



Churchill Island Key Area Plan - Final Report

Phillip Island, Victoria

3rd April 2014



Prepared by
Tract Consultants

In association with
Urban Enterprise
Sanmor & Associates

3rd April 2014

195 Lennox Street, RICHMOND 3121
Phone: (03) 9429 6133 Fax: (03) 9429 5925
www.tract.com.au



CONTENT

01	Churchill Island	4
02	Vision	6
03	Key area plan objectives	7
04	Key area plan concept	7
4.1	Change concepts	7
4.2	Key Actions	8
05	Design & interpretations	24
5.1	Design Quality	24
5.2	Environmentally Sustainable Design	24
5.3	Site interpretations	24
06	Implementation strategy	25
07	Project cost	26
08	Commercial performance	26
8.1	Visitation to Churchill Island	26
8.2	Revenue Assumptions	27
8.3	Financial Analysis – Net Present Value (NPV)	27
8.4	Economic Impact Analysis	27
09	What happens if there is no change?	28

FIGURES

Figure 1	Site Location (Metropolitan Melbourne)	4
Figure 2	Bass Coast Region	4
Figure 3	Site Location (Source: Melway 2013)	5
Figure 4	Churchill Island (Source: Google Earth 2013)	6
Figure 5	Existing Regional Visitor Destinations	9
Figure 6	Churchill Island - Existing Conditions 2013	9
Figure 7	Nature Parks Proposed Visitor Hubs	10
Figure 8	2001 Site Conditions (Heritage Precinct)	12
Figure 9	2013 Site Conditions (Heritage Precinct)	13
Figure 10	Local Visitor Interests	14
Figure 11	KAP Proposed Access	15
Figure 12	KAP Proposed Land Use Precincts	15
Figure 13	KAP Proposed Main Activity Area Functions	16
Figure 14	KAP Proposed Main Activity Area Land Use	17
Figure 15	KAP Visitor Centre Function	20
Figure 16	Existing Site Ecology	21
Figure 17	Existing Churchill Island Views	22
Figure 18	Existing Regional Views	23
Figure 19	Net Present Value Of Tourism Development Scenarios	27
Figure 20	Net Present Value Of Churchill Island Tourism Development	27

01 CHURCHILL ISLAND



Churchill Island is a unique 57 hectare reserve that is accessed by a vehicle bridge from Phillip Island. The site is managed by Phillip Island Nature Parks (Nature Parks).

Churchill Island has an important place in the history of European settlement in Victoria, being the site of the first documented building and garden in Victoria in 1801 and the site of Victoria's first plantings of wheat, corn, apples and other key agricultural products.

The site currently showcases heritage buildings and gardens, ancient Moonah trees, wetlands, a visitor centre and a licensed café. It also operates as a working farm, displaying heritage farming machinery and activities including daily sheep shearing, cow milking, blacksmithing and working dog demonstrations. Two circuit walking tracks offer magnificent views across Western Port, views of French Island and excellent bird watching opportunities. Churchill Island also forms part of the Churchill Island Marine National Park and the waters and mudflats surrounding Churchill Island are listed under the Convention on Wetlands of International Importance.



Figure 2 – Bass Coast Region

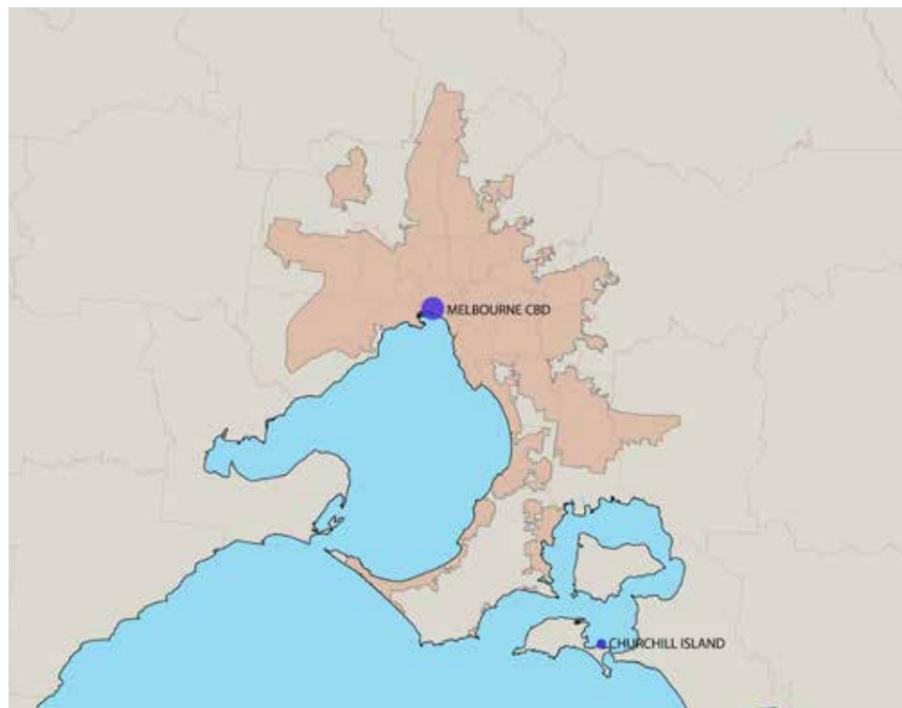


Figure 1 – Site Location (Metropolitan Melbourne)

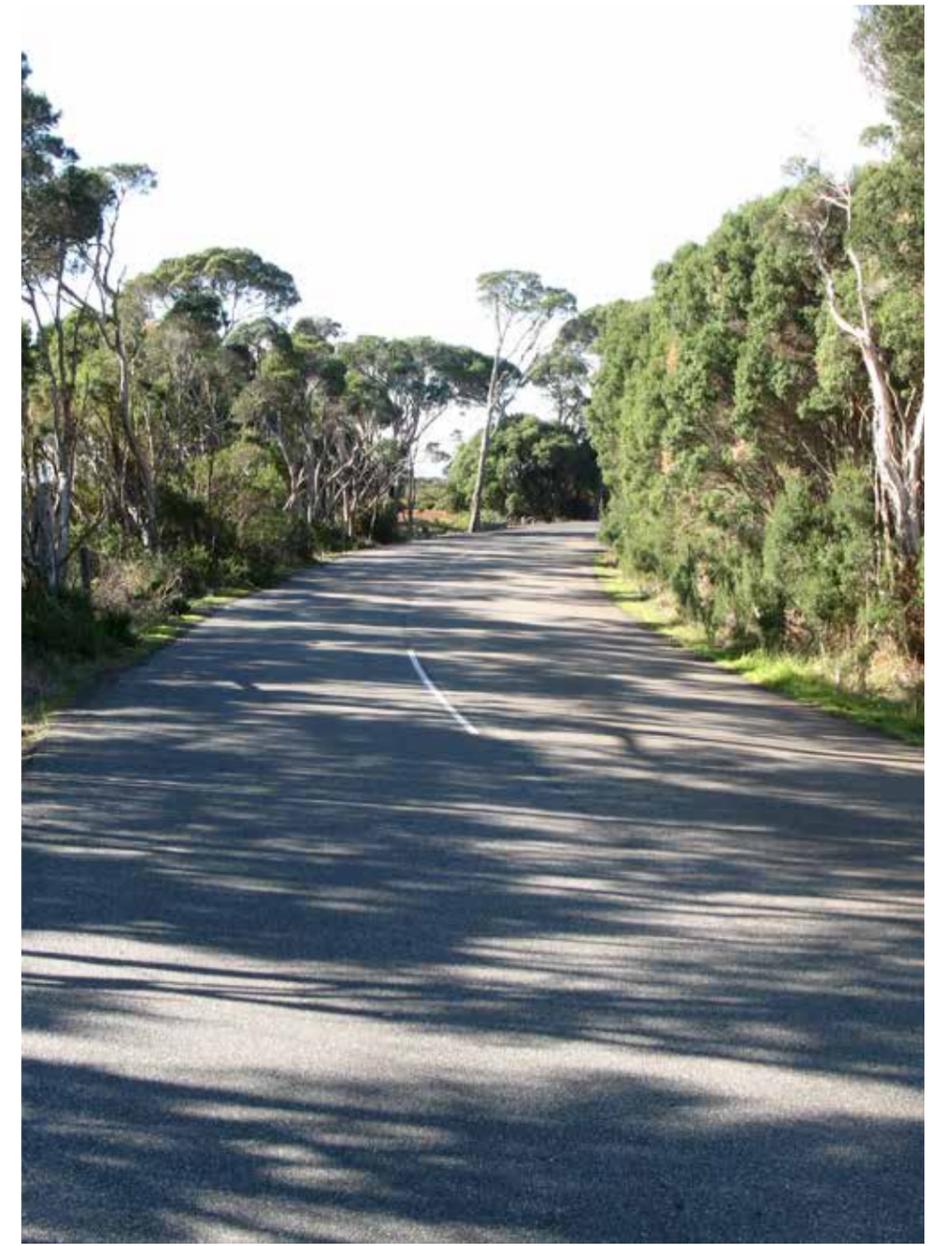
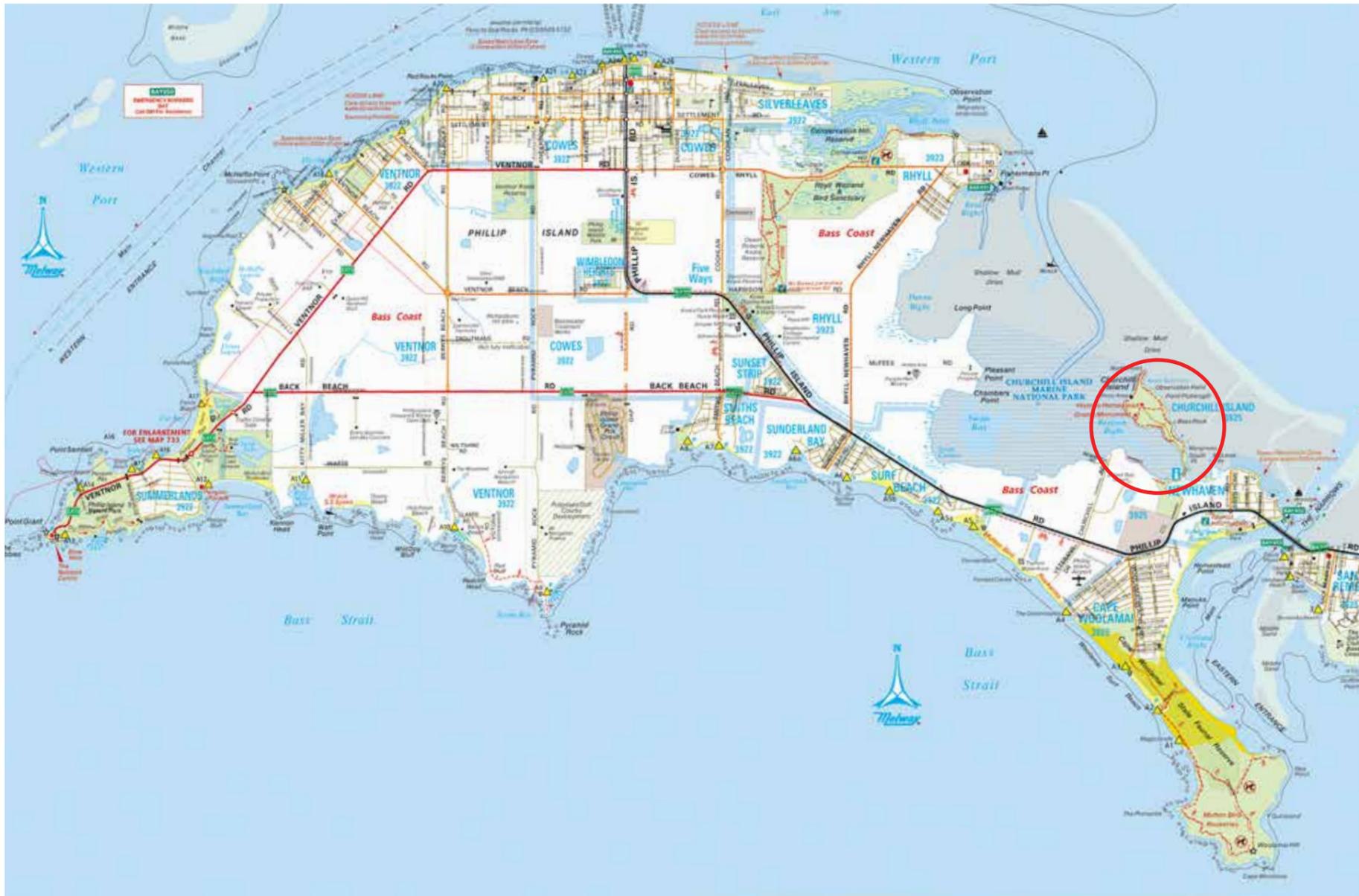


Figure 3 – Site Location (Source: Melway 2013)

02 VISION

The vision for Churchill Island is that it will be seen as a special place within the Nature Parks portfolio and as a unique island destination that represents the best of the Bass Coast region. It will be a place that provides a sheltered coastal setting with very high visual amenity values and environmental qualities, but with special site specific features that demonstrate the rural heritage of the island and its unique links to early settlement as well as leisure. It will function as a multi-layered destination that caters for a wide range of visitor interests and it will be seen as a meeting place for local residents and the wider Bass Coast regional community – a place to spend time, a place to relax and a place to celebrate.

Churchill Island will be a unique destination that is capable of functioning on a number of levels:

- As a key element within the Nature Parks reserve system, Churchill Island will demonstrate the Nature Parks vision of conservation excellence providing outstanding and authentic visitor experiences. Churchill Island will act as a 'visitor hub' that supports the eastern part of the Nature Parks site network and as a unique destination that provides quite different experiences to other places within the Nature Parks portfolio.
- As a local place that is valued by the local community, Churchill Island will function as a part of the Newhaven and San Remo communities with environmental qualities and leisure based services that meet a range of visitor interests.
- As a regional leisure destination, the Island will present many of the qualities that define Bass Coast region, with activities that link to other regional destinations, events and commercial activities.
- The Key Area Plan initiative will provide important economic and community benefits to Phillip Island and the Bass Coast region.



Figure 4 – Churchill Island (Source: Google Earth 2013)



03 KEY AREA PLAN OBJECTIVES

The Churchill Island Key Area Plan (KAP) provides a strategic planning framework that identifies site planning principles, design parameters, potential site developments and capacities of key visitor services. The proposed KAP framework will contribute to strategic decision making by the Nature Parks with regard to site management, development opportunities and investment priorities at Churchill Island, and potentially influence the future direction of other areas managed by the Nature Parks.

The KAP project process has included an extensive site analysis and stakeholder process, including discussions with senior staff from Bass Coast Shire Council (BCSC), Friends of Churchill Island (FOCIS) members and volunteers and senior Nature Parks staff. The views of each of these groups are considered within the KAP recommendations.

04 KEY AREA PLAN CONCEPT

4.1 Change concepts

The KAP approach is shaped by a series of concepts that will meet the Nature Parks vision. These concepts must ensure that the site is relevant to the local and regional communities and sustainable over the long term.

The actions to support these concepts are described in Section 4.2.

1. The Nature Parks Vision is **'to be a world-recognised place of conservation excellence, providing outstanding and authentic experiences for all'**. Churchill Island must demonstrate those values. This means that future site development must be based on site design and management principles that are established through a Conservation Management Plan (CMP).
2. Churchill Island will function as a **multi layered leisure destination** which offers a range of activities and experiences for local, regional, national and international users. Churchill Island must be seen as a **place** with multiple activities and features of interest, not as a ticketed 'attraction' based on a single attraction or theme.
3. Churchill Island will be designed and marketed with a **dual brand** – as a regional 'flagship' leisure destination that represents the best of the Bass Coast region, and as a Nature Parks destination that provides a unique range of heritage conservation, social and eco-tourism interests.
4. Churchill Island will be seen as a major **visitor hub** within the eastern part of Phillip Island and the San Remo coastal area. Wetland and conservation reserves, trail networks and other public landscapes will all form part of an integrated network of visitor experiences.
5. Site planning on Churchill Island will be based on a **'precinct' site planning model** where different users can simultaneously engage in different activities in different settings without diminishing the experience of other site users.

6. The **visitor centre and arrival area will become an attraction** in its own right and a revenue generating element. The visitor centre will leverage off regional food and wine providers and take on a significant role as a regional and local cultural events venue.
7. The **whole island will be seen as a visitor destination** with an increased focus on coastal trails, settlement heritage, birdlife and marine ecology.
8. Commercial growth will be based on **lower volume, higher spending visitor markets**, along with new functions and event markets. Growth will not be based around high volume, low margin markets, however place specific tour products will be maintained at a level that supports the existing Nature Parks 3 Parks Pass concept.
9. Churchill Island will continue to be used for site **specific functions and events**. These events will provide a major focus for local and regional community events and significant new revenue streams, while requiring minimal change to the site.
10. The Newhaven and San Remo township landscapes form part of the **visitor arrival experience**. The landscape of these areas is proposed to be designed and managed to provide an engaging and place specific visual identity. This will require a cooperative approach to future planning involving the Nature Parks, BCSC, VicRoads and the local community.

4.2 Key Actions

The following section describes the key strategic actions that are needed to support the KAP concepts and the overall vision for the place. Further technical studies and detailed design for individual facilities will provide more detailed information on each of the recommendations.

Brand Identity

Churchill Island, as a community and visitor destination, has a very low brand awareness at both regional and local level. The existing heritage farm identity is a narrow concept with limited appeal to many visitor markets and the Nature Parks Penguin Parade brand effectively competes with other places within the Nature Parks portfolio. In response, a specific Churchill Island brand will be developed in addition to its part within the Nature Parks brand.

Key actions:

1. Churchill Island will be seen as a unique place with a range of landscape qualities, leisure based activities and facilities that match the needs of a broad cross section of the Bass Coast community and visitors to the region.
2. Churchill Island brand will be developed with dual themes.
 - One brand will be based on the site's role as an iconic regional destination – a 'regional flagship' site that functions as a meeting place for the wider Bass Coast community, a leisure destination and commercial setting that promotes regional produce and a place that represents the best qualities of the regional landscape.
 - The second brand identity will represent its role as part of the Nature Parks network with values linked to the cultural heritage, leisure activities and environmental qualities of the site and the role of Churchill Island as a centre for local community activity and events.
3. As a part of the overall Nature Parks event strategy, Churchill Island will function as a venue for local community and regional events. These special events will be used to continuously refresh the island's identity and maintain the site as a centre for community life.

Relationships:

- The regional brand will be reinforced by associations with established regional producers, products and places (wine / premium food / craft / art) and events. The Churchill Island visitor facility will leverage off established regional brands and businesses through product sales within the café, lounge / bar and themed retail outlets, and in return cross promote to individual suppliers.

Further study:

- A re-branding study is required for the Nature Parks and Churchill Island.



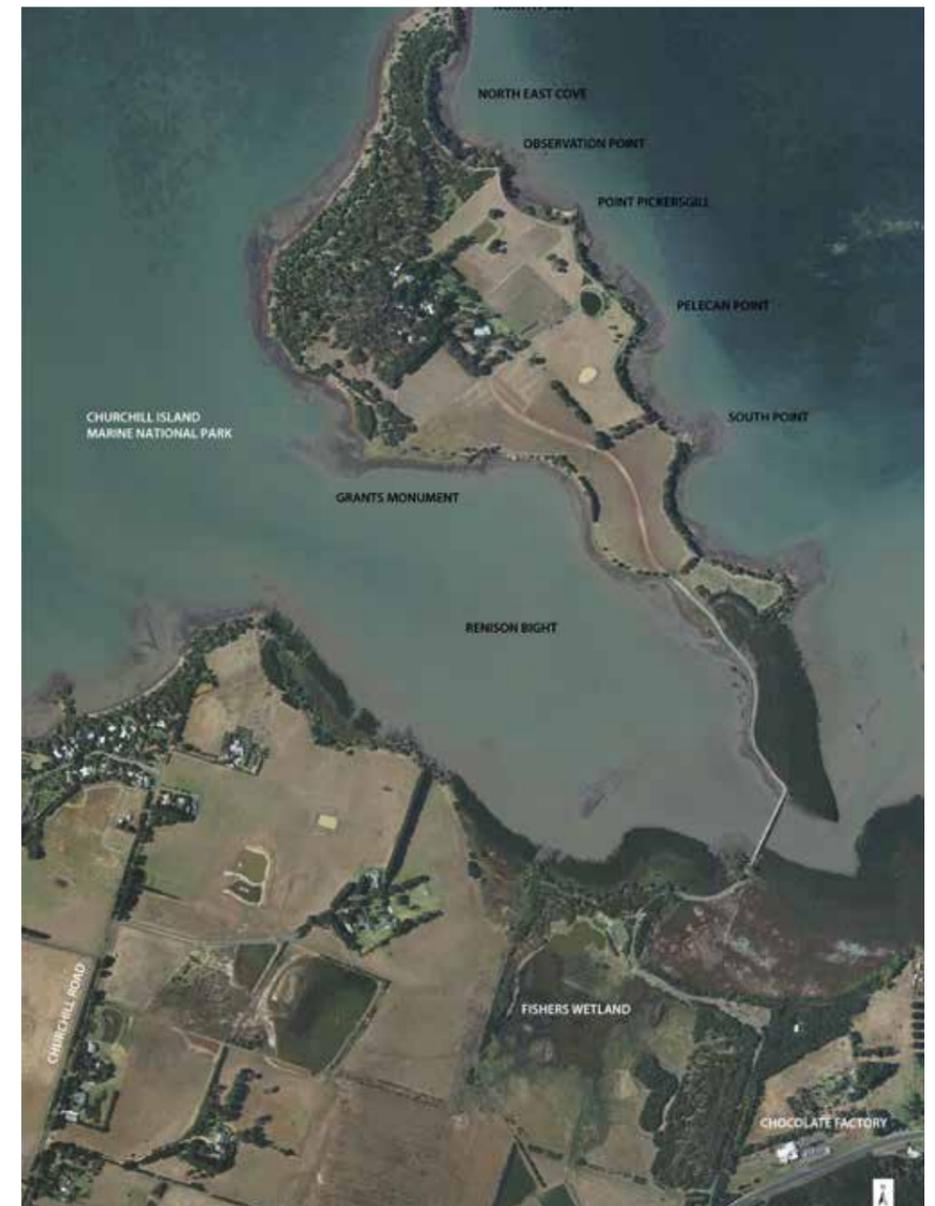
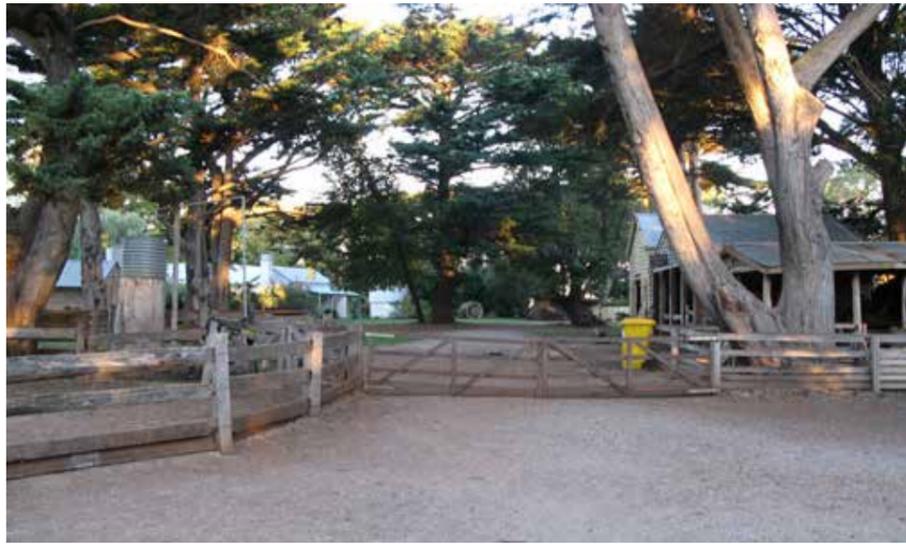


Figure 5 – Existing Regional Visitor Destinations

Figure 6 – Churchill Island - Existing Conditions 2013

Churchill Island As A Leisure Activity 'Hub'

Churchill Island is part of a network of sites and coastal reserves that form the Nature Parks. Planning for the Nature Parks network is coordinated through a series of strategic planning documents that support the Nature Parks Vision. Churchill Island must achieve the overall Nature Parks Vision but it is different to other places within the Nature Parks network. It provides a unique heritage, leisure and events focus that is not available on Phillip Island or within the region, and it potentially operates to a different pattern of seasonal and day use. The KAP concept will be supported by the following actions:

Key actions:

1. Develop the Island as an eastern visitor 'hub' within a wider network of sites. The Eastern Hub will allow visitor use of Churchill Island, the Churchill Island Marine National Park, Cape Woolamai, the coastal reserve system, Newhaven and the San Remo coastal edge, the existing trail system and the Newhaven wetland network. Churchill Island should be seen as part of a wider visitor experience.
2. Develop a coordinated trail and interpretations system within these areas to support the concept of integrated use (with BCSC).
3. Develop Churchill Island site uses that operate on the timeframe that complement the Penguin Parade activities – as a day and early evening venue or as a place that can provide secondary or alternative uses to visitors when the Penguin Parade venue is booked out.

Relationships:

- The development of an integrated approach to landscape development, access and interpretations will involve coordinated action and funding support by the Nature Parks, BCSC and VicRoads.

Further studies:

- The design of an integrated network of sites and facilities is subject to further detailed design work. This may include the development of landscape guidelines for main road reserves, coastal edges, main road view corridors and private developments within the San Remo and Newhaven areas.

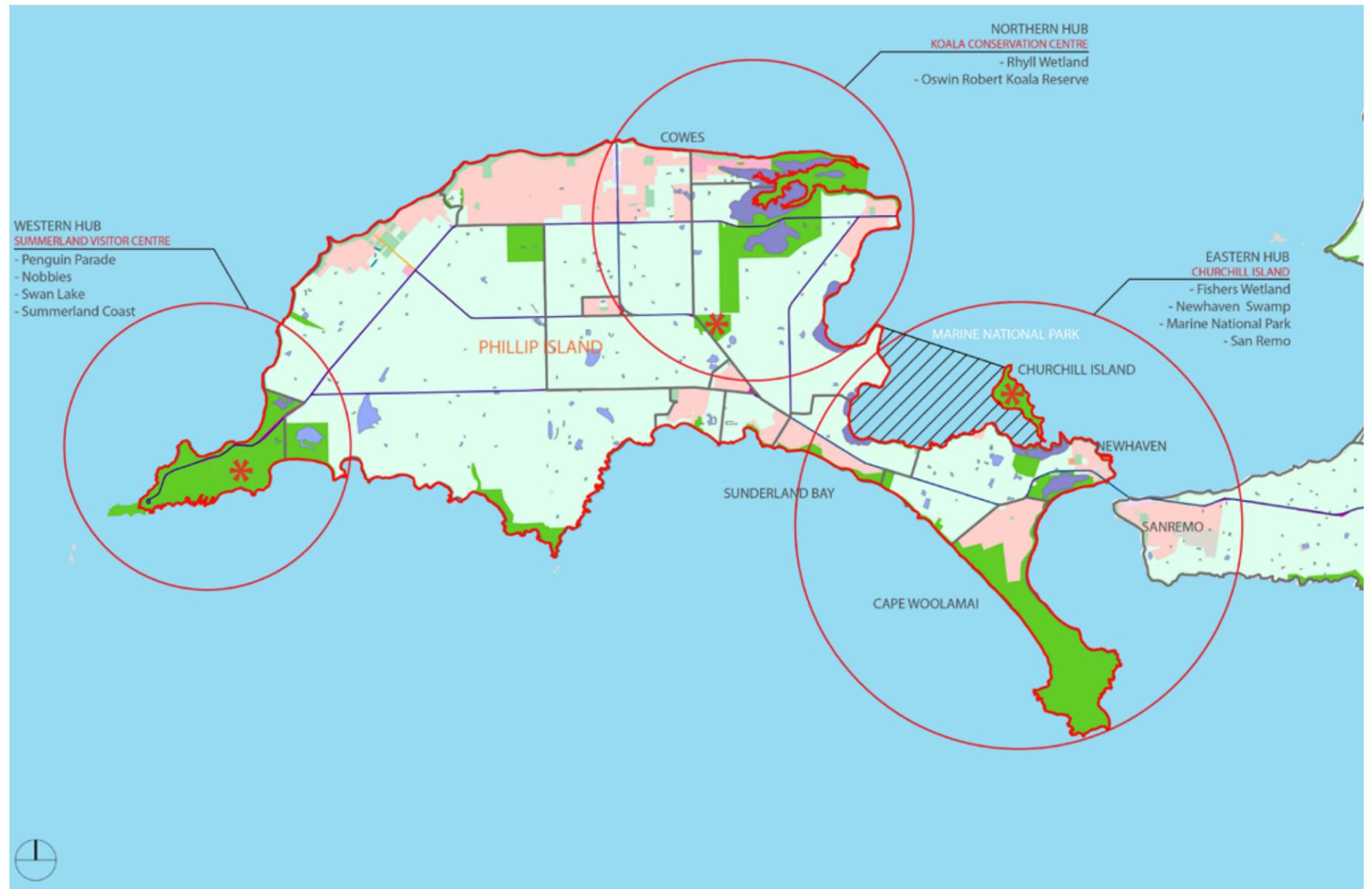


Figure 7 – Nature Parks Proposed Visitor Hubs



Churchill Island As A Multi-Layered Leisure Destination

Of all the Nature Parks venues, Churchill Island has the potential to attract the broadest range of visitors, and to provide a setting where visitors spend the longest time and with the highest level of repeat visitation. Churchill Island will maximise its potential as a multi-layered leisure and special events destination.

Key actions:

1. Develop and market Churchill Island as a 'place' that represents a broad range of visitor interests and community values, rather than a ticketed 'attraction' based around heritage farm activities.
2. The site will be planned to provide a wider range of activities, interests, exhibitions and events to increase the length of visitor stay and the frequency of repeat visitation to the site. This will be seen as a site that local and regional residents will visit frequently as a part of their general leisure activities and a place to invite visitors, not as a 'novelty' tourist attraction.
3. Develop the visitor arrival area and visitor centre as a destination in its own right, offering café / lounge / regional produce / exhibition / site interpretations and other functions that will be attractive to a wide range of users.
4. The KAP recommends the development of a multi-purpose functions and events centre within the arrival precinct to service this market and provide a new revenue stream to support the overall management of Churchill Island.
5. Develop Churchill Island as a place that can host special community events. These may be individual events or part of a wider, multi venue festival program. The nature of the event must be appropriate to the nature of the setting and the needs of other site users.
6. Develop management guidelines to control the range of temporary uses that are permitted on the Island. New uses and activities must be linked to the specific environmental and heritage qualities of the place and the scale of facilities and infrastructure must not dominate the setting.
7. There should be no permanent accommodation infrastructure on Churchill Island.

Relationships:

- BCSC will be encouraged to develop a comprehensive regional event planning and management system to provide alternative event staging venues to Churchill Island.
- BCSC will be encouraged to consider Churchill Island as potential community venue and a part of any calendar of regional events.

Further studies:

- Detailed feasibility assessment, design and management will be required to confirm potential visitor centre uses such as museum, exhibition and interpretations display spaces.

Authenticity

The Nature Parks Vision is based around the principle of providing outstanding and authentic visitor experiences within all sites. The design and management of Churchill Island must express those values. The recent history of site development suggests that the site has changed from its original simple form to a more decorative and complex design that may not meet heritage conservation principles and that these changes have an effect on visitor perceptions and the way in which the site is used.

Key actions:

1. The scale of development and the nature of site planning directly affects perceptions of authenticity and how visitors interpret its history. The KAP recommendations and subsequent detailed site design must maintain the simplicity of the overall site layout and the link to its past role as an early settlement farm and as a retreat for its wealthy land owners. This action will require controls on the extent and style of building across the site and controls on the uses that occur in heritage settings and the landscapes linked to those settings.
2. A CMP will be developed to establish principles for managing existing assets, new development and the restructuring of existing site features. The expectation is that the CMP will recommend changes to garden form that is more representative of the (pre public ownership) farming era, changes to some pathways and movement patterns, changes to the form of the orchard, removal of some recent plantings and recommendations on the ongoing management of senescent vegetation. The CMP will also establish principles relating to the heritage farm. The expectation is that the CMP may recommend the removal of some non-essential structures such as the garage and animal display cages, and the modification or removal of other modern structures and fences.
3. Views and visual character help to explain site history, functional relationships and environmental context. Views must be managed as an integral part of the site development and interpretations system. This may require the removal of vegetation and structures where necessary to re-establish key view lines and visual links between key locations.
4. The interpretation of site features, historical, cultural and environmental themes is an important part of the visitor experience and something that adds value to the fabric of the place. The development of an interpretations plan should occur as a part of detailed site design.

Relationships:

- Heritage Victoria and the National Trust (Victoria)
- FOCIS

Further studies:

- A CMP is required to address the entire setting including structures, site development, gardens and the wider landscape setting. The CMP will also address the issue of the management and long term replacement of trees, including wind row plantations and feature ornamental trees.
- A detailed archaeological survey is required to determine the location and status of early settlement features such as Grants Hut. Survey work is also required to determine the presence of Aboriginal artefacts in locations that may be subject to further excavation or development.
- An Interpretations Plan for Churchill Island and associated wetland and coastal sites is required.

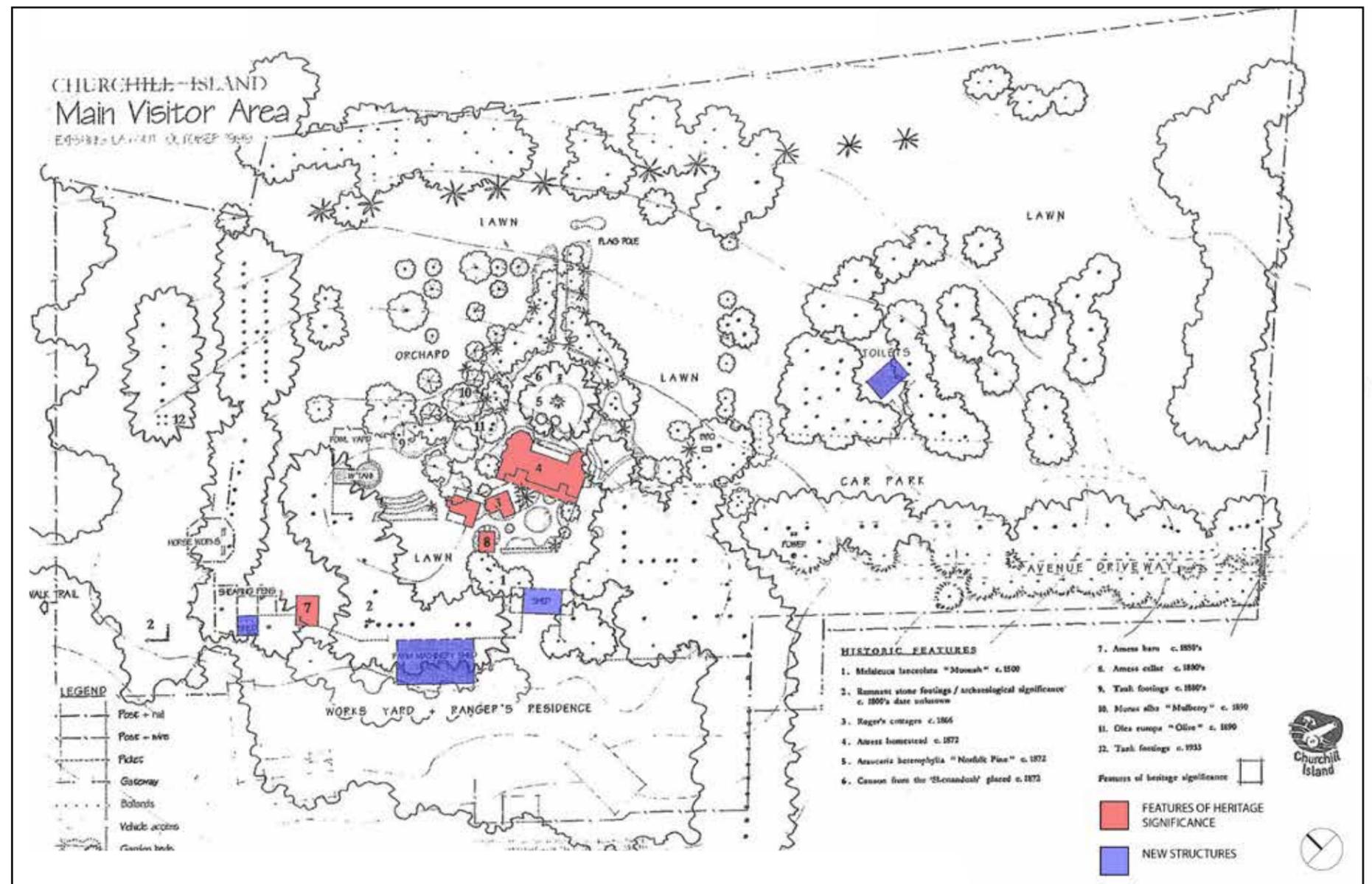


Figure 8 – 2001 Site Conditions (Heritage Precinct)

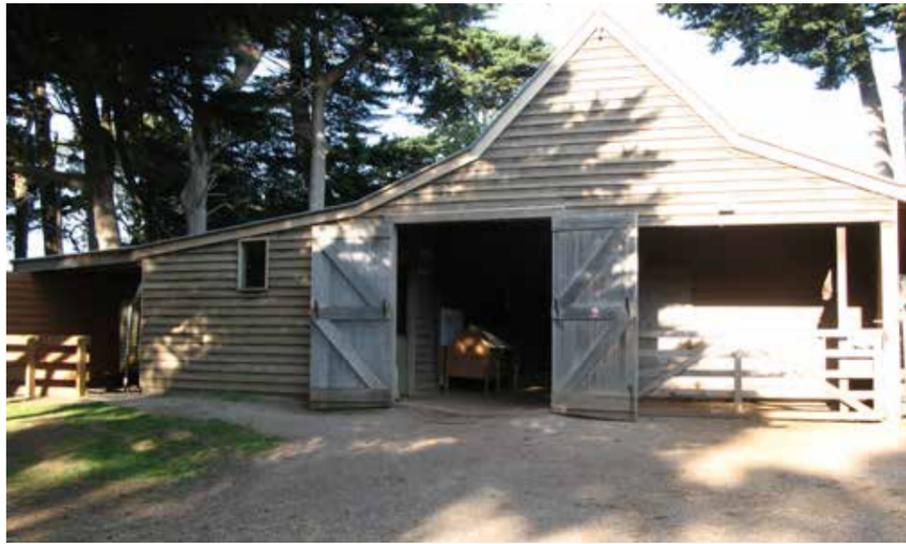


Figure 9 – 2013 Site Conditions (Heritage Precinct)

Site Planning

The Churchill Island layout is an expression of the history of the site, the way in which it has been used, the nature of the landscape and the climate of the location. The way in which visitors use the site, the design of site infrastructure and built facilities has the potential to change the way in which the site is perceived. The KAP concept is to develop an approach to site planning that retains the historic framework – the essential design elements and visual qualities that link the place to its past – while allowing for additional site uses and a likely future increase in user numbers.

Actions:

1. Reinststate a simple landscape structure that represents original functional site planning principles and the visual connections that would have existed within the site. These design elements will include views to the water from key locations, a road system that leads to the original entry drive, weather protection through wind row plantations etc.
2. Reinststate the old access drive as a principal site access and pedestrian entry point.
3. Ensure that key visitor settings have visual connections to the water and Churchill Island Marine National Park.
4. Develop a site planning model based around a series of functional precincts within the centre of the island, linked by garden spaces. This model is intended to allow a range of visitors to share the site without affecting the experience of other users or the heritage values of specific settings.
5. Develop facilities, carrying capacity limits and management requirements according to precinct needs.
6. Adopt a 'long life, loose fit' approach that allows for a flexible approach to the design of some areas within the site such as the parkland setting. This approach will allow for visitors to define their own uses and for the site to adapt to future needs and visitor preferences over time.
7. Develop the visitor centre and its setting as a functional precinct and revenue generating element. The visitor centre will leverage off regional food, wine, and craft providers and develop a significant role as a regional cultural events venue. The functional layout of this precinct and the range of uses within the visitor centre building will be subject to further detailed design.

Relationships:

- Site planning and detailed design will be influenced by the CMP and require the involvement of Heritage Victoria.
- Key stakeholder groups including the National Trust (Victoria), FOCIS and BCSC.

Further study:

- The site planning approach will be influenced by the CMP.

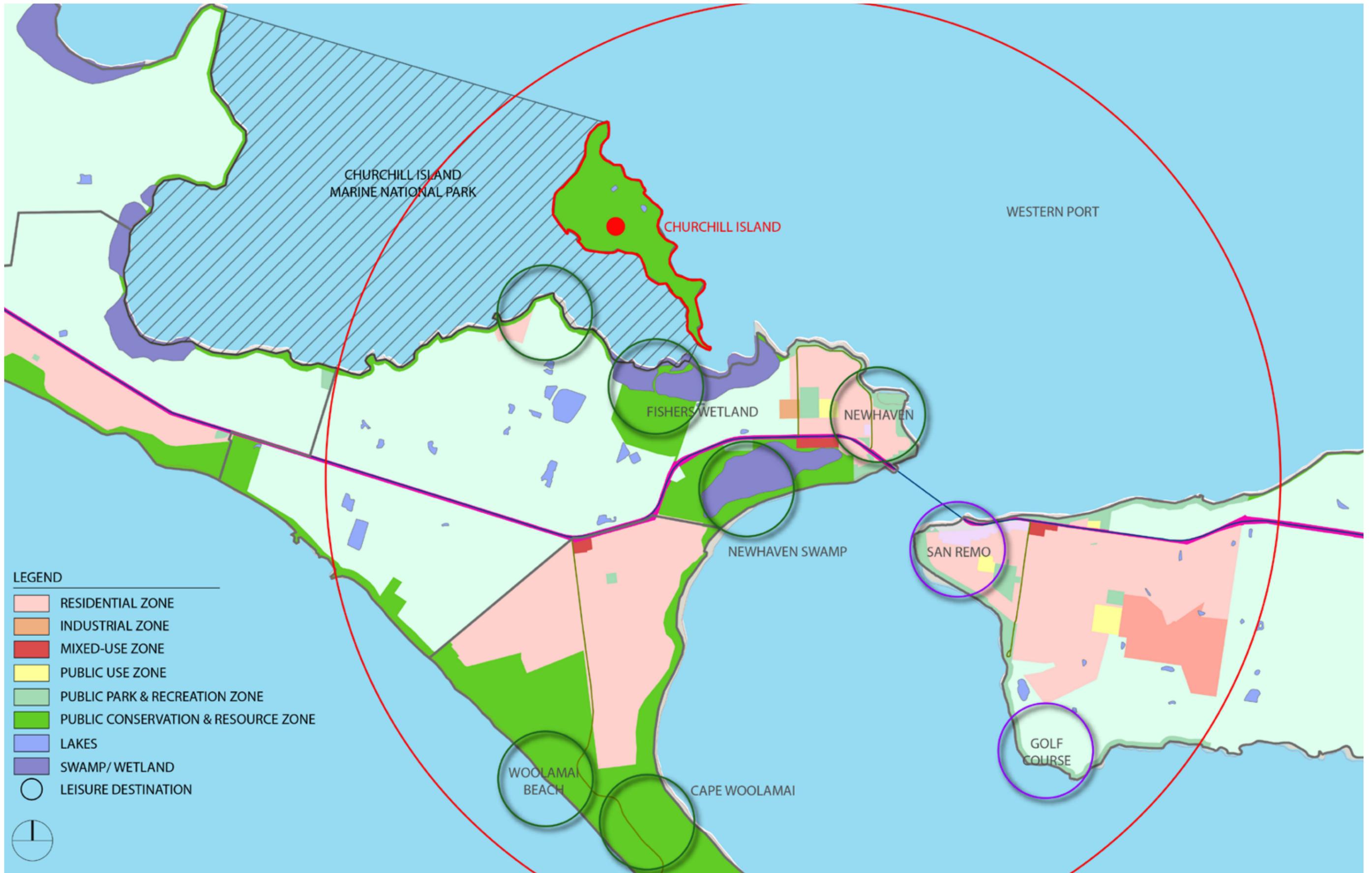


Figure 10 – Local Visitor Interests



Figure 11 – KAP Proposed Access

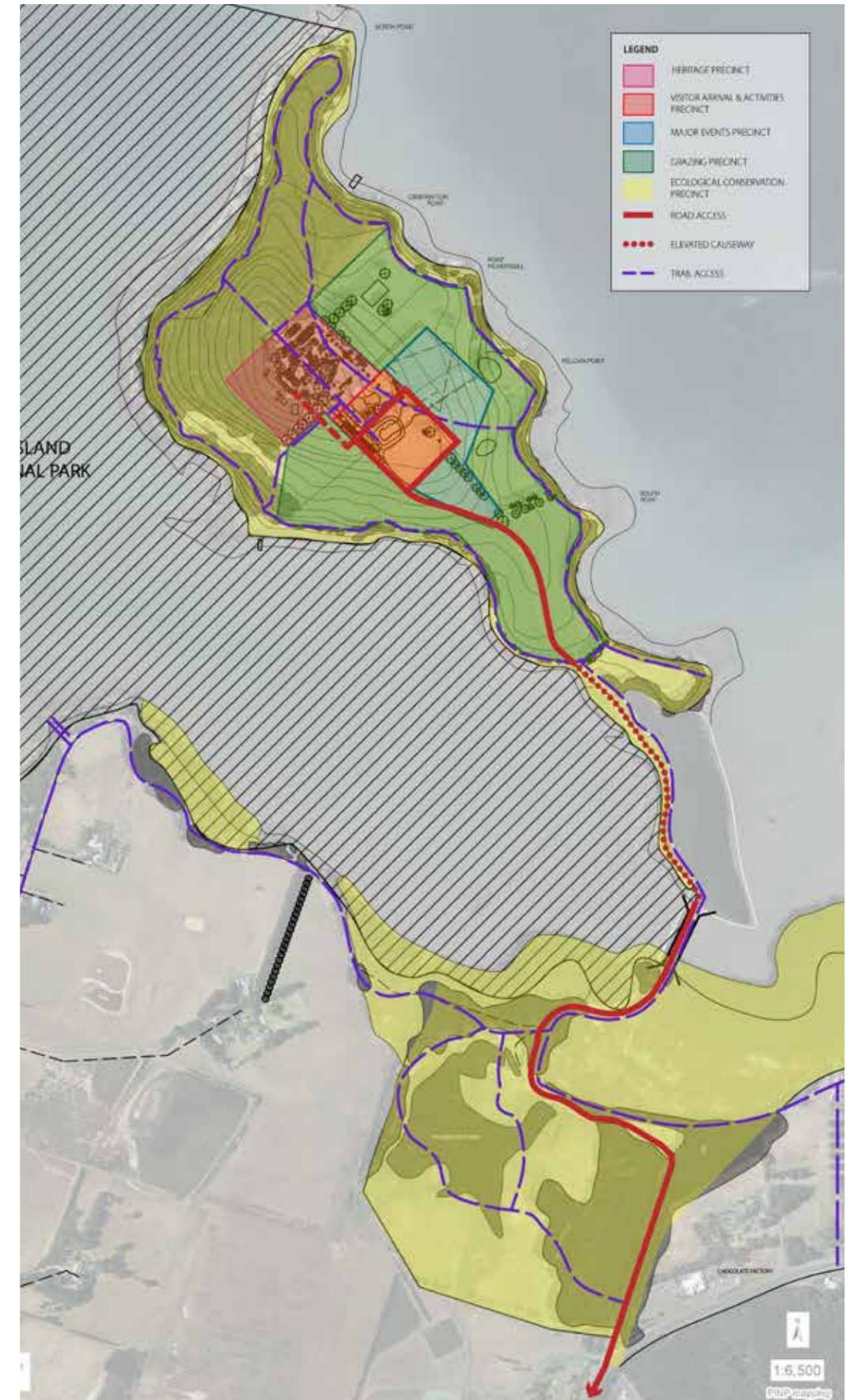


Figure 12 – KAP Proposed Land Use Precincts

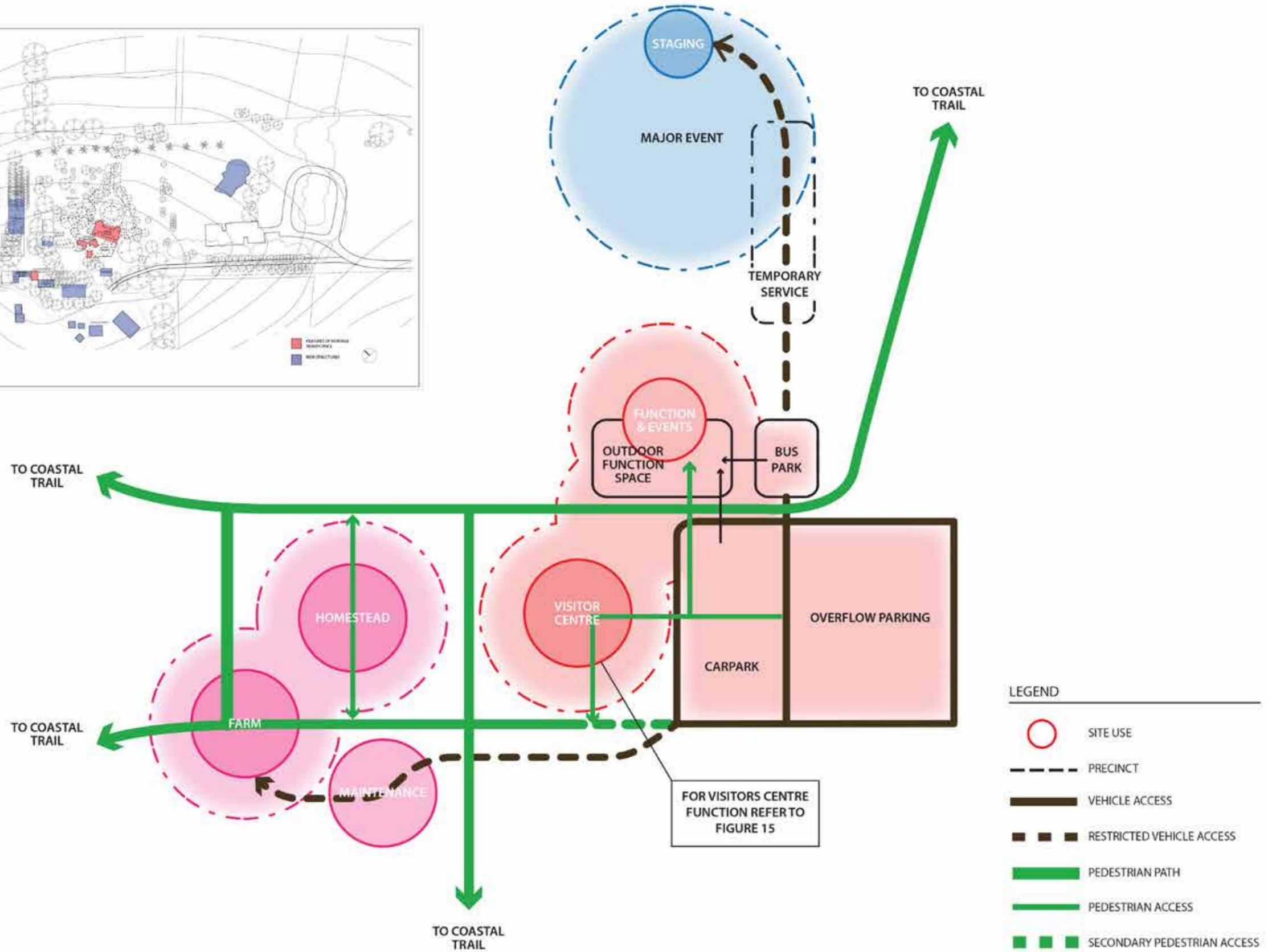
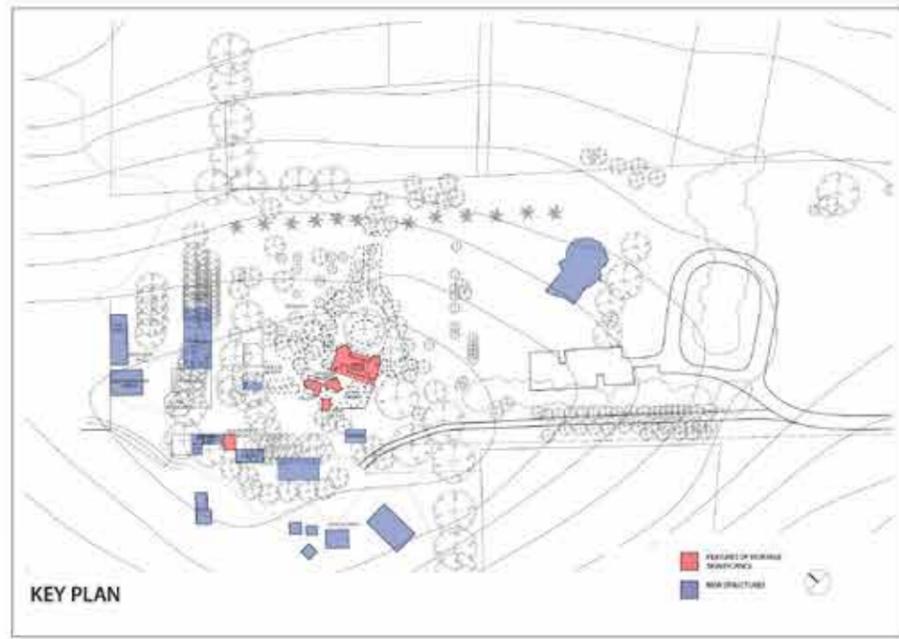


Figure 13 – KAP Proposed Main Activity Area Functions

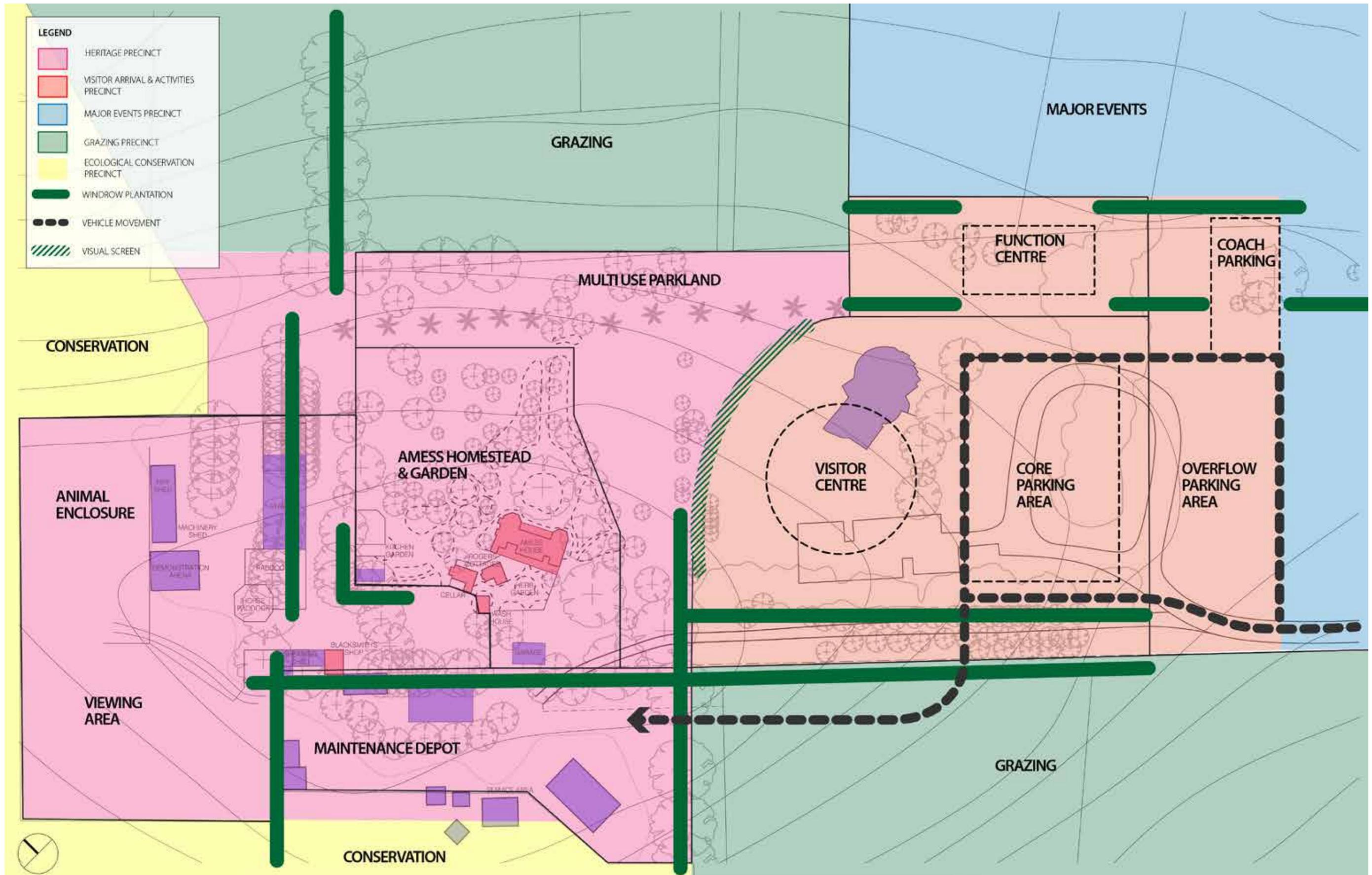


Figure 14 – KAP Proposed Main Activity Area Land Use



The Proposed Precinct Model

The site planning model is based around the development of a series of functional precincts within the centre of the island, linked by garden spaces. Each precinct has built elements and a range of site uses that in most situations can function simultaneously. This model allows visitors to share the site without diminishing the experience of other users or the heritage values of specific settings. Different revenue expectations, management systems and visitor markets are defined for each precinct.

Yering Station Winery (Yarra Valley, Victoria) is a successful example of this site planning approach. In this example, the restaurant and exhibition building (main visitor facility) acts as a destination in its own right, with its own garden setting. Other parts of the site support wine tasting activities, accommodation and functions, markets and agriculture. Activities in one part of the site function independently of other areas.

The proposed Churchill Island model is based on six main precincts which encompass the whole island. Each precinct contains one or more visitor settings. The design principles and main features of each precinct are outlined in the following section.

The Visitor Arrival And Activities Precinct

Churchill Island Visitor Centre Setting

The visitor centre will be the arrival point for all visitors. It will be a multi-function building with all facilities that are needed to support visitor use of the Island and the centre will function as a visitor destination in its own right.

As a regional destination the visitor centre will function as a key destination for regional food, wine, social gatherings, leisure activities, exhibitions and events within the Bass Coast region – a place of celebration as well as a regional tourist attraction.

As a Nature Parks destination, the Visitor Centre will function as a control point, a potential museum and exhibitions area and as the main interpretations facility for Churchill Island. The Visitor Centre will be a major revenue source that supports other Churchill Island land uses.

The suggested design approach is that the new visitor centre building will incorporate and adapt the existing visitor centre building to create a larger articulated built form that sits within a series of garden spaces. The building is intended to fit within the landscape of the site and have no significant impact on the visual and heritage qualities of the existing site, including the house and farm settings.



The proposed changes are intended to create a visitor centre building that functions in four parts:

- The eastern end of the building will adapt the existing visitor centre structure to become a larger café with commercial kitchen and staff facilities. The café will have its own deck and garden setting. Back of house and storage facilities in this zone will also service the adjoining Functions and Event Centre where necessary. The cafe and café garden areas could be used as a small function space, but will generally function as public spaces.
- The north / central section of the building will function as a lounge, bar and wine tasting area with a focus on the promotion of regional produce arts and crafts. The lounge will also have its own deck and courtyard garden setting. These areas could be used as a small function space but will generally function as public spaces.
- The south / central section of the building functions as an arrival, administration, information and commercial space (including retail). This area may also be used for temporary exhibitions or seasonal displays.
- The western section of the building (subject to an additional feasibility study) functions as a museum and interpretations space along with toilets (accessible from inside or outside the building) and other visitor services, including a ticket control point at the western end of the building. This area will also have its own deck and courtyard garden setting.

Functions and Event Centre setting

The Functions and Event Centre is intended to be an adaptable building that supports a wide variety of commercial and community based functions, corporate events, meeting / incentive / conference / events (MICE) market functions as well as supporting major community events that would be centred on the adjoining events lawn. The building is intended to be a lightweight contemporary design that can be readily adapted to different user needs and numbers by the use of folding walls, temporary building additions and the multiple use of external spaces. The building may be used as part of the monthly farmers market.



Parking Area Setting

The parking area is intended to service all site needs with the exception of major events which will require a separate traffic management plan and a combination of on-site / off-site parking and transport arrangements. The car park is designed to be adaptable to different levels of use but to maintain a minimal environmental and visual footprint on the site. The basis of the design is:

- A paved parking area that is sized to suit minimum daily use numbers.
- A separate, paved coach parking area and access road.
- A grassed overflow parking area to suit peak weekend and small event capacity.

Major Events Precinct

The major events space is intended to be a venue for a range of larger community and selected commercial events. The location is designed to take advantage of the existing landform. The precinct has a minimum of fixed infrastructure in order to provide maximum flexibility for event staging and minimum site impacts. The major events space is designed to operate in different configurations and using different parts of the site. For most major community events:

- The Functions and Event Centre will be opened on one or more sides and used as an administration and support centre for activities based on the surrounding lawn areas.
- The contoured lawn space will have the capacity to accommodate major regional community events, music and other stage based performances.
- A fixed stage (not be visible from the heritage parts of the site) will provide a performance area or the foundation for a more elaborate stage, depending on the event. This location will also provide services such as electricity, water and drainage that may be required.
- A general event support area (south of the viewing lawn) for temporary infrastructure uses such as toilets, food sales, first aid etc.



The Heritage Precinct

Amess Homestead setting

The design of this setting will be subject to the findings of a CMP. Actions arising from the CMP are likely to include:

- Eliminate obvious new structures, inappropriate decorative design elements and site uses that do not match the core heritage theme. This may include the removal of some structures (kitchen garden shed), some fences, garden areas, plant species, garden ornamentation and changes to the orchard.
- Clarify the original functions and extent of the external spaces, including paved areas and pedestrian movement patterns around the house.
- Re-establish critical view lines between the house and the coast.

Heritage Farm Setting

The design of this setting will be subject to the findings of a CMP.

Actions arising from the CMP and overall site design are likely to include:

- Development of a raised sheep shearing platform within the centre of the existing shearing shed. The demonstration platform will be linked to a northern stock laneway.
- A paddock system north east and west of the shearing shed to provide improved animal displays and exhibition areas.
- Removal of the existing garage building to provide a clear site line to the entry drive (the proposed new main pedestrian entry route).
- Eliminate obvious new structures and inappropriate uses that do not match the core 'working farm' heritage theme.
- Provide a simpler and more authentic representation of the original farm layout.
- Reinstate or emphasise wind row plantations and other original landscape forms.
- Reinstate original view links (where possible).
- Reduce the visual and physical impact of the works depot and other new building.



Parkland Setting

The design of this setting will be subject to the findings of a CMP.

Proposed site planning changes are intended to:

- Provide a buffer to the Amess House garden.
- Provide an interface between the garden and surrounding land uses.
- Provide a simpler and more authentic representation of the original garden layout.
- Provide a passive recreation space that can be used for picnics, walking and general leisure.

Site Maintenance Facility

The design of this setting may be influenced by the findings of a CMP. The maintenance facility is proposed to retain its current range of uses but in a more compact and visually screened arrangement that minimises impacts on the heritage farm setting. Proposed site planning changes are intended to:

- Help to provide a simpler and more authentic representation of the original farm layout.
- Develop a more efficient and smaller maintenance facility.
- Minimise visual and vehicle impacts on the heritage precinct.

Grazing Precinct

The design of this precinct may be influenced by the findings of a CMP. The grazing precinct represents the fenced grazing areas within Churchill Island. These areas provide grazing for stock and may be used for events and other temporary functions. Grazing areas are critical to the overall visual amenity and heritage value of Churchill Island. Proposed site planning changes are intended to:

- Provide a simpler and more authentic representation of the original farm layout with simpler fencing arrangements where possible.
- Provide integrated drainage management treatment functions.
- Improve the wildlife habitat value and connectivity of the farm landscape.
- Provide an occasional venue for major events that can function as a grazing area at other times.



Ecological Conservation Precinct

The ecological conservation precinct is a system of remnant and revegetated woodland areas along with coastal and marine ecological communities. These areas are intended to form part of the Churchill Island Marine National Park, provide a representation of the original Churchill Island landscape and provide habitat for the possible reintroduction of small native species. The island based ecological assets form part of a wider reserve system that links Churchill Island to wetlands within the Newhaven Peninsula.

Proposed site planning actions are intended to:

- Consolidate and improve the quality of existing habitat areas.
- Establish a more sustainable interface with the heritage farm setting.
- Develop the ecological restoration areas as walking and interpretation destinations that are an attraction in their own right.

Note: The site planning approach is not intended to promote revegetation in any and all available spaces. Environmental areas are intended to represent one layer to the Churchill Island visitor experience and cultural history. The introduction of small mammals must be highly selective and managed to be compatible with farming and other site values.

Facility Standards

Existing visitor support infrastructure has been designed for smaller visitor volumes. At times the facilities do not meet capacity and quality requirements for the range of visitors which currently use the site, including group tours that generate high peak use demands for facilities such as toilets. The KAP concept will be supported by the following actions:

Key actions:

1. The new visitor centre will be designed to provide facilities that meet contemporary design standards and the capacity and quality requirements of all visitor types. New toilets will be provided in the café area and the main visitor arrival area. Additional toilets will be available in the Functions & Events Centre.
2. Special events will generally require a supporting Management Plan that details specific visitor numbers, site uses, facility requirements and other special factors. The cost of providing temporary facilities will be paid by the event.
3. The Visitor Arrival and Activities Precinct will be fully accessible to the disabled.

Relationships:

- No special requirements.

Further study:

- The design of all facilities will be subject to a detailed design process.
- The design of facilities within the Visitor Arrival and Activities Precinct will be subject to a disabilities access audit.

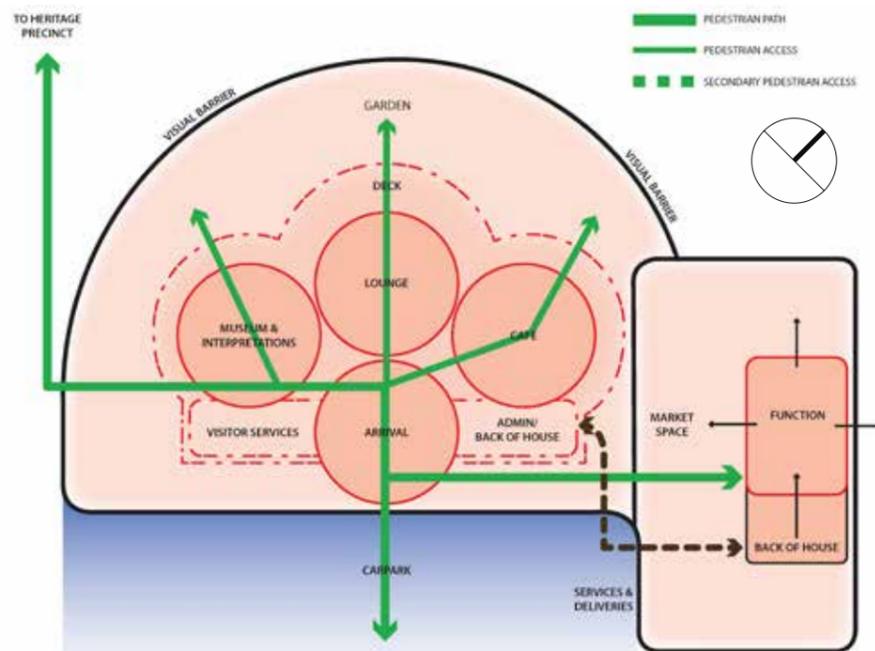


Figure 15 – KAP Visitor Centre Function

Access & Parking

The quality and design of site access affects safety, the visitor experience and the perception of Churchill Island as a place. The visitor experience of Churchill Island and its environment starts at San Remo and continues through Newhaven then on to Samuel Amess Drive.

Landscape character, environmental quality and visual quality are important factors that impact the visitor's experience and must be considered part of the KAP.

Key actions:

1. The existing Phillip Island Road turnoff creates significant safety issues related to turning opportunities, traffic speed and visibility. The overall approach to future traffic management on the Phillip Island Road will be addressed at a strategic level through the Bass Coast Shire Integrated Transport Study (current project). Subject to these findings, potential Churchill Island road access options, technical assessments and financial feasibility assessments will be developed at a later time by VicRoads and BCSC in association with the Nature Parks.
2. Temporary road inundation north of the Churchill Island bridge and the quality of the road surface are existing problems that will be addressed over the longer term by the construction of a section of elevated concrete causeway north of the bridge, and road resurfacing using a bitumen and gravel surface similar to the appearance of the existing entry road.
3. Pedestrian access on Churchill Island will be fully integrated with land use precincts and connected to off-site coastal / wetland trail systems. Integration of the Churchill Island and Newhaven / San Remo / Cape Woolamai trail systems will allow Churchill Island to function as a central recreation hub for the eastern part of Phillip Island.
4. Internal vehicle access and parking will occupy areas that are already used for that purpose and roads kept in locations that are consistent with the CMP and logical farm layout principles.
5. The visitor centre and parking facilities will be confined to the central ridge in locations that can be screened from the adjoining roadways and grazing areas but retain road based views to the surrounding coast.
6. The new pedestrian access system will reinstate the house / farm access road as the main pedestrian entry route to the heritage precinct and therefore provide visitors with a more authentic arrival experience.
7. Views will influence the location of trails and site interpretations points.

Relationships:

- VicRoads and BCSC for all off site road and trail access issues.

Further study:

- The design of all main road access options will be subject to a technical design and financial feasibility process involving the Nature Parks, VicRoads and BCSC in accordance with the findings of the BCSC Integrated Transport Study.

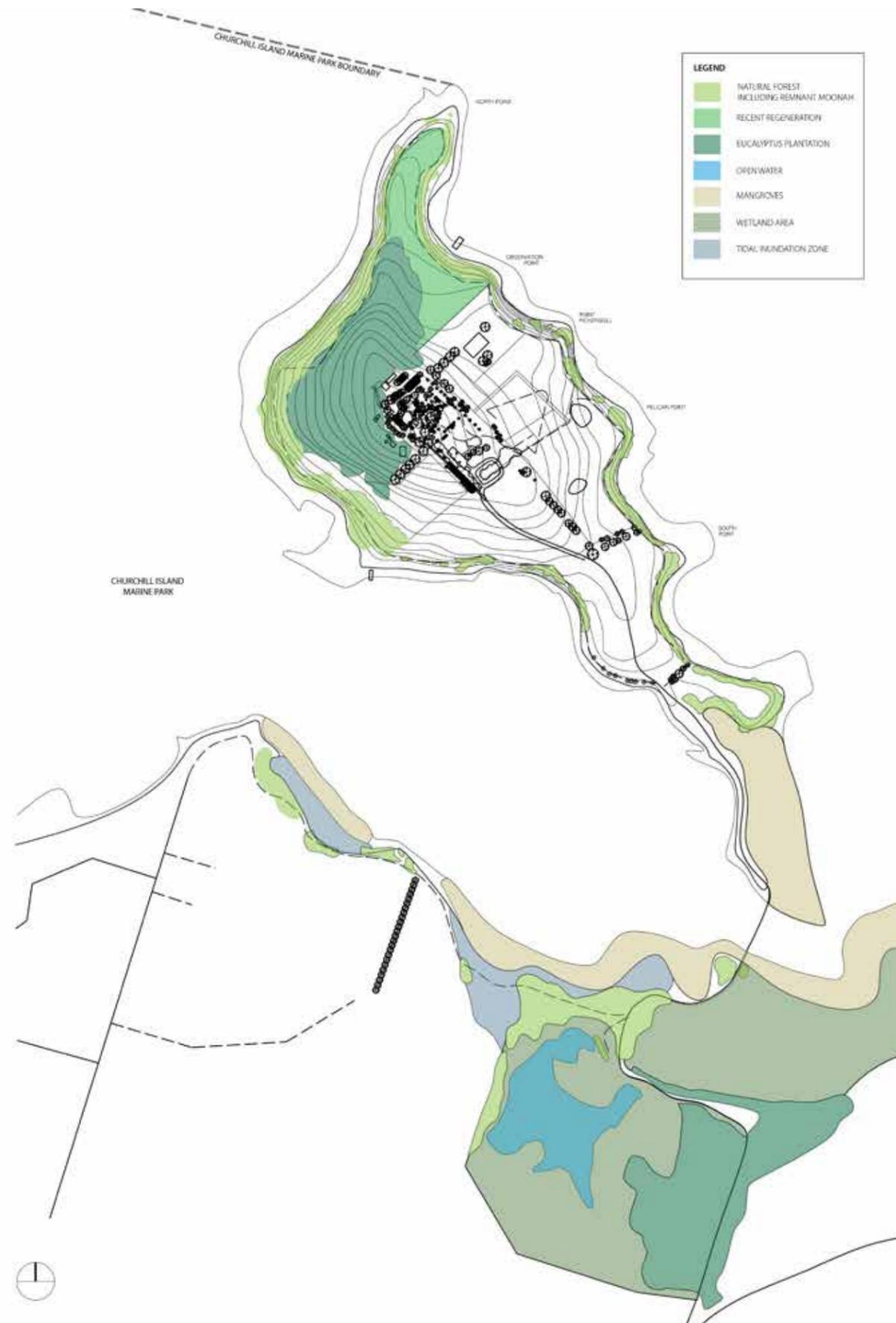


Figure 16 – Existing Site Ecology

Environmental Quality

The western coastline of Churchill Island forms part of the Churchill Island Marine National Park and the whole of the island falls within the Western Port Ramsar site. Churchill Island ecological systems must be managed to preserve and enhance those specific values and to achieve the Nature Parks' vision to be 'a world-recognised place of conservation excellence'.

Key actions:

1. Churchill Island and Phillip Island ecological areas must function as robust and interconnected ecological systems that are capable of adaptation to climate change and other forms of environmental change. The location and design of site infrastructure will be designed and managed to allow for natural ecological processes to occur, including bird breeding.
2. Churchill Island with its fox and rabbit free status has the potential to provide a special role in small mammal conservation. This could include the establishment of colonies of small mammals such as Bandicoots on the island. This role should complement but not dominate other heritage conservation and leisure based uses.
3. Churchill Island will demonstrate the highest ESD standards of facility design and management systems (minimum 4 Greenstar rating for public building). Where possible, design elements should be visually unobtrusive and not detract from the visual character of the site.
4. Churchill Island should have a surface drainage collection and treatment system to prevent pollution of the marine environment. The island should have no impact on its marine park surrounds.
5. Fisher's Wetland and Newhaven Swamp are important habitat areas that support Churchill Island systems. Their rehabilitation is an important initiative that directly adds to the value of Churchill Island as a conservation resource and visitor destination.

Relationships:

- Parks Victoria / Department of Environment and Primary Industry for issues related to the Churchill Island Marine Park and new ecological programs on Churchill Island and Fishers Wetland.
- BCSC for issues related to Newhaven Swamp and the coastal trail system.

Further study:

- Nature Parks Environment Team staff will be developing detailed proposals for the possible reintroduction of small native species to Churchill Island.
- The drainage function and ecological potential and design of Fishers Wetland and Newhaven Swamp require further investigation.

Visual Quality

The Phillip Island and Churchill Island visitor experience starts shortly after the San Remo / Bass Highway turnoff when people get their first expansive view of Westernport Bay. The quality of the landscape leading up to Churchill Island is an important part of the overall visitor experience. Landscape views explain the nature of the environment and the history of Churchill Island, its function and context. Visual quality and view management must be an integral part of site development and the visitor experience.

Key actions:

1. The Newhaven and San Remo township landscapes will be considered part of the visitor experience. The landscape of these areas where possible, will be designed and managed as an integrated system. The Nature Parks will advocate for landscape and visual amenity issues within the township and highway areas.
2. A landscape character and visual quality study should be conducted (by BCSC) for the area starting at the Bass Highway turnoff and the results of this study should inform Planning Scheme decisions and public landscape works and other amenity related actions.
3. The Samuel Amess Drive landscape corridor will be reconfigured to provide specific views of Fishers Wetland and the coastal salt marsh environment.
4. Churchill Island entry drive views are directed by (low) landform to the west and south. New development will be concentrated on existing disturbed areas on the central ridge of the site where it can be visually contained. Churchill Island will retain the visual character of a farm.
5. Key heritage features such as Amess Homestead and the farm are designed to have coastal views. Key coastal views will be retained in any future site plan.
6. The development of the existing visitor centre and some tree planting has changed the way in which visitors approach the Homestead and the way in which they see key site elements. Where possible, original patterns of movement and key visual links will be re-established.

Relationships:

- BCSC for issues related to coastal planning and visual management.

Further study:

- A landscape character and visual quality study should be conducted (by BCSC)



Figure 17 – Existing Churchill Island Views

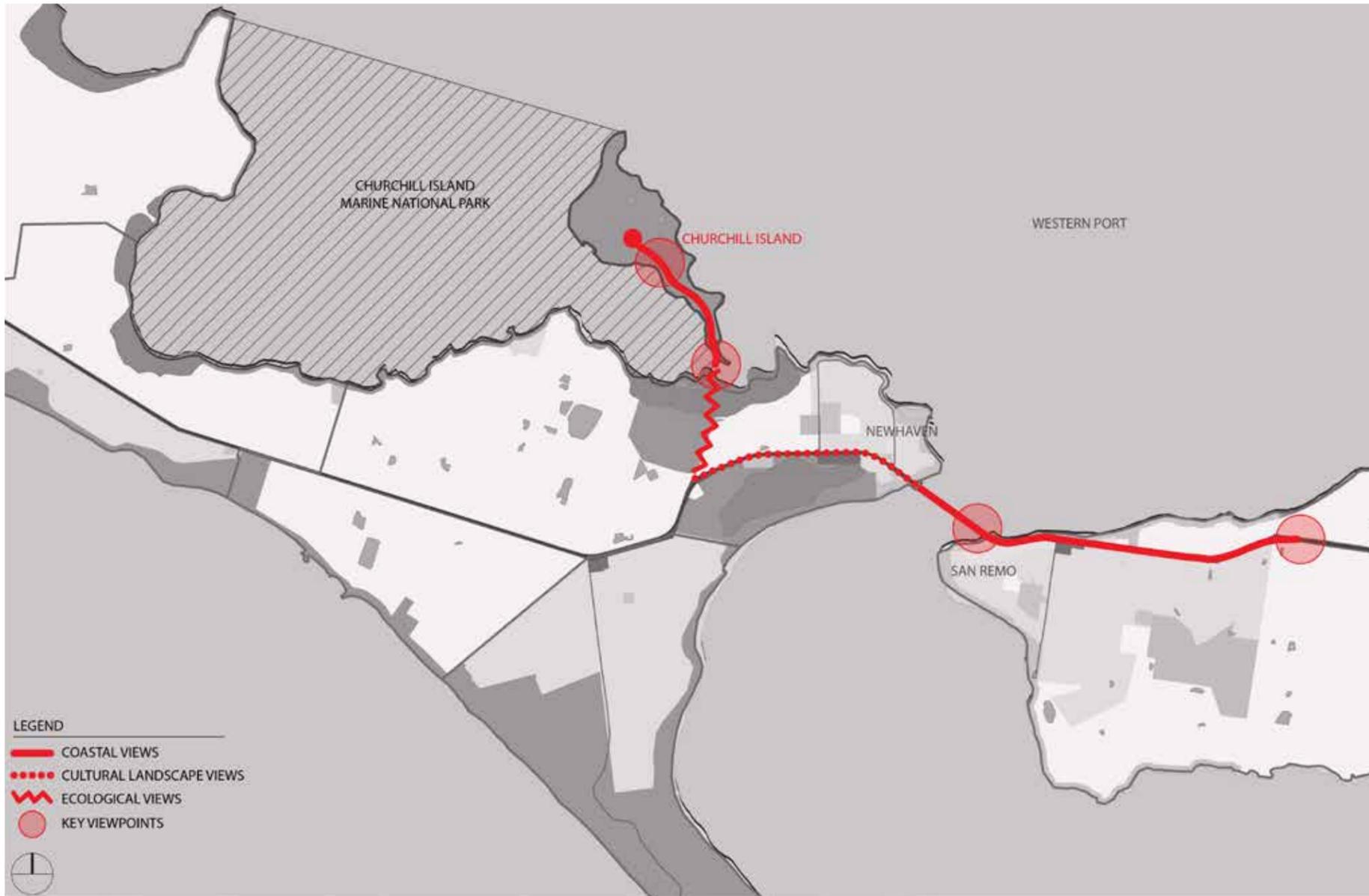


Figure 18 – Existing Regional Views

Commercial Performance

Churchill Island is a venue which caters to a range of visitor types and activities, but growth in visitation has largely been the result of the group tour market using the site as part of a multi-ticket package that is focussed on, and generated by, the Penguin Parade attraction. Group tourism in this context is a market that is susceptible to competition and market changes. The functions and events market is generally suited to the site but profitability is complicated by high overheads due to lack of facilities and set up costs. The general day visitor market segment is preferable, but visitor numbers are limited by the lack of repeat visitation.

Key actions:

1. Change the market focus of Churchill Island. Commercial growth will be based on lower volume, higher spending visitor markets. Growth will not be based around high volume, low margin markets, however place specific tour products will be maintained at a level that supports the existing 3 Parks Pass concept.
2. Churchill Island will continue to be used for site specific functions and events. These events will provide a major focus for local and regional community events and significant new revenue sources, while requiring minimal change to the site.
3. Increase the length of visitor stay and the level of repeat visitation by developing a greater range of leisure activities and more site specific functions and special event activities.
4. Improve visitor quality – cater to available visitor segments but on terms that match the values of the site. Match visitor volumes to the capacity of the site and facilities.
5. Develop new tour based products, such as walking tours that are site specific in nature. Use the whole island for activities.
6. Use seasonal variations as the basis for changes in program.
7. Develop the potential for evening based activities. During peak summer seasons there are people who can't get into the Penguin Parade or have previously visited the Penguin Parade. Capturing the early evening market or providing a lead-in activity to the penguins may offer another activity and revenue stream.
8. Increase the range of secondary activities such as shopping for regional craft and food / wine products.
9. Increase the number of regular special activities such as farmers markets or special events that provide interesting activities that constantly change.
10. Maintain and enhance selected major events to reinforce the regional status of the venue and its brand identity.

Relationships:

- Bass Coast Shire businesses.
- BCSC tourism and events promotion.

Further study:

- More detailed assessments of individual products and services will be developed through the detailed site planning and design phase.

05 DESIGN & INTERPRETATIONS

The vision for Churchill Island is that it will be seen as a special place within the Nature Parks portfolio and as a unique island destination that represents the best of the Bass Coast region. That vision will be expressed through site planning, design and interpretation.

5.1 Design Quality

Design quality must express Nature Parks values, site values and the character of the coastal landscape. The landscape must remain the dominant feature of the site and buildings should be visually recessive and responsive to landscape patterns and key views. In general, buildings should be:

- Simple, visually recessive design forms with a scale that matches the landscape. The site must still visually 'read' as a farm landscape.
- The siting of structures should reflect original site design principles – shelter from prevailing wind, site topography, coastal views and access routes.
- Building materials will preferably be based on a system of high durability exterior materials that suit the coastal heritage landscape and replaceable interior materials that can be refreshed over time as required.
- Heritage areas must be based on authentic design and materials and there must be a clear separation of old and new building. The CMP will provide guidelines for changes to heritage areas.

5.2 Environmentally Sustainable Design

The Churchill Island site will demonstrate the highest contemporary Environmentally Sustainable Design (ESD) standards, with no adverse effects on the surrounding Churchill Island Marine National Park and adjoining wetland areas. A specialist ESD design and management plan will be developed as part of detailed planning and design phases, along with specific systems related to site servicing. In general ESD will meet the following principles:

- Buildings will comply with minimum Building Code of Australia Section J – energy efficiency requirements.
- Green building Council of Australia – Public Building tool (target 5 star for all building and site works).
- Design for low greenhouse emissions through passive building design, high efficiency services and infrastructure.
- Minimise natural resource consumption and toxicity during construction and operation.

5.3 Site Interpretations

Site interpretations will be based on specific design elements (signage + other features that will be subject to a separate design project) and non – verbal information that visitors will gain from their general site experience. The overall visitor experience will be based on the following themes:

General Interpretive Approach – About Personal Stories Of Place

- Document history but focus on key individuals and what made them interesting.
- Talk about events / parties / incidents – make visitors feel a part of that time and that world.
- Provide souvenirs that represent the Place and the people (both then and now) – use leisure as a dominant theme (which includes food / beverage / indulgence / special occasion). Note: additional retail opportunities will relate to regional produce.
- Use photographs and video as well as artefacts – represent the times as well as the people and place.

Landscape Amenity

- This place has always been known for its landscape amenity and environmental quality – a productive agricultural landscape / a pleasant place to be / a place to rest / a place that represents the best of Phillip Island and Western Port environment.
- Visual amenity / view quality / connection to the water is a key site quality and a key reference point within each major land use setting.
- Visual amenity is a broad concept that encompasses more than just view lines. It is based on the character of the landscape, spatial scale and the angle of views – it's about a relationship of elements. The site design must express the qualities that originally shaped the site and influenced its history.

Aboriginal Story

- The Place needs to acknowledge the regional story of Aboriginal occupation and culture.

Exploration & First Settlement

- Journeys of exploration / politics / military concerns / the colonial imperative.
- 1801 context / first agriculture.
- Settlement / acclimatisation program / colonisation around the coast – what is happening in other places at this time.
- Farm life / making a living.
- Personal stories / male and female histories.
- Phillip Island / Bass Coast parallels.
- The wider Victorian experience.

Leisure

- Hey days – the rich at play / a leisure environment.
- Inviting guests / getting there / gossip / incidents / events.
- Melbourne City at that time.
- Personalities / individual stories / changes.
- Modern context / the attraction of the coast (who we are) / modern leisure concepts / development of Phillip Island and Bass Coast / other Bass Coast and Phillip Island destinations.

Environment and Ecology

- Coastal ecology
- Wetlands
- Terrestrial ecology

06 IMPLEMENTATION STRATEGY

The proposed implementation sequence is based on the following approach:

Stage 1

These works can proceed immediately with minimal disruption to current site functions and revenue generation. The works are focussed on dealing with existing problems and establishing new uses – functions & events. The Function & Events Centre will provide additional toilet facilities and act as a temporary visitor centre when the existing visitor centre building is being redeveloped. These works will include:

- Infrastructure services such as power and sewage treatment upgrades to meet future site needs and environmental standards.
- Functions & Events Centre (including toilets).
- Enhanced shearing demonstration platform within the existing shed.
- Coach parking area and access road.

Stage 2

These works will be subject to the findings of the proposed CMP.

These works will focus on the initial stage of Visitor Centre redevelopment which will provide improved café and back of house facilities, along with new visitor uses and parking. This stage establishes the 'activity precinct' site planning model as well as the majority of revenue generating activities. This stage will also establish the technical feasibility and conceptual design approach for subsequent works, including new museum spaces and interpretation functions. These works will include:

- Refurbished café.
- New lounge / retail / back of house / staff facilities.
- New courtyard spaces and high quality playground.
- New carpark and access road system.
- Major events lawn and staging area.
- Maintenance depot redevelopment and landscape works.
- Heritage precinct improvements.

Stage 3

These are longer term works that provide qualitative improvements to existing facilities and additional visitor centre uses. These works will improve the quality and range of the visitor experience but will not result in major revenue increases. These works will include:

- Additional Visitor Centre elements – museum or exhibition space / toilets / retail.
- Improved walking trails, boardwalks, scenic lookouts and site interpretations systems, including site specific heritage and environmental interpretations features.
- Environmental and landscape enhancements, including the reintroduction of small marsupials to Churchill Island.

Stage 4

These are longer term works that depend on further technical studies, possible land acquisition (depending on access road options), decisions by VicRoads and BCSC, and funding support. Earlier stage works can proceed without stage 4 works.

As the extent of these works are not defined, they have not been included within the cost and commercial performance evaluation. These works will include:

- Access road improvements (Samuel Amess Drive and the low lying road section north of the bridge).
- Development of the Phillip Island coastal trail and wetland trail network.

07 PROJECT COST

The following table provides an estimate of the likely order of cost for each stage of work. These costs are based on schematic design only and therefore may not provide a complete allowance for some items such as infrastructure service costs which will require further site investigations and detailed design. Nevertheless, the costs do provide a reasonable basis for analysing likely implementation and commercial performance issues.

Due to the schematic nature of the design, likely construction costs are shown as a low - high range. Detailed design will allow a more accurate cost estimate.

Table 1 Total cost without stage 4 items

Stage 1	\$2,010,000 - \$2,335,000
Stage 2	\$3,285,000 - \$3,730,000
Stage 3	\$3,440,000 - \$3,930,000
Total	\$8,735,000 - \$9,995,000

08 COMMERCIAL PERFORMANCE

The KAP initiative is not a commercially driven project, but the proposed actions will provide important economic and community benefits to Phillip Island and the Bass Coast region through direct actions on Churchill Island regional synergies by increasing length of stay. These benefits will include:

- Developing a new regional tourism focus.
- Broadening the visitor experience and meeting changing community needs and desires.
- Extending the average visitor stay on the island and in the Bass Coast region leading to increased employment of local people and relationships with other regional businesses which will result in further business opportunities and economic multiplier effects within the region.
- Increased funding for ecological and heritage conservation works on Churchill Island.
- An increased range of community based activities on Churchill Island.

8.1 Visitation to Churchill Island

Implementation of the Churchill Island KAP proposals will drive a significant increase in visitors, from 135,000 in the 2012/13 financial year to an estimated 200,000 visitors in the 2022/23 financial year. This visitation will be sourced from an increase in ticketed visitors, function and events visitors and casual dining visitors.

Source of additional visitation in 2022/23 is estimated at:

- Ticketed visitors 140,000 visitors
- Restaurant/Lounge evening patrons 18,000 visitors
- Conference visitors 6,000 visitors
- Event and special event visitors 34,000 visitors
- Visitation growth of non-ticketed visitors 2,000 visitors

8.2 Revenue Assumptions

The following table depicts revenue assumptions of the Churchill Island KAP. The rates that have been applied are derived from data related to existing Nature Parks facilities. An annual growth rate of 2% p.a. has been applied to projected revenue assumptions.

Table 2 Indicative Revenue Assumptions

Item	Revenue Assumption
Restaurant/Lounge - Evening Patrons	\$44.43 per patron, based on event and special event visitor expenditure. This is based on previous work undertaken for the special events regional visitor market.
Food and Wine Produce Sales - Daytime Ticketed Visitors	\$5.06 per ticketed visitor, based on 2012/13 financial data for retail outlets, (based on 2012 Penguin Parade financial data).
Conference Venue	\$1,750 venues hire fee for conference venue, plus \$130 food and drink catering expenditure per conference patron. This is based on Melbourne-wide average of high-quality food and alcohol catering services. \$43.43 per small-scale conference patron. This is based on previous work undertaken for the special events regional visitor market.
Special Event - Visitors	\$566 licensing fee to organiser, per 1 special concert event and \$40,000 special conference event. This is based on previous work undertaken for the special events regional visitor market, and discussions with Phillip Island Nature Park.

8.3 Financial Analysis – Net Present Value (NPV)

The KAP financial analysis is underpinned by existing data sources and conditions:

- Existing operations and financial performance is separated from financial performance calculations related to KAP changes.
- New works are designed and staged to have no impact on existing operations.
- Funding that is used to support new KAP initiatives could be sourced from Nature Parks revenue, grant applications or through co-funding arrangements with future lessee or licensed facility operators.

Stage 1 & 2 Evaluation

Based on the estimated capital investment and net operating profit, a Net Present Value (NPV) analysis shows that:

- Investment in Stage 1 of the KAP will not achieve a positive NPV within a 25 year investment horizon. The financial analysis indicates that \$1.2 million in external funding is required to support the viability of proposed developments. This figure may change depending on servicing costs which are not defined at this stage.
- Investment in Stage 2 of the KAP will not achieve a positive NPV within a 25 year investment horizon. The financial analysis indicates that \$150,000 in external funding is required to support the viability of proposed developments.

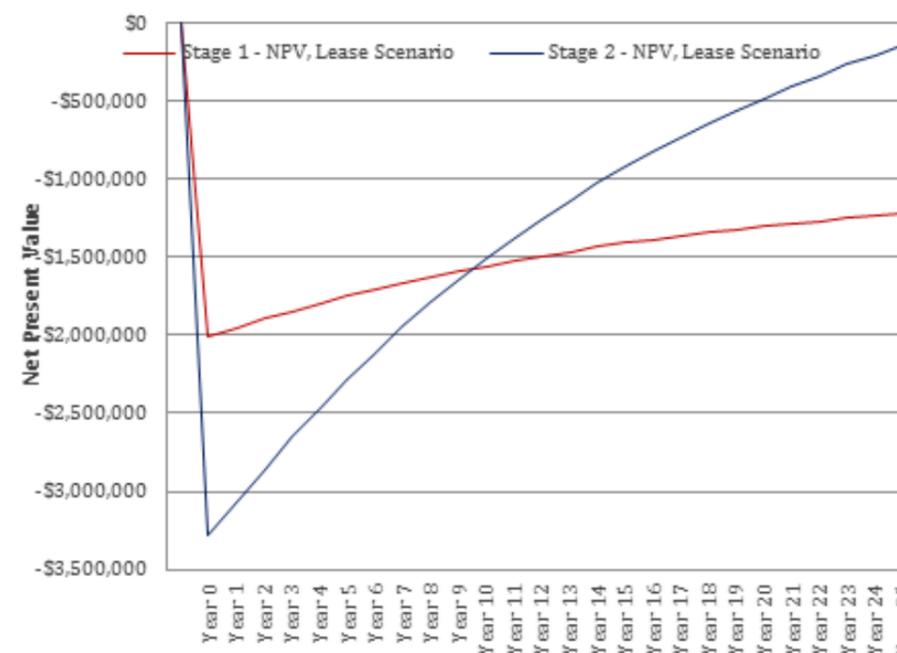


Figure 19 – Net Present Value Of Tourism Development Scenarios – Stage 1 And Stage 2

Stages 1, 2 & 3 Evaluation

Based on the estimated capital investment and net operating profit, a Net Present Value (NPV) analysis shows that:

- The Churchill Island KAP (including Stage 1, 2 and 3 developments) would not achieve a positive NPV within a 30 year investment timeframe. The financial analysis indicates that, under a lease scenario, \$3.9 million in funding is required to support the viability of the Churchill Island Key Area Plan proposals.

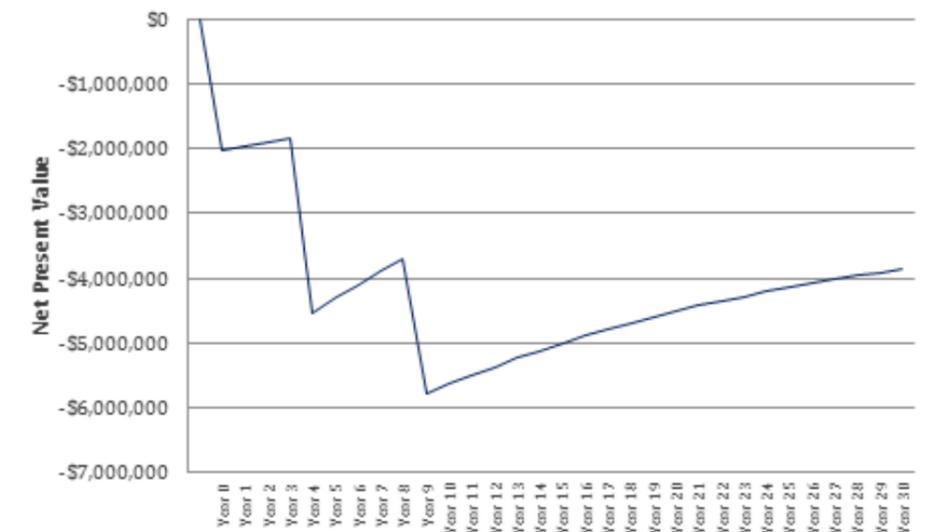


Figure 20 – Net Present Value Of Churchill Island Tourism Development – Masterplan Stages 1, 2 & 3

8.4 Economic Impact Analysis

Over the long term, the proposed development of Churchill Island is estimated to produce a range of economic benefits to the Phillip Island community and the Bass Coast regional economy. Economic benefits resulting from the proposed KAP developments are estimated to be:

- \$5.5 million to the Bass Coast Shire economy, including \$3.4 million in direct economic impact from visitor expenditure and \$2.1 million in indirect economic expenditure to flow-on industries.
- 18 full-time equivalent (FTE) jobs to Bass Coast Shire, including 11 direct FTE jobs and 7 indirect jobs to flow-on industries.

09 WHAT HAPPENS IF THERE IS NO CHANGE?

Churchill Island currently operates as a leisure-based destination, receiving around 135,000 visitors per annum, mostly from coach tour groups. If the site continues to operate in its current form with existing site uses, management and commercial arrangements, the following factors must be considered:

- The quality and capacity of existing visitor centre support facilities, the style of site development and the range of on-site activities / destinations will continue to limit the appeal of the venue for a range of visitor types. This will affect the long term attractiveness of the place as a visitor destination and therefore the financial viability of Churchill Island as a public venue.
- As tour groups are the dominant site user, there is likely to be pressure for more or improved built facilities within the farm setting to meet the needs of coach tour crowds along with more 'show' type products to sustain tour interest in the site. This is likely to lead to the perception of the heritage area as essentially a short visit tourist venue, rather than a significant destination with a range of visitor interests. On that basis, it is likely to become a less attractive destination for local people and repeat visitors.
- The financial performance of Churchill Island is mainly linked to the volume tourist market which is generally based around a high turnover / relatively low margin model. In this situation, new investment is likely to be directed toward meeting the needs of the existing volume market, rather than developing the needs of other visitor markets or creating new activities and revenue streams.
- Tourist destinations that depend on generic (not site specific) attractions have a high vulnerability to market changes and competition from other commercial venues who provide a similar or cheaper product. This situation is already affecting the Churchill Island tour market which is being undermined by other specialist tour venues.
- Churchill Island, as a visitor destination and a site with important heritage and ecological conservation values, should exemplify the Nature Parks vision and value system. If the site does not develop to meet those values there is likely to be a long term negative public perception of the place and the Nature Parks brand generally.
- The KAP initiative will generate new regional business and economic benefits. A no change scenario will result in the loss of those opportunities and economic benefits.
- Landscape and environmental change is inevitable. Trees and gardens die, structures require maintenance and ecological systems change in response to climate and other environmental changes. The tourism and leisure preferences of visitors also change over time. There is an ongoing requirement to proactively manage Churchill Island regardless of the KAP outcome. Planned change is more effective than reactive change.



