Surf City precinct, however it is important that core retail uses are not permitted in this setting.

Figure 5. Large Format Retail



5.3 Employment Precinct Roles

Surf City and Baines Crescent

Surf City, Baines Crescent and the various other nearby sections of land along the Surf Coast Highway occupy the most strategic location of employment land in Torquay-Jan Juc.

The precincts are central to the urban area, readily accessible and visible from the Surf Coast Highway and benefit from the visitation and awareness of the Surf City retail precinct.

The precincts are undergoing important changes brought about by a variety of global and local factors, especially the relocation of the Quiksilver head office and the increasing local population base driving demand for a greater scale and diversity of local services and entertainment. There is the opportunity to encourage a greater density and diversity of business uses in the precinct to facilitate existing and emerging demand growth in professional services, creative industries and population services in the town.

In particular, the Baines Crescent area has characteristics conducive to creating an Enterprise Precinct, where a variety of employment uses can co-exist and capitalise on the economic benefits of collaboration, diverse activity, infrastructure investment and place making. The repurposing of the Quiksilver building can be a catalyst for this repositioning and the West Coast Business Park can provide ongoing industrial land availability elsewhere.

This Strategy treats the contiguous area comprising Surf City, Baines Crescent and adjacent employment land as a single specialised employment precinct and recommends several changes to the planning controls which apply to the precinct in order to position the precinct to provide greater employment, investment and services to the local community over the Strategy period as follows:

- Rezone the current Industrial 3 Zone land in Baines Crescent to the Special Use Zone (or other suitable zone) and facilitate the incremental development of an Enterprise Precinct through zoning, place making and infrastructure investment.
- Reposition the intent of the Special Use Zone to reduce the focus on tourism and enable

greater flexibility for new development to respond to demand from the growing population, especially health, recreation, entertainment and commercial. Tourism uses should still be permitted, but not at the expense of other alternatives which would benefit local residents and visitors without impacting the retail hierarchy.

- Removing the 'Activity Centre' designation of the Geelong Road Medical Precinct but including the land in the Special Use Zone to enable existing land uses to continue.
- Allowing restricted retail uses, medical, office and recreation in other sections of the SUZ land fronting the Highway.

West Coast Business Park

The West Coast Business Park is well positioned to perform an ongoing industrial land role to meet the local and sub-regional demand for a range of business types.

Although larger format industrial businesses are not likely to see any advantages in locating in Torquay, demand from smaller and medium businesses is steady and the strong population growth occurring in Torquay will continue to drive demand for local industrial land.

The role of the West Coast Business Park has been considered in conjunction with the proposed changes to Baines Crescent: as Baines Crescent transitions to a higher order employment role over time, it is critical that sufficient suitably zoned and located land is available in the town for both existing businesses to relocate and for new businesses to find suitable land and premises. The ongoing expansion of the West Coast Business Park can meet this demand.

There is a projected demand for up to 28 hectares of industrial land over the Strategy period. With approximately 10 hectares of developable land remaining in the zone equating to between 6 and 10 years supply, further land needs to be included in the industrial zone. Any industrial uses seeking to relocate from the Baines Crescent area would add to this demand.

This Strategy recommends the following actions to ensure that there is sufficient and suitable industrial land available in the towns over the strategy period:



- Rezone the balance of the West Coast Business Park to the Industrial 3 Zone, providing an additional 12-14ha of developable land for industrial purposes and preventing any other land use being contemplated for the land which is a strategically located resource for business purposes;
- Retaining the designation for future 'employment' land to the west of Messmate Road. This area should be planned (at least initially) concurrent to the planning for the residential area to its north, with its ultimate layout, zoning and role taking into consideration:
 - The rate and type of development occurring in the West Coast Business Park;
 - The demand for local business uses not of an industrial nature, such as offices, recreation or medical;
- The best location of a future local activity centre to serve the new residential area; and
- The necessary access and interface considerations for the proposed residential areas to the north and south.
- Ensuring that the Baines Crescent Enterprise Precinct can accommodate some smaller businesses of an industrial nature that wish to co-locate with other businesses in that location, especially those with a retail outlet or hospitality element, while ensuring that the West Coast Business Park and Baines Crescent areas are clearly differentiated.

5.4 Future Role of Retail and Employment Land In Torquay Jan Juc

Table 4 shows a summary of the role of each activity centre and employment precincts in Torquay-Jan Juc over the Strategy period as described in this Strategy. These roles are designed to position each centre to accommodate the additional demand for retail floorspace, health and recreation services and business and employment growth and changes over the next 15 years.

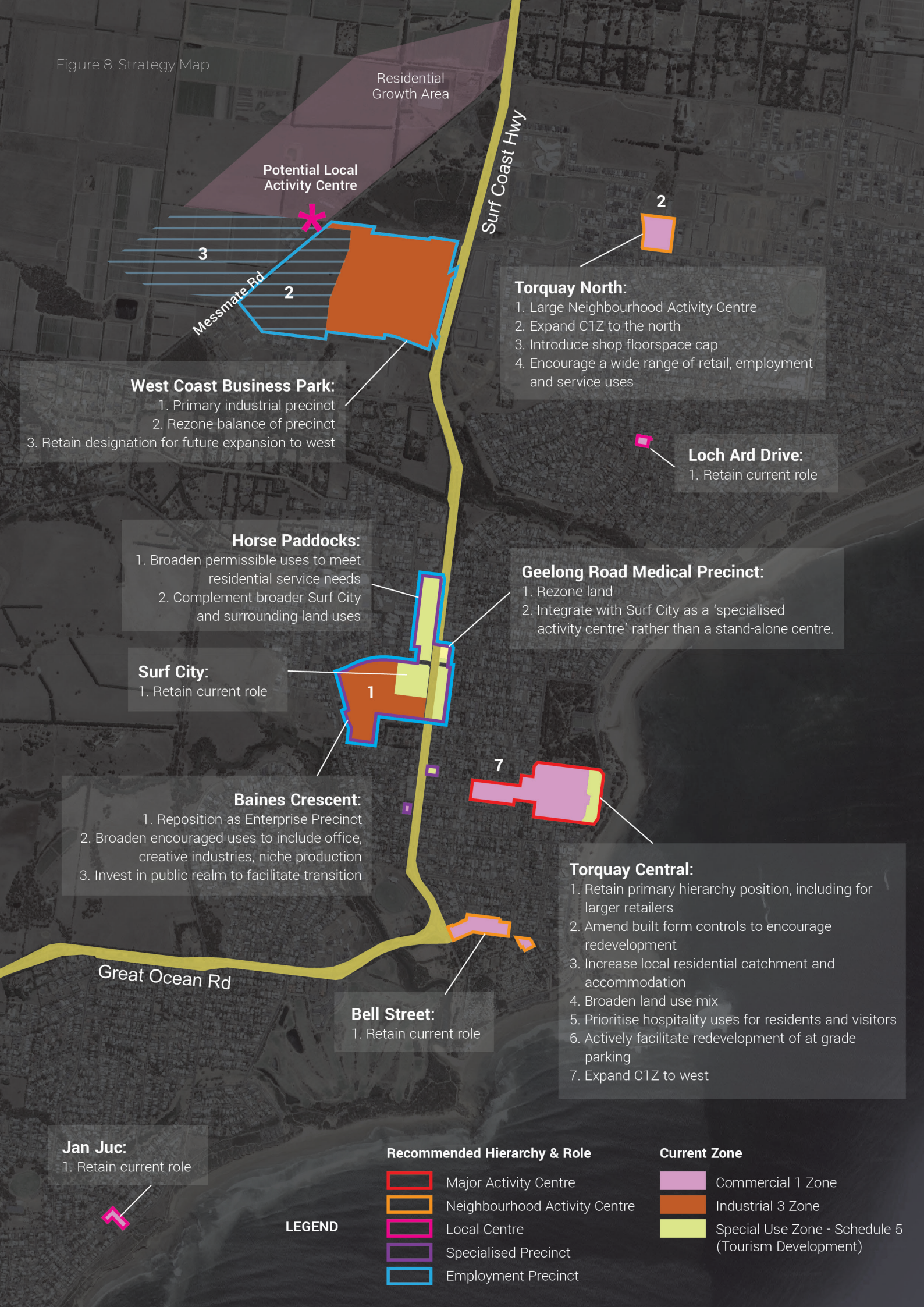
Figure 8 shows the key strategic directions and proposed changes on a map of the activity centres and employment precincts.

Table 4. Activity Centre Hierarchy and Role of Key Precincts

	Location	Current Hierarchy Position	Revised Hierarchy Position	Strategy Period Role
ACTIVITY CENTRES	Torquay Town Centre	Major Activity Centre	Major Activity Centre	Primary centre for retail, supported by hospitality, office and residential use. Preferred location for larger core retailers and mixed use development.
	Torquay North	Neighbourhood Activity Centre	Large Neighbourhood Activity Centre	An increased scale of neighbourhood-focussed retail goods and services for residents of Torquay North, supported by local employment and hospitality.
	Jan Juc	Local Activity Centre	Local Activity Centre	Local convenience centre continuing to serve residents and visitors.
	Bell Street	Local Activity Centre	Local Activity Centre	Ongoing hospitality, accommodation and specialty retail for residents and visitors.
	Loch Ard Drive	Local Activity Centre	Local Activity Centre	Ongoing convenience retail for local residents.
	Messmate Road	None	Future Local Activity Centre	Convenience retail, food and services for growth area residents.
	North East Torquay	None	Potential Future LAC (if SIA developed)	Convenience retail, food and services for growth area residents.
	Geelong Road C1Z	Local Centre	Local Centre	Local retail services
EMPLOYMENT PRECINCTS	Surf City Cluster	Specialised Employment Precinct	Specialised Employment Precinct	Strategic employment land providing a variety of surf retail, employment, commercial activity and health, entertainment, recreation, tourism and civic services.
	Surf City	Specialised Precinct	Enterprise Precinct	
	Baines Crescent	Employment Precinct		
	Horse Paddock	Specialised Precinct		
	SUZ East Side Highway	Specialised Precinct	Commercial Precinct	
	Geelong Rd Medical Precinct	Ad-Hoc Precinct		
	West Coast Business Park	Employment Precinct	Employment Precinct	

Source: Urban Enterprise, 2020. Note: Spring Creek Activity Centre should only be added to the hierarchy if and when the PSP is approved.

Figure 8. Strategy Map



West Coast Business Park:

- 1. Primary industrial precinct
- 2. Rezone balance of precinct
- 3. Retain designation for future expansion to west

Torquay North:

- 1. Large Neighbourhood Activity Centre
- 2. Expand C1Z to the north
- 3. Introduce shop floorspace cap
- 4. Encourage a wide range of retail, employment and service uses

Loch Ard Drive:

- 1. Retain current role

Horse Paddocks:

- 1. Broaden permissible uses to meet residential service needs
- 2. Complement broader Surf City and surrounding land uses

Geelong Road Medical Precinct:

- 1. Rezone land
- 2. Integrate with Surf City as a 'specialised activity centre' rather than a stand-alone centre.

Surf City:

- 1. Retain current role

Baines Crescent:

- 1. Reposition as Enterprise Precinct
- 2. Broaden encouraged uses to include office, creative industries, niche production
- 3. Invest in public realm to facilitate transition

Torquay Central:

- 1. Retain primary hierarchy position, including for larger retailers
- 2. Amend built form controls to encourage redevelopment
- 3. Increase local residential catchment and accommodation
- 4. Broaden land use mix
- 5. Prioritise hospitality uses for residents and visitors
- 6. Actively facilitate redevelopment of at grade parking
- 7. Expand C1Z to west

Bell Street:

- 1. Retain current role

Jan Juc:

- 1. Retain current role

LEGEND

Recommended Hierarchy & Role

- Major Activity Centre
- Neighbourhood Activity Centre
- Local Centre
- Specialised Precinct
- Employment Precinct

Current Zone

- Commercial 1 Zone
- Industrial 3 Zone
- Special Use Zone - Schedule 5 (Tourism Development)

5.5 Objectives and Actions

In order to achieve the vision for each land use and precinct, strategic actions have been identified in the following themes: Overarching Objectives; Activity Centres; and Employment land.

> Overarching Objectives

OBJECTIVE 1

Update the Retail and Employment Strategy for the towns.

<i>No.</i>	<i>Action</i>
1.1	Adopt the Torquay-Jan Juc Retail and Employment Land Strategy 2020 and commence a planning scheme amendment process to implement Planning Scheme recommendations.
1.2	Progressively implement the non-planning actions of the Strategy.

OBJECTIVE 2

Regularly monitor and review key elements of the Strategy and progress on key indicators.

<i>No.</i>	<i>Action</i>
2.1	Closely monitor the results of major planning decisions which will influence retail and employment land demand and supply in the towns (particularly the DAL and Spring Creek projects) and update the Strategy if necessary.
2.2	Prepare an annual monitoring statement on retail and employment land use, including changes in land use, permit approvals and development outcomes, remaining vacant land and estimated employment in the town by industry.
2.3	Prepare an internal progress update within 5 years of implementation to review and update trend analysis. Update the Strategy if necessary within 10 years.

OBJECTIVE 3

Support business resilience and position the local economy for prosperity in the context of retail sector changes and the impacts of the COVID-19 pandemic.

<i>No.</i>	<i>Action</i>
3.1	Encourage a greater diversity of land uses and footfall in the Torquay Town Centre to increase the existing catchment of the centre and underpin demand for retail and services.
3.2	Provide policy support for land uses and development which cater for the domestic tourism market, capitalising on local tourism strengths, accommodation and hospitality demand and the need for outdoor space for businesses.
3.3	Facilitate employment and business opportunities in emerging sectors, micro-businesses and start ups, including through employment land and residential land.

OBJECTIVE 4

Facilitate the development of '20 Minute Neighbourhoods' in Torquay-Jan Juc.

<i>No.</i>	<i>Action</i>
4.1	Identify activity centres at Torquay Town Centre, Jan Juc and Torquay North as the locations where 20 minute neighbourhoods can be promoted through the provision of a range of retail, employment and services.
4.2	Ensure sufficient land is available within activity centres to accommodate employment and services as well as retail. This includes childcare, health, hospitality, shared office space, recreation and so on which are often suitable uses for the land at the periphery of existing centres.
4.3	Review and address walking and cycling accessibility to each key activity centre to ensure physical infrastructure promotes the 20 minute neighbourhood concept.

Activity Centres

OBJECTIVE 5

Provide clearer direction on the existing and growth role of each Activity Centre.

<i>No.</i>	<i>Action</i>
5.1	Update the Activity Centre Hierarchy in the Planning Scheme to reflect the hierarchy outlined in this Strategy.
5.2	Reinforce existing policy support to direct major retail investment to Torquay Town Centre to support and strengthen its role as the primary retail centre in Torquay-Jan Juc.
5.3	Clarify the role of the Geelong Road Medical Precinct as a local centre, remove the activity centre designation and include within the SUZ.
5.4	Use local policy to prevent out-of-centre development where the proposed uses could or should be accommodated within activity centres.
5.5	Embed the strategic objectives of this Strategy in the Surf Coast Shire Planning Scheme through relevant zones, schedules, overlays and policy in order to assess planning permit proposals.

OBJECTIVE 6

Facilitate a prosperous Major Activity Centre in the Torquay Town Centre which successfully meets the needs of residents and visitors and responds to structural changes in the retail sector.

<i>No.</i>	<i>Action</i>
6.1	Provide strong policy support for Torquay Town Centre as the primary retail and activity centre in Torquay-Jan Juc.
6.2	Actively facilitate opportunities to redevelop strategic sites in the Torquay Town Centre (including at-grade car parks) to provide opportunities for larger retailers as well as consolidated car-parking.
6.3	Encourage hospitality uses to locate in the Torquay Town Centre, particularly along Gilbert Street and the Esplanade, and provide outdoor dining opportunities.

OBJECTIVE 7

Provide land and opportunities for additional retailers and services in proximity to projected residential growth areas

No.	Action
7.1	Identify land to the north of the existing Torquay North Activity Centre as suitable for an expansion of the Commercial 1 Zone (can still provide for mixed use development, but prioritises retail and commercial uses) to enable an increase in the scale of retail and commercial offering as the local catchment population continues to grow strongly. Provide flexibility for retail floorspace to be delivered in any location across the C1Z, while also encouraging non-retail and hospitality floorspace
7.2	Introduce a shop floorspace cap to the C1Z schedule to cover all C1Z land as part of the expansion of the Torquay North zoning to ensure retail floorspace can increase in line with demand without impacting the performance of the town centre.
7.3	Plan for new convenience centres as part of any rezoning to create new urban growth areas to the north-east and north-west of the existing urban area.
7.4	Provide commercially attractive and suitably zoned opportunities for larger format retailers to locate at the Surf Coast highway frontage to the Surf City precinct.
7.5	Apply a maximum floorspace per tenancy for large format retail uses fronting the Surf Coast Highway to ensure major tenancies are not in inappropriate locations.
7.6	Investigate the zone and overlay controls on land at the corner of Geelong Road and Bell Street (2-4 Geelong Road & 48-50 Bell Street) to determine their appropriateness and address inconsistencies without increasing existing height limits.

Employment Precincts

OBJECTIVE 8

More clearly differentiate between the role of employment precincts in the towns.

No.	Action
8.1	Update planning policy to reflect the recommended role of each employment precinct based on this Strategy.

OBJECTIVE 9

Reposition the Surf City Precinct as a location for employment, innovation and population services.

No.	Action
9.1	Reposition the intent of the Special Use Zone to reduce the focus on tourism and enable greater flexibility for new development to respond to demand from the growing population and accommodate employment.
9.2	Rezone the Industrial 3 Zone land in Baines Crescent to the Special Use Zone (or similar) and facilitate the incremental development of an Enterprise Precinct which includes the Surf City precinct, with a strong focus businesses in professional services, niche production, creative sectors, with associated / ancillary outlets for sales and supporting hospitality.

OBJECTIVE 9 (cont.)

<i>No.</i>	<i>Action</i>
9.3	Invest in place making and infrastructure throughout the Enterprise Precinct to support the attraction of new businesses seeking to co-locate with existing and emerging precinct branding and anchors, including the proposed Cultural Centre and Library by Surf Coast Shire Council.
9.4	Encourage a wide range of employment and service uses in areas with direct access to the highway which can provide population servicing businesses with suitably accessible and visible locations, especially health and social assistance, recreation, accommodation and entertainment.
9.5	Maintain a clear differentiation between Surf City and other precincts by prohibiting core retail uses and only allowing hospitality and accommodation uses in locations that are compatible with the overall vision for the precinct.

OBJECTIVE 10

Utilise all land types to accommodate employment growth across the town to ensure jobs growth and new opportunities keep pace with residential growth

<i>No.</i>	<i>Action</i>
10.1	Encourage office floorspace as part of the redevelopment of land in the Torquay Town Centre, Surf City and Torquay North.
10.2	Encourage accommodation and hospitality development and intensification in the Town Centre and Bell Street.
10.3	Provide policy support for business uses in residential areas, where compatible with residential amenity and ensuring the integrity of existing centres, and prepare a 'non-residential uses in residential areas' policy which responds to the increase in small businesses, small medical facilities, vet clinics, small scale childcare, home based businesses and the aims to increase employment retention and support the 20 minute neighbourhood concept.
10.4	Review of other existing policies to ensure there are no barriers to achieving the outcomes of Action 10.3.

OBJECTIVE 11

Provide land to meet industrial requirements over the Strategy period

<i>No.</i>	<i>Action</i>
11.1	Rezone the remaining land within the West Coast Business Park to the Industrial 3 Zone.
11.2	Internally review and identify opportunities to address affordability concerns through requirements for landscaping, setbacks, parking, built form and other requirements.
11.3	Retain the designation for future 'employment' land to the west of Messmate Road and prepare a plan for the precinct (at least initially) concurrent to planning for the residential area to its north, considering the factors outlined in this Strategy.
11.4	Establish a monitoring system for industrial land, including vacant land, sale prices, rents, rate of take up and business types.

