

**GREATER SHEPPARTON
PLANNING SCHEME
AMENDMENT C93**

PANEL REPORT

MARCH 2011

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Cathie McRobert, Chair



Peter McEwan, Member

MARCH 2011

Greater Shepparton Planning Scheme Amendment C93

Purpose of Amendment C93	The Amendment proposes to replace Clause 21.04 of the Municipal Strategic Statement (MSS) to implement the recommendations of the Greater Shepparton Housing Strategy 2009 (the Housing Strategy). It also amends Clause 21.09 to include the Housing Strategy as a reference document.
Planning Authority	City of Greater Shepparton
Exhibition	13 September - 15 November 2010.
The Panel	<p>The Panel appointed pursuant to Sections 153 and 155 of the <i>Planning and Environment Act 1987</i> to consider submissions relating to the Amendment comprised:</p> <ul style="list-style-type: none"> ▪ Cathie McRobert (Chair); and ▪ Peter McEwan.
Panel Hearings	<p>Directions Hearing: 7 December 2010</p> <p>Public Hearing: 7 – 10 and 14 February 2011 (The Hearing)</p>
Site Inspections	<p>An accompanied inspection of the Dookie area was made on Wednesday 9 February 2011.</p> <p>The Panel made unaccompanied inspections of the areas addressed in submissions during the Hearing.</p>
Date of Report	29 March 2011
Appearances	See Table 1 below.
Submissions	See Appendix 1

Table 1 Parties heard by the Panel

Submittor	Represented by
City of Greater Shepparton	<p>Egils Stokans of Russell Kennedy, Grant Scale and Colin Kalms (14 February) who called the following witnesses:</p> <ul style="list-style-type: none"> ▪ David Klingberg, Planner & Urban Designer, of David Lock & Associates ▪ Geoffrey Underwood, Town Planner of Underwood & Hume

Submittor	Represented by
V Scali	Michael Toll of Land Management Surveys
F Sibio	
P Morrison	
K Bradley	
N & S Butler	
D Poort	
John Hinwood	
C Stuart	
M Ford	
Kifloor Group	Kim Vallance and Mr Bill Wilson
A & D Shaholli	R Onley of Onley Consulting
Shepparton South Land owners	
Dominic and Jennifer Montleone	
Karyn and Jim Hoare	Gary Steigenberger of Chris Smith & Associates
North Star (Aust) Pty Ltd	Gary Steigenberger of Chris Smith & Associates
Saza Properties	Bruce Lancashire of SMEC Urban consultants
Steven Buzzo	Frank Dawson of Dawson Planning Services Pty Ltd
Sam Cauchi	Frank Dawson of Dawson Planning Services Pty Ltd
Joseph Closter	Frank Dawson of Dawson Planning Services Pty Ltd
Annette and Robert Ellis	Gary Steigenberger of Chris Smith & Associates
Grahamvale Development Group	William Kuszniarczyk of Clements Stone, Town Planners
K Haynes & J & L Vasey	Casey Stone and Jane Macey of CPG Australia
Shepparton Distilleries	Gary Steigenberger of Chris Smith & Associates
A & L Gawne	
Bill Heath	
Owners of Raftery Road West Corridor	John Hindwood and Alan O'Meara
Tatura Milk Industries Ltd	Gary Steigenberger of Chris Smith & Associates
Moyola Garden Cottages & Lodge	Sam Green
J & C Pope	
S & C Talidis	
John Taylor	Casey Stone and Jane Macey of CPG Australia
M & S Fitzgerald	Casey Stone and Jane Macey of CPG Australia
Dookie District Development Forum	Donald Bryant and Steve Bowmaker
David Lane & Associates	Gary Steigenberger of Chris Smith & Associates
Stuart Rea	Gary Steigenberger of Chris Smith & Associates
Pam Gaylard	

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Overview of Conclusions and Consolidated Recommendations

Overview of Key Conclusions

Amendment C93 seeks to achieve a balance between competing strategic objectives – the need to accommodate a substantial projected population growth while at the same time protecting Greater Shepparton's economic base of agricultural production and managing flood risk.

Council has invested significant resources in planning to meet the future housing needs for the municipality, including extensive background research and peer reviews. It has also committed, with DPCD funding, to resource a more sophisticated monitoring and review process to inform the rezoning process. The Housing Strategy was comprehensive in scope, based on credible forecasts and undertaken by competent professionals.

Council responses to submissions have addressed a number of key issues. The Panel endorses the revisions to provide at least 15 years land supply, to remove mandatory lot size prescriptions and to extend Investigation Areas 1, 2 and 3.

It is never possible to resolve all issues and, rather than delay the implementation of the Housing Strategy, the identification of Investigation Areas provides appropriate recognition of areas with significant issues to be resolved before development strategies are determined.

The Panel is concerned that policies that promote urban consolidation should not be undermined and considers that more intensive forms of housing should be promoted in the MSS and subsequent rezoning processes. This is reflected in the position we have adopted in relation to development yields, the descriptions of housing forms and the status to be accorded to change areas.

The Panel recognises that it is appropriate to provide guidance about the nature of change that should be anticipated in various areas but we do not consider the delineation of 'Change Areas', particularly the extensive 'Minimal Change Areas', in the Housing Strategy was of sufficient rigor for inclusion in the planning scheme.

Very extensive areas are nominated in Amendment C93 for future development and investigation. This carries a real risk that increased expectations will impact of the management of farming land and lead to pressures for premature rezonings, with associated risks of a dispersed urban form and inefficient/costly provision of infrastructure. While we consider that the progressive development on multiple development fronts generally as foreshadowed in the Housing Strategy is appropriate, there should be some flexibility in the sequencing of development.

The Panel emphasises that the proposed monitoring process will be critical to inform decisions on when land should be rezoned.

Many landowners sought additional development potential and few of these submissions have been supported by the Panel. The Housing Strategy adopted a systematic approach taking into account residential policy and various constraints such as flooding and landuse compatibility. The challenges being experienced in the agricultural sector were highlighted in a number of submissions but we do not support ad hoc decisions for alternative uses that could contribute to the pressures being experienced. Ample development opportunities are identified which provide for residential development requirements well beyond the usual planning timeframe. Strong justification would be needed to add further land.

The Panel is sympathetic to submissions that questioned the desirability of directing urban development to areas subject to flooding to the south of Shepparton. The development of these areas requires rigorous design processes to ensure risks are managed, costly engineering solutions and ongoing maintenance of the measures adopted. However, these areas are well located relative to urban services; they appeal to some home buyers and they provide choice within the Shepparton's housing market.

We recognise that Council has explicitly sought to provide options for low density and rural residential housing. We endorse the identification of land for this type of housing in areas associated with settlements as a means of supporting established community infrastructure in the settlements, optimising future resident access to services and diverting pressure for dispersed housing in rural areas. However, we have reservations about the sustainability of providing such a high proportion of future housing in this form and that the extent of land identified will raise expectations. These areas have been identified as having potential for lower density housing but ongoing monitoring and review against planning policy, together with detailed evaluation against the criteria in the Guidelines supporting Ministerial Direction 6, will be required.

The use of zone names on Framework Plans has caused some confusion. This is particularly the case where the use of the term 'Low Density Residential' has been interpreted as referring to the LDRZ (with a mandatory minimum lot size of 4,000m²) whereas the Housing Strategy assumed an average lot size of 2,000m². More generic terminology that conveys the form of housing intended, with guidance on the intensity of development envisaged, has been put forward. Site responsive development of areas for all forms of housing should be promoted and there should be a predisposition for more intensive outcomes, subject to constraints and land capability, to optimise the use of the land and achieve the desired characteristics while minimising land management requirements for future owners.

We conclude that, with revisions supported by Council and the Panel, the Housing Strategy has a sound strategic basis. Provided there is a strong ongoing monitoring regime to underpin the rezoning process, the revised MSS can deliver the additional dwellings required by 2031. The Panel concludes that the Housing Strategy provides the Council with a good foundation for sound residential development policy.

Consolidated Recommendations

Based on the reasons set out in this Report, we recommend that Amendment C93 to the Greater Shepparton Planning Scheme should be adopted subject to the following recommended changes (generally shown as tracked changes in Appendix 2):

Clause 21.04-1

- 1. Revised Clause 21.04 in accordance with the consolidated changes shown at Appendix 2 and make consequential changes to maps (generally as tabled by Council at the Hearing).**
- 2. Review mapping to correct errors, including those raised by Chris Smith & Associates.**
- 3. Replace both references to maintaining a 10-year supply of land and a 5-year supply of residential zoned land with accommodating projected population growth over at least a 15 year period.**
- 4. Reinstate the existing 'aspirational' strategy to support increased densities in established areas, such as 15 dwellings per hectare, and extend it to growth areas where reticulated sewer is available.**

5. Delete the Strategy relating to a mandatory lot size mix for new residential subdivisions.
6. Remove the mapping of Housing Change Areas from the Framework Plans.
7. Delete the strategy requiring a mandatory lot size mix for new residential subdivisions.
8. Include an additional Strategy in Clause 21.04-2 Rural Residential:
Approve land for rural residential development or small town expansion only where it is supported by a supply and demand analysis; a land capability assessment; and an analysis under Ministerial Direction No 6.
9. Endorse the change proposed by the Council (Appendix 2) to the typology of development types and the deletion of Zone names but change the indicative lot size for 'conventional living' to '450 – 800 square metres' and for 'medium density housing to 'less than 450 square metres'.
10. Extend Investigation Area 1 to include the land in the SUZ4 Kialla Paceway.
11. Extend Investigation Area 2 and the Settlement Boundary to include the land to the north that is currently in the Rural Living Zone.
12. Extend Investigation Area 3 to include all land east of Archer Road to the south of the Broken River, north of River Road and west of Doyles Road and 480 and 490 Archer Road.
13. Adopt the following revisions to the description of Investigation Area 4 put forward by Council:
There are a number of land use interface issues to be addressed in this area. There is a mix of agriculture; residential estates such as Dobsons Estate and the Shepparton East and Lemnos industrial areas. Further investigation is required in this area following finalisation of the Industrial Strategy. Investigations will include issues associated with present industry, potential for expansion of industrial and / or residential uses and developments, future servicing requirements and agricultural impacts.
14. Extend the Settlement Boundary on the Kialla and Shepparton South Framework Plan to include the northern part of 207 Central Kialla Road, Kialla; identify the land as Potential Rural Living; and

nominate a 0-5 year timeframe in the Housing Strategy Growth Management Plan.

15. Determine the future zoning of land shown as 'Potential Low Density' on the Shepparton North Framework Plan on the basis of further investigation as part of any future amendment to rezone specific parcels of land.
16. Amend the Tatura Framework Plan (the Housing Strategy) to remove residential growth notations from TMI, Unilever and VicTrack land.
17. Extend Investigation Area 5 to the whole of 355 Dhurringile Road Tatura and revise the description of Investigation Area 5 in Clause 21.04 as follows:

Investigation Area 5 – Dhurringile Road, Tatura. The land is opposite the Tatura Milk Industries. The future role of this land is dependent on ~~investigation through an Industrial Land Use Strategy~~. the identification of measures to ensure possible conflicts between the intended residential uses on this land and industry in the immediate area are effectively managed.
18. Identify 80 Gowrie Park Road Tatura as 'Potential Low Density Residential' on the Tatura Framework Plan.
19. Amend the Murchison Framework Plan to include the 45 and 47 Campbells Bend Road Murchison as Potential Low Density.
20. Consider showing the By-pass route and major constraints such as FZ and FO, buffers to sewage treatment plants, airport etc on Framework Plans to illustrate some of the underlying constraints that inform the planning rationale.
21. Renumber Clause 21.04-8 as Clause 21.04-7.

Housing Strategy

22. Include a Preface to the Housing Strategy outlining the consequential changes to the Strategy resulting from adoption by the Council of relevant recommendations in this Panel report.
23. Include in a new Preface to the Housing Strategy an indication that the future use and development of 300 Doyles Road will be determined through the South East Corridor Project.

1. Background and Issues

This section provides an overview of the strategic planning and policy context for the Amendment. The more detailed description of relevant planning policies provided in Council and other submissions is not repeated in this chapter. Specific planning policies that are relevant to issues raised in submissions are referred to in the Panel's consideration of issues in subsequent chapters of this report.

1.1 Details of the Exhibited Amendment

Amendment C93 proposes to implement the recommendations of the Greater Shepparton Housing Strategy 2009 (the Housing Strategy). The amendment:

- Replaces Clause 21.04 with a new Clause 21.04; and
- Amends Clause 21.09 to include the Housing Strategy as a reference document.

Amendment C93 identifies locations appropriate for residential development, and seeks to ensure that sufficient land can be zoned in the future for residential development. It applies to all settlements in the municipality.

Amendment C93 does not propose to rezone any parcels of land or apply any planning scheme overlays. Separate planning scheme amendments will be required to implement the potential rezonings identified in the Housing Strategy. We note that Council has met with land use consultants working in the Shepparton region to discuss options and proposals for rezoning of land. It has already considered and committed to a programme for rezonings and advised submitters and land use consultants of the following priorities for the preparation and exhibition of planning scheme amendments:

1. Immediate: Minor, corrective amendment implementing a RLZ schedule change and rezoning to LDRZ (outlined in Submissions 30 and 52);
2. Kialla: land south of the Broken River and north of the Kialla Central township;
3. Shepparton North: both east and west of the Goulburn Valley Highway and the Grace Road area;
4. Shepparton South: land west of the Goulburn Valley Highway and south of Mitchell Road;
5. Townships (unsewered): Congupna, Dookie, Katandra West, Tallygaroopna and Undera townships;

6. Townships (sewered): Tatura, Merrigum, Murchison and Toolamba (if sewered) townships;
7. Archer Road area: once resolved, (includes all land east of Archer Road, south of the Broken River, north of River Road and west of Doyles Road).

1.2 Post Exhibition Changes Supported by Council

The Panel was provided with a marked-up version of Clause 21.04 showing changes in response to submissions since exhibition that were supported by Council both before and during the Hearing (See Appendix 2). These changes include:

- Providing for projected population growth over at least 15 years in accordance with the SPPF;
- Deleting the Strategy relating to a mandatory lot size mix for new residential subdivisions;
- Including an additional Strategy in Clause 21.04-2 Rural Residential:

Approve land for rural residential development or small town expansion only where it is supported by a supply and demand analysis; a land capability assessment; and an analysis under Ministerial Direction No 6.
- Clarifying the purpose of Investigation Areas and deletion of words likely to confuse the reader;
- Extending Investigation Areas as follows:
 - Investigation Area 1 to include the land in the SUZ4 Kialla Paceway;
 - Investigation Area 2 to include all land to the north that is currently zoned Rural Living; and
 - Investigation Area 3 to include land east of Archer Road, south of the Broken River, north of River Road and west of Doyles Road.
- Removal of Investigation Area 5 from the Tatura Framework Plan in response to the submission by Tatura Milk Industries;
- Consequential change to the Toolamba Investigation Area;
- Insertion of a strategy to resolve future land use and zoning options for the Raftery Road corridor;
- Consequential changes to maps.

1.3 Strategic Planning and Policy Context

The population of Greater Shepparton is forecast to grow by approximately 20,000 people by 2031¹. The need to accommodate this substantial growth in population while protecting Greater Shepparton's economic base of agricultural production are the competing planning objectives driving Amendment C93.

Urban expansion in Greater Shepparton is constrained by extensive areas of productive agricultural land and by the extensive flood plains of the Goulburn and Broken Rivers which merge just south of Shepparton.

1.3.1 State Planning Policy Framework

The SPPF seeks to ensure that the objectives of planning in Victoria² are fostered through appropriate planning policies and practices which integrate relevant environmental, social and economic factors in the interests of net community benefit and sustainable development.

In September 2010, Amendment VC71 introduced a new State Planning Policy Framework which clarified and expanded on existing State policies but was intended to be policy neutral. VC71 has not changed the substantive policy settings relevant to Amendment C93.

Objectives and strategies of particular relevance to Amendment C93 include:

- The objective to ensure that a sufficient supply of land is available for residential, commercial and other land uses. Planning authorities should plan to accommodate projected growth over at least a 15 year period and provide clear directions on locations where growth should occur. Residential land supply is to be considered on a municipal basis, rather than a town-by-town basis (Clause 11.02.1 Urban Settlement).
- Strategies for Growth Areas include:
 - Encourage average overall densities in growth areas of a minimum of 15 dwellings per net developable hectare (Clause 11.02.2 Planning for Growth Areas).*
- The objective: *To manage land use change and development in rural areas to promote agriculture and rural production, and associated strategies which include:*
 - Prevent inappropriately dispersed urban activities in rural areas.*

¹ Spade Consultants suggest this is a conservative projection (see Chapter 2.4.1)

² Section 4 of the *Planning and Environment Act 1987*

- *Limit new housing development in rural areas, including directing housing growth into existing settlements (Clause 11.05.3 Rural Productivity).*
- *The objective: To protect productive farm land which is of strategic significance in the local or regional context (Clause 14.01.1).*

Council submitted that Amendment C93 has been informed by, and implements, the SPPF insofar as it is relevant to the provision of housing in Greater Shepparton.

1.3.2 Local Planning Policy Framework

The Municipal Profile describes how the municipality is growing rapidly. It highlights the significant contribution made by the municipality to Victoria's agricultural productivity. The loss of agricultural land due to salinity, rising ground water and urban encroachment are identified as significant threats to the future of the area, along with drainage problems, flooding and declining water quality (Clause 21.01).

The MSS acknowledges the reliance of the local economy on agriculture and the need for land use strategies that provide for growth in the context of greater care and responsibility for the natural environment (Clause 21.02).

Amendment C93 proposes to replace Clause 21.04-1 which highlights the need for, and challenges provided by, urban consolidation and growth.

The preparation of a Residential Land Supply and Housing Strategy is listed in Strategic Work Program in the current planning scheme (Clause 21.04-8).

1.3.3 Minister's Direction No 6 - Rural Residential Development

Key objectives of this Direction are to protect agricultural and landscape resources and to support sustainable settlements. Any planning scheme amendment that rezones land for rural residential development is subject to Direction No 6. While strictly speaking this Direction does not therefore apply to Amendment C93, the strategic implications of the proposed changes to the MSS will be influential in future decisions about rural residential development.

Council submitted to the Panel that areas identified for rural residential development in Amendment C93 are likely to be consistent with Minister's Direction No 6, which stipulates that land should only be zoned for rural residential development where it:

- Is close to existing towns and urban centres and not in areas that will be required for fully serviced urban development.

- Will not encroach of high quality productive agricultural land.

The Panel notes that, where relevant, a full evaluation under this direction will be required at the rezoning stage.

1.3.4 Greater Shepparton 2030

Amendment C93 has its strategic origins in the Greater Shepparton 2030 Strategy Plan (GS2030) which was adopted by the Council in 2006. GS2030 provides a strategic development framework to give effect to the identified objectives³, directions and strategies in the form of a series of strategic Framework Plans for the urban areas of Shepparton and its environs as well as for the rural towns in the municipality.

Council's submission referred to the following strategic objectives of GS2030:

- To provide for sufficient suitable additional land for urban growth until 2030.
- To release land efficiently in terms of location, supply of services and infrastructure.
- To contain urban growth to identified growth areas in order to protect higher quality and intact agricultural areas and achieve a more compact built-up area.
- To support increased density (15 dwellings/hectare) where reticulated sewer and urban services are provided in existing residential areas and encourage medium density housing in preferred locations within existing residential areas.
- To provide a restricted amount of land for rural residential purposes where environmental constraints prevent development at conventional residential densities without impacting on the long term growth potential of urban centres and productive agricultural land.
- To provide convenient access to a range of activity centres and employment opportunities that can serve the expanded municipality.

The Background and Analysis Report recommends the preparation of a housing strategy which would require detailed supply and demand analysis in order to prepare meaningful structure plans at a precinct level.

³ The GS2030 Background and Analysis Report No 2: Settlement & Housing established a number of strategic objectives for this topic.

1.3.5 Amendment C69

Amendment C69 was approved in March 2007. It was prepared to implement the GS 2030. The Panel Report relating to Amendment C69 identified the proposed town boundaries as a critical issue and recommended that they be reviewed.

The GS 2030 proposed a strategic development framework covering the whole municipality, including the main city centres of Shepparton, Mooroopna and Kialla. The intention was to articulate the broader concept of urban growth and *'provide long term defensible boundaries for urban use and growth'*. The C69 Panel concluded that:

- The urban boundaries for the overall Framework Plan for these centres were appropriate.
- The Settlement Boundary should follow the current township/urban zoned land for Congupna, Katandra, Tallygaroopna, Tatura, Merrigum, Murchison, and Undera. However, these boundaries should be reviewed following the completion of a Residential Land Supply and Housing Strategy to be undertaken by Council as a high priority.

The C69 Panel also strongly recommended the consideration of potential rural residential uses in the context of an integrated strategy rather than on a site by site basis.

1.3.6 Amendment C75

Amendment C75 (approved in 08/07/2010) implemented the Mooroopna West Growth Corridor Structure Plan.

1.3.7 Related Planning Strategies

The following planning strategies are relevant to the evaluation of issues in Amendment C93:

- **Shepparton CBD Strategy** (2008) provides a framework for increasing residential density in Shepparton's CBD.
- The **Campaspe, Greater Shepparton and Moira Rural Areas Strategy** (2008), which relates to the three municipalities, aims to provide a consistent regional response to the management of rural land. The strategy emphasises the importance of planning controls that recognise that productive agricultural land is of strategic importance to the regional economy. It highlights the need for buffers between residential development and farm activities.
- The **Mooroopna West Growth Corridor Structure Plan** (2009) provides for development which will accommodate up to 30 years growth.

Rezoning are expected to be developer led and responsive to market conditions.

- **The Shepparton South East Growth Corridor Framework Plan** (2009) used the Housing Strategy's population data and forecasts to prepare a Structure Plan and Development Contributions Plan for 475 hectares.
- **The Draft Shepparton North East Corridor Structure Plan** (2010) and associated developer contributions plan relate to land bounded by Ford Road, Grahamvale Road, Verney Road and the existing residential and industrial areas to the south. The Structure Plan illustrates a layout for the corridor including roads, parks, drainage and land use. It is expected to be exhibited in 2011.
- **An Industrial Land Strategy** is being prepared to address existing supply and future needs. The Stage 1 – Industrial Background Report has been completed, but not yet formally considered by the Council or made publicly available. A copy was provided to the Panel for information. It is anticipated that the strategy will be resolved and adopted in 2011.

1.4 The Issues

This Report deals with the issues under the following headings:

- Does the Amendment have a sound strategic basis?
- Established areas – providing for growth and managing change.
- Greenfield residential land.
- Kialla and Shepparton South.
- Shepparton Investigation Areas 1 & 2.
- Shepparton South.
- Shepparton North.
- Shepparton Investigation Area 4.
- Tatura.
- Requests for additional development opportunities in other areas.
- The form and drafting of the Amendment.

1.5 Approach of Panel

The Panel starts by addressing issues raised in relation to the strategic basis for the Amendment and its conclusions on the overarching strategic basis and principles underpin the subsequent discussion of issues relating to particular areas.

This Panel process relates to proposed changes to the MSS. It is emphasised that this Panel's role does not extend to the evaluation of specific rezoning

proposals or particular planning scheme mechanisms that would be used to implement the Housing Strategy. Nevertheless we have discussed zones in relation to the methodology adopted in the Housing Strategy and interpretation of the exhibited Clause 21.04. The Panel also recognises that the changes proposed, and particularly the specific content of the proposed Framework Plans, have significant implications for subsequent amendments to rezone land. The discussion provided may also be of interest when further Amendments to rezone land are being prepared.

2. Does the Amendment Have A Sound Strategic Basis?

2.1 The Issues

- Are key principles applied in the Housing Strategy are sound?
- Was the Housing Strategy methodology rigorous?
- Is the Amendment consistent with State Policy?
- Did flooding information provide a sound basis?
- Are strategies for growth and managing change in established areas appropriate?

2.2 The Housing Strategy

The Housing Strategy, which was initiated in 2007 after adoption of the Greater Shepparton 2030 Strategy (GS 2030), provides the primary basis for Amendment C93. It outlines the Council's approach to housing delivery and growth in the municipality and provides the basis for the objectives, strategies and policy guidelines in Amendment C93. The Housing Strategy seeks to provide for sufficient land supply to accommodate housing demand within a consolidated and sustainable development framework. Settlement boundaries for the extent of urban expansion are defined to ensure the urban community is sustainable and to protect productive agricultural land.

Based on the identified residential projections and assumptions regarding the average lot size of each dwelling type, Greater Shepparton will need at least 2,345 hectares of zoned land to 2031 to satisfy the estimated additional 9,100 dwellings required.

The strategy was based on using the need for 10 years of supply and 5 years of zoned land being available as a guide/trigger.

A significant portion of residential growth in the short-medium term will be met by the four main growth corridors identified in the GS 2030:

- The southern corridor to the south of the Broken River at Kialla.
- The south eastern corridor, along Poplar Avenue, Shepparton.
- The northern corridor, between Verney Road and the Goulburn Valley Highway, Shepparton.
- The western corridor, to the west of Mooroopna.

The urban areas of Shepparton and Mooroopna along with the four major growth areas are expected to accommodate the majority of new residential development, with remaining growth distributed throughout Tatura, Murchison, Merrigum, Dookie, Congupna, Katandra West, Tallygaroopna, Toolamba, and Undera. The location and timing of new development will be reviewed annually in accordance with the monitoring and evaluation framework contained in the Housing Strategy.

The Housing Strategy seeks to maintain growth on a number of fronts to provide choice and variety in the housing market and to ensure an adequate supply of zoned land.

The Growth Management Plans identify a number of longer term residential growth corridors in Shepparton North and Kialla to the east of Kialla Lakes once existing areas are nearing full development.

Framework Plans

To provide guidance as to how and where Greater Shepparton will grow, a series of Growth Management Plans was developed.

Key elements of the Growth Management Plans in the Housing Strategy have been incorporated into a series of Framework Plans which would form part of Clause 21.04 in the planning scheme. The Framework Plans specify the Settlement Boundary for each area, the direction for future growth within the Settlement Boundaries; the types of zoning proposed for each area (i.e. Residential, Low Density Residential or Rural Living) and also indicate Investigation Areas.

The Growth Management Plans in the Housing Strategy indicate a sequencing of development over a 15-year period. This detail has not been included in the Framework Plans to allow some flexibility to act on the basis of the ongoing monitoring of supply and demand.

Settlement Boundaries

The Settlement Boundary in Framework Plans for each urban area and town are based on the Growth Management Plans within the Housing Strategy. The Settlement Boundaries indicate the available future land supply, providing guidance to the type, location and amount of residential land required. The plans project the outward limit of growth, generally well beyond the requirement to the year 2031, and in some instances arrows indicate the broad direction of longer-term growth within the Settlement Boundary.

Residential growth outside the nominated Settlement Boundaries will not be supported. As a result the Framework Plans do not indicate any guidance about future growth outside these boundaries.

Investigation Areas

Six Investigation Areas have been identified on the Framework Plans. These areas have significant issues or constraints such as environmental, flooding, infrastructure and/or land use conflicts. The relevant issues will need to be resolved on a site-by-site basis through a more detailed analysis to determine the potential for more intensive development and any subsequent changes to the Framework Plans.

It is proposed to include the Housing Strategy as a Reference document at Clause 21.09 to provide background and reference material to Clause 21.04.

Pre-Exhibition Peer Reviews

Council commissioned two peer reviews at vital stages of the project and the concerns raised were addressed prior to exhibition. These reviews were:

- The Underwood & Hume Pty Ltd peer review which assessed whether the Housing Strategy addressed the challenges and dynamics of the Greater Shepparton housing market.
- Peer review by Michael Kirsch which reviewed the draft documentation for Amendment C93.

2.3 Evidence and Submissions

Submissions

A submission by J & L Vasey and K Haynes had a primary focus on proposed residential development in the Shepparton North (see Chapter 8). It also raised a concern about references in the exhibited Clause 21.04 and the Housing Strategy to maintaining a 10-year supply of land and a 5-year supply of residential zoned land. It was submitted that this contradicts the strategic directions outlined in Clause 11.02-1 and alignment with this SPPF direction was requested. Submissions from Chris Smith and Associates, CPG, Mr Toll and Mr Underwood's peer review/evidence also challenged this approach to land supply.

Council noted that the key strategic issue raised in submissions related to the proposed 10 year supply and 5 year zoned land provision. Its response of supporting the adoption of the State policy benchmark of 15 years supply of zoned land has now resolved the issue.

Council also acknowledged the need to correct a number of anomalies or inconsistencies in Amendment documentation raised in submissions. Otherwise, Council submitted that submissions were not critical of the strategic basis or the need for Amendment C93.

Submissions by the Grahamvale Development Group argued that the designation of areas for residential development should accord priority to land with fewer constraints due to flooding. This would provide more affordable housing while reducing risk and environmental impacts. They submitted that it is bad planning to perpetuate the growth of the Southern corridor, where about 80% of the land is subject to flooding constraints (See Chapter 9).

Bill Heath submitted at the Hearing that the approach adopted in the Housing Strategy of extrapolating the existing mix of recent development is flawed because it perpetuates current imbalances, rather than establishing a strategy to achieve objectives. He then submitted that many people in regional areas seek alternatives to metropolitan housing options and there is strong pent up demand for rural lifestyle opportunities. However, the absence of supply forces people to buy larger lots than they need in the Farming Zone or townships which are remote from urban services. While planning strategies have consistently identified Mooroopna as a key growth focus, this is not translated to the land for development in the town. In particular, Mr Heath argued that there is an imbalance in provision of rural lifestyle options, with 95% of opportunities to be provided to the south of Shepparton and none in Mooroopna.

Evidence

Mr Klingberg led the multidisciplinary consultant team that prepared the Housing Strategy. He acknowledged that in a municipal-wide study such as this, generalities were inevitable and therefore the methodology and process used to create the Housing Strategy is 'not failsafe'.

Mr. Klingberg took the Panel through the process of preparation of the Housing Strategy. In doing so he referred to limitations in the supply and demand analysis (These are discussed in greater detail at Chapter 3.4.1.). The Housing Strategy was written in the knowledge that the demographic, dwelling and supply projections would be constantly subject to change. Therefore, he believes, the proposed annual monitoring and evaluation process will be important to ensure that the Housing Strategy remains relevant and responds to changing conditions.

Mr Underwood prepared a Peer Review of the draft Housing Strategy in January 2009 and was called by Council as an expert witness. He did not

review specific parcels of land either for the appropriateness of their identification for urban development or the capacity of individual parcels of land to yield a specific supply of housing. Mr Underwood's evidence detailed how the Council had responded to the recommendations of his Peer Review. He observed that:

Having established the direction of future growth across the municipality, the council has now set itself a process that, together with a monitoring process, will allow a regular and comprehensive review of future growth directions.

Setting the direction enables investment and planning decisions to be made; declaring a willingness to regularly review the directions instils confidence that the council is responsive to changing needs and practices.

2.4 Discussion

2.4.1 The Housing Strategy Methodology

The Housing Strategy was undertaken by David Lock Associates (in conjunction with CAPIRE Consulting, Essential Economics and GHD).

The Housing Strategy is supported by three documents:

- A Background Report sets out the methodology adopted and contains a land supply and demand analysis, forecasts of population growth and dwelling requirements, and preliminary market research regarding housing preferences.
- A Key Issues paper summarises relevant policy context, the analysis of trends and influences affecting housing choice, and key housing issues that emerged from the consultation process.
- A Background Profile document containing demographic, land supply and dwelling stock profiles for each of the municipality's towns.

Consultation

The consultation underpinning the Housing Strategy comprised:

- In Stage 1 of the study a number of workshops with government and referral agencies, special interest groups and the public were held.
- Three Project Bulletins were produced prior to the formal consultation period to inform the general public of the Housing Strategy.
- A further public process occurred relating to the draft Housing Strategy. After review of the 55 submissions received, the Housing Strategy was adopted by the Council (August 2009).

At least one submitter commented that the development and property industry were not adequately consulted. The Panel notes that three initial workshops were held as part of the initial consultation phase. They were for the general public; infrastructure and service agencies; and community and service agencies. An additional workshop for the property and development industry would have been useful. However, the process for preparation of the Housing Strategy was well known and publicised and there did not appear to have been any impediment for input into the process. The public process seeking submissions before completion of the final draft strategy provided a meaningful opportunity for anyone to make a formal submission.

The Panel concludes that significant effort went into the consultative process and the opportunities for the public to be consulted during the preparation of the Housing Strategy were adequate.

Residential Supply and Demand Analysis

Stage 2 of the study involved compiling relevant data and a detailed analysis of housing supply, housing demand, demographic trends and the environmental and planning factors affecting the municipality. This included:

- Assessment of available land supply including land constraint analysis and a capacity assessment of vacant residentially zoned land. The assessment relied primarily on a visual assessment of aerial photography for all land in the R1Z, LDRZ, and RLZ.
- A demographic and housing stock analysis using 2006 ABS Census data.
- Assessment of existing infrastructure assets (by GHD).
- An assessment of local property market and development trends (by Essential Economics).
- Demand for residential land by zone type to 2031 was determined using dwelling forecasts prepared by .id Consultants and assumptions about where development would occur (infill or greenfield), the type of dwelling that was likely, and the average lot size for each dwelling type.

Mr Klingberg acknowledged the supply analysis based on the most recent aerial photography that was inevitably dated. The demand analysis had significant limitations since it relied on 2006 census data and previous dwelling trends. He also acknowledged that it is always a risky proposition to assume the trends of the past will continue into the future.

The adequacy of the analysis was confirmed by Mr Underwood in expert evidence. He concluded that the Housing Strategy achieves a realistic synopsis of the broad yield likely to be provided by the areas identified for future residential development.

The Panel notes that an assessment of demand and supply for housing in Shepparton by Spade consultants⁴ emphasised that rates of development in the past decade have fluctuated. It reported that DPCD shares the Spade Consultants' view that projections in both Victoria in Future (VIF) and the Housing Strategy probably understate Shepparton's future population and housing requirements.

The recent variation in growth rates illustrates the potential for volatility in housing markets. We recognise that there may be significant fluctuations in development activity during the planning timeframe and regular review of demographic, dwelling and supply projections will need to occur. It is therefore crucial that the proposed annual monitoring and evaluation process is implemented to ensure that the Housing Strategy remains relevant and responsive to changing conditions. Given the timeframe, the sophisticated monitoring proposed and the capacity to manage the rezoning of land, the level of possible discrepancies⁵ in projections and the likelihood of changing market conditions are not of fundamental concern.

In reviewing the documentation after the Hearing, it appears that the estimates of future land requirements were based on net average lot sizes and do not represent the gross land requirements (i.e. does not account for roads, open space, drainage constraints etc). If this is the case and the lot sizes specified are intended to be available to consumers, land requirements would be understated, particularly for conventional residential development and to a lesser extent lower density development. Given the quantum of land identified for development (see discussion in Chapter 4), the understatement of land requirements does not cause any concern about the adequacy of the land supply.

Mr Underwood noted that Shepparton will be a pilot as part of the State Government rollout of the Urban Development Program (UDP) analysis of supply and demand in regional cities. He commented that this is likely to provide additional verification of supply and demand assumptions contained in the Housing Strategy. Council advised it will appoint an officer with a primary function to monitor land supply and responses. This demonstrates Council's commitment to resourcing an effective process and should set a good foundation for implementation of the Housing Strategy.

⁴ *Residential Land Supply And Demand In Shepparton- Report prepared in relation to the proposed rezoning of land in the 'North East Growth Area' (Spade Consultants 2009).* Although this assessment was commissioned by developers with interests in the Shepparton's north-east growth area, the Panel found the analysis of demand and supply for the whole of the Shepparton settlement very useful.

⁵ Whereas GSHS was based on predicted 2021 population of 56,284, Spade considered a population of 61,190 was realistic based on growth rates of other regional cities and 2006-9 growth rate for Shepparton through to 2013 (1.59%), before reducing by 0.1% for each census period thereafter.

The Panel strongly supports the DPCD and Council initiative to include Shepparton as an additional regional report of the UDP as it will be of great assistance in informing the crucial land and housing monitoring component of the Housing Strategy.

The Panel finds that the data collection and analysis used the best available information and, despite some reservations, was undertaken competently given that it was taking place at a municipality-wide scale. However, we have concerns about the:

- Analysis for the Housing Change Areas (discussed further at Chapter 3.4.4); and
- Assumptions relating to the proportions and the intensity of development for different housing types to be accommodated. These assumptions underpin the extent of land designated for different housing options and the form of development outcomes. (discussed in Chapter 4)

2.4.2 Consistency with Planning Policy

The Housing Strategy is based on the following principles:

- . *The supply of residential land satisfies housing demand;*
- . *The impacts of change from residential development are appropriately managed;*
- . *Minimise environmental risks to residential development;*
- . *Consolidate the growth of Greater Shepparton by focusing residential development into locations that represent logical extensions of existing urban areas;*
- . *Manage the sequencing of residential growth to ensure infrastructure efficiency;*
- . *The allocation of land supply does not prejudice the long-term, sustainable growth of the municipality;*
- . *The viability of Greater Shepparton's small towns is supported through increased township and rural living opportunities;*
- . *A choice of rural living opportunities will be provided in appropriate locations;*
- . *New housing in established areas is to respect the character of surrounding development;*
- . *Residential development is to respond appropriately to sensitive interfaces at the urban / rural edge; and*

- . *Appropriate development in towns with excess community services capacity such as schools and commercial facilities (page 41).*

The Panel concurs that this list of principles is generally consistent with Clause 11.02.1 (Urban Settlement) of the SPPF. The Housing Strategy responds adequately to each of these objectives and provides the strategic basis for Clause 21.04. It provides a long term vision and direction for improving housing outcomes in the municipality to 2013. It identifies key issues and challenges. The objectives and strategies seek to ensure an adequate supply of residential land and housing diversity.

The Growth Management and Housing Change Area Plans identify Settlement Boundaries and provide guidance as to the location, type and sequencing of existing and future residential areas.

Clause 21.04 includes Strategies for Urban Consolidation and Growth, which were translated from the Housing Strategy.

The Panel is concerned that Amendment C93 would weaken urban consolidation policy for Shepparton by deleting the existing consolidation strategy (existing Clause 21.04-1) to support increased densities, such as 15 dwellings per hectare, where reticulated sewer is available.

We also questioned the strategy to require the adoption of a mandatory lot size mix for new residential subdivisions. The Panel does not consider the level of analysis provided in the municipal-wide strategy justifies such a provision. Nor is it consistent with State policy or common planning practice to mandate lot sizes or dwelling densities. At the Hearing the Council responded to these concerns by supporting deletion of this mandatory strategy and this is reflected in the revisions shown in Appendix 2. The Panel agrees that this strategy should be deleted from Clause 21.04.

Land Supply and Development Policy

The exhibited Clause 21.04-1 Urban Consolidation and Growth states:

It is important that growth is maintained on a number of fronts, providing choice and variety in the housing market and that a 10-year supply of land is available and a 5 year supply of zoned land maintained.

It also includes a strategy:

Maintain a 10-year supply of land and a 5-year supply of residential zoned land.

The SPPF establishes a benchmark for the supply of urban land, to *accommodate projected population growth over at least a 15 year period and provide*

clear direction on locations where growth should occur. As illustrated in the Urban Development Program, this benchmark is generally interpreted as referring to 15 years of supply with 10 years of zoned land and is agreed by industry stakeholders as appropriate.

The Panel endorses the Council response to expert advice and submissions to support replacing references to a 10 year supply of land and 5 year provision of zoned land in the Housing Strategy and in Clause 21.04 with a strategy for accommodating projected population growth over at least a 15 year period to align with the SPPF benchmark.

The SPPF also indicates in relation to residential land supply that:

- It should be considered on a municipal basis, rather than a town-by-town basis, and
- Average overall residential densities in the growth areas of a minimum of 15 dwellings per net developable hectare are encouraged. (Clause 11.02-1) The existing MSS also includes a strategy supporting *increased densities, such as 15 dwellings per hectare, where reticulated sewer and urban services are provided in the existing residential areas....'*
- Rural residential development should be located close to towns in locations that will not be required for fully serviced urban development (Clause 16.02-1).

Planning policy does not require a fine-grained approach to the provision of housing types in all locations in a municipality. While it is often desirable to provide options for different forms of housing in a range of locations, particularly in rural areas where there are substantial distances between towns and they have quite different markets, there is no imperative to do so. Mr Underwood responded to questions from Mr Heath relating to most low density and rural residential development opportunities being provided in southern Shepparton without provision in Mooroopna, that this form of housing may not be the most appropriate use of land with few constraints. The Panel agrees.

The Panel also notes that the lot sizes put forward in the Housing Strategy for growth areas (see Chapter 4.4) would result in development at much lower density than encouraged by State policy or suggested by overarching planning policy to consolidate Shepparton's urban areas.

In addition, Mr Underwood queried whether the extensive areas identified for Rural Living in Shepparton could compromise future urban development requirements. However, the Panel is satisfied that most of this land is already committed for the purpose and/or with constraints that preclude more intensive, sewered development. Expansive areas are identified for

residential development to provide land into the very long term with scope for even further extension of those corridors if it is eventually needed. The new area identified to the south-east would not close off those options.

2.4.3 The Accuracy of Flooding Information

Various submissions questioned the veracity of the flooding information on which the planning scheme mechanisms and therefore the Housing Strategy assessment of development potential are based. Some of these submissions, such as from Land Management Service, were based on extensive local knowledge.

The planning scheme provisions relating to flooding were subject to review through Amendment C32 (approved June 2008). Major changes to flood mapping were made in Amendment C23 (June 2004). The Panel is satisfied that the Housing Strategy, and therefore Amendment C93, was based on the best available information.

There may well be inaccuracies but changes to refine planning scheme flooding related provisions would require further evaluation of flooding risk and possible responses to manage that risk. A comprehensive investigation of flooding risk and management measures is now to be foreshadowed for southern Shepparton through the designation of an extended Investigation Area 3 (see Chapter 5).

Any changes to flooding provisions will need to be addressed through a separate process. Submissions that are dependant on revisions to flooding provisions are beyond the scope of this Panel. The possibility of changes to flooding provisions is not addressed further in this report.

Conclusion

The Housing Strategy was comprehensive in scope, based on credible forecasts and undertaken by competent professionals.

Mr Klingberg was frank about the limitations of the study. Therefore the annual monitoring and evaluation process becomes more important. This view was strongly reinforced by the evidence of Mr Underwood and is endorsed by the Panel.

The peer review undertaken by Mr Underwood was of considerable assistance to the Panel. It informed Council's internal review and resulted in a number of significant improvements. The central theme of this peer review is that the Council should avoid taking fixed and immutable positions on the Housing Strategy.

The Panel agrees with Mr Underwood that establishing appropriate land supply benchmarks, regularly measuring supply (as accurately as possible) and responding in a timely and appropriate manner are the cornerstones of council's role in the housing market. Use of UDP monitoring will greatly assist this. Council's commitment of resources to this process (with DPCD support) engenders confidence that this critical process will be implemented.

The Panel concludes that, with revisions supported by Council, the Housing Strategy has a sound strategic basis and the capacity to deliver the additional dwellings required by 2031. The proposed wording change for land supply now aligns with the SPPF which has an objective to ensure a sufficient supply of land for residential and other uses with a strategy to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur.

Recommendations

Replace both references to maintaining a 10-year supply of land and a 5-year supply of residential zoned land in Clause 21.04-1 with accommodating projected population growth over at least a 15 year period.

Retain the existing 'inspirational' strategy in Clause 21.04-1 to support increased densities in established areas, such as 15 dwellings per hectare, and extend it to growth areas where reticulated sewer is available.

Delete the Strategy relating to a mandatory lot size mix for new residential subdivisions in Clause 21.04.

2.5 Established Areas - Providing For Growth and Managing Change

The Housing Strategy Objective 3 is:

To contain urban growth to identified growth areas in order to protect higher quality and intact agricultural areas and achieve a more compact built up area;

Housing Change Area Plans in the Housing Strategy specify established residential areas as Minimal Change Area, Incremental Change Area or Substantial Change Area. The purpose of the Housing Change Areas is to manage the impacts of change in established neighbourhoods and ensure that residential development contributes to the character of residential areas.

Mr Klingberg in expert evidence acknowledged that preparing the Change Area plans involved making generalisations about the nature and character of established residential areas. He commented:

Without a detailed character study and detailed investigations into development opportunity sites, this approach could only achieve broad-brush outcomes.

Mr Klingberg confirmed that the Housing Change Area classifications were intended to align to the proposed new residential zones which were the subject of consultation by DPCD when the Housing Strategy was prepared.

Mr Underwood detailed how the State Government is investigating mechanisms to encourage more residential development in particular areas of Melbourne by zoning land on the basis of areas identified for high degrees of change or minimal change. The outcome is yet to be known. While there is no debar on acting ahead of time, he considered that the time for the Council to act would be if the new zones come to being, that is, when the detail is available.

Mr Underwood observed in his Peer Review that it is not clear to him why a number of the areas have been categorised one way or the other.

For the most part, it appears that relatively recent development areas have been categorised as Minimal Change Area (perhaps on the assumption that recently constructed areas have a long life ahead) while areas closest to the Shepparton CBD are identified for substantial change (perhaps on the assumption that these are the oldest areas and therefore the places where buildings may have a shorter life).

The Panel agrees that the concept of identifying locations where change can be supported or not, is consistent with State government policy directions.

The State government program for dealing with the suggested new residential zones continues but without an indication of likely timing. If it does proceed then the new zones would be inserted into all Planning Schemes as part of the Victoria Planning Provisions.

Council responded to comments made by expert witnesses and by the Panel that it supported identification of the Urban Growth Areas in the Framework Plans as Incremental (instead of Minimal) Change Areas.

The Panel is concerned that the areas shown as Minimal Change are the result of what Mr Klingberg described as a "broad-brush outcome" based on review of aerial photographs, rather than detailed urban character studies. It is certainly not sufficient strategic justification that an area is 'established' in

character. The provisions of Clauses 54 and 55 of the planning scheme are intended and are sufficient to manage built form change in such areas.

The Panel acknowledges that some of the minimal change areas reflect the flooding constraints. Other areas have been included because restrictive covenants exist. The Panel does not consider this latter criterion to be sufficient justification as the inclusion of such areas may actually inhibit appropriate development where covenants are able to be removed.

Overly extensive designation of areas as Minimal Change would appear to undermine the achievement of one of the key objectives of the Housing Strategy (and the existing MSS):

To support increased density such as 15 dwellings per hectare where reticulated sewer and urban services are provided in existing areas.

The inclusion in the MSS is likely to be interpreted as indicating the designation of Housing Change Areas has a sound justification. The Panel does not consider the broad-brush Housing Strategy analysis provides an adequate basis to justify direct translation across to the new suite of residential zones, should they eventuate from the current State planning processes.

The Panel wonders what real purpose they serve. Council's decision not to translate the development sequencing diagrams from the Growth Management Plans (Housing Strategy) into the Framework Plans in order to allow some flexibility in decision making was noted earlier by the Panel. We consider similar flexibility should be retained with regard to the Housing Change Areas, pending the preparation of more rigorous mapping.

The text relating to Housing Change Areas could remain in Clause 21.04 to inform Council in the exercise of its discretion and these areas could be retained in the Housing Strategy document to act a reference. However, the Panel considers that the mapping of Housing Change Area should be deleted from the Framework Plans in Clause 21.04 as there are too many inconsistencies, inaccuracies and uncertainties.

Recommendation

Remove the mapping of Housing Change Areas from the Framework Plans in Clause 21.04.

3. Greenfield Residential Land in Shepparton

The Issues

- Are the proposed additions to the residential land supply excessive?
- Should 20% of housing be in low density and rural living forms?
- The implications of adding Investigation Areas.

3.1 Amendment C93 Provisions

The MSS approved in 2007 provided for a shift in the mix of dwelling types to achieve more 'medium density' housing to accommodate the changing demographic composition of the municipality as follows:

- Medium Density Dwellings (400m² lots) – 20% of dwellings (up from 5%)
- Conventional Dwellings (typically 800m² lots) – 60% of dwellings (down from 70%)
- Low density Dwellings (2000m²/lot) – 20% of dwellings (down from 25%)

The Housing Strategy provides for multiple development fronts. It has an explicit intent to provide for a range of housing forms, namely: conventional living; medium density housing; lower density living; and rural residential.

The Housing Strategy proposes to broadly maintain the increased component of 'medium density' housing in greenfield locations to provide greater housing diversity as a response to the changing demographic profile of the municipality, while providing significant areas for 'lifestyle' housing options for reasons of consumer choice and to reinforce the attraction of the municipality in support of economic development objectives. The proposed mix of housing would be on the following basis:

Development Type	Avg. Lot Size (m2)	Housing Households
Conventional living	800	60%
Medium density housing	400	20%
Lower density living	2,000	15%
Rural residential	40,000	5%

3.2 Shepparton's Growth Corridors

3.2.1 Submissions

On the one hand landowners in south-eastern Shepparton emphasised the appeal of this area to home buyers, its accessibility to established urban services and the potential to manage floodwaters.

On the other hand, the Grahamvale Development Group and Pam Gaylard argued that the designation of areas for residential development should accord priority to land with fewer constraints due to flooding. This would provide more affordable housing while reducing risk and environmental impacts. They submitted that it is bad planning to perpetuate the growth of the Southern corridor, where about 80% of the land is subject to flooding constraints.

3.2.2 Discussion

The Panel acknowledges that flooding constraints affect extensive areas in southern Shepparton and that development in the corridor relies on engineered solutions and the operational integrity of these solutions must be maintained. This adds to costs, environmental impacts and risks to future residents and infrastructure as flood events are expected to be more frequent and more extreme due to climate change.

However, the Housing Strategy highlights the importance of multiple development fronts to serve choice and promote competition. The evidence at the Hearing reinforced this view.

The Panel endorses the principle of multiple growth corridors in the Housing Strategy and Amendment C93. The development options in less constrained areas, such as to the north of Shepparton, should maintain areas for development where costs may be lower. It is also expected that a rigorous approach will be adopted to the management of flooding risks in further investigations and development planning. The extension of Investigation Area 3, proposed at the Panel hearing, provides for a comprehensive investigation of flooding on an area-wide basis and, as we understand flooding issues in that area are substantial, we do not pre-empt the findings of that work.

3.3 The Extent of Land for Residential Development

There were no submissions suggesting that less land should be identified for residential development.

As Mr Klingberg noted, a key conclusion of the supply and demand analysis was that there was more than 100 hectares within the R1Z than was needed to meet the demand for this type of housing to 2031. This supply and demand logic is documented in Tables 1 and 2 on page 44 of the Greater Shepparton Housing Strategy (GSHS) (See table 1 below).

Within the LDRZ / TZ and RLZ there was considerably less existing capacity for future housing growth, meaning that new residential land for this type of living would need to be made available.

In association with Council it was decided that more land, above and beyond the projected requirements, would be identified for the reasons set out in the Housing Strategy (Page 43). They include the encouragement of competition between developed areas to improve housing affordability and the provision of choice in terms of type and location.

Table 1 Land Supply for Greenfield Development

Land Supply for Greenfield Development						
Zone Type	Dwelling Demand to 2030 (Greenfield)	Assumed Avg. Lot Size (m2) (- 10% compared to existing)	Undeveloped Zoned Land (ha)	Future Land Requirement (ha)	New Land Added in GSHS (ha)	Total Supply (ha)
R1Z Conventional	4,914	800	559 ha	393	2015	2574
R1Z Medium Density	1,638	400		66		
LDRZ / TZ	1,229	2,000	41	246	1099	1140
RLZ	410	40,000	0	1,640	1159	1159
Total	8,190		600	2,345	4273	4873

Source: Derived from Tables 1 and 2 of the Housing Strategy (pages 43-44)

The proposed supply of land for residential development within the Settlement Boundaries on Framework Plans represents:

- R1Z - 560% of the estimated requirement to 2031 (112 years supply).
- LDRZ/TZ - 460% of the estimated requirement to 2031 (93 years supply).

- RLZ - 71% of the estimated requirement to 2031 (14 years supply).

The land requirement would be increased and the years supply proposed would be reduced if the assumed lot sizes were to be adjusted to account for gross land requirements. This could have a significant impact for both the R1Z assessment as perhaps by 30% more land may be required, and potentially more in southern Shepparton where yields are impacted by flooding constraints. The effective supply of LDR land may also be reduced as a 2000m² average lot size was assumed despite expectations that most of this land would be unsewered.

In addition, Council has supported the following expansion of areas identified for the investigation of more intensive development opportunities:

- Investigation Area 1 – Kialla Paceway and Shepparton Greyhound Racing environs (299 ha) in southern Shepparton.
- Investigation Area 2 – Raftery Road, Kialla adjacent to the Shepparton South Growth Corridor between the Seven Creeks and Goulburn River corridors. (extended area 331 ha- existing RLZ).
- Investigation Area 3 – Adams Road, Kialla adjacent to the Kialla Lakes Estate (extended area 479 ha – existing RLZ).
- Investigation Area 4 – east of Doyles Road, Grahamvale (962 ha – including 108ha of existing LDRZ land).
- Investigation Area 6 – Toolamba to the south-west of the existing township.

The Panel has concerns that the inclusion of such expansive areas for potential development could establish unrealistic development expectations that may never eventuate. This can undermine planning strategies by inflating property values with effects on farm viability, discouraging appropriate land management, and contributing to pressures for premature rezoning and dispersed forms of urban development. This pressure was already evident in submissions to the Panel.

The extent of land designated for development means that the management of development sequencing through rezoning, and the proposed monitoring regime, will be critical.

3.4 The Extent of Low Density and Rural Residential Opportunities

The Housing Strategy indicates that *‘There is some potential for rural living and low density within the current growth boundaries of Shepparton, Mooroopna and Kialla, however the location of these developments should not inhibit the future growth of the urban area and encourage land banking or leap frogging.Greater*

potential exists outside the current growth boundaries of Shepparton Mooroopna and Kialla in areas contiguous with existing townships or residential zones (Page 50).

The exhibited MSS indicates that, subject to consideration of character and land capability, variations to the current RLZ 8 hectare minimum lot size will be encouraged to promote diversity and minimise sprawl. This approach should extend the opportunities for rural living within the supply of land already committed or zoned for that purpose.

The Panel endorses the approach adopted by the Council of encouraging more effective use of the existing RLZ land and accommodating low density and rural residential opportunities in locations that are associated with settlements. This implements planning policy and reduces the risk that demand will be displaced to dispersed locations in the farming zone.

The Housing Strategy is predicated on accommodating 20% of additional dwellings in low density and rural living forms, which represents 80% of the additional land requirement identified. The break-down for these types is:

- 15% low density living (LDRZ and TZ) requiring 246 ha additional land.
- 5% as rural living (RLZ) requiring 1,640 ha additional land.

Mr Underwood questioned whether:

- The areas nominated for rural living to the north and south of Shepparton may compromise long term options for standard residential development.
- There was empirical evidence to support the quantum of low density residential and rural living land identified.

Mr Klingberg advised that the mix adopted was the result of an iterative process with their sub-consultants Essential Economics and a good deal of round-table debate. We understand the outcome sought to balance an aspiration for higher densities, market conditions and economic development objectives. Mr Klingberg acknowledged that provision for 20% of households being accommodated in low density and rural residential forms is debateable and suggested that ongoing monitoring should inform ongoing critical evaluation. Over time he did not expect this form of development would necessarily represent the most appropriate or sustainable use of land.

The Council responded to this concern by inserting an additional Strategy into Clause 21.04-2 Rural Residential.

Approve land for rural residential development or small town expansion only where it is supported by a supply and demand analysis; a land capability assessment; and an analysis under Ministerial Direction No 6.

Given the extremely generous provision for long term growth in conventional residential forms, the Panel is satisfied that the low density options will not foreclose on options for urban development.

However, the Panel has significant concerns about the desirability of accommodating 20% of new households in low density forms of housing and the likelihood that owners of designated land may have expectations of immediate development options. These concerns underpin our response to many submissions seeking additional opportunities for low density and rural living forms of housing. The rezoning process will need to ensure appropriate assessment and careful management to avoid excessive release of this type of housing. The additional strategy in the MSS referred to above should serve that purpose.

3.5 Lot Sizes

As noted in Chapter 3 the Panel is concerned that Amendment C93 would weaken urban consolidation policy for Shepparton (existing Clause 21.04-1). The high average lot sizes adopted in the Housing Strategy and Amendment C93 for conventional living and medium density housing make it highly unlikely that the SPPF development yield aspirations or Council's overarching policy support for urban consolidation will be achieved.

Council advised that DPCD suggested the provision relating to a mandatory lot size mix for new residential subdivisions included in the exhibited version of Clause 21.04. However, after considering concerns raised in submissions, Council now considers this strategy is unnecessarily prescriptive and sought the Panel agreement for its deletion.

While Council endorsed the removal of references to mandatory lots sizes, it maintained that:

- Adding residential density in future development areas will only undermine strategic intent, concentrate supply in particular areas, and make existing housing projections unreliable.
- Low Density Residential development (0.4 – 2 ha lots) is intended in unsewered areas around existing townships, whereas rural living is significantly different from LDRZ as it is intended to provide for residential use in a rural environment.
- Reducing minimum lot sizes in both cases blurs the distinctions between R1Z, LDRZ and RLZ.

Conventional residential development in and around Shepparton is certainly at a much lower density than is now common for metropolitan Melbourne for a host of cultural and economic reasons. The Panel accepts that

consumers in regional areas may expect more space than in metropolitan areas but planning should promote and facilitate more compact forms of development.

We consider that the lot sizes nominated have had an analytical function in the development of the Strategy but we do not support them being imposed as development standards (see further discussion below). ResCode establishes more appropriate criteria for the assessment of subdivisions. The removal of mandatory lot sizes from the Amendment goes some way to addressing this concern but it should be made clear in a new Preface to the Housing Strategy, which is proposed as a reference document, that these densities are not intended as requirements for new development. The residential density should be monitored for R1Z land as part of the monitoring and evaluation program.

Much discussion took place around the interpretation of the notations on the Framework Plans that form part of Clause 21.04 in Amendment C93. Specifically, the Potential Low Density notation is understandably interpreted to mean that the land so notated would be zoned in the future as Low Density Zone with a mandatory minimum allotment size 0.4ha. Similarly land shown as Potential Rural Living was interpreted to flag an intention to rezone to the Rural living Zone, which has generally been subject to an 8 ha minimum lot size in Greater Shepparton (although we understand this may well be reviewed).

The Housing Strategy indicates that the average lot size for land in the LDRZ/TZ type is 2,000 m² and for the RLZ type the average lot size is shown as 40,000 m²⁶. Given that the minimum lot size in the LDRZ must be at least 4,000m², and the RLZ currently specifies a minimum lot size of 8 hectares, it is not surprising that there was much confusion about what lot sizes the Housing Strategy assumed and/or proposed.

Submissions from CPG and Chris Smith & Associates for various clients questioned the mandatory minimum lot size (4000m²) that applies under the LDRZ. They argued that more site responsive approaches to development would result in better planning outcomes and more effective use of land. Mr Dawson, acting for Mr Cauchi, also advocated a more flexible approach to lot size in the RLZ. He highlighted that the exhibited MSS states *'For potential rural living land, diversity and flexibility of lot sizes is important to minimise sprawl and variations to the 8 hectare minimum lot size should be encouraged where appropriate. Factors influencing desirable lot size should include the existing character and density and Land Capability.'* Mr Dawson suggested that the

⁶ Table 1 – Greater Shepparton Residential Land Demand by Zone type for Greenfield Development

schedule to the RLZ should be amended to specify the minimum lot size as 1 - 8 hectares, whereas Council supports a change to the minimum subdivision size in the Rural Living Zone from 8 hectares to 4 hectares as part of a future amendment.

The Panel is in strong agreement with the sentiment in the exhibited MSS which indicates a predisposition in favour of smaller lots for the RLZ. We consider the same principle applies to low density residential development, particularly near the regional city. In many cases the characteristics consumers seek from rural living housing are likely to be achieved on lots of less than 8 hectares unless a significant agricultural component is also intended. Indeed, the Guidelines for Rural Residential Development (1992) associated with Ministerial Direction 6 stated '*The lots must be of a size that can be efficiently maintained without the need for agricultural techniques or equipment (generally no larger than 2 hectares)*'. Similarly, lower density forms may well deliver the character and utility sought on less than 4,000m².

The Panel notes that the Housing Strategy also states:

The provision of lower density developments within key growth areas needs to be carefully considered in relation to the efficient use of serviced land. Several developments in Residential 1 Zone have occurred where a lower density development is achieved through overlay controls. Page 50

We consider that the intended planning outcomes, rather than the strictures of planning processes and tools, should determine the form of development. We do not agree with Council that:

- The protection of the basis of projections is a sufficient reason to maintain the lot sizes foreshadowed in the Housing Strategy and Amendment C93. That analysis should be seen as informing the planning process rather than locking-in outcomes.
- It is important to maintain distinctions in the form of housing provided based on the way zones have been applied in the past. The Panel accepts that Council wish to provide a range of housing options in the municipality to meet community preferences but is of the strong view that a key determinant of the nature of development should be land capability and characteristics.

For example, in areas identified for 'low density living' that are serviced and not subject to constraints such as flooding or interface issues, better planning outcomes may be achieved with lots of less than 4,000m². Where those types of constraints do apply, it may be that site responsive development provides for a range of lot sizes, with some well above those associated with either LDRZ or RLZ and others below the minimums associated with those zones.

The use of zone names in the Framework Plan notations to distinguish these four forms of residential development is not helpful. What is important is to clearly state the strategic intent. When it comes to any proposal for rezoning there is a range of VPP tools that could achieve that strategic intent, including zones, schedules and overlays. The Housing Strategy is a strategic document that presumes further planning work prior to rezoning that could result in zones other than either the LDZ or RLZ being selected. The Housing Strategy notes correctly that:

Prior to the rezoning of land, the council should have undertaken or facilitated the necessary planning of the future residential land to ensure that development proceeds in accordance with the directions and objectives of relevant local and State policy (Page 15 (AS.2)).

It would be more useful to indicate the residential land supply and demand for future residential land consistently in the terms used on in the Housing Strategy (Page 42). The Council responded to this issue in the post-Panel version of Clause 21.04; it now proposes the following categories:

- conventional living (600 – 800 square metres);
- medium density housing (350 – 600 square metres);
- low density living (2,000 – 8,000 square metres);
- rural living (2 – 8 hectares).

The Panel agrees that this categorisation provides a more flexible description of preferred strategic outcomes to achieve the objectives of the Housing Strategy. However, the range of lot sizes for conventional living should range from 450-800 square metres to reflect current development forms. Similarly, medium density housing should be differentiated by something less in area.

We support the principles underpinning Mr Dawson's suggested change to the lot size provisions of the RLZ. This includes the emphasis on land capability and the potential for average lot sizes to achieve objectives relating to character and the utility of lots more effectively than prescribed minima. However, we do not consider it is appropriate to introduce the suggested change to the RLZ across the municipality as part of Amendment C93. Lot sizes can be addressed through further Amendment processes, having regard to the policy settings referred to above. Combined Amendment and permit processes may expedite approval of proposals where there is a high level of confidence that the framework proposed is soundly based.

3.6 Sequential Growth

Identifying sequential growth was considered important in the context of the supply analysis which indicated that the Housing Strategy had a substantial supply of R1Z land, and that the development of this land required a strategy to focus Council, infrastructure agency and State resources. The sequencing is intended to be flexible to respond to rates of development.

Amendment C93 included the following criteria in the consideration of out-of-sequence development:

- *It can be demonstrated that the land supply for the proposed type of development is being constricted elsewhere and that it is unlikely to become available within the designated sequencing;*
- *The proposed development does not impact on the achievement of the objectives and strategies of the GSHS;*
- *The development can be serviced and connected to sewer and drainage infrastructure in a timely and efficient manner to the satisfaction of the relevant service provider;*
- *The full cost of extending infrastructure out of sequence is paid for by the developer; and*
- *The proposed development represents an exemplary development incorporating best practice standard and satisfying the objectives and strategies of the GSHS to a high degree.*

The Panel noted the comments by Spade Consultants in a report Shepparton Land Supply and Demand Analysis that recommended sequencing rarely reflects reality.

'It is critical to reinforce the need for the application of flexibility in such strategies, particularly in regard to sequencing. What seemed like logical sequencing at the time a plan was prepared is frequently out of date within a relatively short time period and for a host of reasons.'

Mr Underwood's evidence also considered that the Council should avoid prescribing a strict sequential approach to development. He believes that Council could gain a better understanding of the likely timing of development across the growth areas using the Urban Development Program approach to consult with stakeholders including land owners and developers. He commented that a competitive market requires options on multiple development fronts and, while a major development in a remote location would be of concern, minor leapfrogging ('a couple of paddocks') causing a short term gap is not.

The Panel agrees that there will need to be some flexibility in sequencing of future residential growth. The Growth Management Plans in the Housing Strategy indicate a sequencing of development over a 15-year period. Council decided not to include this in the Framework Plans (Clause 21.04) to allow some flexibility following the ongoing monitoring of supply and demand. The Panel supports this position; however, given that the potential supply identified provides for very long term growth, the regular monitoring of residential supply and demand will be crucial to inform Council decisions about rezonings.

Conclusions

The Panel concludes that the Housing Strategy provides the Council with a good foundation for sound residential development policy when combined with existing local and State Government policy.

Amendment C93 seeks to achieve a balance between two competing strategic objectives – the need to accommodate a substantial projected growth in population while at the same time protecting Greater Shepparton’s economic base of agricultural production.

The Panel is concerned that policies that promote urban consolidation should not be undermined and considers that more intensive forms of housing should be promoted in the MSS and subsequent rezoning processes. This is reflected in the position we have adopted in relation to development yields, the descriptions of housing forms and the status to be accorded to change areas.

The proposed Framework Plans identify Settlement Boundaries that provide for residential development well in excess of projected medium term requirements and Investigation Areas may add to that supply. The Panel emphasises that the proposed monitoring program will therefore be vital to inform decisions about the need for and sequencing of rezoning proposals.

Recommendations

Delete the strategy requiring a mandatory lot size mix for new residential subdivisions from the proposed Clause 21.04.

Retain the existing urban consolidation strategy in Clause 21.04-1 of the MSS to support increased densities, such as 15 dwellings per hectare, and extend the principle to growth areas where reticulated sewer (i.e. do not limit the strategy to established areas).

Include an additional Strategy in Clause 21.04-2 Rural Residential:

Approve land for rural residential development or small town expansion only where it is supported by a supply and demand analysis; a land capability assessment; and an analysis under Ministerial Direction No 6.

Endorse the change proposed by the Council (Appendix 2) to the typology of development types and the deletion of Zone names.

Change the indicative lot size in Clause 21.04 for 'conventional living' to '450 – 800 square metres' and for 'medium density housing to 'less than 450 square metres'.

4. Kialla and Shepparton South

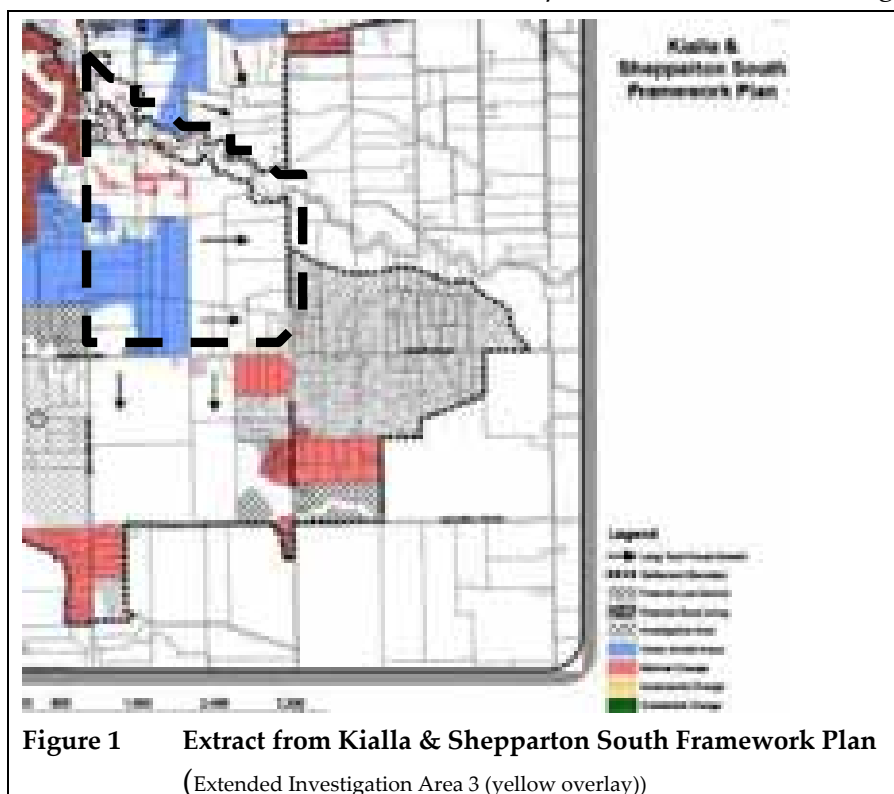
The Issues

- Should the residential development potential of land in the Rural Living Zone between Archer and Doyles Roads Kialla West be investigated?
- Should more intensive development be accommodated in land identified for future rural living in Kialla?
- Should additional residential development opportunities be identified in Kialla Central?

4.1 Investigation Area 3 - Land between Archer and Doyles Roads

The exhibited Kialla and Shepparton South Framework Plan showed urban growth areas, areas of minimal change, undevelopable areas (white), Long Term Future Growth directions, potential Low Density Residential and Potential Rural Living areas (see Figure 1 below). It included Investigation Area 3 – Adams Road, Kialla which comprised the Fitzgerald property and was described in the text as follows:

This area is directly adjacent to the Kialla Lakes Estate though is significantly impacted by flooding. The potential to develop this land to a more intensive residential use is dependent on this issue being resolved.



4.1.1 Submissions

The area to the south of the Broken River to the east of Archer Road generated the most submissions to Amendment C93.

The submission on behalf of the Fitzgeralds, who own the property identified as Investigation Area 3 in the exhibited Amendment, sought:

- Identification of the property as 'Potential low density' with deletion of the Investigation Area on the Framework Plan.
- Rezoning of southern portion of land from Rural Living to Low Density Residential through a combined permit – amendment process to expedite consideration of the proposed 15 lot subdivision (concept plan shows lots ranging from 4,000-7,300m²).
- Refinement of flooding overlays.

The submission set out consultation with relevant agencies and Council, which indicate the site can be serviced with gravity fed sewer and that there are engineering solutions to the acknowledged flooding constraints affecting the land. The submission included a letter from the GBCMA endorsing proposed conditions for a subdivision permit (27 May 2009).

Council responded that, while the Framework Plan identifies the land as 'Potential Low Density', further flood investigations and land use decisions are required for the site and the area before rezoning. Further advice from the GBCMA (letter tabled) clarified their position about this land and supported Council's view that that further investigation of the general area as whole is required (i.e. land east of Archer Road, south of the Broken River, north of River Road and west of Doyles Road). Council officers consider that combined 'permit amendments' are unwieldy, particularly in cases such as this where a wider area should be considered.

Most other submissions⁷ from the owners of land currently zoned Rural Living (with an 8 hectare minimum lot size) sought:

- Further development potential, generally in low density rural residential forms, to capitalise on the area's access to urban services to the north and west. It was submitted that consumers value the amenity of development to the south and this corridor should also be preferred to locations to the east and north due land use conflicts e.g. orchards.
- The resolution of flooding to ensure floodwaters are dispersed quickly and without impacting on properties on the eastern side of Archer Road.

⁷ S & J Cauchi, Kim Vallance, Joe & Stella Mammone, Joe & Julie Monteleone, Dominic & Jennifer Monteleone, John & Chris Holder, Kifloor, Shepparton South Landowners, Fantini Family, Jack Baker, Camille Kelly, Ray & Maree McKenna, Karl Neuwirth.

It was argued works to Archer Road in 1984, insufficient drainage through culverts under Adams and Archer Roads, and the failure to maintain planned flood paths (e.g. bridge at Kialla Lakes Drive, link to Kialla Lakes) exacerbates flooding and this is reflected in the existing Flood Zone, Flood Overlay and LSIO.

- A review of the extent of flooding east of Archer Road based on flood modelling is required.

Land Management Services questioned the accuracy of flood mapping on a number of properties and requested that:

- 480 and 490 Archer Road, which comprises two lots in Farming Zone on the western side of Archer Road, be identified for Residential 1 zoning.
- 130 Mitchell Road, Kialla West be identified as Low Density Residential rather than 'Established Area'.
- The following properties be identified for Low Density Residential development:
 - 975 and 985 Archer Road, Kialla (The land is in the FZ and dwellings have been developed on both lots.)
 - Land in Channel Road opposite Orrvale School (in the extended Investigation Area 3), and
 - Properties on the eastern side of the Goulbourn Valley Highway south of Mitchell Road.

Pam Gaylard lives at 25 Adams Road, which adjoins the Broken River and the exhibited Investigation Area 3. She opposed providing opportunities for subdivision in this area to less than 8 ha due to flood risk and to ensure protection of the character and unique lifestyle opportunities offered in this relatively central location. She urged Council and the GBCMA to adopt a comprehensive approach to the management of this complex floodplain and to take a firm stand on further development in recognition that this area is seriously flood impacted.

Council did not consider that the issues raised in submissions relating to land to the east of Archer Road could be fully resolved under this amendment. Its submission to the Panel supported extension of Investigation Area 3 in Clause 21.04 and the Housing Strategy to include all land east of Archer Road to the south of the Broken River, north of River Road and west of Doyles Road. Council also submitted that the 'Potential Low Density' notation should be deleted so as not to pre-empt the outcome of investigations. Council acknowledged that, although the Farming Zoning of 480 and 490 Archer Road is anomalous, a R1Z rezoning is not supported as the land is significantly affected by flooding and proposed that the land be included in Investigation Area 3.

Council did not support additional Potential Low Density Residential designations of 975 -985 Archer Road, 130 Mitchell Street, opposite the Orrvale School or on the eastern side of the Goulbourn Valley Highway. However, Council did support changes to the Framework Plan and Housing Strategy to recognise that 130 Mitchell Street is undeveloped and in the RLZ (a 5-10 years timeframe for development sequencing was nominated).

Council referred to further correspondence from the Goulburn Broken Catchment Management Authority (GBCMA) and emphasised that:

- Further work by GBCMA would be critical in determining the nature of any future development in the expanded investigation area.
- Future investigations and any subsequent rezonings should take a comprehensive view of the overall precinct rather than a site by site basis.

The Saza Properties submission relating to 805 Archer Road, which was identified for Long Term Future Growth, is addressed in Chapter 6.

4.1.2 Discussion

The relative accessibility of this area to urban services was not challenged but it is clear that the flooding constraints for both the exhibited and extended Investigation 3 area are substantial and that road works, associated drainage and maintenance of the drainage system may well be contributing factors.

The Panel agrees with the Council and GBCMA that planning for the area should be on the basis of a comprehensive area-wide assessment of flooding issues with an integrated response. It may be that 'sub-precinct' responses to manage floodwaters are appropriate but their evaluation should be in the context of the wider assessment and the identification of appropriate strategic solutions for the wider area. Measures to protect the character and environmental values of the riparian corridor will also require consideration, in addition to more generic matters such as road network, open space and infrastructure planning.

We recognise that options for the development of the Fitzgerald property have progressed in consultation with relevant agencies. However, the evaluation of proposals for this land should be informed by the assessment of flooding issues and responses for the wider area. If responses to flooding are identified for this sub-area, the evaluation of proposals for subdivision may then progress. The Panel notes however, that development planning is likely to be needed to avoid a piecemeal approach to matters such as road network connectivity, public open space links and the like. While the Panel does not support Council's apparent reluctance to combined amendment-permit processes, this path would be dependant of the appropriate responses

to the range of planning considerations on at least a sub-area rather than on a site specific basis.

The exhibited Amendment C93 already indicates that more intensive development of land in the Rural Living Zone is encouraged in appropriate locations and the proposed extension of Investigation Area 3 specifically identifies the need to resolve flooding as a critical issue. The Panel considers this is appropriate.

4.2 Land Identified as Potential Rural Living

4.2.1 Submissions

Andrew Calandro of 490 River Road supported the exhibited designation of his land as 'Potential Rural Living'. However, the submission on behalf of J Taylor sought:

- Designation of 459 River Road as 'potential low density' rather than the exhibited 'potential rural living'; and
- Rezoning now on the basis that the land is strategically located and a land capability assessment has indicated the land is suitable for lots with a minimum size of 1ha. A broad concept plan (lot sizes varying from 1 ha to 2.5 ha) and preliminary soil contamination assessment have been prepared. The GBCMA has also been consulted.

Council considered that the strategic assessment was sound and did not consider that land must be zoned Low Density Residential (minimum subdivision size of 0.4 ha) simply because it may be physically capable of subdivision down to 1 hectare lots. Council submitted that isolated low density residential rezoning would 'take up' demand and supply of this form of residential development in other areas and reduce the chances of rezoning the general area to rural living. The extent of supply for rural living land will need to be addressed at the rezoning stage through a Minister's Direction No 6 assessment.

4.2.2 Discussion

The Panel supports a flexible approach to lot size in the RLZ with land capability being an important consideration (see Chapter 4.4), but it has not been demonstrated that there is a need to identify additional land for Low Density Residential development. There are smaller lots to the east of the Taylor land but, rather than simply adding to that enclave, we consider a wider, more strategic view (as adopted in the Housing Strategy) would be necessary to justify a change in the designation.

4.3 Kialla Central and Other Requests for additional Development Opportunities

4.3.1 Submissions

The submission on behalf of K & J Hoare related to the part of 260 Kialla Central Road, Kialla Central that fronts Mitchell Road and is north of the irrigations channel, laneway and sump (11 hectares). Recognition in Amendment C93 as a potential rural living opportunity and extension of the Settlement Boundary were requested as:

- The land is separated from the remainder of the farm;
- The current use not being compatible with ongoing and future residential use on adjoining properties;
- The land is on the periphery of Kialla Central with access to school, and other community services; and
- Subdivision and sale of land will provide capital for improvements to existing farming operations.

Council advised that Mitchell Road was selected as a boundary to larger farms to the south, which also includes significant flooding and noted that the land adjoins six established rural residential lots in the Farming Zone that are proposed to be included within the Settlement Boundary. Council supported the inclusion of the northern part of the land within the Settlement Boundary for potential rural living to:

- Achieve compatibility with the adjoining uses and a better buffer between low density residential and agriculture.
- Add to the mix of Low Density and Rural Living development based on and supporting the existing settlement.

Aust North Star Pty Ltd acknowledged that the designation of 175 Central Kialla Road, Kialla Central as 'low density residential' was consistent with its submissions to the Housing Strategy. However, since earlier submissions, sewerage infrastructure to serve extensions to Kialla lakes, a new regional pumping station 4.3 kilometres to the north, neighbourhood level 'enviro' waste systems, and 'pressure sewer' systems may mean new sewerage options could be available that would enable more intensive forms of development than the LDRZ. The submission sought revisions to the MSS to:

- Recognise Kialla Central as an alternative source of land supply to meet demand for housing in small towns and capitalise on established infrastructure (e.g. primary school, hall).

- Identify Kialla Central as an Investigation Area and potential Township Zone subject to outcomes of investigations relating to the provision of sewerage to the area (or alternative on-site treatment).

Council noted that this area is relatively close to Shepparton and has community infrastructure but is a considerable distance from the main residential corridors and the associated sewerage infrastructure. It did not support higher density residential development given the lot size of existing development in the town and maintained that provision of low density and rural living in this location will be important in providing choice of housing around Shepparton.

Land Management Services requested that the following properties be identified for Low Density Residential development, none of which were supported by Council:

- 265 Central Kialla Road (on the eastern side of Central Kialla Road, south of Mitchell Road Kialla). Council did not support such an expansion of residential use into the agricultural land.
- 975 and 985 Archer Road, Kialla (Council noted that the land is in the Farming Zone and dwellings have been developed on both lots).
- Properties on the eastern side of the Goulbourn Valley Highway south of Mitchell Road.

4.3.2 Discussion

The Framework Plan provides for Low Density Residential designations of land north of Mitchell Road and for the existing rural residential enclave adjoining the northern portion of the Hoare property. Unlike other requests for additional development opportunities, the part of the Hoare property north of the Channel adjoins existing rural residential development and is also relatively close to the urban services of Shepparton. The Panel has some concern about the loss of productive irrigation land and that the inclusion of this land will simply shift the location of possible land use conflicts.

However, it also recognises that the proposal is supported by Council and does 'fill a gap' between existing and proposed low density housing to the north and east, with an existing farm house adjoining to the west.

Development of the land for rural living purposes should address this interface issue, possibly through physical means such as the location of houses, buffer planting and the like and possibly agreements acknowledging that farming uses may have impacts on amenity.

A need for additional lower density or rural residential development opportunities has not been established and the Panel does not support a new encroachment into farming land on the eastern side of Central Kialla Road.

The Panel accepts that Council wishes to accommodate lower density housing options in Kialla rather than conventional residential housing forms (which are currently constrained by the absence of reticulated sewerage in any event). Our earlier recommendations that Framework Plans should refer to 'Low Density Living' provides some scope for development of lots at less than the mandatory minimum of 4,000m² specified in the LDRZ if reticulated services or land capability permit. The Panel does not have sufficient information relating to the potential for sewerage or the efficacy of other waste management options to justify specific identification of this land as an investigation area in the MSS.

Otherwise, the Panel agrees with Council's responses to the various requests for opportunities for additional development opportunities. We do not consider sufficient justification has been established to extend the already extensive areas identified for lower density housing.

Recommendation

Extend the Settlement Boundary on the Kialla and Shepparton South Framework Plan to include the northern part of 207 Central Kialla Road, Kialla and to identify the land as Potential Rural Living and nominate a 0-5 year timeframe in the Housing Strategy Growth Management Plan.

5. Shepparton Investigation Areas 1 & 2

The Issues

- Should Investigation Area 1 be extended to include the Kialla Paceway (SUZ4) and land identified as 'long term growth' to the east?
- Should Investigation Area 2 be extended to include all land currently in the Rural Living Zone?
- Should the potential for development at conventional urban densities of land in Investigation area 2 and to the south of Investigation Area 1 be foreshadowed?

5.1 Policy Context

Amendment C93 refers to Investigation Areas 1 and 2 (see map extracts below) as follows:

- *Investigation Area 1 – Kialla Paceway and Shepparton Greyhound Racing environs. (299 ha) This area surrounds the greyhound and trotting facilities and is directly adjacent to the Shepparton South Growth Corridor. There is potential to extend services to this land. However, future residential development within this area will be dependent on amenity issues such as lighting, noise, odour and dust being addressed to ensure that the long term interests of the racing facilities are protected.*
- *Investigation Area 2 – Raftery Road, Kialla. The land is adjacent to the Shepparton South Growth Corridor and is situated between the Seven Creeks and Goulburn River corridors. Development is currently restricted by the 8ha minimum lot size under the Rural Living Zone. Higher density development is dependent on issues relating to servicing, flooding and the environmental assets of the two river corridors being resolved.*

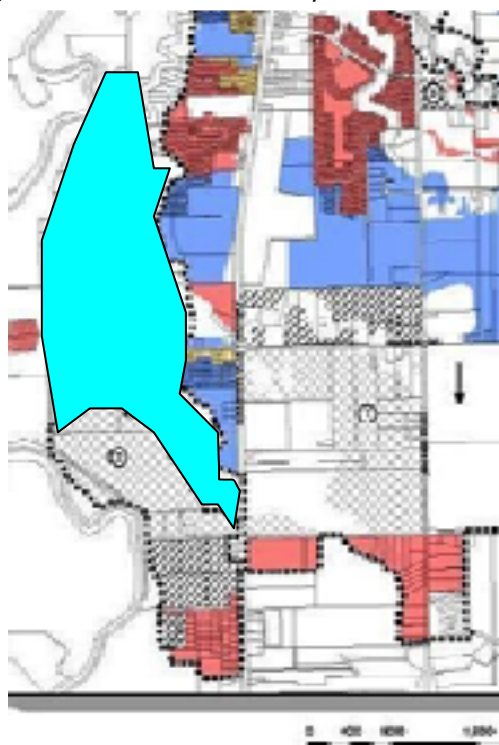


Figure 2 Extract from the Exhibited Shepparton South & Kialla Framework Plan (Indicative Extension to Investigation Area 2 in aqua)

In its general submission, Land Management Surveys requested rezoning of the Shepparton Harness Racing Club and nearby land to allow a range of mixed uses. It suggested the Rural Activity Zone as an option but other details were not provided. The Panel had advised that such a change would be beyond the scope of the current Panel process. Council's response noted that Racing Club is surrounded by Investigation Area 1 and supported its inclusion in the Investigation Area 1. It noted that Regional Development Victoria (RDV)/ Department of Innovation Industry and Regional Development (DIIRD) funding for a master plan for the club and area has been sought.

The Raftery Road West Corridor submission on behalf of 10 owners of approximately 360 ha of land to the east of the Goulbourn River, provided a planning report, a land capability assessment and a traffic impact assessment in support of the requests for:

- Explicit encouragement of more intensive development in the Corridor subject to land capability assessment by identifying Investigation Area 2 as 'Potential Rural Living Redevelopment Precinct'; and
- Amendment of the schedule to the RLZ to provide a minimum 1 hectare subdivision in the area.

Saza Properties submitted in relation to the following land, some of which was also addressed in the Raftery Road West Corridor submission:

- RLZ land comprising:
 - 425 Raftery Road Investigation Area 2 (currently in the FZ) - within the exhibited Settlement Boundary.
 - 335 Raftery Road, 50 & 60 River Road West (north of 425 Raftery Road) - outside the Settlement Boundary.
- 805 Archer Road– exhibited as within the Settlement Boundary in the Framework Plan (immediately to the west of Investigation Area 1) and Long Term Future Growth in the Housing Strategy.

The submission included a conceptual plan for urban development encompassing all of the above land (and other intervening parcels). It was submitted that a comprehensively planned development is preferable to ad hoc, piecemeal expansion of the urban area and that out-of-sequence development with infrastructure costs met by the pioneering developer can benefit subsequent development.

Council's support for extension of Investigation Area 2 to include the RLZ land to the north was endorsed and the submissions at the Hearing then focussed on the Archer Road property.

It was argued that the merits of providing development opportunities in Investigation Area 3 presented in other submissions also apply to 805 Archer Road. The importance of facilitating development where there is a real possibility that development will proceed by providing a clear strategic basis in the MSS to justify investment in further expensive investigations was emphasised.

Council supports extension of the exhibited Investigation Area 2 to the north (Shown in aqua on Figure 2) so that all of the land currently in the RLZ is included. It noted that Amendment C93 recognises the need for investigation and the potential for low density development in the general area but Council considered it would be premature to define areas for minimum lot sizes down to 1 hectare before further detailed land capability and strategic planning assessment. Council also submitted there are technical difficulties in potentially providing reticulated sewerage to the area and the land does not need to be earmarked for future conventional residential development. Development at standard residential density in this location is not supported by current growth trends and lot take up, and this land is not immediately accessible to services and infrastructure.

In relation to 805 Archer Road, Council took the view that the submission did not address the fundamental question of whether more land needs to be identified for development within the 15 year timeframe. Nor did Council consider that there is a strong synergy between this land and Investigation Area 1, which is intended to investigate the issues relevant to land in the vicinity of the Kialla Paceway and Shepparton Greyhound Racing facility.

5.2 Discussion

Investigation Area 1

The Panel agrees with Council that it would be premature to foreshadow changes to the planning framework for the SUZ4 land as requested by the Land Management Surveys submission. The outcome of the work to be undertaken relating to the racetrack and its environs should consider land use directions and inform changes to the planning framework. However, there was consensus at the hearing that the SUZ4 Kialla Paceway should be included in Investigation Area 1 in recognition that this work may consider uses that are not facilitated by the current zoning of that land.

We agree with Council that there are not obvious synergies between investigations of opportunities associated with the race track and the urban development concepts presented in the Saza submission.

The Saza submission illustrates the types of pressures to advance development of land preserved for long term development that Council is

likely to confront. Saza advised that the properties they have an interest in within the concept plan presented could yield in the order of 1500-1700 lots (approximately 800 from the Archer Road parcel) which would be rolled out in stages.

In preceding chapters of this report, the Panel has expressed concern about the quantum of land identified for future residential development in Shepparton. We have also indicated that the management of the rezoning process on the basis of the framework proposed in Amendment C93, informed by rigorous monitoring, will be critical.

The Housing Strategy and Amendment C93 are the outcome of a process of evaluating a range of planning objectives and consideration of the relative merits of different parcels of land for development. While we agree that some flexibility should be adopted in the management of the sequencing of rezonings, the Housing Strategy establishes a basis from which departures should be justified. The concept plan in the Saza submission does not present such a justification for either advancing the timeframe for potential development or inclusion as an investigation area. Apart from advice that the costs of additional infrastructure provision would be met by the proponent, it has not been demonstrated that any other criteria for departures for the framework established by the Housing Strategy are satisfied.

The Panel does not support a change to the designation of 805 Archer Road Kialla in Amendment C93 or the Housing Strategy.

Investigation Area 2

The existence of flooding constraints in this investigation area was not contentious. The Panel endorses the Amendment C93 intent to minimise sprawl and encourage variations to the RLZ 8 hectare minimum lot size where appropriate. We conclude that the extension of Investigation Area 2 is consistent with this strategic intention. The proposed Clause 21.04 establishes a predisposition in favour of more intensive development of RLZ land but the Panel also agrees with Council that it would be premature to define alternative minimum lot sizes now. We were not provided with sufficient strategic justification to foreshadow development at more conventional urban densities.

Recommendations

Extend Investigation Area 1 to include the land in the SUZ4 Kialla Paceway.

Extend Investigation Area 2 and the Settlement Boundary to include the land to the north that is currently in the Rural Living Zone.

6. Shepparton South

The Issues

- Should 300 Doyles Road, Shepparton be identified for industrial development?

6.1 Potential Industrial or Business Designation

6.1.1 Submissions

The Buzzo family is seeking support for the development of their land at 300 Doyles Road, Shepparton, for industrial purposes in recognition of existing non-residential development in the immediate vicinity. The submission sought alignment between Amendment C93 and the Housing Strategy with the Shepparton South East Growth Corridor Structure Plan and the draft Shepparton Industrial Strategy. It requested clarification of the description of the land in Amendment C93 and the Shepparton South Framework Plan as 'Urban Growth' which indicates a residential future for the land. The submission highlighted that the South East Growth Corridor Project has foreshadowed a business/employment use (rather than residential).

Discussions with Council about the most appropriate zoning of the land have taken place with the most recent options considered being an Industrial 3 or Business 3 Zone. Mr Dawson, acting for the Buzzo family, advised the Panel that:

- Either of these zones would be acceptable (although the IN3Z is preferred).
- The more general 'urban growth designation' in the Framework Plan can provide sufficient flexibility for the options being considered in the more fine grain planning underway but the reference to residential development in the Housing Strategy is problematic.

Council acknowledged there are existing non-residential uses in the locality. It submitted that the future zoning of this site will be chiefly determined by the outcomes and recommendations of the South East Corridor Project, which provides opportunities for submissions. The need for alignment with the Industrial Strategy was also recognised. Council considered it would be premature to determine the future of this land.

6.1.2 Discussion

The South Shepparton Corridor planning process provides for detailed consideration of relationships between the mix of existing land uses in the northern part of the corridor and future development aspirations. Mr Dawson advised that to date the consultative process for that project has been excellent and it is evident that the Buzzo Family has participated in it. The Panel expects that this will continue in the determination of the appropriate designation of the Buzzo land.

The Panel considers that, while the urban growth designation on the Framework Plan does imply residential development, it should not preclude review or flexibility in more fine grained planning processes. In this instance the potential merits of an alternative land use has been consistently flagged in both the South East Corridor Project (SECP) process and the process leading to the Housing Strategy. We agree with Council that revisions to Amendment C93 should not pre-empt the SECP outcome but this view is on the basis that the urban growth designation on the C93 framework plan should not preclude the consideration of non-residential uses. An annotation in the Housing Strategy would clarify this intent.

Recommendation

Include in a new Preface to the Housing Strategy an indication that the future use and development of 300 Doyles Road will be determined through the South East Corridor Project.

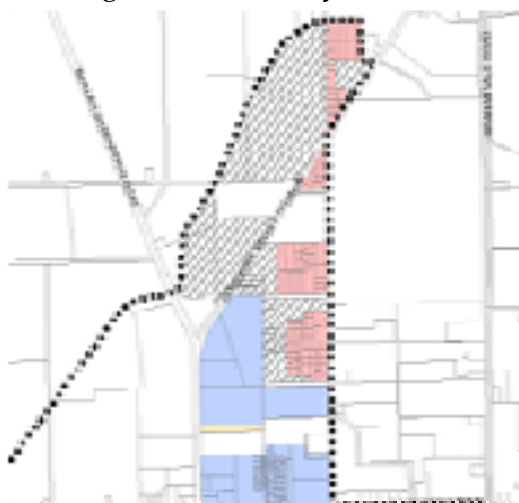
7. Shepparton North Growth Corridor

The Issues

- Should most of the land identified for future urban growth in the northern part of the corridor be identified as Low Density Residential in the Shepparton North Framework Plan?
- Potential for impact of residential development on an existing industrial use.

7.1 Policy Context

- **Greater Shepparton 2030 Strategy Plan (2006):** The Residential Framework Plan in the GS 2030 identifies the Shepparton North corridor between Verney Road and the reservation for the proposed Shepparton Bypass as one of the four main growth corridors for Shepparton. The land is shown within the urban growth boundary and as an opportunity for rural residential housing.
- **The Housing Strategy** The Background Report estimates the Shepparton Surrounds North sub-region will have to provide an additional 215 dwellings in the next 3 years, a further 260 by 2016 and a total of 920 by



2031. (Table 45 page 91) The Shepparton North Framework Plan in the exhibited Amendment C93 identified the Vasey and Haynes land as low density and the Housing Strategy indicated a development timeframe varying from 5 to 15 years. The Distillery land is not identified for residential development (shown as white).

Figure 3 Extract from the Exhibited Shepparton North Framework Plan

7.2 Submissions

The submission on behalf of the Shepparton Distilleries Pty Ltd provided details on the operation of the distillery and identified possible amenity impacts it may have on the adjoining land if that land was to be developed for residential purposes. It requested that the MSS be amended to identify the land to the north of Shepparton Distillery as a new Investigation Area,

where future residential uses are considered dependent upon amenity issues and land-use conflicts are addressed appropriately.

J & L Vasey and K Haynes - 50 Grace Road and 625 Goulburn Valley Highway, Shepparton North requested that the Shepparton North Framework Plan be amended to identify the area as future Residential 1 Zone with a minimum lot size set by a Development Plan (2000 m²), rather than Potential Low Density. A range of points are made to support the submission that a higher density should be considered on the land.

Ms Stone informed the Panel that a combined rezoning request, development plan and planning permit application has been submitted to the Council for the development of her clients' land and adjoining parcels, which form a corridor. The request covered most of the undeveloped land in the northern part Shepparton North Growth Corridor between the Goulburn Valley Highway and the proposed Bypass. The combined amendment - permit would:

- Rezone the subject site to LDRZ.
- Include the subject site into a new Schedule to the Development Plan Overlay.
- Seek approval of a Development Plan for the subject site.
- Seek a planning permit for the subdivision of her clients' land (625 Goulburn Valley Highway and 50 Grace Road).

The subdivision concept for 625 Goulburn Valley Highway would create 38 lots varying in size from 4,000m² to 5,686m². The subdivision concept for 50 Grace Road would create 90 lots varying in size from 4,003m² to 6,266m².

Since submitting the proposal to the Council, Mr Vasey is now seeking the support of the Council for the provision of lots with a minimum size of 2,000m² at 50 Grace Road through the use of the Residential 1 Zone with a Schedule to the Development Plan Overlay specifying a minimum or average lot size. Ms Stone informed the Panel that that Council indicated they would be unlikely to support lots smaller than 4,000m² on this land.

Ms Stone requested that the Panel recommend that the site is suitable for low density residential lots of approximately 2,000m², rather than the 4,000m² minimum subdivision size in the LDRZ.

A smaller lot size was not sought for the Hayne's land (625 Goulburn Valley Highway) due to the constraints associated with the proximity to the Distillery, Goulburn Valley Highway, future Freeway alignment and configuration of the property.

Ms Stone advised that her clients recognise, and are supportive of, the existing operations of the Shepparton Distillery, and have taken this into consideration when preparing the proposed development plan for the corridor. She stated that it is proposed to construct a 3 metre high acoustic barrier. She considered it unlikely that there will be any adverse impacts on future residents of the subject site from lighting and odour associated with the current operations of the Distillery.

Given that extensive work has been undertaken in regard to the future residential development of the corridor, Ms Stone requested that the subject site not be included in a new Investigation Area as requested in the Distillery submission.

The general submission from Land Management Surveys⁸ proposed four additional areas that should be included or recognised in the Shepparton North Framework Plan for low density residential development:

- Ford Road properties to the east of Verney Road.
- 130 Grahamvale Road, Grahamvale.
- 116 Verney North Road, 785 and 795 Goulburn Valley Highway Congupna.
- 115 Golf Drive, Shepparton.

7.3 Discussion

7.3.1 Identification of the Land as Low Density Residential

At the outset of discussion on these submissions the Panel made it clear to submitters that it would be inappropriate and premature to consider the merits of the combined rezoning request, development plan and planning permit application that has been submitted to the Council for the Vasey and Haynes land. This matter is more appropriately dealt with on its merits through a future amendment, development plan and permit processes.

It appears to the Panel that the landowners' desire to address the future zoning of this land at this Panel hearing has been generated by references in the Housing Strategy to the different categories of future land supply in terms of zone types, rather than a more helpful description of the strategic outcome sought regarding the types of housing opportunities to be provided.

As discussed and recommended in Chapter 4.4, the Panel would prefer to see the strategic outcome described as *Low Density Living*, (2,000 - 8,000 m²). The

⁸ This general submission included several dozen such requests across most of the Framework Plans. This section of the report deals only with the requests in the Shepparton North Corridor.

actual lot size would be determined on the basis of further investigation, including a land capability analysis as part of any future amendment to rezone specific land.

On this basis the concerns expressed by both the Council and by Ms Stone for the submitters could potentially be accommodated.

It would also accommodate the concern of Mr Underwood's Peer Review (Jan 2009) of the GSHS that:

in relation to the Shepparton: Growth Management Plan there appears to be a substantial amount of land set aside for either Low Density Residential or Rural Living purposes to the extent that should additional land to the north or south be required in the longer term for conventional density style development it may need to 'leapfrog' lower density forms of development. In my opinion such an eventuality would represent an undesirable outcome (Page 32).

In his expert evidence Mr Underwood reiterated that it is imperative that current large lot areas that present as prime areas that may one day be used/required for conventional density be protected from low density development. He considered that this was particularly important in and around Shepparton where the majority of development is expected to occur.

The Panel agrees with Ms Stone who suggested that the future alignment of the Goulburn Valley Freeway provides a clear and logical urban growth boundary for the north of Shepparton. Unlike a lot of land in Shepparton and its surrounds, the land identified for future urban growth subject site is not affected by flooding. Future development can be adequately serviced with reticulated sewerage and water. There is an opportunity to consolidate urban development within the urban growth boundary.

The Council suggested that the land is best suited to low density, not conventional residential density due to need to maintain residential amenity in relation to the existing Goulburn Valley Highway and the alignment of the proposed Goulburn Valley Highway Bypass to the north. The Council would not support identification of the land to Residential 1 Zone as this would continue the trend of lower density lots being redeveloped for higher densities, therefore minimising choice in the market.

Again the Panel is of the view that discussions about the preferred future lot sizes of development are hindered by reference only to the future zoning of land. Even with the Residential 1 Zone, there are opportunities for a very wide range of minimum lot sizes through the use of Schedules or overlays.

Beyond this, the Panel did not form a view as to what size lots might be appropriate for any particular parcel of land.

7.3.2 Interface with Shepparton Distilleries

This land at Shepparton - Barmah Road, was developed for a pear distillery in 1978. Mr Steigenberger, for the owners of the land, stated that it is the intention of Shepparton Distilleries to continue these operations on the land for the foreseeable future. In June 2007 Shepparton Distilleries were contacted by representatives of the adjacent owners of land with a proposal to rezone the neighbouring land for low density residential purposes, in conjunction with land further to the north. Mr Steigenberger stated that Shepparton Distilleries had no objection to their neighbour's proposal to develop their land, but sought assurance that any proposal would not inhibit their ability to continue and/or expand their business on their land. This remains their position.

The distillery land was also exhibited in the draft Housing Strategy as 'Potential low density' area but was amended to delete any notation on the land following a submission to the strategy. Amendment C93 does not now recognise this site for future residential use.

Mr Steigenberger tabled a letter from the Council (24 August 2007) to consultants acting for adjacent land to the north. The Council confirmed that the ongoing use of the land for a distillery should be supported in the short to medium term. It confirmed that any proposal for residential development of adjacent land to the north should provide for any required buffer zones, physical vegetative screens and noise attenuation measures. It went on to outline requirements for noise testing to determine potential noise impacts and how the amenity of future residents can be protected.

It is understandable that Shepparton Distilleries should seek to have acknowledged the need for suitable treatments to protect future residents from the on-going industrial operations of the distillery.

At the hearing, Mr Steigenberger tabled draft wording for Clause 21.04-1 to reflect this position. He proposed that a strip of land directly adjoining the northern boundary of the distillery be identified as an Investigation Area and Clause 21.04-1 be amended to include the following statement:

Investigation Area X – The land adjoins the Shepparton Distillery operation to the north. Future residential development within this area will be dependent on amenity issues such as lighting, noise and odour being addressed to ensure that the long term interests of Shepparton Distilleries are protected.

Mr Steigenberger also tabled a draft Schedule to the Development Plan Overlay which he suggested should be included in any future amendment, (presumably the proposed amendment which has already been submitted to the Council by CPG on behalf of the adjacent landowners).

It is beyond the scope of this Panel to consider draft provisions of any future planning scheme amendment to facilitate the residential development of land in this corridor.

The Panel noted that Council is prepared to consider the suggestion presented by Mr Steigenberger when it comes to consider the proposed rezoning. The Panel agrees with the Council that planning for land to the north of the Distillery will be further considered through future rezoning, development plan and planning permit processes, including the need for buffers to separate different land uses.

7.3.3 **Additional Areas for Low Density Residential in the Shepparton North Framework Plan**

Land Management Services requested that the following additional areas be considered for inclusion within the Settlement Boundary for the Shepparton North Framework Plan, however, these areas were the subject of written submissions to the exhibited Amendment C93:

- **Ford Road** properties to the east of Verney Road. Mr Toll sought recognition of a small area of existing low density residential development. The land is zoned Farming Zone and is outside the Settlement Boundary. The Shepparton North: Growth Management Plan in the Housing Strategy identifies the land as Future Long Term Growth. The Panel considers Ford and Verney Roads are long standing, clear boundaries to urban development. No strategic basis was provided to support moving the Settlement Boundary east of Verney or north of Ford road at this time. The Panel agrees with the Council position that such a change should not be supported.
- **130 Grahamvale Road, Grahamvale.** This land is opposite the Grahamvale School. Mr Toll argued that additional residential development would assist by providing a buffer to offsite impacts of adjoining orchards.

The Panel does not agree that such offsite impacts should be ameliorated by accommodating additional people in interface areas who themselves may then be impacted. The land is outside the Settlement Boundary and is not recommended for long term growth. The Panel agrees with the Council position that such a change should not be supported.

- **116 Verney North Road, 785 and 795 Goulburn Valley Highway Congupna.** Mr Toll suggested that the Settlement Boundary should be “squared-up” in this location. No other strategic justification was provided. The land is outside Settlement Boundary.

The Panel agrees with the Council position that such a change should not be supported.

- **115 Golf Drive, Shepparton.** This land is affected by the route of the Shepparton Bypass.

Council has resolved as part of Amendment C69 to undertake strategic work on lots which have been severed once the construction of the Goulburn Valley Highway Shepparton Bypass. The Panel agrees with the Council position that such a change should not be supported.

Recommendation

Determine the future zoning of land shown as *‘Potential Low Density’* on the Shepparton North Framework Plan on the basis of further investigation as part of any future amendment to rezone specific parcels of land.

8. Shepparton East: Investigation Area 4

The Issue

- Should greater certainty about future land uses be provided before future investigations?

An extensive area east of Doyles Road, Grahamvale is shown as an Investigation Area in the Shepparton East Framework Plan. The area is generally bounded by Doyles Road in the west, New Dookie Road in the north, Central Avenue in the east and Midland Highway in the south. There are a number of land use interface issues relating to the mix of orchard, residential and industrial uses.

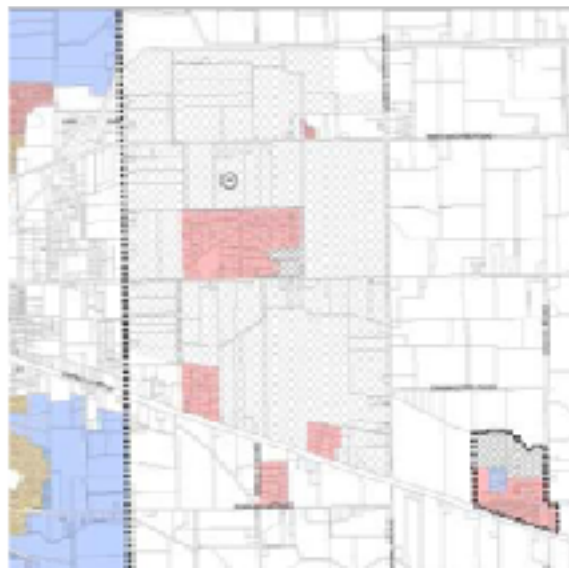


Figure 4 Extract from the Exhibited Shepparton North Framework Plan

Dobson Estate and vicinity

There were several submissions from residents in and around the Dobson Estate, which is located in the centre of the proposed Investigation 4:

- Michael & Kaye Oliphant support residential use in the area provided that identified issues and constraints can be resolved, particularly in relation to drainage. They submitted that development should be low density and that there should be a significant buffer of low density residential development (minimum 0.4ha) to existing low density developments such as Dobson Estate. The Oliphants object to any part of Investigation Area 4 being identified for industrial development due to concern about noise; traffic impacts on their lifestyle, ambience, amenity and aesthetics of the currently semi-rustic area; and reduced property values.
- Brett Elgar requested review of the Settlement Boundary along Doyles Road as it will force development away from the Shepparton CBD in the north and the south. He also requested that reference to industry be deleted from the description of Investigation Area 4 as rezoning for industrial purposes would impact upon existing residents in Dobson Estate. Further, any further investigation would be tainted by the

expectation that future development of this area will be dependent on the needs of industry.

- Janice Konig requested that industrial development or use should not be considered to the eastern side of Doyles Road. She submitted that the maintenance of Investigation Area 4 as residential would be a better outcome for Shepparton and Grahamvale in the future, to remain a high standard, comfortable and very pleasant place to live.

Mr Kuszniarczyk and Mr Glen Ryan represented the Grahamvale Development Group at the Hearing. The Group comprises 13 landholders with an interest in land east of Doyles Road, north of Old Dookie Road and south of New Dookie Road. Twenty-six residents of the Dobson Estate are also included in the submission and several landowners south of Old Dookie Road. The group, which has an interest in approximately 300ha of non-urban land within the Grahamvale community, opposes further industrial development in this area.

The joint submission sought to amend wording relating to Investigation Area 4 in the exhibited Clause 21.04-1 to indicate that the Settlement Boundary may change should these areas be found upon investigation to be suitable for rezoning for residential use.

It was argued that the Settlement Boundary east of Doyles Road should be extended to allow residential development. The submission contained supporting information to demonstrate how land in this precinct is well located to supply future residential development, particularly low density. The submission states that the area is not subject to flooding and that there is good proximity to existing infrastructure, services and facilities.

The submission also contends that:

- New industrial development should be located in the vicinity of the transport interchange on the new Shepparton Bypass.
- The elongated north-south orientation and linear urban development is flawed because it encourages development of low lying flood-prone land along the river flood plain and requires longer and larger water and sewer pipelines. Unless urban development proceeds to the east of Doyles Road then Shepparton would continue in an unsustainable manner in a north-south direction.
- Structural changes in the agricultural and fruit growing industry mean orchards are no longer viable in this location for the following reasons:
 - The land parcels are too small and the soil is not suited to irrigation.
 - Increased water costs and the existing irrigation infrastructure is largely inefficient and no longer viable.

- Recent changes in the purchasing policies of SPC limit opportunities for the smaller producers. Letters from SPC confirming that fruit quotas have been cut were forwarded to the Panel after the Hearing as confirmation of the rationalisation currently occurring in the fruit sector.
- Pressure from nearby residential properties, i.e. limiting use of sprays, hail guns and bird control.

Mr Ryan presented a development concept for the Grahamvale development Group land.

A submission by Ms M Eden sought to keep the Investigation Area as rural farm land and proposes that if it is developed, it should be residential only and that no land within Investigation Area 4 should be rezoned to Industrial.

A & D Shaholli of 10 Orchard Court and 275 Old Dookie Road, Grahamvale supports the identification of their land as 'Potential Low Density' on the exhibited C93 Shepparton East Framework Plan. They sought confirmation from the Council that the 0-5 year projection for the land will be honoured and that the Council will be willing to support a planning scheme amendment to rezone the land in this time period. The submission highlights the attributes of the area and the ability to create well-designed low density subdivision.

Mr Closter, who has existing industrial premises on his land at 365 Dookie Road Lemnos, has been seeking for some time to have Industrial zoning extended over his adjoining land to the north. Mr Dawson sought on behalf of Mr Closter, to have the land removed from Investigation Area 4, on the basis that the land is not in contention for residential use due to the proximity of existing industrial uses. He suggested that any interface issues in relation to the existing small residential area to the west could be addressed as a design response in the subdivision process. Mr Dawson expressed some frustration about the expected completion of the current Industrial Strategy process.

8.1 Discussion

The fundamental concern of the Grahamvale Development Group and residents of the Dobson Estate is that Investigation Area 4 could result in industrial development following further investigations. The Group has a particular interest in the western side of Investigation Area 4, closer to Doyles Road. The Panel notes that the Investigation Area 4 extends well to the east of their area of interest to Central Avenue. We note that there are already a number of industrial uses in this eastern portion of Investigation Area 4.

In response to the concerns raised, Mr Stokans for the Council clarified that the wording of Investigation Area 4 opens up the potential of the area for residential development. He explained that the description of Investigation Area 4 aims to identify existing interface issues between uses and the dangers of approving an expansion of either industrial or residential use within existing buffer areas without proper investigation. He confirmed that it is written in a “policy neutral” way to reflect the competing land uses in the area – agriculture, industry and residential. He went on to confirm in his closing submission that, *“the description of Area no. 4 does not pre-empt in any way the outcome of future strategic evaluation of this area”*.

Council is currently preparing an Industrial Strategy to address existing supply and future needs which will be only one component in the planning for this area. The Council informed the Panel that it is anticipated that the strategy will be resolved and adopted in 2011. This strategy would be expected to facilitate an outcome for Mr Closter’s proposal to extend industrial zoning across land abutting his current industrial uses at 365 Dookie Road, Lemnos.

Mt Stokans informed the Panel that the Draft Industrial Background Report prepared by Habitat Planning (October 2010) acknowledges that a number of existing and potential land use conflicts have been created by ad hoc industrial zones that have created islands and pockets of residential and industrial land surrounded by contrasting zones. The draft Industrial Background Report encourages the Council to prepare an overall framework of Structure Plans that equally consider all land uses and interfaces with existing development.

The Panel agrees that prior to the resolution of the current Industrial Strategy, it is premature to make any determination of future land use and development directions for the area. Future planning for the area should be further addressed following resolution of the Industrial Strategy. This future planning process would involve opportunity for public input and (most likely) a planning scheme amendment that includes a formal opportunity to make submissions. We are satisfied that the description of the Investigation put forward provides for the range of potential uses to be evaluated and note that the outcome may be different for different parts of this large investigation area.

Council advised that the Framework Plan notation ‘Potential Low Density’ relating to 10 Orchard Court and 275 Old Dookie Road Grahamvale allows a minor extension to the existing lower density residential Dobson estate. This land adjoins the Dobson Estate and is surrounded by Investigation Area 4 and Council supports a potential rezoning and is currently working with the owner to facilitate an amendment once C93 is approved. The extent of

supporting information will need to be determined as part of this future amendment. The Panel notes Council's response but is unable to comment further since the future zoning of this land will be appropriately considered in the context of the foreshadowed planning scheme amendment.

Conclusions

There are a number of land use interface issues relating to the mix of orchard, residential and industrial uses. The current Industrial Strategy process, which is due for completion in 2011, is intended to inform the consideration of these issues. This would be followed by structure planning and amendment processes for specific areas or precincts.

In the meantime the Panel is of the view that the wording of Investigation Area 4 does not preclude the potential for residential development of significant parts of this precinct. We support the amended wording proposed by the Council in the post-Panel version of Clause 21.04 (Appendix 2). It provides a balanced statement as to the purpose of future investigations.

Mr Stokans did express a concern that draft Industrial Report questions the purpose served by an urban growth boundary around Shepparton and Mooroopna; it prefers a merits and needs based approach to rezoning decisions. The Panel supports the concept of a Settlement Boundary as shown on the Framework Plans in Clause 21.04. The draft Industrial Report acknowledges that there is currently a 15 year supply of industrial zoned land available. The Housing Strategy has demonstrated that it has provided for much more future residential land. To avoid a repetition in the future of the ad hoc rezonings that have resulted in the land use conflicts in Investigation Area 4, then a Settlement Boundary is essential. The Settlement Boundary can be changed following a strategic review of the kind which the draft Industrial Strategy may comprise a preliminary step.

Settlement boundaries emerged in response initially to extreme pressures on coastal settlements. However, the principles underlying coastal Settlement Boundaries are equally applicable to cities like Shepparton and Mooroopna to reduce conflict on the urban/rural interface, to allow for long term planning of infrastructure needs and to safeguard productive agricultural land. They are supported by Clause 11.02-3 of the SPPF which refers to Growth Area Framework Plans that will identify the boundaries of individual communities.

Recommendation

Endorse the changed description of Investigation Area 4 in the post-Panel version of Clause 21.04 (Appendix 2)

9. Tatura

The Issues

- How should the planning framework treat Tatura Milk Industries land and surrounding properties, including Moyola land to the east?
- Should land on the corner of Pyke and Tatura-Undera Roads be identified as an additional Investigation Area?

Submissions on behalf of R E & U L Rokahr and Mr Perry supported the Amendment C93 provisions relating to relating to their land at 10 Ferguson Road and 195 Dhurringile Road respectively. The Perry submission sought priority for associated rezoning of the land but the timing of future amendments is not for this Panel to consider. As the amendment provisions for these properties were not contentious, they are not addressed further.

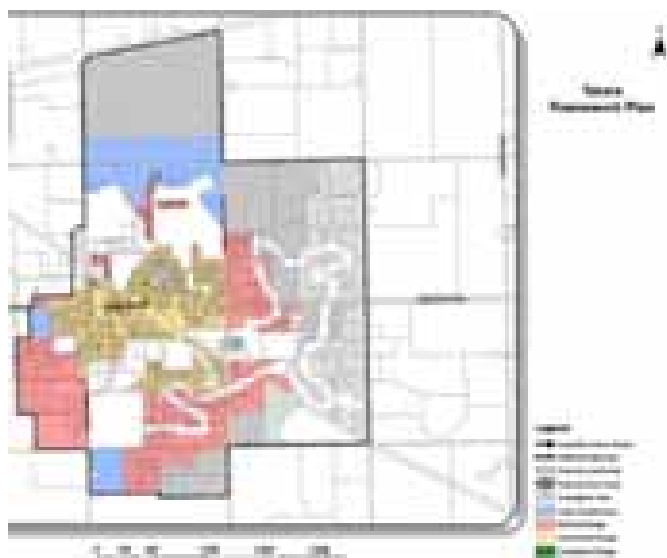


Figure 5 Extract from the Exhibited Tatura Framework Plan

9.1 Tatura - Investigation Area 5

9.1.1 Submissions

To avoid uncertainty and constraints on future industrial development, Tatura Milk Industries (TMI) requested that all TMI land (shown as aqua in Figure 6) and adjoining VicTrack land be cleared from any references to “residential development” on the Tatura Framework Plan (e.g. the factory site is shown as 'incremental change' and eastern portion of land along Dhurringile Road is shown as 'minimal change').

TMI also sought:

- The identification of residentially zoned land within the buffers around TMI properties as a minimal change area in order to minimise potential land use conflicts; and
- Recognition under Clause 21.04-1 of the importance of TMI to the region and the need to preserve ongoing operations.

Council supported this submission in relation to the removal of the residential growth notation from land in industrial zone and public ownership but not for other private land in the vicinity (buffer area). Council is currently working with TMI on a project to identify future needs on the site via a master plan, a proposal that Council has recently been successful in securing RDV funding for industrial area master planning in Tatura but has not commenced to date. Council is also proceeding with an industrial strategy which will further clarify industrial issues, needs and rezoning. It is not considered appropriate to alter any residential notations within any TMI buffer area, which in itself is not clearly defined, until any completion and recommendations of the industrial strategy and master plan.



Figure 6 Aerial Photograph TMI Holdings (aqua) and Moyola Land (Blue)

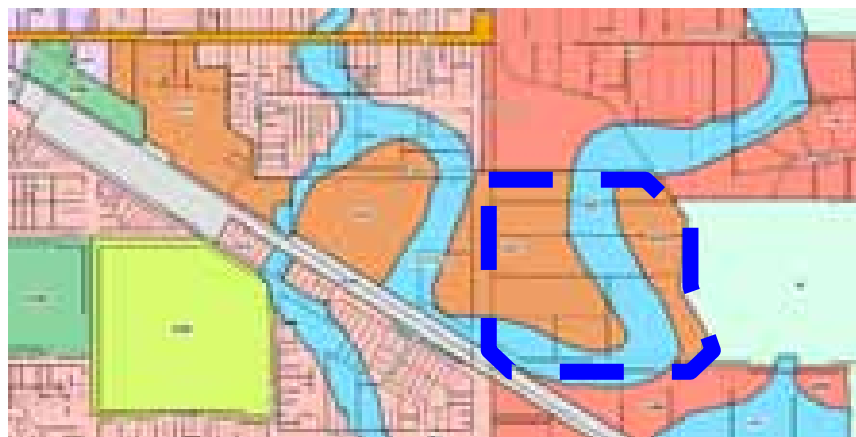


Figure 7 Zoning - Moyola Land (Blue)

Moyola Garden Cottages & Lodge purchased 355 Dhurringile Road (Outlined in blue on Figures 6 and 7) from TMI in 2009 and sought identification of the land as suitable land for the provision and expansion of aged services and a variety of living opportunities in the description of the purpose of Investigation Area 5. The land is part Industrial 1 Zone and part Urban Floodway Zone and Moyola recognise the need for rezoning to implement their plans.

Council submitted that, despite its industrial zoning, this vacant land is unsuitable for industrial use. It noted that the land is bordered to the south and north by land in the LDRZ (including the Moyola Cottages development to the north) and land further to the east has been identified on the Framework Plan as either Potential Low Density or Potential Rural Living.

Council advised it is currently working with TMI on a master plan and has recently secured RDV funding for the project. Further, the industrial strategy process being undertaken will clarify industrial issues, needs and rezoning. Council considered that issues relating to buffers between industrial and residential uses can be addressed through the TMI Master planning, rezoning and Planning Permit processes. It proposed to delete Investigation Area 5 from the MSS and show the land as Potential Low Density in accordance with surrounding zoning.

As a consequence of the change supported for the Moyola land, Council submitted that the adjoining land immediately to the east, 80 Gowrie Park Road (northern section), should be shown as Potential Low Density on the Framework Plan. This land is in the FZ and UFZ and subject to the FO and LSIO. It is within the Settlement Boundary and would be surrounded by existing or future Low Density or Rural Living development.

9.1.2 Discussion

TMI is a major industrial operator of strategic importance in the region, employing 400 people. The Panel notes the SPPF aims to protect industrial activity in industrial zones from the encroachment of unplanned sensitive uses which would adversely affect industry viability (Clause 17.02-1). In addition the Greater Shepparton MSS Clause 21.06 includes an objective *'To protect the existing industrial base in the urban areas of Shepparton, Mooroopna and Tatura'* with associated strategies that include *'Protect existing industries and facilitate their expansion.'* and *'Support food related industries and value adding opportunities.'* These existing planning policies should ensure planning decisions have regard to possible impacts on TMI. We consider the need for any further specific references to the management of land use conflict

associated with industrial uses in Tatura should be addressed during the proposed master planning process.

The Panel notes that it would be inappropriate to include industrial land in “residential development” designations in the Housing Strategy and on Framework Plans.

We have major concerns about way the ‘change’ designations were developed. The Panel considers that it is appropriate for the MSS to include the proximity to uses which cause significant off-site impacts as one of the factors for consideration in determining the nature of residential change that would be supported in an area. However, we are not in a position to support TMI’s request for extensive designation as ‘minimal change’ of residential land to the north and east of TMI’s main operational property and south of the railway line in this locality (as shown on the map tabled at the hearing). The properties that would be affected have not had an opportunity to present their views on such a change. In any event, the Panel has not supported the inclusion of mapping of Change Area in Clause 21.04. As noted above, this is an issue for consideration as part of the proposed master planning process.

With regard to the Moyola land at 355 Dhurringile Road, it is significant that:

- TMI understood the nature of Moyola’s operations when it sold the land;
- Moyola advised that *‘To ensure there was no confusion and to give Tatura Milk comfort that they would be free of complaint a special condition was included in the contract of sale.’* ‘Special Condition 9’ required the purchaser to acknowledge impacts from industrial use of adjoining land.

TMI does not oppose recognition of the Moyola land for future low density residential purposes but sought assurance that future development of the land must consider and cater for existing and future industrial land uses on adjacent industrially zoned land. This is entirely reasonable.

We were advised, and it was apparent at the Hearing, that TMI and Moyola intend to continue to work co-operatively to resolve issues so that an outcome is achieved that meets the needs of both parties. The Panel considers that Investigation Area 5 should be maintained with a change to the wording to indicate the purpose of investigation is to identify measures to ensure potential conflicts between the intended residential uses and industry are addressed. The measures identified could then be implemented through the Amendment process to change the zoning of the land, possibly via a section 173 agreement and/or overlay(s). If there is a high degree of stakeholder confidence that the planning framework proposed is acceptable, a combined Amendment/permit process could be considered to expedite

approvals. It is noted that subsequent planning processes will also need to address flooding constraints on the Moyola land.

The Panel was not provided with detailed information relating to 80 Gowrie Park Road. The Panel accepts Council's advice and recommendation that this land should be included in the 'Potential Low Density'. However, we note that the LSIO indicates the much of the land is subject to flooding constraints. The appropriate intensity of development needs to be addressed through subsequent processes and may be considerably lower than implied by this designation.

9.2 Request for Additional Development Opportunities

9.2.1 Submissions

Submissions on behalf of Mr Perry requested that the land on the corner of Pyke and Tatura-Undera Roads be identified as an Investigation Area on the basis that east-west expansion of Tatura is preferable to northward expansion towards the highway. The land is outside the exhibited Tatura Settlement Boundary, to the west of the Tatura Housing Change Area Plan. It is currently part Farming Zone, part Floodway Zone and the FO and LSIO also apply.



Council did not support the submission, noting that there is a mix of uses in the general area which include farming, rural residential (Farming Zone), open space (Cussen Park), and industry (Industrial 1 and 3 Zones). Although the current Clause 21.04 Framework Plan identifies the southern portion of this land for further investigation, Council opposes the identification of this land for future residential as development to the east and north is favoured. The Land Management Surveys general submission endorsed Council's position relating to this land.

Land Management Surveys also requested:

- Identification of 85 Ferguson Road, Tatura as low density living rather than the exhibited Rural Living. The submission noted that old orchards are currently being removed and will not be redeveloped for that purpose. It was submitted that the more intensive designation would

balance the supply of Low Density Residential (LDR) land in Tatura, this form of development would be consistent with development to the south and west of the property, and the land could be connected to all available town services. Council did not support such a change and commented that the density will be determined during the rezoning/development stage, and may be influenced by availability of services.

- Additional low Density Residential development opportunities along the western side of Murchison-Tatura Road. The land is outside the exhibited Settlement Boundary and Council did not support the change.

9.2.2 Discussion

With regard to 85 Ferguson Road, the Panel agrees with Council that the intensity of development should be determined at the Amendment stage. We have expressed a view that endorses the intent expressed in Clause 21.04 in support of more intensive development of RLZ land and this principle extends to lower density residential housing forms (See discussion in Chapter 4.4).

The Panel was not provided with the justification necessary to support:

- The identification of the land on the corner of Pyke and Tatura-Undera Roads as an addition Investigation Area; or
- The extension of the Settlement Boundary to include land to the west to as potential low density residential.

Recommendations

Amend the Housing Strategy and the Tatura Framework Plan to remove residential growth notations from TMI, Unilever and VicTrack land.

Extend Investigation Area 5 to the whole of 355 Dhurringile Road Tatura and revise the description of Investigation Area 5 in Clause 21.04 as follows:

Investigation Area 5 – Dhurringile Road, Tatura. The land is opposite the Tatura Milk Industries. The future role of this land is dependent on ~~investigation through an Industrial Land Use Strategy of measures to~~ the identification of measures to ensure possible conflicts between the intended residential uses on this land and industry in the immediate area are effectively managed.

Identify 80 Gowrie Park Road Tatura as 'Potential Low Density Residential' on the Tatura Framework Plan.

10. Requests for Additional Development Opportunities in Other Areas

The Issue

- Do requests or additional development of particular land have a sound strategic basis?

10.1 Mooroopna

10.1.1 Submissions

Bill Heath and Allan and Loretta Gawne submitted that land for 'potential rural living' should be identified to provide other housing options at lower than conventional development densities in Mooroopna. Mr Heath highlighted that people wishing to move to larger lots must disrupt their links to the community.

The general submissions from Land Management Surveys requested the investigation of various parcels of land for low density residential development, including:

- Land in Cornish Road, Mooroopna identified as long term growth as Growth Management Plan.
- Excelsior Avenue (various parcels).
- Two parcels in the vicinity of the intersection of Midland Highway and Excelsior Avenue.

The Gawne submission argued that their property on the north-western corner of MacIsaac Road and Excelsior Avenue is the next available land west of the Settlement Boundary and is the most logical choice for rural living development in Mooroopna. He submitted that the land provides an option for rural living housing at an affordable price and the marginal impact on the land in a 1:100 year flood event is not prohibitive for rural residential housing and development planning could ensure buffering to the bypass route. Mr Gawne advised that former dairy farming use is no longer viable.

Council did not support the identification of rural residential opportunities as the area surrounding Mooroopna is highly constrained, with a significant floodplain to the east, the Mooroopna Sewerage Plant (and associated Environmental Significance Overlay) to the north and the GV Link site to the

south. Land to the west, which is a significant agricultural area (orchards), will be separated from the Mooroopna urban area by the Goulburn Valley Bypass. Amendment C93 identifies the limited developable land within the Mooroopna Settlement Boundary for conventional residential development. The Cornish Road land referred to is set aside for longer term growth within the Mooroopna West Growth Corridor which was identified in the Planning Scheme through Amendment C75 (gazetted 2010).

Council noted that the identification of additional areas for rural living or low density residential development would require exhibition and, should Council ever consider that the need for these forms of housing, further investigation as part of a future study would be required.

David Lane requested that 72, 74 and 76 Toolamba Road, Mooroopna be identified as an 'Investigation Area' with reference to environmental constraints to ensure that the issues affecting the site and its development potential are not overlooked. This land is partly in three zones - Residential 1, Industrial 1 and Flood Zone – and is within the Settlement Boundary. It is within walking distance of Mooroopna CBD and is connected to residential estates to the north but is not identified for future residential development. However, there are also industrial developments to the north and east with the planned major logistics centre further to the south. At the hearing it was clarified that a holistic planning approach to the total 'peninsula' within the Settlement Boundary (23 ha including land currently in the Flood Zone) was sought. Flooding constraints are acknowledged but work is being undertaken with GBCMA to resolve this issue and this work will determine the land area available for further development.

Council noted that the Lane land adjoins land zoned Industrial 1. Council did not support any further directions for the land until the current industrial study is resolved and the extent of flooding clarified. The submitter was encouraged to make a submission to the Industrial Strategy when it is exhibited.

10.1.2 Discussion

As noted in Chapter 5.2, Amendment C93 provides for a substantial supply of low density and rural living opportunities and there is no planning imperative to provide rural residential opportunities in all areas of a municipality. In the case of Mooroopna, there are substantial constraints associated with flooding, the protection of productive agricultural land and the management of land use conflict. The Panel appreciates the reasons for providing for development at conventional densities in Mooroopna rather than more land-hungry rural residential options. We also agree with Council

that further evaluation and a separate Amendment would be necessary to justify new low density or rural living areas as requested in submissions.

The approved Shepparton By-pass route is immediately to the east of the Gawne property and Mooroopna is to the east of the proposed by-pass. The Panel considers that it will present a significant physical barrier and is a logical location for the Settlement Boundary. The Gawne property is also within an area where the protection of productive agriculture is an important consideration. While Mr Gawne suggested that the limited availability of water and milk purchasing policies put the viability of dairying at risk, the property is leased for that purpose and continues to be used productively. There are also operating orchards in the immediate area. The Panel does not support extension of uses that are primarily for residential purposes to the west of the by-pass route, nor the loss of this land to rural residential use, which would create land use compatibility issues with nearby agricultural uses.

The Lane property is already partly zoned Residential 1 and Industrial 1 and is within the exhibited Settlement Boundary. The Housing Strategy was based on the best available information and changes justified through further evaluation of flooding risk and possible responses to manage that risk should occur through a separate process. It was apparent at the Hearing that the merits of industrial development of the Lane land, or part of it, is an option for consideration and this should be informed by the Industrial Strategy process that is underway. The Panel recognises that the future of this land is subject to review but the land is already zoned for urban purposes and it is not necessary to designate it as an investigation area on the Framework plans which have a strong focus on new opportunities for residential development.

10.2 Toolamba

Clause 21.04, with proposed post-exhibition revisions, states:

Council recognises that Toolamba is in a unique position as it is the only small town in the municipality which will have a dedicated freeway interchange as part of the proposed Goulburn Valley Highway Bypass. This, together with the development of the Goulburn Valley Freight Logistics Centre at Mooroopna, will present a very attractive opportunity for future residential development of the town ~~subject to provision of sewer~~. Connection to a reticulated sewerage system will enable Toolamba to develop at a higher residential density. However, Development Plan Overlays should be used in conjunction with any future township expansion. In the absence of sewer, all future residential development in Toolamba will be subject to a Land Capability Assessment as well as a supply and demand analysis.

It indicates in relation to Investigation Area 6 to the south west of the town:

The density of residential development will be dependent on the outcome of current investigations into the provision of sewerage to the land. In the absence of sewerage, the density of future residential development will be dependent on Land Capability Assessment.

10.2.1 Submissions

The submission on behalf of S Rea relating to 335 Rutherford Road, Toolamba supports the Amendment C93 designation of Investigation Area 6 as it allows flexibility in zoning based on investigation into the viability of providing sewerage to the land. Engineering evidence from Chris Smith set out his preliminary assessment of the cost over and above typical servicing costs, yield and price implications for servicing this site. The costs are substantial (particularly in the early stages) as the land is remote from sewerage services (more than 11km from Tatura). However, the Panel was advised that the proponent expects to bear these costs without relying on others to contribute. This submission requested extension of the Settlement Boundary to include land to the south of the freeway alignment along the river alignment on the basis that this land will be severed from other land and will be of little agricultural use but could have high amenity for rural lifestyle. It was submitted the Regional Rural Strategy, Housing Strategy and GS 2030 support such a change.

Council responded that the Goulburn Valley Highway Bypass will produce a number of parcels of land that will be isolated when the road is built. It is proposed to prepare a strategy and Amendment to identify options for the resulting remnant parcels of land and it is premature to indicate future use now.

The Land Management Surveys General submission requested that additional residential development opportunities in the following locations:

- An early subdivision of land Pogue Road, Toolamba West with lots ranging from 3-4 hectares; and
- Land on the southern side of Bicton Road to the west of the exhibited Settlement Boundary and Goulbourn Valley Freeway.

10.2.2 Discussion

The Panel notes that, while the proposed planning framework for Toolamba promotes and provides for significant development opportunities, the viability of infrastructure provision will be a critical determinant of the type of development that will proceed.

The land in Toolamba West and Bicton Road referred to in submissions is remote from the settlement and no justification was provided for further rural residential development in these locations.

The Panel agrees with Council that it is appropriate to address residual parcels of land resulting from the construction of the by-pass through a strategy/amendment process as proposed. We make no comment on the future development options for that land.

10.3 Murchison

10.3.1 Submissions

Peter Green requested extension of the low density residential area on the Murchison Framework Plan to include 45 (developed for a dwelling) and 47 (vacant) Campbells Bend Road. Council supported the submission as consistent with the strategic intent for the land which is within the Settlement Boundary and already in residential lot sizes. Council noted this clarification on the Murchison Framework Plan will support the application of a more suitable zone.

J & C/S & C Pope /Talidis, who own 5 Pretty Johns Road, Murchison East and 4830 Goulburn Valley Highway Murchison East, requested that the area between Pretty John Road and Goulburn Valley Highway to the north be included in the Settlement Boundary and designated as Potential Low Density residential development.

Council did not support the submission as the Murchison Framework Plan recognises the existing significant supply of potentially sewerred land in the Township Zone and provides for additional low density and rural living area in Murchison East. These areas are seen as appropriate to meet projected needs.

10.3.2 Discussion

The Panel agrees with Council that the inclusion of the Green land in the adjoining Potential Low Density is a logical inclusion that is both consistent with strategies for the immediate area and recognises the existing subdivision of the land.

We also agree with Council that a need has not been established for the creation of further low density options in a new enclave of low density residential development. The Panel does not support the Pope /Talidis request.

Recommendation

Amend the Murchison Framework Plan to include the 45 and 47 Campbells Bend Road Murchison as Potential Low Density.

10.4 Merrigum

10.4.1 Submissions

E & M Weiser requested review of the Merrigum Framework Plan to extend the Settlement Boundary to the south to encompass 770 Byrneside-Kyabram Road, Merrigum and to identify it for Urban Growth. It was submitted that the land is much better placed than other land identified for development as it immediately adjoins an established neighbourhood. Council did not support the submission as the extension of sewerage to Merrigum means there is a large supply of land already in the Township Zone (TZ) that is now capable of more intensive development. The land was identified in the Housing Strategy as a future long term growth area (shown with an arrow outside the Settlement Boundary) but DPCD did not support the use of arrows outside of the Settlement Boundary (The Panel agrees such indications of growth should not be shown outside Settlement Boundaries). Council advised that the inclusion of this land in the future could be considered as part of ongoing review processes, particularly if there are obstacles to the development in the TZ.

Land Management Surveys requested that land in Andrews Road, immediately to the east of the Settlement Boundary, be identified for LDR rather than RLZ. It was suggested that the flood mapping of this land is incorrect. Council does not support a change and noted that revisions to flood mapping would need to be addressed through a separate process.

10.4.2 Discussion

The Merrigum framework identifies growth will occur in the existing TZ to the south-east and then in the long term to north-west, north-east and south. This is consistent with the directions foreshadowed in the framework plan currently in the planning scheme. While it is recognised that the Weiser land adjoins existing residential development, the areas within the existing TZ provide a substantial residential land supply and the identification of new potential LDR/RLZ areas add to those opportunities. The Panel also notes that, unlike the existing TZ land identified for development to the south-east, the LSIO applies to significant areas of the Weiser property. We agree with Council that a need to accommodate additional development opportunities has not been established.

The Panel has endorsed the intent expressed in Clause 21.04 to support more intensive development of RLZ land (see discussion in Chapter 4.4). As with other submissions seeking more intensive development of land identified for rural living development, we consider the intensity of development of the Andrews Road property should be determined at the Amendment stage having regard to the specific characteristics of the land. This could include verification of flooding conditions.

10.5 Dookie

10.5.1 Submissions

The written submission from the Dookie Development Forum requested support for development of the settlement as a lifestyle town by excluding the entire Dookie Hills area from the Rural Zone to allow small holdings, with lot sizes increasing with distance from the town. It also suggested that the area nominated for rural living on the Dookie Framework Plan should be rezoned as soon as possible. It was clarified at the hearing that the Forum sees Amendment C93 as a reasonable reflection of the group's early work and the aspirations of Dookie community.

Council's response had noted that the recently adopted Regional Rural Land Use Strategy proposes that the Dookie Hills be rezoned to Rural Conservation to, in part, recognise the landscape value of the area. The Forum indicated at the Hearing that it shares the objective to protect the landscape values of the locality.

10.5.2 Discussion

Amendment C93 provides for extensive areas for rural living around Dookie and at the Hearing it was clarified that the Forum generally supports the proposals in Amendment C93. It was apparent at the hearing that this supports the local initiatives to ensure the town is a vibrant community with high quality facilities and services. It was also evident during the Panel inspection that the community's proactive response to challenges confronted by the town, such as reduced activity at the agricultural college campus, has secured an impressive range of services and infrastructure for the town.

10.6 Katandra West

10.6.1 Submissions

The submissions from Land Management Services:

- Objected to 'back-zoning' associated with the designation of land in the Katandra West Township as Low Density Residential. It cited the a subdivision approved in December 2009 (extension of Burgmans Road) where titles had issued for lots ranging from 1323m² to 3630m² and purchasers expect to be able to build houses on them. Council advised that it did not oppose maintaining the existing TZ for Butler land and Burgmans Road in view of existing development and rights.
- Requested consideration of land on the western side of Union Road to the north of the Settlement Boundary for Low density development. Council noted that the land is identified for future long term growth but it would be premature to change that designation.

10.6.2 Discussion

It appears to the Panel that the terminology adopted in the Amendment C93 may have contributed to the concern raised that land in the TZ may be 'back-zoned' to LDRZ (see discussion in 4.4). We have also commented elsewhere about the limitations of the LDRZ and that land capability should be a key consideration in determining the appropriate intensity of development in areas without reticulated sewerage, such as Katandra West. Presumably the recent approval of the subdivision referred to above was on the basis of an assessment of the capacity of the lots to manage waste water and, if this is the case, the proposed designation in Clause 21.04 would not be problematic.

A need to identify additional land in Katandra West for low density living or the suitability land on the western side of Union Road has not been established.

10.7 Other

10.7.1 Submissions

Land Management Surveys general submission requested further consideration of potential housing opportunities to support community infrastructure such as schools in rural areas. Suggested areas were marked on a series of plans (e.g. Old Toolamba, Old Katandra, Grahamvale, Ardmona, Byrneside, and Orrvale). The submission included reference to:

- Land on Katandra Main Road, Old Katandra (Ford family) where applications for building permits on existing small old crown lots (roughly 2-4 acres) have been rejected. At the hearing it was submitted that this land is not too far from the school and *'is better described as a lifestyle or rural living enclave and definitely not commercial farm land.'* Council noted that VCAT had allowed a house subject to the consolidation of a number of titles.
- The potential for Low Density residential development of land on the corner of Madill and Hogan Roads, Undera to the north of the existing settlement. Council responded that significant land has been provided around the Undera township for future growth.
- Land to the north of the primary school. Mr Toll submitted that Mr Sibio who owns the land is keen to do something other than reinstate the orchard and a form of residential use would address issues of spray drift affecting the school. Council did not support the introduction of further residential development into this productive agricultural area which is remote from the Settlement Boundary. It noted that it is not logical to address spray drift issues by introducing more residential uses.

A & R Ellis requested the inclusion of a Framework Plan for Lemnos in recognition of the potential for Lemnos to relieve pressure on the main growth areas of Shepparton while adding to housing choice and improving affordability. The submission highlighted the township's established

facilities, such as a primary school, shop, and its proximity to employment and urban services in Shepparton. It was submitted that there is a limited supply of lots 2-5 ha with town water close to Shepparton and the Ellis land at 150 Lemnos North Road provides residential development opportunities as the 9.8 ha property is not



valuable agricultural land, has main road frontage with all services available, and its physical features would buffer residential use from nearby non-residential uses.

Council did not support the submission, noting that Lemnos North has not been identified as a township in previous strategies and is close to significant industry. While the land was not actively considered under the recently

adopted Regional Rural Strategy, this area will be generally considered under the current Industrial Strategy.

10.7.2 Discussion

The Panel agrees with Council's overall response that growth opportunities exist for a range of urban settlements from large urban areas through to small townships. In Chapter 4 we have commented on the very substantial residential land supply identified and emphasised the need to manage the rezoning carefully. The need for additional low density and rural living opportunities has not been established. However, the small townships and 'villages' listed could be considered as part of the Regional Rural Land Use Strategy process.

The Panel does not support the creation of isolated rural residential enclaves in locations that are remote from settlements, particularly in highly productive agricultural areas. We agree with Council that the introduction of additional sensitive uses is not the best response to spray drift issues.

Nor does the Panel support the identification of the Ellis land in Lemnos for more rural residential development. Apart from the need for additional land for this purpose not being established, the land in the area is actively farmed and there are substantial industrial uses to the south and south-east (including Campbells' factory).

11. The Form and Drafting of the Amendment

The Issue

- Is the form and content of Amendment appropriate and satisfactory for inclusion in the Greater Shepparton Planning Scheme?

11.1 Evidence and submissions

One submission (Saza Properties P/L) sought the revision of the definitions and implications of the 'Special Investigation Area' and 'Future Long Term Growth' areas, and the distinctions between the two terms, as those two terms are confusing.

11.2 Discussion

The current Shepparton MSS is concise and is not accompanied by any Local Planning Policies at Clause 22. The key references to housing are contained within Clause 21.04-1 (Urban consolidation and growth) which includes background text, objectives and strategies. This is accompanied by the Council's strategic work program at Clause 21.04-8 Strategic Work Program.

The amendment uses the existing MSS structure and is focussed on Clause 21.04 (Settlement), particularly Clause 21.04-1 (Urban Consolidation and Growth) and 21.04-7 (Specific Implementation). It introduces new material drawn from the Housing Strategy, and although it deletes/replaces some of the existing MSS material, a lot of it is retained.

Key elements of the amendment include:

- Revised background text under Clause 21.04-1 (Urban Consolidation and Growth) and 21.04-2 (Rural Residential);
- Revised objectives and/or strategies under Clauses 21.04-1 (Urban Consolidation and Growth), 21.04-2 (Rural Residential), and 21.04-4 (Urban Design);
- Additional policy guideline material under Clause 21.04-7 (Specific Implementation);
- Revised and new material under Clause 21.04-8 (Strategic Work Program); and
- Revised town/growth area plans.

The revised town/growth area plans are drawn from the Housing Strategy which includes Housing Change Area and Growth Management plans for

each of the towns/growth areas. Council has combined the key elements of the Change and Growth Management plans into one plan per town/growth area, excluding the proposed time projections for growth.

The primary consultants for the Housing Strategy, David Lock Associates, provided a Planning Scheme Amendment Rationale Report to facilitate the incorporation of recommendations into the Greater Shepparton Planning Scheme as part of a planning scheme amendment process.

A Peer Review of the draft amendment was then prepared by Michael Kirsch (KPLAN) at the request of the Council in January 2010.

Mr Kirsch considered that some key elements of the Housing Strategy were not adequately translated into the Amendment C93 documentation. He recommended that Clause 21.04-1 be revised to better reflect the strategic framework provided by the Housing Strategy and improvements to the proposed descriptions of change areas in Clause 21.04-1. Given that monitoring and evaluation are such key elements of the Housing Strategy, he suggested that this should be referred to in Clause 21.04-8.

Mr Kirsch noted that the preparation of a suitable amendment to implement the Housing Strategy would have been assisted by a documented review of the existing MSS that assessed its performance and relevance, as well as the extent to which it is consistent with the Housing Strategy.

Mr Stokans informed the Panel that Council took all of Mr Kirsch's detailed comments onboard and altered the Amendment documentation accordingly prior to exhibition.

11.2.1 Post Exhibition Changes Supported by Council

The Panel was provided with a marked-up version of Clause 21.04 showing changes in response to submissions since exhibition that were supported by Council both before and during the Hearing. These changes include:

- Providing for projected population growth over at least 15 years in accordance with the SPPF;
- Deleting the Strategy relating to a mandatory lot size mix for new residential subdivisions;
- Including an additional Strategy in Clause 21.04-2 Rural Residential:
Approve land for rural residential development or small town expansion only where it is supported by a supply and demand analysis; a land capability assessment; and an analysis under Ministerial Direction No 6.
- Clarifying the purpose of Investigation Areas and deletion of words likely to confuse the reader;

- Extending Investigation Areas as follows:
 - Investigation Area 1 to include the land in the SUZ4 Kialla Paceway;
 - Investigation Area 2 to include all land to the north that is currently zoned Rural Living;
 - Investigation Area 3 to include land east of Archer Road, south of the Broken River, north of River Road and west of Doyles Road, plus
- Removal of Investigation Area 5 from the Tatura Framework Plan in response to the submission by Tatura Milk Industries;
- Consequential change to the Toolamba Investigation Area;
- Insertion of a strategy to resolve future land use and zoning options for the Raftery Road corridor;
- Consequential changes to maps.

11.2.2 Post Panel Hearing Changes Supported by Council

The Panel has been provided with a further marked-up version of Clause 21.04 showing both the changes above and further changes in response to matters raised at the hearings. These changes are supported by Council and are shown at Appendix 2. These changes include:

- Clarification of the purpose of Investigation Area 4.
- Clarification of typologies of different development types including average lot sizes, instead of reliance on Zone names as descriptors.
- Deletion of mandatory lot size mix provision.

11.2.3 Format and General Content

Mr Stokans explained the distinction between 'Investigation Areas' and 'Future Long Term Growth Areas', in response to the submission made by Saza Properties Pty Ltd. Once investigations are complete then any land recommended for future residential use could then be considered for shorter to longer term growth. Future Long Term Growth areas, as indicated by an arrow in the Framework Plans are clearly not intended for development within the next 15 years. The Panel does not consider that any change is warranted to Clause 21.04.

The Panel notes that renumbering is required as the content of the current Clause 21.04-7: Specific Implementation appears now to have been incorporated under relevant headings in Amendment C93.

The Framework Plans will be a useful aid to the Council in exercising or informing discretion. They reflect the broad intent of policy. The Panel believes that it would be useful to show the By-Pass route and major

constraints such as FZ and FO, buffers to sewage treatment plants, airport etc on Framework Plans to illustrate some of the underlying constraints that inform the planning rationale.

The Panel has suggested a number of typographical corrections and clarifications to Clause 21.04. These are shown at Appendix 2.

11.2.4 Settlement Boundaries

At the Directions Hearing the Panel requested council to respond to the VPP Practice note – Implementing a Coastal Settlement Boundary.

The Panel acknowledged that it was intended for coastal settlements. However, the principles underlying the identification of Settlement Boundaries can be applied more generally.

The Panel finds that Amendment C93 is generally consistent with those principles. The boundaries have been strategically identified and define the allowable extent of urban development. Amendment C93 will incorporate them into the planning scheme.

The Panel agrees with the planning horizon of 15 years (compared with 10 years proposed by the Practice Note), given the extent of the strategic work and in the context of the Housing Strategy for the major urban centres.

11.2.5 Should the Housing Strategy be a Reference document?

The Housing Strategy provides the background and reference material for Clause 21.04. Relevant planning requirements have been extracted from the Housing Strategy and have been included in Clause 21.04.

Mr Stokans for the Council made reference to the Manual for the Victoria Planning Provisions (Dept. of Infrastructure) which states that:

A reference document may show why requirements are in a scheme, or substantiate the existence of a specific issue or background to specific decision criteria being imposed in local policies or schedules (page 21)

The Panel agrees with Mr Stokans that the Housing Strategy meets this test.

In the course of the Hearing and the Panel's consideration a number of issues were raised which have resulted in a number of changes to policy as expressed in Clause 21.04. The Panel does not recommend that the Housing Strategy now be further revised to be consistent with these changes. However, we do recommend that a Preface to the Housing Strategy be prepared by the Council outlining the post-exhibition and post-Panel

changes so that the Housing Strategy can be read in this light to inform the community and decision-makers.

11.2.6 Monitoring

The Housing Strategy outlines a Monitoring and Evaluation Framework to provide ongoing processes that ensure a five-year supply based on existing land take-up rates is maintained. This framework will also inform the timing of when the Council initiates the rezoning of additional land to maintain a five years supply.

The Housing Strategy outlines an annual cycle for reviewing information relating to supply, take up rates, demographic data, and other relevant information. This should provide the Council with a more accurate idea of how much land is required and to justify any future rezoning processes.

The Panel noted that Shepparton will be a pilot as part of the State Government rollout of the Urban Development Program (UDP) analysis of supply and demand in regional cities. The Panel strongly supports the DPCD and Council initiative to include Shepparton as an additional regional report of the UDP as it will be of great assistance in informing the crucial land and housing monitoring component of the Housing Strategy.

11.2.7 Conclusions and Recommendations

The Amendment is consistent with the format and structure of the MSS, and avoids the inclusion of unnecessary material.

The Panel supports all the changes made by Council in the post-exhibition and post-Panel versions of Clause 21.04, except the deletion of Investigation Area 5. In addition some further changes have been recommended by the Panel. The changes are shown together in Appendix 2.

Recommendations

Clause 21.04 should be revised in accordance with the consolidated changes shown at Appendix 2.

Consider showing the By-Pass route and major constraints such as FZ and FO, buffers to sewage treatment plants, airport etc on Framework Plans to illustrate some of the underlying constraints that inform the planning rationale.

Clause 21.04-8 should be renumbered as Clause 21.04-7.

Include a preface to the Housing Strategy outlining the consequential changes to the Strategy resulting from adoption by the Council of relevant Recommendations in this Panel report.

Appendix 1 Submissions

1	Goulburn Valley Water	31	Peter Green
2	Tatura Milk Industries Pty Ltd	32	M Eden
3	S Read	33 & 44	Kim Vallance
4	Andrew Calando	34	K & J Hoare
5	M & S Fitzgerald	35	A & R Ellis
6	Chris Smith & Associates	36	GMR Engineering - Special Investigation Area 4.
7	D Lane	37	Mr Perry
8	Department of Transport	38	Saza Properties Pty Ltd
9	Goulburn Broken Catchment Management Authority	39	Grahamvale Development
10	Department of Sustainability & Environment	40	Joe & Stella Mammone
11	Michael Oliphant	41	Joe & Julie Monteleone
12	J Taylor	42	Dominic & Jennifer Monteleone
13	A & L Gawne	43	John & Chris Holder
14	Raftery Road West Corridor	44	Kifloor - Investigation Area 3 and surrounding land
15	J & L Vasey and K Haynes	45	Fantini Family
16	Shepparton Distilleries Pty Ltd	46	Jack Baker
17	Aust North Star Pty Ltd	47	Camille Kelly
18	Tatura Milk Industries	48	Ray & Maree McKenna
19	Brett Elgar	49	RE & UL Rokahr
20	Janice Konig	50	Karl Neuwirth
21	J & C/S & C Pope /Talidis	51	Mr Silverstein
22	PEA Victoria	52	A & D Shaholli
23	Bill Heath	53	Shepparton South Land Owners
24	E & M Weiser	54	Dookie Development Forum
25	Toll Land Management Surveys	55	Land Management Surveys (Shepparton) Pty Ltd – Shepparton Harness Racing Club and environs.
26	S Buzzo	56	VicRoads
27	Joseph Closter		
28	Pam Gaylard		
29	Moyola Garden Cottages & Lodge		
30	S & J Cauchi		

Appendix 2 Consolidated Post-exhibition and Post-Panel Version of Clause 21.04

Note:***Changes put forward by Council shown in blue.******Additional changes recommended by the Panel shown in red italics.*****21.04 SETTLEMENT**

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21.04-1 URBAN CONSOLIDATION AND GROWTH

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Population forecasts predict that the population of the City of Greater Shepparton will grow from 59,202 persons in 2006 to 71,509 by 2026. It is expected that to accommodate this additional population, there will need to be a corresponding growth in the number of dwellings (a separate estimate suggests a further 9,100 dwellings will be required by 2031). At the same time, changing demographic trends such as an increase of persons aged 65 and over, smaller household sizes and an increase in non-Australian born persons will create demand for a broad range of housing types within the municipality.

In facilitating the future growth and development of the municipality's towns, the Council is concerned to achieve urban consolidation thereby promoting walking, the use of bicycles and reducing the dependence on car use. In proximity to the Shepparton CBD and other key activity centres, people will be encouraged to live at higher densities in environments that offer individual, lifestyle and community benefits.

The *Greater Shepparton Housing Strategy 2009* (GSHS) outlines Council's approach to housing delivery and growth in the municipality and provides the basis for the objectives, strategies and policy guidelines outlined below. It provides for sufficient land supply to accommodate housing demand within a consolidated and sustainable development framework. In doing so, it defines settlement boundaries for the extent of urban expansion to ensure the sustainability of the urban community and the well being of productive agricultural land.

A significant portion of residential growth in the short-medium term will be met by the four main growth corridors identified in the *Greater Shepparton 2030 Strategy*:

- The southern corridor to the south of the Broken River at Kialla
- The south eastern corridor, along Poplar Avenue, Shepparton.
- The northern corridor, between Verney Road and the Goulburn Valley Highway, Shepparton.
- The western corridor, to the west of Mooroopna.

It is expected that the urban areas of Shepparton and Mooroopna along with the four major growth areas will accommodate the majority of new residential development, with remaining growth distributed throughout Tatura, Murchison, Merrigum, Dookie, Congupna, Katandra West, Tallygaroopna, Toolamba, and Undera. The location and timing of new development will be reviewed annually in accordance with the monitoring and evaluation framework contained in the GSHS.

Council recognises that Toolamba is in a unique position as it is the only small town in the municipality which will have a dedicated freeway interchange as part of the proposed Goulburn Valley Highway Bypass. This, together with the development of the Goulburn Valley Freight Logistics Centre at Mooroopna, will present a very attractive opportunity for future residential development of the town, ~~subject to provision of sewer~~. Connection to a reticulated sewerage system will enable Toolamba to develop at a higher residential density. However, Development Plan Overlays should be used in conjunction with any future township expansion. In the absence of sewer, all future residential development in Toolamba will be subject to a Land Capability Assessment ~~as well as a supply and demand analysis~~.

It is important that growth is maintained on a number of fronts, providing choice and variety in the housing market and ~~that a 10 year supply of land is available and a 5 year~~

~~supply of zoned land maintained~~ accommodating projected population growth over at least a 15 year period.

Future growth corridors are vital to ensure that residential development can continue once other estates and corridors are completed. The growth plans identify a number of longer term residential growth corridors in Shepparton North and Kialla to the east of Kialla Lakes once existing areas are nearing full development.

Framework Plans

The GSHS supports the growth of Greater Shepparton in a consolidated and sustainable fashion. This includes providing land for living opportunities in a variety of residential settings and locations. To provide guidance as to how and where Greater Shepparton will grow, a series of Growth Management Plans was developed.

Key elements of the Growth Management Plans from the GSHS have been incorporated into a series of Framework Plans which form part of the Municipal Strategic Statement (MSS). The Framework Plans specify the settlement boundary for each area, the direction for future growth, the types of potential zoning for each area and where applicable indicate ~~Special~~ Investigation Areas.

The Growth Management Plans within the GSHS indicate a sequencing of development over a 15-year period. While ~~st~~ development will be encouraged in accordance with these plans, this detail has not been included in the *Framework Plans* to allow some flexibility following the ongoing monitoring of supply and demand.

Settlement Boundaries

The Framework Plans include a 'settlement boundary' for each urban area and town based on the Growth Management Plans within the GSHS. The settlement boundaries provide guidance to the potential type, location and amount of residential land required. The plans project the outward limit of growth to the year 2031 as well as in some instances providing the broad direction of longer-term growth of Greater Shepparton beyond 2031 as indicated by arrows on the Framework Plans.

Residential growth outside the nominated settlement boundaries will generally not be supported. As a result the Framework Plans do not indicate any future growth outside the nominated settlement boundary. The exception to this is the land contained within Investigation Areas which upon further investigation may support additional land for residential development.

Investigation Areas

Several Investigation Areas have been identified within the Framework Plans. These areas represent land which has potential to be rezoned to a higher density residential use due to the proximity to services and/or growth areas. The areas however presently have ~~However the land also presents~~ significant issues or constraints such as environmental, flooding, infrastructure and/or land use conflicts. The relevant issues will need to be resolved on a site-by-site basis through a more detailed analysis to determine the potential for higher density development and any subsequent changes to the Framework Plans.

These areas (which are nominated with the corresponding number on the Framework Plans) are:

- Investigation Area 1 – Kialla Paceway and Shepparton Greyhound Racing environs. This area surrounds the greyhound and trotting facilities and is directly adjacent to the Shepparton South Growth Corridor. There is potential to extend services to this land. However, future residential development within this area will be dependent on amenity issues such as lighting, noise, odour and dust being addressed to ensure that the long term interests of the racing facilities are protected.
- Investigation Area 2 – Raftery Road, Kialla. The land is adjacent to the Shepparton South Growth Corridor and is situated between the Seven Creeks and Goulburn River

corridors. Development is currently restricted by the 8ha minimum lot size under the Rural Living Zone. Higher density development is dependent on issues relating to servicing, flooding and the environmental assets of the two river corridors being resolved.

- Investigation Area 3 – Adams Road, Kialla. This area is directly adjacent to the Kialla Lakes Estate though is significantly impacted by flooding. The potential to develop this land to a more intensive residential use is dependent on this issue being resolved.
- Investigation Area 4 – east of Doyles Road, Grahamvale. There are a number of land use interface issues to be addressed in this area. There is a mix of agriculture; residential estates such as Dobsons Estate and the Shepparton East and Lemnos industrial areas. The future development of this area will be dependent on industry needs particularly in relation to provision of adequate buffers from any expanded residential areas. It will also need to take into account the recommendations of the Industrial Strategy. Further investigation is required in this area following finalisation of the Industrial Strategy. Investigations will include issues associated with present industry, potential for expansion of industrial and / or residential uses and developments, future servicing requirements and agricultural impacts.
- Investigation Area 5 – Dhurringile Road, Tatura. The land is opposite the Tatura Milk Industries. The future role of this land is dependent on *investigation through an Industrial Land Use Strategy, of measures to the identification of measures to ensure possible conflicts between the potential residential uses on this land and industry in the immediate area are effectively managed.*
- *Investigation Area 56 – Toolamba.* The area is located to the south west of the existing township. The density of residential development will be dependent on the outcome of current investigations into the provision of sewerage to the land. In the absence of sewerage, the density of future residential development will be dependent on Land Capability Assessment.

Objectives – Urban Consolidation and Growth

- To contain urban growth to identified growth areas in order to protect higher quality and intact agricultural areas and achieve a more compact built up area.
- To encourage a variety of housing types, particularly in terms of tenure and price, to contribute to housing diversity and affordability.
- To minimise the impacts of housing on the natural environment.
- To release land efficiently in terms of location, supply of services and infrastructure and in accordance with land capability.
- *To support increased residential densities, such as 15 dwellings per hectare, in established areas and the conventional living growth areas. (Reinstate and extend existing strategy)*
- To increase the supply of medium density housing in appropriate locations.
- To provide land for small township expansion, *subject to a supply and demand analysis. (Maintain)*
- To coordinate the assessment, planning, development and servicing of identified investigation areas in an integrated manner.
- To ensure any small township expansion occurs without impacting on the long-term growth potential of urban centres or productive agricultural land
- To ensure any small township expansion is dependent on land capability where no reticulated sewer is available
- To balance the need to achieve urban consolidation with the need to respect and retain the valued characteristics of existing neighbourhoods.

- To ensure that land proposed for residential purposes is not contaminated.
- To ensure protection of ground water and natural systems
- To ensure that provision is made for community infrastructure.

Strategies – Urban Consolidation and Growth

- The GSHS sets out the residential development targets which are based on the type, amount and proportion of existing residential zones; the existing average lot sizes in each residential zone type; a qualitative assessment of dwelling demand and housing market conditions; sustainable development principles and the need to conserve land and energy; and the need to achieve the strategic directions and objectives of the GSHS. These targets are:
 - *Infill Development* – accommodate at least 10 percent of the 9,100 dwellings (910 dwellings) in existing areas through infill and redevelopment at higher densities. New dwelling construction in these areas is highly encouraged by the GSHS and this target should be exceeded where possible.
 - *Greenfield Development* – accommodate the remaining 8,190 dwellings in Greenfield locations with:
 - 60% as R4Z-conventional living (600 450 – 800 square metres);
 - 20% as R4Z-medium density housing (350 – less than 450 square metres);
 - 15% as LDRZ and TZ-low density living (2,000 – 8,000 square metres); and
 - 5% as RLZ-rural living (2 – 8 hectares).
- Promote development in accordance with the attached *Framework Plans*.
- ~~Adopt a mandatory lot size mix for new residential subdivisions appropriate for particular locations.~~
- Maintain a supply of land to 10-year supply of land and a 5-year supply of residential zoned land to accommodate projected population growth over at least a 15 year period.
- Encourage the consolidation of existing residential areas in the municipality in accordance with the change areas identified in the Housing Change Area plans
- Ensure the rezoning of future residential land is informed by the ‘Growth Management Plans’ and development principles identified in the *Greater Shepparton Housing Strategy 2009*.
- Ensure that township growth is determined by infrastructure provision (including water supply) and a supply and demand analysis, with developers funding the extension of water and sewerage services.
- Support applications to rezone land for residential purposes where the land has previously been used for orchard or other agricultural uses only where the application is accompanied by a soil report which confirms that the land is suitable for residential use (as required by Ministerial Direction No. 1).
- Support increased densities, such as 15 dwellings per hectare, where reticulated sewer and urban services are provided in the existing residential areas, while maintaining and protecting existing sewerage reticulation assets.
- Encourage medium density housing in preferred locations including within existing residential areas; near public transport; within major redevelopment sites; and adjacent to activity centres and open space areas.
- Encourage medium density, apartment style and shop-top housing as part of the redevelopment of Shepparton CBD commercial sites.
- Encourage the provision of smaller lots to meet the changing demographics structure.

- Discourage multi dwelling developments within areas affected by the Floodway Overlay.
- Provide a settlement boundary beyond which additional urban growth and rezoning should not be supported.
- Encourage new subdivision and developments to promote walking and cycling between homes and schools, open spaces and shops.
- [Ensure appropriate design, location and density for expanding residential areas in Shepparton North to maintain amenity protection between residential and other uses such as industry, agriculture and the Goulburn Valley Freeway.](#)
- Link the parks, open spaces and bicycle paths to create connectivity between the three urban areas of Shepparton, Mooroopna and Kialla, with the floodplain becoming a recreation asset.
- [Avoid incremental approvals and development in identified investigation areas until an integrated investigation and has been completed to assess and resolve future land opportunities and constraints, land use, development opportunities, subdivisional layout and servicing for the area.](#)
- Apply the Development Plan Overlay (DPO) to the growth areas to ensure coordinated development.
- Require development plans to be accompanied by an approved Development Contributions Plan (DCP) or an alternative such as a negotiated Pre-Development Agreement.

Policy Guidelines – Urban Growth and Consolidation

When considering an application, the Council will be guided by the following provisions:

- Whether new development leap-frogs existing non-residential development.
- ~~An assessment of neighbourhood character.~~
- The protection of strategic riparian areas and the provision of public access.
- Flexibility in lot sizes based on, diversity of lot ~~sizes, the~~ proximity of services and the character of the area.
- Provision for community services (DCP or Pre-Development Agreement).
- Residential development should generally be in accordance with the sequencing indicated on the Growth Management Plans in the GSHS. Growth occurring out of sequence may be considered provided that a development proposal satisfies the following conditions:
 - It can be demonstrated that the land supply for the proposed type of development is being constricted elsewhere and that it is unlikely to become available within the designated sequencing;
 - The proposed development does not impact on the achievement of the objectives and strategies of the GSHS;
 - The development can be serviced and connected to sewer and drainage infrastructure in a timely and efficient manner to the satisfaction of the relevant service provider;
 - The full cost of extending infrastructure out of sequence is paid for by the developer; and
 - The proposed development represents an exemplary development incorporating best practice standard and satisfying the objectives and strategies of the GSHS to a high degree.

HOUSING CHANGE AREAS

To manage the impacts of change in the established neighbourhoods and ensure that residential development contributes to the character of residential areas rather than undermining them, residential areas have been divided into three areas indicated in the attached *Framework Plans*:

Minimal Change Areas

Minimal Change Areas are established residential areas that for a number of reasons have limited capacity to accommodate future residential development. Minimal Change Areas do not prohibit all residential development, but seek to allow limited residential development that is generally consistent with the type, scale, ~~style~~ and character of the area.

Minimal Change Areas ~~have~~ are generally ~~been designated~~ in locations that:

- have a strong neighbourhood character, largely evidenced by a significant presence of historical buildings and places;
- are affected by environmental factors such as flooding which limit development capacity;
- have a low density or rural living character;
- are in close proximity to uses which cause significant off-site impacts;
- have a widespread application of restrictive covenants which limit housing diversity; and
- have valued landscape features and / or views and vistas.

The Council may also consider smaller Minimal Change Areas in locations immediately adjacent to a sensitive use or affected by a particular environmental factor that has the potential to create significant risk to development or a valued feature of the landscape or detrimentally affect character that is desirable to retain.

Strategies – Minimal Change Areas

The strategies for managing residential development in Minimal Change Areas seek to:

- ensure development respects existing scale and character;
- ensure development respects heritage buildings and their curtilage;
- ensure development does not considerably impact on significant natural features or views and vistas;
- ensure extensions to existing dwellings do not cause significant new overlooking, overshadowing, visual bulk or neighbourhood character impacts; and
- support and encourage environmentally friendly technologies for new development and major renovations.

Policy Guidelines – Minimal Change Areas

When considering an application for a dwelling in a **minimal change area**, Council will be guided by the following provisions:

- new dwellings will respect the existing scale and character of the existing area to a high degree;
- new dwellings will respect any heritage buildings and their curtilages;
- new dwellings will not unreasonably impact on significant natural features or view and vistas;
- extensions to existing dwellings will not cause unreasonable new overlooking, overshadowing, visual bulk or neighbourhood character impacts; and

- environmentally friendly features will be supported for new dwelling and major renovations.

Incremental Change Areas

Incremental Change Areas are established residential areas [or areas identified as Urban Growth Areas in framework plans](#) that over time have the capacity to accommodate a moderate level of residential development. This development will mostly include extensions to existing dwellings, new single or double storey dwellings on existing lots, and low rise medium density housing. It is expected that the general character of Incremental Change Areas will evolve over time as new types and more intense development is accommodated.

Incremental Change Areas ~~have are~~ generally ~~been designated~~ in locations that:

- are unaffected by significant development constraints;
- have lot layouts which may potentially constrain substantial development;
- have reasonable access to a range of local shops, facilities, services and amenities;
- provide residential uses in conjunction with other uses in small town settings; and
- greenfield residential development sites.

Strategies - Incremental Change Areas

The strategies for managing residential development in Incremental Change Areas seek to:

- support the retention and renovation of existing dwellings that front the street and contribute positively to surrounding neighbourhood character;
- encourage low scale medium density housing development that respects existing neighbourhood character, particularly in areas that are in close proximity to significant shops, facilities, services and amenities;
- support development which increases residential densities while respecting the character of the neighbourhood;
- ensure that new development does not cause significant new overlooking, overshadowing, and excess visual bulk impacts on adjacent housing;
- encourage a high standard of design for new development and major renovations;
- encourage additional dwellings to the rear of existing dwellings;
- support and encourage environmentally friendly technologies for new development and major renovations;
- ensure that traffic caused by additional development can be accommodated by the existing transport network;
- discourage increased development intensity in areas where there is a significant environmental risk such as flooding and wildfire, unless an appropriate design response can be provided to the satisfaction of the Council;
- ensure that development at the edges of the Incremental Change Area is sensitive to any adjoining Minimal Change Areas; and
- ensure that any new development close to a rural interface or other sensitive use is addressed.

Policy Guidelines - Incremental Change Areas

When considering an application for a dwelling in an **incremental change area**, Council will be guided by the following provisions:

- low-scale, medium density dwellings that respect existing neighbourhood character, particularly in areas that are in close proximity to shops, facilities, services and amenities shall be encouraged;
- new development that increases residential densities and is sensitively designed to respond to the existing neighbourhood character shall be supported;
- encourage a high standard of design for new development and major renovations;
- encourage additional dwellings to the rear of existing dwellings;
- environmentally-friendly technologies for new development and major renovations shall be supported;
- traffic impacts caused by additional development shall be accommodated within the existing transport network;
- increased residential densities in areas where there is a significant environmental risk such as flooding and wildfire shall be discouraged unless an appropriate design response can be provided to the satisfaction of Council
- development at the edges of incremental change areas shall be sensitively designed to respond to any adjoining minimal change areas; and
- new development close to rural interface or any other sensitive use shall be appropriately designed to mitigate any potential impacts.

Substantial Change Areas

Substantial Change Areas are locations that have significant capacity to accommodate substantial residential development. These areas will support increased housing diversity by encouraging a variety of housing types, styles and configurations in areas that are close to activity centres, public transport, employment opportunities and open space. Substantial Change Areas will support increased residential densities to maximise the amount of people who can take advantage of these desirable locations. It is expected that the character of these areas will change significantly in the future.

Substantial Change Areas ~~have~~ are generally ~~been designated~~ in locations that:

- are in walking distance (800m) of a range of commercial, retail, employment, entertainment, and recreation opportunities;
- are within walking distance of public transport;
- have servicing capacity to support additional development;
- provide good opportunities to support increased housing diversity; and
- are generally free of major development constraints.

Strategies – Substantial Change Areas

The strategies for managing residential development in Substantial Change Areas seek to:

- support a diversity of housing types, sizes, styles and designs; support (re)development at higher overall densities to maximise development opportunities;
- encourage lot consolidation to allow for larger scale development;
- encourage mixed-use developments which incorporate residential uses above commercial or retail uses;
- focus higher density development within or immediately adjacent to significant commercial areas;
- support the recommendations and strategies of the Shepparton CBD Structure Plan;
- encourage a high standard of design for new development and major renovations;
- support housing for people with special needs;

- discourage increased development intensity in areas where there is a significant environmental risk such as flooding and wildfire, unless an appropriate design response can be provided to the satisfaction of the Council; and
- ensure that development at the edges of the Substantial Change Area is sensitive to any adjoining Minimal or Incremental Change Areas.

Policy Guidelines – Substantial Change Areas

When considering an application for a dwelling in a **substantial change area**, Council will be guided by the following provisions:

- new development that contributes to a diversity of housing types, sizes, styles and designs shall be supported;
- new development that contributes to higher residential densities shall be encouraged;
- the consolidation of available lots shall be encouraged to allow for larger scale development;
- mixed-use developments which incorporate residential uses above commercial or retail uses shall be encouraged;
- higher density residential development within or immediately adjacent to significant commercial areas shall be supported;
- appropriate, well designed housing for people with special needs shall be encouraged;
- increased residential densities in areas where there is a significant environmental risk such as flooding and wildfire shall be discouraged unless an appropriate design response can be provided to the satisfaction of Council; and
- development at the edges of substantial change areas shall be sensitively designed to respond to any adjoining minimal change areas or incremental change areas.

21.04-2

RURAL RESIDENTIAL

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The Council is keen to ensure that the demand for low density residential development and rural living opportunities can be met through the supply of land in appropriate locations. The *Framework Plans* identify land for these uses where environmental constraints such as flooding and land use conflicts are minimal and where it will not impede or inhibit the future growth of the urban area and encourage land banking or leapfrogging.

Locations for potential low density and rural living in the Framework Plans include areas outside of the main residential growth corridors of Shepparton and Kialla such as Kialla Central as well as land around other urban areas and townships. On the other hand, areas of existing Rural Living Zone are being considered for more intensive development due to their proximity to existing growth areas. For example, the area to the east of Archer Road Kialla for instance has been identified for longer term residential growth and therefore cannot be counted as part of the rural living supply.

The Council is committed to rigorously applying this strategy and will not compromise it by approval of ad hoc rezoning requests for low density or rural living land outside of the identified settlement boundaries. Proposals which do not comply with the Framework Plans will not be supported unless justification can be provided to review the boundary. In areas where reticulated services are not available, a Land Capability Assessment is to be provided to confirm the site's suitability for land based effluent treatment and disposal.

The Council recognises that urban expansion into agricultural areas can result in conflict at the urban/rural interface and will require development plans for new residential development to include 'buffers' to protect the amenity of residents and also protect the continued agricultural operations on adjoining land.

For potential rural living land, diversity and flexibility of lot sizes is important to minimise sprawl and variations to the 8 hectare minimum lot size should be encouraged where

appropriate. Factors influencing desirable lot size should include the existing character and density and Land Capability.

Objectives - Rural residential

- To provide land for rural residential purposes, without impacting on the long-term growth potential of urban centres or productive agricultural land, subject to a supply and demand analysis.
- To recognise and make provisions for the potential conflicts at the urban/rural interface.

Strategies - Rural Residential

- Investigate the potential to provide for rural residential use at the locations shown on the *Framework Plans*.
- Prevent rural residential subdivision in areas that would result in a loss of productive agricultural land or create expectation of subdivision of adjoining rural land, or encircle townships so as to prejudice their future urban growth opportunities.
- Approve land for rural residential development or small town expansion only where it is supported by a supply and demand analysis; a Land Capability Assessment; and an analysis under Ministerial Direction No. 6.
- Protect the amenity of rural residential land by discouraging uses with the potential to create a nuisance.
- Discourage rural residential subdivision which is reliant on irrigation water supply.
- Prevent rural residential development in areas suitable for smaller residential lots.
- Protect productive agricultural land from encroachment of urban growth except in designated growth areas.
- Maintain a distinctive urban-rural interface, and a green belt between Shepparton and Mooroopna.
- Ensure that residential developments provide a buffer to existing agricultural uses, particularly orchards.
- [Resolve future land use and zoning options for the Raftery Road Corridor through further investigation of servicing capacity, land capability and options for potential rural living or low density residential development and zoning.](#)
- Apply the Development Plan Overlay to the rural residential areas to ensure coordinated development.

Policy guidelines

When considering an application for a rural living *rezoning or* subdivision, the Council will be guided by the following provisions:

- Compliance with Ministerial Direction No. 6 (or equivalent).
- [An assessment of](#) land capability.
- Safe access for pedestrians/cyclists between allotments and local infrastructure, such as schools.
- The protection of strategic riparian areas and the provision of public access.
- Water supply for stock and domestic.
- A suitable depth to frontage ratio for allotments created based on the proposed density and intended uses.
- Flexibility in lot sizes should be provided based on supply and demand analysis, land capability, walkability and proximity of services and the character of the area.