



**Macedon
Ranges**
Shire Council

INFORMATION BULLETIN

Hanging Rock
September 2013



INFORMATION UPDATE

Introduction

This paper has been designed to provide information to all stakeholders on the recent decision regarding the future of the Hanging Rock Reserve and the East Paddock.

The results of several pieces of research and strategic planning over the last 10 or so years have culminated in a Council decision to seek additional income to address the challenges and opportunities associated with the Reserve and the East Paddock.

At a Special Council meeting on the 4 September Macedon Ranges Shire Council resolved to:

1. Endorse the need to seek private investment to ensure a sustainable ongoing income source for the Hanging Rock Reserve and the East Paddock.
2. Support the type, size and scale of tourism investment identified on the Master Plan (detailed below).
3. Seek funding from state government for the enabling infrastructure required to leverage private investment.
4. Work with the state government to seek a private investor for the two areas identified (total 5.8 hectares) on the Master Plan.
5. Acknowledge that the detail of all proposed uses and built form would be assessed through relevant statutory planning processes.
6. Develop a detailed communications plan providing information to community and stakeholders throughout the process.

This paper is the first step in providing the information committed to in the resolutions listed above.

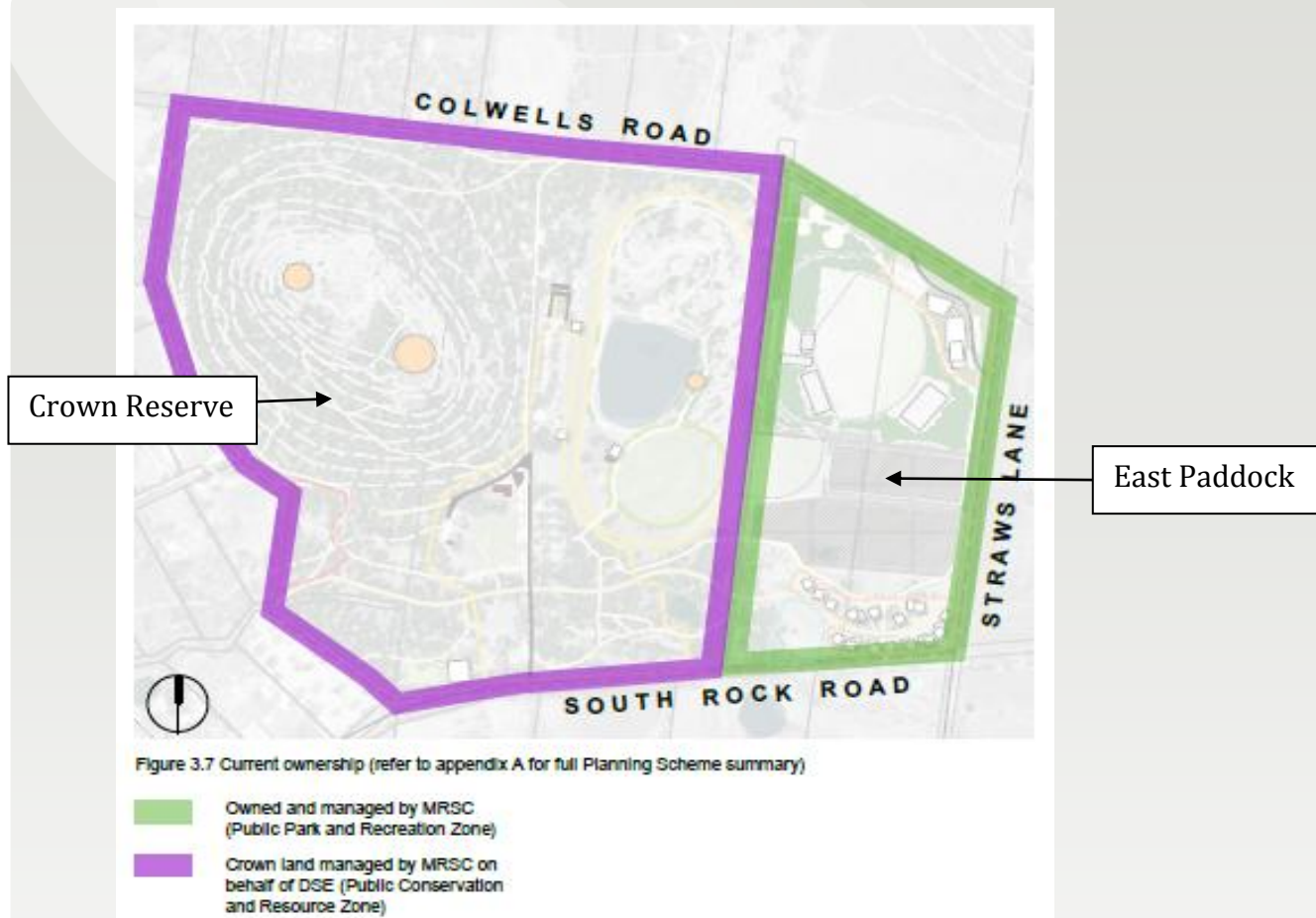
Background

The Hanging Rock Recreation Reserve is Crown Land managed by Macedon Ranges in conjunction with a Council owned piece of land adjacent known as the “East Paddock”. Both facilities result in an annual economic impact of \$14.1 million to Macedon Ranges Shire.

Although Council operates as the Committee of Management and contributes corporate support to its management, the Reserve and the East Paddock are maintained and sustained wholly by the income they generate from entry fees, grants and events.

The original Crown Reserve comprises the Rock, the race track, picnic grounds, interpretation centre, café and some minor infrastructure and provides a habitat for flora and fauna and the Council owned East Paddock was originally used for grazing.





The East Paddock was purchased for the purpose of enhancing Hanging Rock, to assist in providing for a sustainable facility in the longer term for all users and inhabitants and to take the pressure off the sensitive conservation areas.

The current operating procedures and revenue structure cannot support the Reserve's operations in perpetuity and a range of opportunities exist to provide access to a more diverse range of experiences which can provide an ongoing income stream.

When this position became apparent Council agreed to embark on a project to investigate the available options. That project was scoped based on actions identified in a number of key strategic documents:

- 1992** Council purchased the East Paddock to plan for future upgrades and for use as an alternative to the sensitive areas of the Reserve.
- 1993** Hanging Rock Management Plan (endorsed by Council).
Opportunities identified for the East Paddock were possible relocation/development of new facilities/activities including possible accommodation.

The Management Plan sets out a series of conservation initiatives and recommendations for the on-going general management of the Reserve.

However the funding required to support these initiatives and recommendations required a more detailed and rigorous economic framework.

- 2009** Tourism Victoria's Regional Action Plan 2009-12 (based on industry consultation) states that the major opportunities for tourism growth in Daylesford and the Macedon Ranges region were:
- Develop high quality, large capacity accommodation integrated with spa and well-being product; and; to expanding activities aimed at attracting international visitors.
- 2010** The Daylesford Macedon Ranges Strategic Plan 2010-2013 (based on industry consultation) committed to facilitate new public and private investment in tourism infrastructure.
- 2010** The Loddon Mallee Southern Regional Strategic Plan aimed to initiate and support investment in public infrastructure for natural, cultural and other tourism assets.
- 2010** Macedon Ranges Visitor Accommodation Opportunities Study (endorsed by Council) identified a key gap in the supply of tourist accommodation being a large internationally branded resort or conference facility in close proximity to Hanging Rock.
- 2010** Hanging Rock Multipurpose Venue (MPV) project (endorsed by Council).
- The MPV looked at the options for infrastructure that incorporated activities such as; community use, conference / functions centre and race club facilities.
- Council supported the concept and developed a proposal in partnership with the Kyneton & Hanging Rock Race Club.
- 2011** Macedon Ranges Tourism Industry Strategic Plan 2011-16 (endorsed by Council).
- Reaffirms the opportunity for accommodation associated with Hanging Rock and also notes the ability for the Reserve to facilitate nature based tourism infrastructure and product eg. guided and self-guided tours, nature-based accommodation (such as ecocabins) and outdoor education (school visits);
- This report recommends specific tourist facilities that are required to support a more comprehensive tourism offer in the Shire – particularly in health and wellbeing.
- 2010/11** Council seeks and secures Tourism Victoria commits funding the development comprehensive Master Plan and tourism investment strategy to



provide guidance on the future opportunities for the Hanging Rock Reserve including the East Paddock.

- 2010/11** MRSC commits funding for a study to investigate the options for the ongoing sustainability of the Reserve and to private investment *Hanging Rock Development & Investment Plan*.
- 2011** Council seeks and secures funding from Regional Development Victoria and commenced the Hanging Rock *Development & Investment Plan*.
- 2013** Council seeks and secures \$2M in Regional Development Australia funding for infrastructure works to improve use and amenity of the Reserve and the East Paddock.
- 2013** Council resolves to continue large scale concerts in the East Paddock.

The Challenge

The challenge facing Council and the broader community has been to balance the needs of various stakeholders and to ensure sustainability and preserve the environmental features that have made Hanging Rock such a special place.

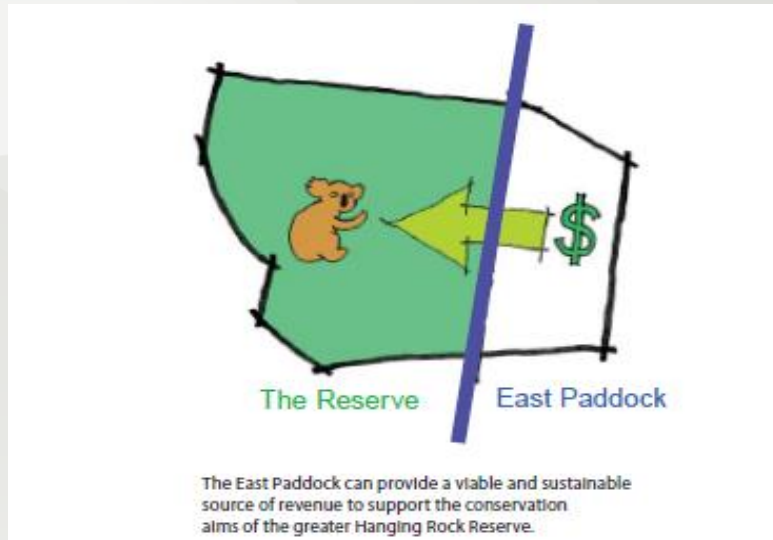
Other challenges include a lower than desirable income, weed management, pest animals, aging and dated infrastructure, risk, a decline in visitation over the past 20 years and a greater need for regeneration of environmentally significant areas of the Reserve.

In order to deal with the challenges identified above and to facilitate additional income consultants estimate that approximately \$8.5M is required in the immediate to longer term.

Council was recently successful in achieving \$2M in funding from Regional Development Australia (RDA) to fund some of the improvements required however the possible income derived from these works is not adequate to provide a reliable source of income to meet its needs overall.

To respond to the challenges identified and the opportunities presented the Council sought to research and investigate options for the generation of income to support the care and conservation of the Hanging Rock Reserve and the East Paddock.





Possible solutions

Two options were considered:

Option 1 – seek private funding

In 2011 Council agreed to embark on the *Hanging Rock Development & Investment Plan* which aimed to investigate the challenges and opportunities. That project was scoped based on actions identified in a number of key Council and State plans & strategies referenced in this report – from 1992.

The *Hanging Rock Development & Investment Plan* aimed to demonstrate how the sensitive conservation area can be preserved and improved by harnessing tourist visitation, to develop a comprehensive masterplan and tourism investment strategy and to provide a guide for development ensuring that the reserve’s identity, character and environment is maintained and enhanced for future generations.

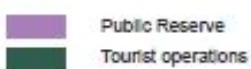
<p>Conservation zone</p>	<p>East Paddock improvement</p>	<p>Habitat corridors</p>
<p>Expand, care for and adequately fund the identified conservation area of the Reserve.</p>	<p>Provide a clear plan for sensitive and efficient organisation of the East Paddock.</p>	<p>Ensure resources are perpetually available to protect the habitat corridor network around the Reserve.</p>
<p>Limiting vehicle movements</p>	<p>Funding conservation</p>	<p>Active movement network</p>
<p>Restrict vehicle access to the central Reserve areas by focusing movement to the perimeter of the Reserve.</p>	<p>Provide a viable structure for adequate financial contributions to the management of the expanded conservation area from tourist operations in the East Paddock.</p>	<p>Establish a safe pedestrian and cycle path system around and beyond the Reserve.</p>

The Plan has found that the development of accommodation, conference options, a wellbeing centre and nature focused adventure activity is an economically viable proposition and could generate approximately \$300,000 per annum including direct lease fees as well as increased general income.

The land ownership for all areas of the Reserve would remain under public control with 5.8 hectares of the Shire owned East Paddock (under 7% of the total 82.2 hectares) being leased to a private operator.



Figure 3.72 Proposed ownership and management structure



A detailed assessment was made based on a set of guiding principles and a detailed financial analysis of each component comprising:

- Events and function centre with a maximum of 1,800 square meter footprint;
- Accommodation to provide for 100 rooms of various sizes; ranging from 45 square meter upper range retreat suites, to 35 square meter mid range suites and 25 square meter short stay suites,
- Day spa to be developed with a footprint of approximately 970 square metres,
- A combined conference and dining facility with a gross floor area of 3,100 square meters,
- Areas of car parking that limit vehicle penetration into the Reserve and satisfy statutory planning requirements,
- A circular pathway network that allows strong pedestrian access between the tourist facility and designated areas in the Reserve.
- An outdoor adventure facility well connected to the public Reserve areas and the tourist facility.

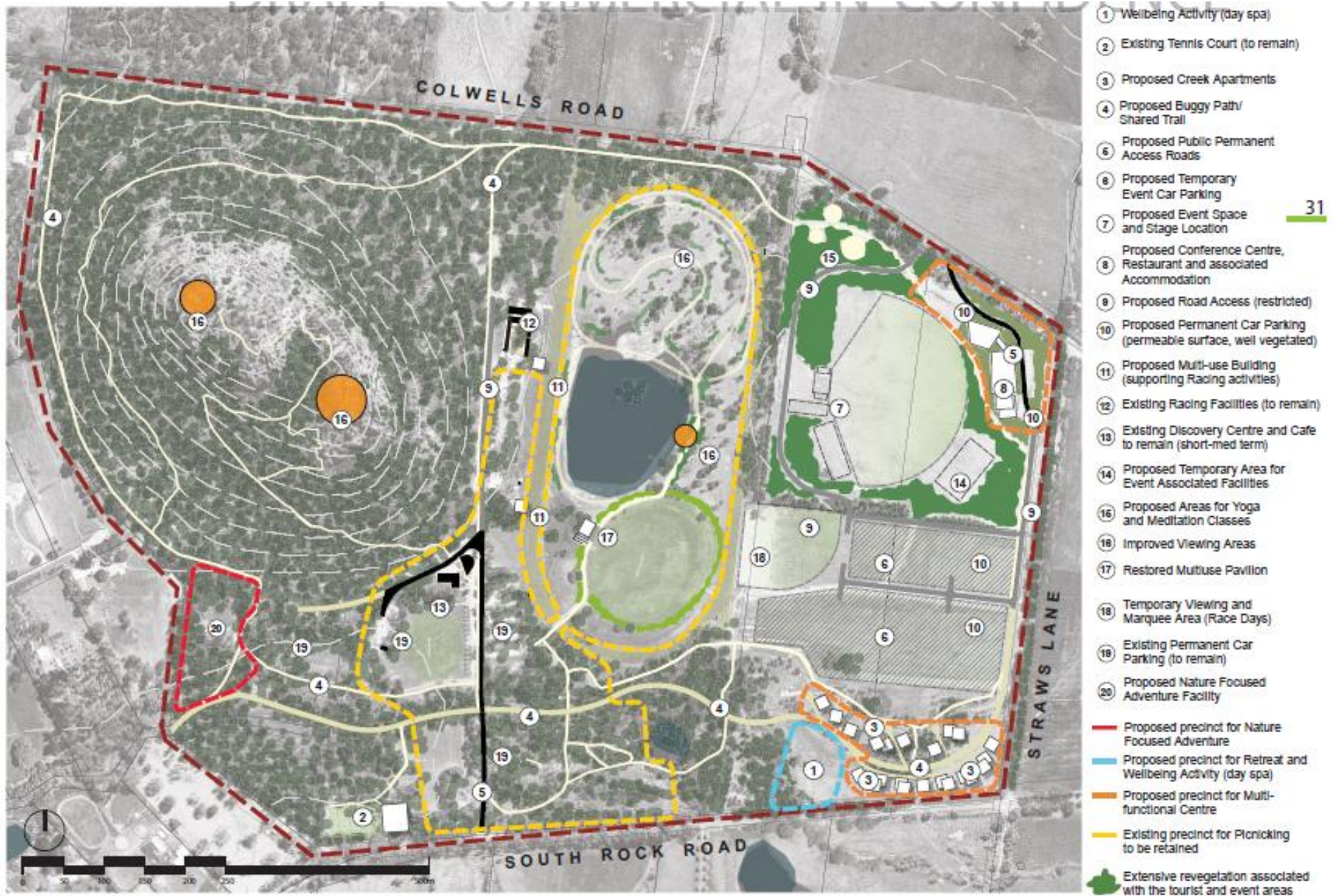


Figure 3.5 Master Plan

Five options were developed and scoped and the preferred Master Plan builds upon the direction set in the 1993 Management Plan and illustrates how all major elements could best relate to each other.

There is a requirement for additional infrastructure work to attract development the size and scale of that recommended on the Master Plan. This will require upfront funding from Government of approximately \$8 m for the enabling works and all other items identified on the Master Plan would be undertaken by the private investor and with the income achieved over time.

Overall the establishment of a more integrated and resilient Reserve, both ecologically and economically, will safeguard the future of Hanging Rock, its inhabitants and provide benefit to the wider community.

The situation also allows for the creation of a considerable number of employment and business opportunities in the region and the challenges have been thoroughly scoped and the options weighed and measured using strict criteria created by experts in their profession.

Each part of the process since 1993 has been developed and scoped in partnership with the Hanging Rock Development Advisory Committee and relevant tourism industry representatives.

Option 2 – seek other funding

During the research and planning phase Council considered two alternatives to pursuing private investment. Those alternatives were:

1. To allocate approximately \$300,000 per annum from general rate revenue to support Hanging Rock for an indefinite period of time.
2. Seek to hand over all management and responsibility for the Hanging Rock Reserve to the State Government.

Neither of these alternatives was desirable and so the Council decided to pursue the possibility of a private investor as per the resolutions listed above.

Implementing the Council resolutions

Council accepts and acknowledges that there are differing views about the concept of private investment and/or development in the East Paddock.

This has been demonstrated by many community members having written in sharing their concerns or their support for the concept.

Our aim is to openly respond to any questions raised by the community and to ensure a robust communications plan is enacted throughout the process.



Each milestone will be shared and all stakeholders will be invited to respond to consultation requirements associated with the statutory planning and development processes as per item five in the Council resolution:

Should this document not provide you with answers to your queries you can contact Officer's on details listed below:

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For detailed information the full Council report can be found at:
www.mrsc.vic.gov.au/28-Aug-2013

