

March 2025

DRAFT URBAN FUTURES STRATEGY – KEY FACTS

In 2024 the Surf Coast Shire Council released their Draft Urban Futures Strategy (UFS).

The intent of the UFS is stated as:

"...the draft Strategy considers forecast population growth to a planning horizon of 2051 and recommends strategic work to ensure an adequate supply of land to meet future housing and employment needs"

At the time of writing Council are finalising the UFS, which will lock in the Surf Coast Shire’s housing strategy for the next three decades.

Below is a summary of the Key Facts:

The General Principles are stated as:

1. Recognise landscape level bushfire risk when planning for urban growth.
2. Protect land with environmental and landscape significance, places of heritage significance, and productive agricultural land from urban growth.
3. Encourage housing diversity in new urban areas and in existing communities.
4. Ensure that new and existing urban areas are well planned to deliver sustainable communities.
5. Provide clear strategic direction on the spatial distribution of urban growth in Surf Coast Shire.
6. Plan for growth on the basis of a range of realistic future housing demand scenarios.

In collaboration with Spatial Economics, the Surf Coast Shire have documented within the UFS the following population forecasts for the Surf Coast Shire regionⁱⁱ:

Table 3: Surf Coast Shire Population and Dwelling Projections

	Population		
	2021	2036	2051
VIF 2023	37,648	48,010	N/A
Moderate Growth	37,648	49,028	56,719
Stronger Growth	37,648	49,203	65,156

In June 2024 the Victorian State Government released municipality-specific draft housing targets. Accompanying the release Premier Jacinta Allan stated that homes are needed to be "...close to jobs, transport, education, and services – to give more young people the chance to live near where they grew up, and to reduce future growth pressure on families in Melbourne's booming outer suburbs. That's where the targets come in."

These draft housing targets identify 7,800 new homes for the Surf Coast Shire by 2051, updated to 8,000 new homes in February 2025.

In the opening paragraphs of their report, Spatial Economics provide the following advice:

"Given that (a) State Governments have little control over population growth and, (b) population growth projections have often been too low in the past, planners and policy makers need to be wary of how much growth could occur. While there are potential dangers in overestimating the amount of future growth too much, under-estimating growth (and planning for future infrastructure and service requirements) has even greater risks and more serious consequences"

"The demands made by retirees will grow as projections show their numbers to increase by a million by 2050. Baby boomers may be dying out over time, but the Gen 'Xers' and 'Yers' are even more numerous. A larger, more compact and maybe hotter Melbourne may mean even more people wanting to escape for a sea change, holiday or day trip."

"Competition between these different demands being made on Surf Coast's housing stock will likely intensify over time. Already Surf Coast's coastal towns have house prices well above the Victorian and Melbourne averages. This local price inflation is likely to only increase over time as demand grows strongly while supply grows more slowly."

"Consequently, housing in the coastal towns could become even more unaffordable. Teenagers currently growing up in the coastal towns may have to look elsewhere for housing when they reach an age when they wish to start their own families."ⁱⁱⁱ

Existing and potential supply is identified in Table 1^{iv} but the UFS also warns that "37% of the land in Torquay being constrained from being delivered due to multiple landowner precincts"^{iv}:

Table 1: Estimated Urban Greenfield/Major Infill Lot Capacity, 2024 (March)

Locality/LGA	Zoned supply	Potential residential (unzoned but strategically identified).	Total lots
Torquay/Jan Juc	1473	1166	2639
Winchelsea	181	435	616
Deans Marsh	26	0	26
Lorne	13	0	13
Bellbrae	12	0	12
Aireys Inlet	8	0	8
Surf Coast	1713	1601	3314

The UFS acknowledges *"an immediate need to increase the supply of land for residential homes^{vi}"* because *"existing infill and greenfield development opportunities are insufficient to maintain an appropriate level of housing supply for our community"*, and the UFS goes on to affirm Winchelsea as our region's only long-term growth front proposing an additional 3,000 homes (400%+ increase) within the Winchelsea township by 2051.

To summarise dwelling supply in the UFS^{vii}:

- Strong Long Term projection = 11,960 dwellings by 2051.
- Moderate Long Term projection = 8,291 dwellings by 2051.
- Victorian State Government^{viii} = 8,000 dwellings by 2051.
- Draft UFS supply = 4,936 dwellings^{ix} by 2051.

The UFS acknowledges that *"Infill development will be a major source of housing supply in the future, particularly in Torquay. Infill projects have typically resulted in a small yield of three or less additional lots"* but the UFS also recognises the limitations that accompany infill stating that *"while infill opportunities for medium to higher density development should be explored, it is recognised that this capacity will not be sufficient to maintain the lot supply contribution that Torquay has provided over the last decade"^x*.

With respect to the distribution of growth within the Surf Coast Shire, the UFS provides the following strategic directions^{xi}:

- a. Recognise the limiting effect of landscape level bushfire risk and the significance of the Great Ocean Road landscape and retain the existing settlement boundaries of the coastal towns of Anglesea, Aireys Inlet, Fairhaven, Moggs Creek and Lorne.
- b. Strategically identify locations for infill development within the protected settlement boundary of Torquay-Jan Juc.
- c. Plan for the majority of longer-term urban growth to be accommodated in Winchelsea.
- d. Ensure urban development occurs within designated settlement boundaries and strongly discourage proposals outside of the locations identified in this strategy.
- e. Avoid designating new areas for the Rural Living Zone (RLZ)

All data, quotations, and calculations used in this Fact Sheet are referenced below:

ⁱ About the draft Urban Futures Strategy, Surf Coast Shire - <https://yoursay.surfcoast.vic.gov.au/UFS>

ⁱⁱ Growth Projections for the UFS, Spatial Economics – Table 8, Page 14.

ⁱⁱⁱ Growth Projections for the UFS, Spatial Economics – Page 5.

^{iv} Urban Futures Strategy, Surf Coast Shire – page 23

^v Demand & Supply – Residential Land, Spatial Economics page 8.

^{vi} Urban Futures Strategy, Surf Coast Shire – page 3

^{vii} Australian Bureau of Statistics - <https://abs.gov.au/census/find-census-data/quickstats/2021/POA3305>

^{viii} <https://www.planning.vic.gov.au/planforvictoria/housing-for-all-victorians/housing-targets>

^{ix} Existing supply with Torquay's supply x 37% constraint margin + all other supply + proposed 3,000 dwellings in Winchelsea.

^x Urban Futures Strategy, Surf Coast Shire – page 27

^{xi} Urban Futures Strategy, Surf Coast Shire – page 28