



## Department of Environment, Land, Water & Planning

Our Ref: SP457237  
Your Ref: C192  
Contact: Monique Claasz  
Date: 21 July 2016

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Michael MacDonagh  
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Greater Shepparton City Council  
Locked Bag 1000  
SHEPPARTON VIC 3632

Dear Michael

**RE: AMENDMENT C192  
GREATER SHEPPARTON PLANNING SCHEME  
NOTICE OF PREPARATION OF AMENDMENT**

I refer to your advice of the preparation of Amendment C192 to the Shepparton Planning Scheme, referred to the Minister for Environment and Climate Change, as the Minister responsible for administering the *Conservation, Forests and Lands Act 1987*, pursuant to section 19 (1)(c) of the *Planning and Environment Act 1987*.

The amendment affects land generally within the commercial areas of Greater Shepparton, and proposes to update the Municipal Strategic Statement and Activity Centre Zone to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*.

This amendment does not appear to have any impacts on DELWP interests.

**The Department of Environment, Land, Water & Planning has reviewed the documents provided and has no comment or objection to the proposed amendment.**

If you have any questions or further correspondence regarding this matter, please quote our reference number which is listed at the top of this letter. I can be contacted at the Wangaratta Office of the Department on 5723 8626.

Yours sincerely

**Monique Claasz**  
Acting Program Manager  
Regional Planning and Approvals  
Hume Region.

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Mr. Michael MacDonagh  
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03/08/2016

Reference: 5006740

Dear Mr. MacDonagh

**RE: PLANNING SCHEME AMENDMENT: C192**

Thank you for your correspondence in relation to the above planning scheme amendment, referred to EPA on 07/07/2016.

EPA has no concerns with the proposed amendment to this planning scheme with the information that has been provided.

If you need additional information or assistance, please contact our Assessing Officer, Roger Simpson on 1300 EPA VIC (1300 372 842).

Yours sincerely



Peter Kerr  
Team Leader  
Metro Field 1  
EPA Victoria

5 August, 2016

Greater Shepparton City Council

Via email: [council@shepparton.vic.gov.au](mailto:council@shepparton.vic.gov.au)

Dear Sir/Madam,

**Re: Greater Shepparton Planning Scheme – Amendment C192**

Centrum Town Planning has been engaged to prepare this submission by Aeroten Pty Ltd, the owners of the Fairleys IGA business ('Fairleys'). Fairleys IGA operates from a site that it leases at 177-193 Numurkah Road, Shepparton. This submission represents Fairleys' response to Amendment C192.

***Previous submissions***

Fairleys has been actively involved in discussions with the City of Greater Shepparton for some time about the future planning of North Shepparton. Our submission to the Draft Commercial Activity Centres Strategy ('the Strategy') of 23 September, 2015, contains a detailed explanation of our position on the future of the North Shepparton commercial area. In summary, this submission supported some of the general recommendations of the Strategy, but disagreed with four of the key recommendations relating to the proposed Shepparton North Sub-Regional Activity Centre and the overall quantum of retail floorspace estimated for the township.

We believe that much of the detail contained in this submission remains relevant to Amendment C192 and would refer Council's attention to the submission for more detailed information in support of our submission to Amendment C192. We have attached a copy of this submission for your convenience.

***Points of agreement***

We support the following key aspects of the Amendment:

- Establishment of a clear hierarchy of activity centres and designation of the CBD as the principal activity centre.

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- The designation of the Shepparton North Activity Centre as a Sub-Regional Activity Centre.
- The concept of providing a more appropriately sized delivery of retailing in Shepparton to avoid adverse impacts on the Shepparton CBD and other existing commercial centres.
- The cautionary approach to expanding the retail offering in Shepparton outside of the Shepparton CBD and other centres to ensure the primacy of the Shepparton CBD and role of other commercial centres.

### ***Submissions***

Our submissions relate to the contents of the proposed new Clause 21.06-5 and schedule to the Commercial 1 Zone. Our detailed submissions are outlined in the attached table, together with the requested changes to the Amendment and a brief explanation of the reasons for the request.

### ***Next steps***

We would be happy to meet with you to discuss this submission if it would be of assistance. We would also like to be kept informed of Council's decisions on the Amendment. We request to be heard at a planning panel if Council resolves not to support our requested changes to the Amendment.

We would appreciate if you would send all correspondence in relation to this submission Aeroten Pty Ltd care of Centrum Town Planning at PO Box 1328 Bendigo 3552 or [raph@centrumplanning.com.au](mailto:raph@centrumplanning.com.au)

Yours sincerely



Raph Krelle  
**Centrum Town Planning**



Clause	Submission / issue	Requested changes	Reasons
Proposed Clause 21.06-5 (Objectives)	Lack of a clear objective that relates to the need to provide shopping facilities to sub regions within the Shepparton urban area.	Include a new or modified objective to “ <i>support the role of sub-regional centres as important locations for retail and commercial activity that serves an immediate residential catchment in the surrounding urban area, as well as a broader rural and regional hinterland that is highly accessible via regional road networks</i> ” (adapted from page 22 of CACS).	The proposed objectives relate only to the CBD or to other shopping facilities in the general context of the activity centre hierarchy. The three sub-regional centres in Shepparton, including Shepparton North, are considered to be sufficiently important to warrant a specific objective that provides a link to the relevant strategies that follow (e.g. strategies 13-15).
Proposed Clause 21.06-5 (Strategies)	Proposed strategy number 14, which relates to the expansion of retail and commercial facilities in Shepparton North, is vague and uncommitted about where the preferred North Shepparton Sub Regional Centre should be located.	<p>Include words to the effect that the Fairleys’ site at 177-193 Numurkah Road is the designated site for the future North Shepparton Sub-Regional Centre and any expansion of commercial floorspace.</p> <p>Include words to the effect that requests to rezone land and applications for new shopping centres outside the designated site will not be supported.</p>	<p>All users of the planning system should have a clear understanding of the preferred location of sub-regional level activity centres in the MSS. The Fairleys’ site is currently the designated location of the North Shepparton neighbourhood centre, as identified in the current MSS. The Fairleys site:</p> <ul style="list-style-type: none"> <li>• is located to take best advantage of the activity node surrounding the site, with a good relationship between the site, major roads and other community areas including nearby sporting facilities;</li> <li>• offers the opportunity to deliver a full-service sub-regional centre, including community facilities such as medical centre, without expansion of the CZ1 beyond the site;</li> <li>• has a valid planning permit for the development of a full neighbourhood centre, including a commitment to provide a community facility on the site.</li> </ul> <p>As worded, this strategy would allow for the development of multiple retail nodes in Shepparton North up to 600-700 metres apart, with no defined focal point for the community and poor pedestrian and other movement connections.</p>

Clause	Submission / issue	Requested changes	Reasons
Proposed Clause 21.06-5 (Strategies)	Proposed strategy 14, which refers to the application of planning and development assessment criteria at Appendix A of the <i>Commercial Activity Centres Strategy November 201</i> , should not be a substitute for proper strategic planning.	Remove the reference to ‘ <i>Appendix A of the Commercial Activity Centres Strategy November 2015</i> ’ from Strategy 14 and replace with reference to the need for a structure plan or other local level strategic plans prior to the consideration of any planning scheme amendments to rezone land for commercial purposes in Shepparton North.	Clause 11.02-3 of the State Planning Policy Framework states that planning authorities should prepare a hierarchy of plans to facilitate the orderly development of urban areas. We believe that there would be significant benefit in undertaking such a structure planning or similar process prior to the rezoning of any additional land to Commercial 1 in Shepparton North in the context of the issues raised in this and our previous submissions. This view is supported by the proposed new action under ‘further strategic work <i>‘to prepare Structure Plans/Urban Design Frameworks for activity centres where further development is likely to occur’.</i>
Proposed Clause 21.06-5 (Shepparton Business Framework Plan)	The proposed Shepparton Business Framework Plan needs to more clearly explain the preferred areas for commercial development, expansion and further investigation.	Update plan with road names, greater detail and clearly identify the Fairleys’ site as the designated site for the North Shepparton sub-regional centre and any expansion of commercial floorspace.	The proposed plan is simplistic and vague and could be interpreted in different ways as a result, leading to uncertainty and debate. For example, it contains no road names despite its small scale, lacks key roads such as Hawkins Road and has highly conceptual identifiers. By means of comparison, the residential framework plans at Clause 21.04 are at a township scale yet are clear because they enable individual properties to be identified.
Proposed Schedule to the C1Z	The schedule to the C1Z does not acknowledge the capacity of the Fairleys site to accommodate all of the 14,000 estimated to be required for the future North Shepparton sub-regional centre.	Modify the maximum leasable floor area for shop (other than restricted retail premises) at 177-193 Numurkah Road to 14,000m2.	This change would reflect the Fairley’s site as the preferred location of the Shepparton North Sub-Regional Centre, as per the previous points.



**DEXUS**

PROPERTY GROUP

8 August 2016

Elke Cummins  
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Via email: [elke.cummins@shepparton.vic.gov.au](mailto:elke.cummins@shepparton.vic.gov.au)

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Dear Elke,

## Planning Scheme Amendment C192 - Submission

DEXUS Property Group is the owner of Shepparton Marketplace and set out below is a submission to Planning Scheme Amendment C192 to the Greater Shepparton Planning Scheme.

This submission expands on and references a number of the issues discussed at the meeting with Council officers on 19 May 2016.

Firstly, DEXUS confirms its support for the proposed rezoning of the entire site to the Activity Centre Zone - Schedule 1 (ACZ1). This is particularly critical for the parts of the Shepparton Marketplace site that are currently within the General Residential Zone.

With regard to the proposed provisions within Amendment C192, and specifically the draft Schedule to the Activity Centre Zone and the new policy provisions, our submission follows:

### Retail Premises Floorspace Cap

The ACZ1 specifies that the use of the land for 'retail premises (other than adult sex bookshop, department store, hotel and tavern, restricted retail premises, supermarket and trade supplies)' is as-of-right provided that the *total retail floor area (including department store and supermarket) does not exceed 22,500 square metres*.

Section 6.0 of the ACZ1 specifies that any retail floor space (including a department store and supermarket) which exceeds this floorspace cap should be justified by a detailed economic impact assessment.

### *Response:*

DEXUS supports additional retail floorspace being allocated to Shepparton Marketplace; however it is our submission that the proposed cap of 22,500 square metres is inadequate as a base figure, and falls short of what can be sustained without having broader implications across the Shepparton retail centre hierarchy.

It is also suggested that any proposed 'soft' cap should follow 'accepted planning convention' and only be applied to 'shop' uses rather than the broader land use term of 'retail premises'. Not only does the use of a 'soft' cap for retail premises challenge accepted planning convention, it is submitted that the manner in which the provisions are drafted is confusing.

We also note that the 'Addendum to the Shepparton CBD Strategy' (March 2016), which is proposed to be introduced as a reference document as part of this Amendment, specifies a strategy to

*'continue to apply a shop floorspace cap at Shepparton Marketplace in the Planning Scheme'; not a 'retail premises' floorspace cap.*

#### Activity Centre Zone - Schedule 1 (General)

There are general provisions throughout the ACZ1 that seek to discourage *'department stores and 'cinemas' from locating out of the retail core (Precinct 1)'*.

This is reiterated in the Precinct 9 Objectives (Clause 5.9-2) and the Precinct 9 Guidelines (Clause 5.9-4).

#### *Response:*

It is our submission that the Shepparton Marketplace in its role as a Regional Centre is capable of supporting a range of retail, office, service and hospitality uses, including department stores and cinemas, without compromising the primacy of the Shepparton CBD or the activity centre hierarchy.

Larger format uses are common-place in the composition of higher order centres throughout regional Victoria and offer complementary uses to the basic shopping functions of these centres. These uses also play a role in supporting other businesses (and therefore employment) in centres such as Shepparton Marketplace.

Our concern with the use of such statements throughout the ACZ1 provisions is that they are likely to unduly constrain and prevent particular retailers and/or retail formats from establishing within the Shepparton Marketplace, although there may be scenarios where their establishment within the Shepparton Marketplace is more commercially viable or logical than being located within the Shepparton CBD.

Such scenarios include:

- There being physical constraints to establishing within the Shepparton CBD;
- The particular retailer or retail format is better suited to a mall based centre and may want to test the market in a mall-based format centre before committing to a street based format more common to the Central Business Districts; or
- Large format stores that are established in the Shepparton CBD wish to enlarge their 'footprint' and retail offer to the Shepparton Marketplace, which provides a logical expansion opportunity.

To this end, with this type of 'discouraging policy' there is a risk that a particular retailer or retail format may choose to 'by-pass' Shepparton altogether in favour of a competing regional centre, should there be significant planning barriers to their establishment.

Accordingly, it is requested that the provisions of the ACZ1 be modified to delete any 'discouraging policy' and reference the need for an economic impact assessment to justify a proposal to introduce a department store or cinema to the Shepparton Marketplace.

DEXUS also seeks clarity on the rationale for designating a 'cinema' use as being as-of-right within Precinct 2 when the role of Precinct 2 is identified as being a mix of office, café and residential uses, with no identified retail function.

#### Activity Centre Zone - Schedule 1 (Clause 5.9-2 Precinct Objectives)

The proposed objectives for Precinct 9 are:

- *To support the designated regional role of the Shepparton Marketplace as a retail specific centre.*
- *To support the role of the Shepparton Marketplace in a manner complementary to operation of Precinct 1, as the highest-order centre serving Shepparton and the surrounding region.*

- *To support the core retail role of Precinct 1, discourage entertainment based activities such as cinemas, places of assembly, accommodation and additional retail floorspace.*
- *To ensure appropriate retail floorspace is provided to enable a range of retail operations at the centre in a manner complementary to the operation of the retail core (Precinct 1).*

Response:

DEXUS opposes the following:

- It is considered inappropriate to refer to Precinct 1 in the Precinct 9 objectives. Whilst the role of the Shepparton CBD is not disputed, its growth should not inhibit the appropriate growth and maturity of Shepparton Marketplace. Accordingly, we consider that the Shepparton Marketplace should be given its own 'objectives' and reference could be made to maintaining the activity centre hierarchy in lieu of the references to Precinct 1.
- The wording: "discouragement of entertainment based activities such as cinemas and additional retail floor space" is not supported. It is our submission that this contradicts the other provisions of the ACZ1 which permits cinemas and additional retail floor space with planning approval and/or a detailed economic impact assessment.

#### Activity Centre Zone - Schedule 1 (Clause 5.9-4 Precinct Guidelines)

Similarly, the proposed Precinct 9 Guidelines are as follows:

- *Provide some limited non retail uses, such as offices and some other personal and professional services where these are directly ancillary to retail operations at the centre and where such uses would not be more appropriately located in the retail core or other activity centres.*
- *New use and development needs to be carefully monitored to ensure that the Marketplace does not detract from its sub-regional role in the hierarchy. Future land uses should complement the balance of activities within the retail core and the Benalla Enterprise Corridor.*
- *Discourage the relocation of large 'anchor' department store retailers that may compete with the retail core role and function of Precinct 1.*

Response:

DEXUS opposes the **bolded** wording of the above guidelines for the following reasons:

- The provision of non-retail uses within the Shepparton Marketplace is supported, however it is considered that there will be limited scenarios where such uses would not be '*more appropriately located within the retail core*'. It is requested that this wording be deleted due to the ambiguity in its interpretation.
- It is considered that the restriction of future land uses within Shepparton Marketplace to those uses which 'complement' the balance of activities within the retail core and the Benalla Enterprise Corridor is onerous and may unduly hinder the growth of the Shepparton Marketplace as a regional centre. Similarly, there is ambiguity in the interpretation of this guideline and how proposals will be assessed against this criterion.
- There is a point of difference between the mall based format of the Shepparton Marketplace to the street based experience of the Shepparton CBD which should be acknowledged in these guidelines, as some larger 'anchor' retailers may be more suited to a mall based format and should not be discouraged from locating within Shepparton Marketplace expressly for the reason that they are unable to, or have viable reasons for not wanting to locate within Precinct 1.

#### Activity Centre Zone - Schedule 1 (Clause 5.9-3 Precinct Requirements)

In terms of built form, the Precinct 9 Guidelines are as follows:

- *Preferred street wall height - 11.5 metres (3 storey)*
- *Preferred setbacks - 20 metres from the front lot boundary and 3 metres from the rear boundary to ensure a suitable interface with adjoining residential properties*

#### *Response:*

DEXUS queries the purpose and rationale of the preferred street wall height and setback provisions, and submits that any application to expand the centre should instead be based on a 'first principles' assessment.

#### Municipal Strategic Statement (Clause 21.06 - Economic Assessment)

DEXUS has the following concerns and/or queries in relation to the proposed provisions of Clause 21.06-5 (Commercial/Activity Centres):

- The rationale for the labelling of the Shepparton Marketplace as a 'regional retail centre', when no other centres identified in the activity centre hierarchy are referenced in this manner. It is submitted that this distinction is unnecessary and could unduly focus or influence the types of land uses within the Shepparton Marketplace.
- The "*Policy Guidelines - Development outside of the Central Activity District*" discourages the location of department stores and cinemas outside of the retail core (Precinct 1). For the reasons previously mentioned, the location of department stores and cinemas within the Shepparton Marketplace should be subject to an economic impact assessment and not discouraged. On this basis, it is submitted that their inclusion as policy guidelines within this Clause is unwarranted.

#### Commercial Activity Centres Strategy, November 2015 (Clause 21.09 - Reference Documents)

On the basis of our submissions, the *Commercial Activity Centres Strategy* should be amended to incorporate the changes made to the Schedule to the Activity Centre Zone and the policy provisions.

#### Addendum to the Shepparton CBD Strategy, March 2016 (Clause 21.09 - Reference Documents)

Having reviewed this document, we make the following submissions:

- In addition to the proposal to introduce the Commercial Activity Centres Strategy as a Reference document in the Planning Scheme, the Addendum to the Shepparton CBD Strategy is also proposed to be a Reference Document.
- The document discourages '*large anchor retail, additional discount department stores, cinema, major office and other uses that are more appropriately located in the CBD*' from the Shepparton Marketplace. For the reasons previously given, this type of 'discouraging policy' would unduly constrain future growth at the Shepparton Marketplace, as it is considered reasonable for a designated Regional Centre to support a range of major retailers including discount department stores and large anchor retailers. The use of the term '*other uses*' is also overly onerous and ambiguous.
- Generally, we oppose the statements throughout the document that discourages additional discount department stores, the relocation of large anchor retailers, cinemas and cinema based entertainment from locating within the Shepparton Marketplace. Conventional retail

planning requires the provision of these types of retailers or retail-formats, particularly anchor retailers, to facilitate the further expansion of the centre.

In summary, our submission seeks to ensure that the future expansion of the Shepparton Marketplace, which has been the subject of ongoing discussions with Greater Shepparton Council officers, is not unreasonably constrained by the new controls and policies. To this end, the expansion of the Shepparton Marketplace would generate significant development investment, create employment opportunities during construction and on a permanent basis, and result in a built form and public realm outcome that will integrate with the structure planning work that is currently being undertaken for the precinct by Council and the Metropolitan Planning Authority.

DEXUS thanks you for the opportunity to prepare and file this submission, and trust that our comments will be properly considered during the Planning Scheme Amendment process.

If you have any questions regarding this submission, please do not hesitate to contact the undersigned.

Yours sincerely



**Lucy Burnitt**

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29 September 2016

Lucy Burnitt  
DEXUS Property Group  
Level 25 Australia Square  
264 George Street  
SYDNEY NSW 2000

Dear Lucy

## Supplementary submission to Greater Shepparton Am C192

DEXUS Property Group ("DEXUS") owns the Shepparton Marketplace and made a submission to the exhibited Amendment C192 ("Am C192") to the Greater Shepparton Planning Scheme ("Scheme") on 8 August 2016.

A meeting was held with the City of Greater Shepparton ("Council") on 25 August 2016 to discuss the submission and it was agreed that DEXUS would provide a supplementary submission on a range of issues discussed at the meeting. This letter represents our input to the supplementary submission.

### 1. Change in definition of floorspace cap

The Shepparton Marketplace is currently located on land zoned Commercial 1 Zone ("C1Z"). The Schedule to the C1Z limits shop floorspace (other than for Restricted retail premises) to 15,000 sqm.

Am C192 proposes to rezone the Shepparton Marketplace land and the vacant land owned by DEXUS to the south to the Activity Centre Zone ("ACZ") with all this land to constitute Precinct 9. The Schedule to the ACZ proposes to limit Section 1 "retail floor area" within Precinct 9 to 22,500 sqm, with this floorspace defined as comprising Retail premises (but excluding Adult sex book shop and Trade Supplies which are prohibited, Hotel and Tavern which are Section 2 uses and Restricted retail).

The application of the 'soft cap' of 22,500 sqm to a hybrid of Retail premises is most unusual. Victorian planning convention is that such caps are implemented using Shop floorspace, particularly when the underlying zone is the C1Z. This is the also the case in growth areas within Melbourne and Regional Victoria where Precinct Structure Plans may refer to "retail floorspace" caps but these are always implemented as "Shop" caps.

Shop is nested within Retail premises, with a myriad of other uses sitting alongside Shop within the Retail premises use category. It is therefore suggested that the floorspace cap should remain on the more focussed Shop use category for Precinct 9.



## 2. Further increase in Shop floorspace cap

The proposed increase in the Shop floorspace cap at Shepparton Marketplace from 15,000 sqm to 22,500 sqm was recommended as part of "Marketplace Action 3" on page 113 of the *Commercial Activity Centres Strategy* ("CACS") prepared by Essential Economics and Spiire for Council in November 2015.

At the outset, and following on from the first item discussed in this supplementary submission, it is noted that the CACS refers to "shop" and not "retail" in some sections.

The justification given within the CACS for the choice of the shop floorspace cap of 22,500 sqm is that it is "... consistent with industry benchmarks for centres anchored by a discount department store". Whilst this may be the case for single DDS-based centres today, it is certainly not the case for double-DDS based centres which typically contain between 35,000 sqm and 40,000 sqm of shop floorspace. Centres are also constantly evolving and so expansions to existing centres may well be based on the introduction of more supermarkets and, particularly, more mini-major tenancies than are typically found within today's centres.

In this context, an expansion of Shepparton Marketplace to approximately 30,000 sqm of shop floorspace could be achieved without the introduction of a second DDS.

Approved expansions of this scale are in place (or developed) for non-CBD centres with a similar role to Shepparton Marketplace in large regional Victorian cities at Ballarat, Warrnambool and Mildura.

It is also apparent that the increase in the shop floorspace cap from 15,000 sqm to 30,000 sqm (i.e. a net additional 15,000 sqm) would represent between 27% and 42% of the additional retail floorspace of between 35,700 sqm and 55,300 sqm identified by the CACS as being required within Shepparton over the next 20 years. The proposed increase in Shop floorspace cap of 15,000 sqm at Shepparton Marketplace is then considered a reasonable figure in the context of Shepparton where the CBD dominates – and will continue to dominate – the retail hierarchy which will only be expanded modestly outside of Shepparton Marketplace in convenience-focussed centres.

It is therefore suggested that the Shop floorspace cap in Precinct 9 should be increased to 30,000 sqm.

### 3. Local community employment benefits

Industries supporting local employment growth are critical for the economic well-being of regional cities such as Shepparton. An expansion of the Shepparton Marketplace to include 30,000 sqm of shop floorspace would generate significant employment benefits for the local community.

Such an expansion would require a substantial investment in the order of \$45 million (in today's prices) to be made by DEXUS. Such an investment would result in increased local employment – measured as Full-Time Equivalent (“FTE”) jobs – as follows:

Phase	Timeframe	FTE jobs		
		Direct	Indirect	Total
Construction	18 months	155	136	291
Operation	Ongoing	404	298	702

The most recent Small Area Labour Market data published by the Australian Government's Department of Employment for the June 2016 quarter indicates that there was an estimated 34,137 people living within the City of Greater Shepparton in the labour force at June 2016. Of these, 1,677 (or 4.9%) were estimated to be unemployed.

The construction jobs created during an 18-month expansion phase at Shepparton Marketplace would be important as many of these would be skilled and supported within a regional economy which requires such ongoing investment to ensure that workers in key sectors such as construction can continue to live and work locally.

However, the ongoing increase in jobs supported by the operation of new retail (and associated non-retail) facilities at Shepparton Marketplace would be vital. If 70% of the new jobs – i.e. approximately 500 – were filled by residents of the City, and these jobs were worked at an average rate of 0.7 FTE, an additional 700 local residents would have employment. This would result in the current unemployment rate dropping from 4.9% to 2.9%, a decrease of 200 basis points. Most importantly, the majority of new direct retail jobs would be filled by younger residents. In a regional economy where youth unemployment rates are typically at least three times the rate observed for the rest of the population, such employment opportunities are vital.

It is also important to acknowledge that retail is a stable provider of employment. Unlike many other industries, and particularly those related to agriculture, there is relatively little seasonality in retail and it is an industry which is largely immune to financial and economic shocks domestically and globally.

#### 4. Keeping Shepparton on a growth path

Council has recently exhibited the report *Greater Shepparton Economic Development, Tourism and Major Events Strategy 2016-2020* ("Economic Strategy") and called for submissions on this key document.

The Economic Strategy is based on 7 key themes:

1. Best practice economic development
2. Food hub
3. Training and attracting a capable workforce
4. Re-invigoration of the CBD
5. Future industries
6. Visitor economy
7. Major events hub.

It is submitted that an expansion of the Shepparton Marketplace would be entirely consistent with the themes of the Economic Strategy with workforce issues already addressed in the previous section of this submission.

Another key benefit would be the introduction to Shepparton of retail formats and brands which cannot be accommodated within the Shepparton Marketplace or CBD at the current time. Currently, local residents are forced to shop outside of Shepparton to access these formats and brands, with local escape spending estimated at 19% in the CACS. There is a danger that this will grow, particularly with internet retailing becoming more prevalent in regional markets, unless development is fostered in locations such as the Shepparton Marketplace.

The Economic Strategy also emphasises the importance of the visitor economy to Shepparton and the role which major events play in attracting visitors. The provision of an increased and modern range of retail facilities will always be important in attracting events and visitors to Shepparton, with context provided by the CACS which estimates that just 9% of current retail turnover within Greater Shepparton (or \$85 million) is derived from people living outside of Shepparton's extensive catchment area.

**5. Support of the  
South East  
Shepparton  
Growth Area**

Council and the Metropolitan Planning Authority ("MPA") are currently progressing the planning for the South East Shepparton Growth Area which extends from Benalla Road south to the Broken River. The southern portion of this area is currently largely semi-rural in nature but will eventually be developed to provide housing for approximately 10,000 new residents.

An Urban Design Framework ("UDF") is being developed for the Benalla Road portion of this growth area, reflecting its importance as the gateway, employment and, in the case of the Shepparton Marketplace, activity centre focus for the area.

The UDF will require the Shepparton Marketplace to be altered so as to address the community which will grow to its south. An expansion of the centre – requiring redevelopment of the existing centre which is purely focussed on Benalla Road – and extending onto the land owned by Dexus to the south will enable integration with the new community. This will be enhanced by development of roads and other movement pathways into and through the centre.

Such a redevelopment and extension comes at a high cost, but a cost which Dexus will bear if it can expand the centre in a manner which generates the return required on its investment.

**Conclusion**

This letter has been prepared as requested to assist with DEXUS' supplementary submission to Am C192. It focusses on the economic benefits which would result from the proposed expansion of the Shepparton Marketplace and makes a number of suggestions about modifications which should be made to Am C192 in order to facilitate the appropriate future of the centre and the wider Shepparton community.

We would, of course, be happy to provide further information if required.

Kind regards

A handwritten signature in black ink, reading 'Justin Ganly'.

**Justin Ganly**  
Managing Director





18 AUG 2016

**Greater Shepparton Council**

**Locked Bag 1000**

**Shepparton 3632**

**8<sup>th</sup> August 2016**

**Re C192 Planning Scheme Amendment**

**Dear Sir Madam,**

**1. Introduction** I write today to you on behalf of Shepparton resident Ms Jayne Thomas, of 29 Beckham Street, Shepparton 3630, who reached out to the Centre for Independently Owned Retail Research (CIRR) for assistance in analysing the community effects of the proposed Greater Shepparton Council's 2015 review of Commercial Activity Centres with especial interest in relation to the northern corridor along Numurkah Road and after Council adoption of that Report (CRCS Nov 2015) to make a submission representing her views to the Planning Panel C192.

**2. CIRR background** For your background information CIRR is a not for profit advocate and research resource generally for small business in matters of competition, planning, and providing resources against the push of well-funded, big-business. The sectors in which CIRR has extensive experience include supermarkets, liquor, hardware, home improvement amongst others. CIRR has a website at [www.cirr.com.au](http://www.cirr.com.au)

CIRR has not only assists small business, but has also helped numerous community groups and individuals; for instance CIRR actively supported the Newport Residents Action Group (NSW), individuals recently in Torquay (Victoria), residents in 2013-14 in Glynde (SA), and numerous others since 2010.



**3. CIIR recommends not accepting CRCS Nov 15** CIRR does not recommend adopting CRCS at Clause 21.05.5, 21.08 and 21.09 for the following reasons.

There is already strong presence at this Hawkins Street and Numurkah Road junction with several major fast food outlets and two petrol stations as well as the existing supermarket, tatts lotto, liquor outlet and café.

CIRR agree the area will benefit by further community and retail development at *this* corner and understand that there are moves afoot to deliver this. They should be encouraged.

The existing bus route along Hawkins Street is also a major factor in recommending this corner to you as the key for an activity centre in this area. Traffic lights being installed at this intersection will enhance the corner for focus of the prime activity centre in the north.

The building of an integrated activity centre at this corner is a priority and should not be jeopardised by a string of shops along the Highway where shoppers will have to walk along the Highway or, worse still, get into their cars and drive to the next corner at Ford Road. That would be totally unacceptable and seem to be a poor planning outcome.

If you have a centre it should be a centre and not one with a satellite less than a kilometre up the road competing with it and making shopping life difficult for the shoppers by spreading out the range of shops and community services. It would be a poor planning outcome if shops and services were replicated in both “centres”. One outcome could be to have one major centre - Hawkins Street - and a supportive strip type (small neighbourhood convenience) one at Ford Road, but not two areas of similar size with replicated attractions.

If there was a small strip shop of convenience stores there (at Ford Road), as there is scattered throughout the neighbourhoods in Shepparton, then this would have its advocates, but to set up two activity centres within the



“precinct” would be a mistake and not what the community would support or need.

In addition, there is general support for ensuring that Shepparton has a healthy CBD and that this is beneficial for retailing throughout the Shepparton Urban area and even further afield.

At the present (for the recent past and into the near future) you could make an argument that there is a real threat to the success of achieving a healthy CBD. While there has been one major supermarket development in North Shepparton, there has been stagnant take up of many retail premises, many in absolute prime locations in the CBD. In fact, in 2015, three corners of Wyndham and High Street were vacant. You can't get more central than that, nor such an obvious bell that rings out a warning that all is not “swimming” in Shepparton retail. There will be numerous land owners suffering from untenanted space and a slow take up of it. The effects on landlords, where local, will spread through the community too, as leases go unpaid and income is reduced. If local income is reduced it means that local expenditure is also under fire from available income, or savings have to be substituted. There is a limit to substituting income with savings and the net result will be, and is, less money will circulate in the local economy if the landlords are not earning from untenanted buildings/shops.

There is a hierarchy for these retail developments and the peak is and should be the CBD. Outer developments, say at North Shepparton as this C192 reviews, must not undermine the success of the CBD.

In fact, the CRCS adoption by Council was accompanied by a strong Council motion at the same time to ensure that each new development of this scale be submitted to Council for review and be supported by an economic study which shows that the impact of such a development on the CBD will not be deleterious. There seems to be no mention of this Council resolution in the matters currently before C192. It should be.

The CRCS seems to rely on the supposition that each of the two Coles, the two Woolworths, the Aldi, the SPC factory outlet and the Fairley's (IGA) all



have separate catchment areas. CIRR disputes this. Clearly the two Woolworths have overlapping catchment areas being only a kilometre apart on the same road, on the same side of the road and both being supported by the same brand of liquor outlet.

CIRR says views of catchment areas for each supermarket have not been examined. CIRR recommends that Council and or its economic consultants conduct exit surveys of shoppers from the existing supermarkets to further support (or not) the published views of catchment areas.

A simple example demonstrates the situation. There is a wide choice of supermarkets to choose from in Mooroopna, but for many shoppers from there and further out that way, Shepparton supermarkets will be their destination of choice from time to time for a variety of linked shopping experiences.

In essence, there is little to be gained by developing a second node to an Activity precinct as recommended by the CRCS as the community is already shopping all over Shepparton without complaint as well as in the CBD. And the Council strategy, over all others, is to keep this central shopping pre-eminent. Reducing foot traffic in the CBD by attracting it away to the north, serves no-one and is ill conceived.

The experts seem to have got it wrong at Riverside where there is plenty of empty space and what seems to be plenty of tenuous retailers "holding on".

Two things arise, CIRR believes that Shepparton does not want to repeat such unsuccessful development in the north of Shepparton, and secondly, no doubt, experts all said there would be no problems with this development at Riverside in the formulation of approval for the centre.

It is a blight on planning processes and over reliance on experts when common sense and more careful analysis could predict the lack of success.

CIRR notes that the CRCS makes two key basic assumptions: i. not to include discount department stores in a North Shepparton activity centre (presumably as a result of the southern failure and over supply of such floor



space already and for the foreseeable future), ii. to promote the primacy of the city centre as the retail heart of Shepparton and not to undermine it by outer development.

Shepparton CBD has so many empty shops it is folly to be over-developing north (or any other direction) of Shepparton. The advent of the new Coles meant that there are many new empty shops on top of the existing ones in the CBD. The net take-up rate of the empty shops is minimal except where retailers have moved in closer to Coles and left their previous CBD shops empty.

Sometimes it seems that our economists take the “build it and they will come” attitude, when shopper behaviour, in Shepparton at least, means that many (most) are quite satisfied to choose their supermarket and ancillary shops according to preference rather than proximity.

In reviewing C192 please take these issues into consideration and find an appropriate response which does not commit to excessive retail outlet space and consequential ghost town development in the CBD *and* North Shepparton which satisfies no-one: shoppers, developers and the community.”

The CRCS estimates that Shepparton area needed somewhere between 35,700sqm and 55,300sqm of extra retail space between now and 2036.

From my own experience as a Bachelor of Economics from Monash University 1971 and more than 10 years consulting in the sector of retail planning issues, we would like to draw to your attention the following issues for your review.

A cursory view of the central business district today (and for the past year at least) shows many vacant retail spaces.

Currently, there is 4,700sqm of extra retail already approved in North Shepparton, there is about 8,000sqm of empty space at Riverside including the old Clark Rubber store in front and the site directly across the road. In



the town centre, there are approximately 60 retail vacancies/for sale/for lease sites.

It is difficult to accurately aggregate these spaces and put a precise floor space total on them without a formal retail audit, but CIRR's best estimate is that there would be close to 15,000 sqm of retail empty space in the CBD today.

"The total therefore of empty space or already approved but unfilled space for retail in Shepparton is approximately 27,700sqm.

"So, if a minimum an extra 35,700 sqm of space is required in Shepparton over the next 20 years according to the CRCS, does this really mean that the Shepparton area will absorb 63,400sqm of retail space to reach the **lower** threshold of the draft's estimate.

To put it in perspective, the current empty spaces are more than 50% of the upper estimate of new space to be filled in 20 years' time.

To reach the upper estimate of the CRCS, Shepparton would have to fill the current empty spaces and add another 55,300sqm bringing a whopping total of 83,000sqm of retail space being filled over 20 years. That is more than double the lower end of the CRCS estimate.

"While preparing the CRCS in respect to the retail floor space and future projections there seems to little proper recognition of the obvious and current state of retail vacancy affairs. A fresh sense of proportion is required and underpins CIRR's recommendation that the CRCS is *not* added as a reference document to C192.

CIRR recommends extreme caution in rezoning (as suggested elsewhere in the CRCS) to open up more retail space which can only undermine the very thing the draft intimates is a priority: a vibrant retail hub in Shepparton centre."

#### **4. VCAT decisions which conflict with the draft strategy proposed for the Shepparton's northern corridor.**



**4.1 Preliminary points** CIRR would like to make some preliminary points regarding the CRCS before turning to its findings concerning the VCAT which has considered the issue of twin anchor developments (and in particular supermarket developments) in several decisions. In particular, the Tribunal has focused in each case on whether the development will provide a net community benefit and whether it is in accordance with structure or development plan applying to the area.

**4.2 Net Community Benefit/Disbenefit** CIRR notes that a comprehensive net community benefit argument has not been mounted under the draft strategy proposed even though it has been prepared by an economist. CIRR itself is in a position to mount a case that there will be a net community disbenefit arising from the proposed commercial activity centre “with two heads”.

**4.3 Lack of Structure Plan** In addition, we especially note that Council has yet to develop a structure plan for the area which is a point made by others in commenting on the CRCS and C192. It seems to have been unaddressed at this stage or overlooked by Council in its move to developing a retail strategy ahead of a planning strategy. Time and again VCAT and others use a Structure Plan as a base tool and a retail strategy in a sense as an overlay on that core planning document. To have it otherwise, invites decisions on market led opportunities to take the place of sound planning: see VCAT judgement quoted below.

**4.4 Dual anchor ..not orderly or proper planning** Returning to VCAT-related issues we should reference the importance of the *Fabcot Pty Ltd v Latrobe CC* (2007) VCAT 354 in which the Tribunal determined that a permit should not issue for the construction of a supermarket and a group of specialty shops at the southern end of a commercial centre (where an existing supermarket and retail complex was situated at the northern end of the activity centre). Here the supermarkets would be separated by around 600 metres.

In particular, the Tribunal noted that *“two major activity nodes at either end of (a) centre with an underutilized ...building between them... is not an acceptable outcome.”*



As such the dual anchor proposed in that instance was not deemed to represent orderly and proper planning.

**4.5 Disconnected commercial developments.. compromise.. intimate walkable centre** The Tribunal made similar comments in *Maverston Property Pty Ltd v Greater Bendigo CC* (2013) VCAT 1244 concerning a proposed retail development at Strathfieldsaye. Again the standalone supermarket and about 10 speciality shops, set back from the street, and located about 400 metres away from the existing supermarket anchored shopping centre was refused. The development plan was refused.

In this case, at least there was a development plan under review. What is proposed in north Shepparton is a retail strategy before the introduction of any development plan. The horse is before the cart and if it passes through this initial step, the outcome in any future consideration as a properly considered development plan is open to be prejudiced by this initial approval and adoption which was not properly formed in planning terms.

At VCAT, with regard to Strathfieldsaye, the Tribunal said: *‘The Strathfieldsaye Township Plan 2009 aims to stimulate development of an intimate shopping environment that can be easily navigated by walking. This involves discouraging disconnected commercial developments that would compromise the vision for an intimate walkable...centre. In my view, the proposed development plan will not achieve this vision.’*

This decision goes to the heart of Ms. Thomas’ view that twin anchor tenants in an extended commercial activity centre falls well short of meeting the decision principles from this VCAT case set out above.

That there is no Township Plan, no DPO etc. on the site/in the area does not vary the general principles which would apply in the Numurkah Road context.

**4.6 But with integration and a structure plan** In the pursuit of balance, we should also make the point that in some decisions on this vexed issue of twin anchors in a single activity centre, VCAT has supported such given that there was appropriate integration into the activity centre and the



development was in keeping with the key aims of a structure plan applying to the area.

You will notice that in the CRCS with respect to North Shepparton, neither of these conditions are met.

**4.7 Bright disbenefit and community loss** CIRR also wants to comment on the Tribunal's decision to support twin supermarket anchors at Bright in 2008. In this case a net community disbenefit argument was put and rejected.

However, the clear outcome as calculated by independent consultant MacroPlan in a post development review of Bright in the era of the 'new' supermarket and four specialty shops has been a undeniable disbenefit to the community. The outcome demonstrates loss of jobs, closures of businesses (butcher, convenience and supermarket etc) and significantly reduced local produce being sold locally, reduced income for a range of local shops including pharmacy and remaining butcher, wineries and depression of commercial rental rates.

The four specialty shops surrounding the 'new' supermarket have been untenanted since development 5 years ago. VCAT, advised by a host of economic consultants for Council and developers, seriously under-estimated the damage that would be caused by twin anchors in a single activity centre. MacroPlan calculated this disbenefit and the community had to survive it.

Some businesses and numerous employees did not 'survive' the effects of the miscalculations adopted by the Tribunal. They left the township, moved out of the Shire for new work opportunities and had their livelihoods reduced. Many became poorer as a result of the twin anchor proposal and even a few non-competing business took five years to recover to pre new supermarket development levels of commercial activity, because of the fragmented customer foot traffic which now exists in Bright as a result of the 'new supermarket et al development'.

The take-away message for CIRR in the case was that the Tribunal and Council reach decisions which have economic effects that they are not



especially and specifically qualified to give full weight to and that economists, too, can miss the mark as well. Erring on the side of preservation of the existing community benefits should over-ride the loosely anticipated needs of the distant future and consequential diminishing of current and immediate future community social well-being.

VCAT has found soundly in several instances mentioned above (La Trobe and Greater Bendigo) for Councils to shy away from twin anchored activity centres. The Tribunal has found in these cases that twin anchored activity centres represents poor and unacceptable planning.

## **5. Victorian Planning Panel decisions and the Victorian Ministerial Advisory Committee pronouncements**

**5.1 Panel refuses Lascorp development in Irymple** The Panel and Committee findings also give rise to reviewing the CRCS proposed for the Shepparton northern corridor

For instance, the Panel Hearing for Planning Amendment C63, 67 and 68 to the Mildura Planning Scheme (February 2008) before Planning Panel Chair Kathryn Mitchell, Professor Roger Eade and Member David Whitney is instructive. Amendment C63 refused a Lascorp development for a supermarket and 6 retail facilities and child care facility at Irymple.

At the time of the Panel hearing, a planning permit for a Fishers IGA supermarket and ancillary shops 500 metres away was issued in 2007 and valid until October 2015. (It has since been built and operates successfully.)

The Panel identified that the key debate was whether the provision of two supermarket based centres in the short term in Irymple would lead to over provision and thereby have a negative impact on competing centres. We make this potential for negative impact observation elsewhere in this document in relation to Shepparton North and the CBD, let alone other strip shopping in the community.

At the time, the Irymple Structure Plan identified the need for a supermarket based town centre in Irymple, but did not identify a location.



Instead it identified two locations on the basis that whichever went first would provide a supermarket for the next ten years or so until and if demand justified a second. In Shepparton North, a planning permit has been issued (as with Irymple), and despite delays, as encountered at Irymple, development of a large activity centre is well progressed.

It is again worth noting that Mildura Council had an existing structure plan for Irymple which facilitated decision-making.

The same Panel said that the relative centrality of the Fisher's site is a factor which supports its suitability as a logical site for the township's retail hub both now and in the short to medium future.

In conclusion on planning matters, this Panel said:

*"The Panel believes that Lascorp's case relies heavily on the fact that despite favourable zoning and a permit, Fishers have not provided Irymple with its needed supermarket. If this is the case, it is not a reason in itself for abandoning sound planning practice and agreeing to the structure of settlements such as Irymple being dictated by market led opportunities."*

In relation to the issue at hand, there is an existing full line supermarket and a permit to extend this to at least 8,000sqm of retail in North Shepparton. The residents of Shepparton and North Shepparton specifically are not without the benefit of the current operation of a highly successful and well regarded supermarket already (in contrast to the Irymple example above). In addition, plans are now afoot to take this to 14,000sqm. CIRRR hopes that C192 in Greater Shepparton agrees with this Panel decision also, and does not abandon sound planning practice for market led opportunities in North Shepparton.

Panel, it should be said, in this instance had a resolution which may also apply in Greater Shepparton. Panel in relation to Irymple, recommended that the Structure Plan be amended to show the Fisher's site as the preferred town centre and the Lascorp site as a future commercial opportunity site.



There is another interesting feature of this Panel decision. It was sent by panel to Council in the normal process for review. Council chose to overturn this senior Planning Panel recommendation and submitted its acceptance of the Lascorp proposal to the Victorian Minister for Planning.

The Minister refused to accept the Council's recommendation and endorsed the Panel's judgement.

The outcome of this Panel decision has been that Fishers built and now operate their successful store, together with a small supportive integrated shopping centre which operates well, is walkable and serves the needs of the community. It does not detract from the successful operation of other town centres' retailers, i.e. it fits well into the broader retail hierarchy as designated by Council.

In relation to North Shepparton, using the Panel decision as a guide, this would amount to Hawkins Street and Numurkah Road environs (The Fairleys site) *continue to* be designated under the proposed retail strategy (and in any future structure plans for the short and medium term at the least) as the preferred retail hub/retail, commercial activity centre and elsewhere along the commercial corridor including the Ford Road and Numurkah Road intersection as future commercial opportunity sites.

For balance again, it should be stated that the Panel did concede the following conclusion (which again has resonance with the situation at Shepparton North):

"In summary, the Panel is of the view that the economic analysis does not support the provision of two supermarkets ...now but that there is some evidence that such provision may be warranted towards the end of the planning period. This suggests that the (Lascorp) proposal encompassed in Amendment C63 is in Mr Gobbo's (SC) words, "premature".

**5.2 Victorian Ministerial Advisory Committee** CIRR seeks also to draw attention to the: Reformed Zones Ministerial Advisory Committee Commercial and Industrial Zones Report (February 2013) was relevant to



C192 for North Shepparton when it addressed the issue of floorspace caps in regional Victoria.

It said:

*“There are two instances where a greater level of planning control may be appropriate:*

*“In newly developing areas where there is concern that lower order centres might expand and take on greater importance at the expense of other higher order centres, and this is contrary to policy objectives.*

*“These developments can divert community activity away from the town centre and result in adverse trading impacts for retailing in that centre and subsequently co-located services.”*

This principle has two points of reference for C192. Firstly, it highlights the dangers and the Ministerial support for not diluting the core activity at Shepparton CBD, including both retail and co-located services, by drawing some of, but too many of them to Ford Road, and the same micro argument can be made for drawing activity away from Hawkins Street corner and fragmenting the retail and services offer in North Shepparton.

In this case floor space caps should support a structure plan, when developed, to ensure that the 14,000sqm of retail and commercial activity designated for North Shepparton is concentrated at Hawkins Street, and if by review some reduction to that floorspace cap is made then whatever the remainder and accepted level of floorspace is decided, then it again should be concentrated at Hawkins Street intersection with Numurkah Road.

The Ministerial advice also makes comment,

*“where unrestrained growth of a large centre on the outskirts of a regional Victorian town may prevent growth of the existing town centre to the overall detriment of decisions by governments to invest.*

*“In these circumstances it may be necessary to limit the overall amount of retailing.”*

In an endorsement of the sentiment of the C63 Panel decision in Irymple, the Advisory Committee recommends that “mechanisms such as floorspace caps in Commercial Zones in rural municipalities are maintained to allow



net community benefit from investment in centres. These caps should remain until such time as the commercial hierarchy in these locations is well established.

That 8,000 sqm of retail/commercial activity already approved on a site - which can accommodate 14,000sqm (according to the economic analysis to hand to date) and is moving towards development of that higher number quite quickly now (at Hawkins Street) - should be supported at Council by a structure plan and retail strategy overlay. That position should be confirmed by a floor space cap for the medium term, at least, allowing the CBD breathing space to pick up the vacancy rate and grow new shoots in retail and service opportunities. At the same time the floor space cap, will allow the activity centre at Hawkins Street in North Shepparton to operate as a well-planned outcome.

## **6. The retail trends which should be considered in C192 in relation to strategy proposed for the Shepparton northern corridor and which disrupt the outcomes of the Council adopted analysis**

**6.1 Branding.** Planning is usually brand free. That is, planning decisions are made without fear or favour as to what brands (of supermarkets, in this case) are being considered for permits, for zoning etc.

However, planning does concern itself ultimately with 'net community benefit' and this decision flows from the High Court of Australia. So at Council level, there is a clear imperative to consider net community benefit. To do this, the type of supermarket being considered is paramount to being able to make that decision about benefit.

For instance, in Greater Shepparton there are already two Woolworths, two Coles, one Aldi and one Supa IGA (Fairleys at North Shepparton) various smaller convenience marts and the SPC outlet store in the CBD. This does not include the range of supermarkets in Mooroopna.

At North Shepparton, in the scenario put forward by the CRCS a proposed new supermarket is designated to be a Woolworths.



Decisions need to address the reality of brand. An acceptance of the CRCS strategy as proposed means adding another Woolworths to the retail mix where it would have three stores in the Greater Shepparton city, not including Mooroopna. It will create a significant overcrowding of a single brand, triggering ACCC consideration, possibly to the extent of undermining the sustainability of the independent supermarket operation and the 50 year lease as anchor it has for the Hawkins Street/Numurkah Road retail hub.

To consider the impact of C192 without understanding what the implications actually means in the real world, for the existing retail operation and residents of North Shepparton and Greater Shepparton would be a flawed judgment process.

The Ministerial Advisory Committee referenced above encourages supermarkets and convenience stores in most commercial locations “to encourage a wide range of supermarket formats”.

Adding another full line supermarket at North Shepparton will duplicate the supermarket format throughout Greater Shepparton. It will not add to the range of formats. However, an Aldi supermarket would achieve that purpose. A Foodworks supermarket would achieve that purpose. A Lidl supermarket would achieve that purpose. A Coles Express or Woolworths small format store trialed in NSW at 1200 sqm would achieve that.

The Ministerial Advisory committee is recommending the opposite of the CRCS and for good reason. The Advisory Committee believes that a range of supermarket formats creates choice. Duplicating the formats duplicates the ranges and experiences by and large and adds very little benefit while creating substantial disbenefit to the retail operations, not just supermarkets, but other co-located retailers and services, including government services such as post office, Medicare centres, and/or child care centres.

Calling for more of the same (ie same Woolworth format supermarket) is a recipe for poor planning outcomes.



**6.2 Range of stock.** Full line supermarkets of Woolworths are heading for a reduction in stocked items in an attempt to price match with Aldi on a core of hundreds of everyday lines.

In addition, Woolworths are increasing by 10-15% per year every year their ranges of home brand products. Woolworths recently announced a major revamp of their home brand lines and announced a sustained push to grow that sector of the market. It means that Woolworths will be a little less of a full line supermarket each year as they pursue this policy.

They have and will continue to reduce their brands of stock reducing the consumer choice as they concentrate on home brand items to the exclusion of variety.

Variety, or choice is not only about what brand of supermarket is available to the community, but what variety, what choice of products and brands the supermarket has stocked inside.

Residents of North Shepparton and Greater Shepparton may lose the foremost stockist of Australian brands in food and grocery with the potential demise of Fairleys, if oversupply of floor space is allowed and promoted as is the recommendation.

**6.3 Online sales.** Woolworths have undermined the traditional idea of trade areas that economists have been modelling with for years. Now, practically no matter where you live, you can order online and have product delivered to your door. The location of the supermarket is generally irrelevant.

A Woolworths shopper can order online and have goods delivered from either of the existing two supermarkets of that brand within easy reach. It is irrelevant to the shopper from where the goods are delivered. This style of shopping is growing in a three year trend from between 6-9% per year for Woolworths.

The economic analysis underpinning the draft retail and commercial strategy is based on traditional trade areas. CIRR disagrees with some of the



assumptions of these trade areas. CIRR says much of the trade in North Shepparton supermarket comes from outside of the trade areas delineated by the CRCS. The submissions by Metcash using Fairleys data demonstrates this point, is based on actual collected data and contradicts the economists trade area desk-top assumptions. This then makes the analysis based on undermined assumptions therefore 'shakey'.

But notwithstanding these fatal flaw problems with the analysis, the disruptive element of online shopping is the fault line for traditional trade areas and analysis and recommendations based on them. With online shopping, the shopper is everywhere and the supplier can come from wherever. Increasingly, shoppers care less about shopping local, except perhaps for the most loyal shoppers according to a recent survey which says IGA shoppers are most loyal of all supermarket shoppers in Australia.

But the point remains, shoppers for another brand of supermarket as predicated in the draft strategy don't need bricks and mortar anymore. Their orders increasingly are a click away and the grocery is delivered. They don't need another duplicate supermarket. They are little disadvantaged by not having one. No rezoning necessary. A re-imagined CRCS retail strategy is, however, necessary.

By the time one a supermarket was opened at the proposed site in Ford Road the percentage of online shoppers would, given current trends, would approach 15% of total sales. By 2025 up to 30-35% of all supermarket shopping may be conducted on line and increasingly for home brand products. The levels will vary according to location, demographics, price of petrol and a host of other issues, but none of this has been factored into the CRCS.

**6.4 Intimate retailing: connected shopping; walking distance** Despite appearing contradictory, there remains a strong requirement for intimate retailing for those who do go shopping in person. This shopping is the other side of the coin from online sales, where the customer experience is sought-after in a shopping centre with services and retail all within walking distance from a single car park, where connected shopping can offer



convenience for the shopper and allow small specialty shops and services to feed off one or two anchor tenants.

With the Greater Shepparton Council policy being not to encourage Discount Department Stores in the regional retail activity centres, the anchor tenant is most likely to be the full line supermarket. The heart of the North Shepparton activity centre will be the existing supermarket which offers the connectivity to other retailers already in the area and those new and extra stores, which are contemplated by the expansion to 8000 sqm of retail and commercial space already permitted. To meet Council's requirement, a further 6,000 sqm of retail and commercial space is proposed at the Hawkins Street and Numurkah Road site. Developers already have a head start on what is sought at this site by existing consumers. The extensive recent survey by Fairleys has identified the type of retail and services sought at the Hawkins Street centre by customers/residents. This survey of 500 shoppers in North Shepparton is included in CIRRR's original submission to Council for review in respect to the CRCS.

Instead of Council being advised by economists what residents will want, and where, the residents, the rate-payers and voters have explicitly said what retail and services they now want and where. It is a powerful survey and the results indicate that a fragmented activity centre is not on the agenda of customers.

The severance of the activity centre into two fragmented nodes is in conflict with sound planning principles as argued above. The walkability of shopping between two nodes of 600 metres is not sustainable as a practicable outcome, nor does it accord with environmental principles of a single park and shop experience.

**6.5 Changing face of supermarkets not recognised.** The issue of the dynamic quality of supermarket need is not addressed. We have plenty of analysis focusing on the quantitative need (with which CIRRR disagrees: see above) but nothing about the way Australia will want to shop in the years 2015 to 2035. Apart from online sales as mentioned: CIRRR says the supply



of full line supermarkets seems to be a fixed solution to dynamic demand from the community.

With seven major supermarkets (five full line) Shepparton is blessed for choice and access to all that a supermarket can offer. The fact that the big two duplicate their offer in Shepparton does not seem to excite the community. Adding another even less so.

But the real question unaddressed by this blunt assessment of future demand is how will we as a community want to shop. Of course, the supermarkets will try to lure/force us into shopping at their stores of choice. They see that Aldi is succeeding. Lidl from Europe is coming as a clone to Aldi. In the UK, the Daily Mail Online reports that the supermarket leader, Tesco, after shutting down large full line supermarkets, after shutting down and not developing out of town large full line supermarkets, after ceasing to plan large full line supermarkets in recent years, is now actually 'Aldifing' many of their existing supermarkets to compete with that brand. The result is deranging, of tens of thousands of products out of the store to match the very few products (certainly not even a tenth of a full line supermarket) available at an Aldi.

The dynamic market place means that in the UK at least, the days of full line supermarkets located everywhere is well and truly over and there is a return to convenience shopping, but now with a low price tag required by customers. CIRRR believes that be the trend in Australia, too. There is no appreciation of these issues in the draft report and there should be. Tesco has been the model that Coles and Woolworths have followed to a large degree in Australia for a decade. Economists of all persuasions acknowledge this.

Most recently, Woolworths have announced a range of measures to preserve its future including closing numerous existing stores and halting development of many proposed new stores in an eerie reprise of Tesco's policy.



Before C192 endorses an out of date mode of economic review, appreciation of what the future of supermarket retailing will be in the next twenty years is required and this strategy response is not it.

**6.6 Commercial behaviour.** The commercial reason for locating a supermarket at the other end of a proposed activity centre, even though it will be a fragmented market, is to claim market share and use market power in marketing to chip away at the sustainability of a smaller rival.

The Commonwealth Government may have more to say about this commercial behaviour in early 2017 when it further reviews the impact tests of unfair competition as a follow-up to the Harper Report. C192 may wish to consider the outcome of this review prior to rushing to adopt a retail strategy which may be later forbidden and or overturned by Federal law, ahead of a structure plan being put in place or even being cognisant of the Commonwealth Government's proposed legislation based on the Harper Report and the ACCC new powers stemming from it.

## **7. General propositions for further consideration by C192**

**7.1 Planners before economists** Planning in this Amendment seems to be in the hands of economists and follows the lead of economists. This subjugation of the planning principles of structure planning and or strategic planning to those of an economic needs analysis seems flawed and a dereliction of planning duty.

Moreover, the idea that planning is based on one economic analysis is an unacceptable burden on planning. The idea that there is one economic outcome possible in an analysis is no one's idea of sensible planning.

The financial mire of the Greek nation demonstrates, albeit on another plane, that economists distinctly disagree as to policy and outcomes, and inevitably the passage of time or history determines which economist is correct in his or her diagnosis of the state of the economy when looking backwards. There is little certainty about what will happen when you forward estimate demand and consumption, among other elements.



To roll the planning dice with one economic view is an untenable risk for the future of Shepparton local economy.

## **7.2 How dynamic is the local economy to drive need for a supermarket**

The local Shepparton economy is treated in the draft report as being dynamic in a demographic sense, although the single most relevant issue in new population growth is the creation of jobs. There can be no certainty of this job growth in a macro climate where there is political instability in Australia (Australian Government minority in the Senate) and slowing economic data from China.

The housing industry can collapse on the back of raised interest levels, currently at an all-time low. C192 Panel is therefore urged to be exceedingly careful that the growth figures in population (leading to demand for retail space) is not derived from a house of cards built on quick sand.

There is inadequate recognition of the need for conservatism in the planning based on the CRCS.

**7.3 Breadth of job losses not confined to grocery** The report canvasses the need for supermarkets and note that Woolworth submission to Council indicates 120 jobs will be created. There is no qualification as to whether that number is FTE or made up of full, part time, casual roles and there is no serious discussion as to consequential job losses caused by the fragmentation of retail centre and reduction in activity across it let alone in the CBD. There seems to be no consideration of Woolworth competing for Shepparton's insurance, banking, newsagency, liquor, clothing etc as well as grocery, bakery, fruit and veg and meat and fish even more so than currently (with a presence increased by 50% in the Shepparton general market).

Full line supermarkets of Woolworths generally employ less staff per square metre of retail space than equivalent independent stores, according to research by Price Waterhouse Coopers in WA. So where Woolworths replace independent stores they typically employ less staff in their place.



When they compete with the range of specialty shops and businesses they knock out existing jobs and by show of strength in advertising and market power make it exceedingly difficult for new entries to establish themselves.

Moreover, with the penchant for automated check-out by the big two chains, job opportunities are reducing compared with the number of jobs they used to offer. This automated check-out trend is continuing and will further erode employment opportunities in the future. CIRR says over-development and inappropriate development in North Shepparton as proposed under C192 will have a long term negative effect on local employment.

**8. Summary** In summary, CIRR at Ms. Thomas's behest, sets out a compelling case for not adopting the CRCS report into commercial activity centres as a basis for C192. CIRR makes the case for rejection of key elements of it, most especially review of the CBD retail floor space vacancies at this time and review of the future needs based thereon. CIRR furthermore encourages consolidation of the existing activity centre at Numurkah Road and Hawkins Street in North Shepparton to the exclusion of a dumbbell effect in an activity centre with two nodes, and the resultant poor planning outcomes for residents which will arise.

Also, CIRR seeks that C192 provides and or ensures a strategic review prepared by planners which includes a vision of the retailing future that is conceptually founded on the facts of today, a full appreciation of the vision for tomorrow, not the redundancies of the past.

If you would like to obtain supporting documents in full or discuss any element of this email to you, I would be pleased to address either or both issues. I can be contacted at all times on 0413 77 88 49 or via [info@cirr.com.au](mailto:info@cirr.com.au),

Yours sincerely

Robert Jolly



Consultant

The Centre for Independently-Owned Retail Research

Level 6, 160 Queen Street, Melbourne 3000

E: [info@cirr.com.au](mailto:info@cirr.com.au)



Greater Shepparton Council

Locked Bag 1000

Shepparton Vic 3632

5<sup>th</sup> August 2016

NO	
18 AUG 2016	
Entered To	
By	

Dear Sir/Madam,

Re Greater Shepparton Council Planning Scheme Amendment C192

1. Metcash Ltd is a major Australian public company listed on the Australian Stock Exchange (ASX:MTS) and operates as a leading Australian supplier of food, grocery, liquor, hardware & home improvement products to a number of privately owned independent businesses that operate under national brand names such as IGA, Foodworks, Mitre10, 7/11, IGA Liquor, Celebrations, Thirsty Camel and Duncans. It also supplies goods to a number of unbannered grocery and liquor operators and through its Campbells Wholesale operation supplies to most of Australia's small family owned milk bars etc.
2. Through the course of business trading, Metcash holds, from time to time, strategic land assets and in the case of this Planning Scheme Amendment C192 owns what is colloquially known as Fairleys Corner, the land already appropriately zoned for retail development and designated as the northern activity centre on the Numurkah Road.
3. As both a relevant land owner relevant to C192 and a major player in the Australian retail supply chain, Metcash is positioned to make comment based on its intimate knowledge of the trading conditions in the immediate and wider Shepparton areas and development prospects of the said land and surrounds.
4. With respect to MSS Clause 21.06.5 Metcash agrees with the need to reinforce the Shepparton CBD as the primary retail centre. Metcash has said and re-states that the need, outlined in the CRCS, for further retail floor space, not just supermarket space in the Shepparton area and particularly of North Shepparton requires close examination and further research. Over-optimistic needs analysis can lead to over - supply of floor space which can affect the sustainability of all retailers operating in the trade area and especially in the CBD of Shepparton.
5. The result of floor space over supply, and diversion of retail floor space to outside the Shepparton CBD can lead to diminution within the CBD both of sustainable returns and the capacity for expansion, investment, refurbishment



and improvement of service and offer to the customers. It can and does have long term negative effects for the customers/community which are exemplified (see below) elsewhere in Victoria and Australia.

6. In reference to this Amendment specifically, the estimates of requirement for extra retail space noted in North Shepparton is substantial, the difference between the lower and upper range estimate on the referenced document being approximately 60% of the lower estimate of need. A degree of finer precision may be needed to make these calculations so as to make them more reliable upon which to base planning decisions.

7. Metcash notes that C192 makes specific mention of the primacy of the CBD area of Shepparton with relation to sustainability of floor space. However, at a time when the Shepparton Marketplace is projected to be approved for an increase of 7,500sqm of retail and North Shepparton to increase by 6,000sqm of retail, casual review of this issue indicates that the central trade area of Shepparton exhibits an over representation of untenanted retail properties already. There is approximately twice the retail vacancy rate in the CBD of Shepparton as other major regional cities in Victoria.

8. Further developments in Shepparton such as the redevelopment of the railway station to be sited on the CBD side of the track and other developments such as the Court House redevelopment will further increase the retail and office vacancy opportunities at a time when there is very little new demand for retail premises in the CBD. The Amendment seeks to create more retail opportunities, equal in floor space, to at least five more (on top of the 8 current major supermarkets in the trade area) full line supermarkets outside of the CBD.

9. Metcash recommends a thorough independent audit of available space and trend analysis to be completed before or within the C192 review and development process by Council. The results of such an audit and trend analysis of retail vacancies will better inform the starting point for forward projections. Such information does not currently appear to be assisting in determining the future estimates in the CRCS or, therefore, the C192 process.

10. MSS Clause 21.06.05 recommends the inclusion of the CRCS Nov 15 to be included as a reference document (and again at Clause 21.08 and 21.09).

Metcash believes the Report is flawed on its needs analysis with respect to the Greater Shepparton Council area and CBD especially, is deficient in its impact of the high level of retail vacancy in the CBD, has blurred distinction between retail and commercial planning terms, is proposing adoption ahead of an adopted Structure Plan (such a Plan should precede the Report not the other way around as mooted in adoption in C192 at Clause 21.06.7), fails to consider the



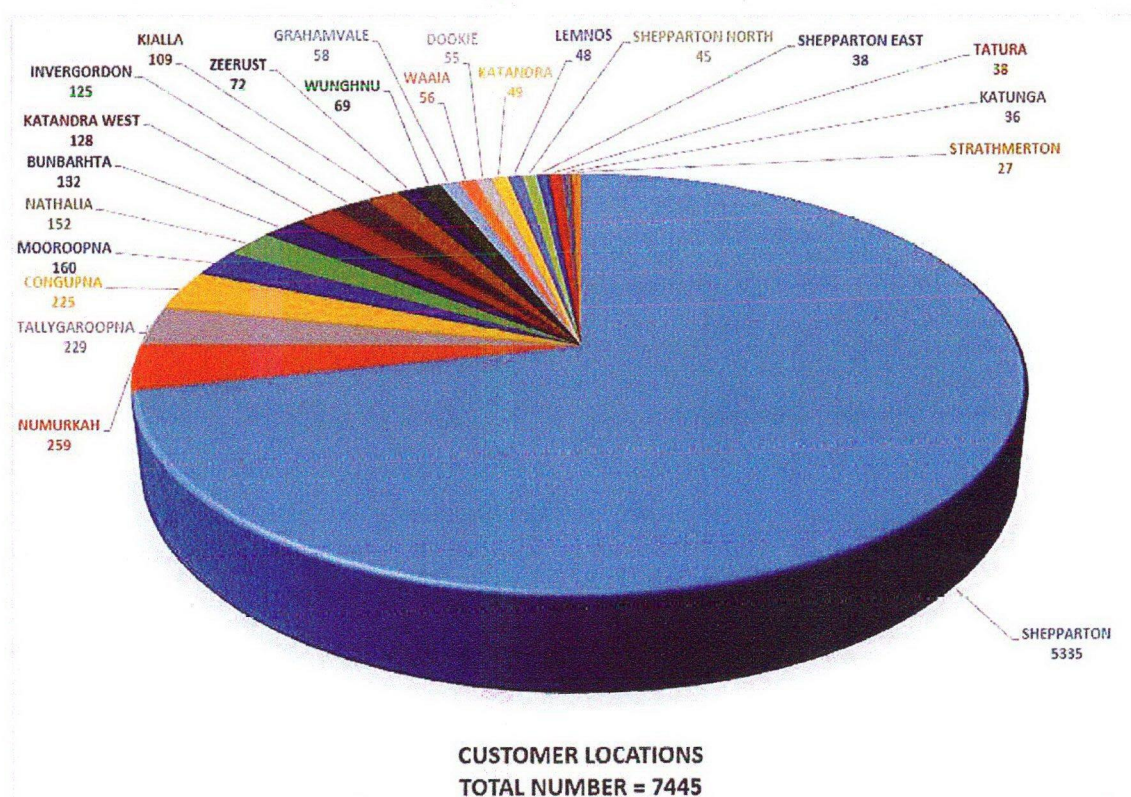
planning outcomes of a twin node Activity Centre at North Shepparton as is envisaged under the Planning Scheme Amendment and finally, fails to record that the 14,000sqm of retail it proposes for North Shepparton can be accommodated on the present Activity Centre at Hawkins Street. The Hawkins Street site could accommodate more than 14,000sqm of retail activity.

For these reasons Metcash believes that the Report (CRCS) should not be included as a reference document at the MSS clauses stated above.

11. In support of these items of issues above Metcash draws from its submission to Council of the 25<sup>th</sup> September 2015 and extracts (and attaches it in full for reference) relevantly:

12. Metcash tenant Fairley's IGA have kindly allowed the company to include a chart of the source of their customers. The small sources of customers (27 or less) have been included into the single section of pie, Shepparton, and the customers from south and central Shepparton are subsumed under the one heading as well.

*Source of customers at Fairleys IGA 2015*



13. The chart above indicates the spread of customers for Fairleys coming from all points of the compass and not constrained to a northern trade area. It is Metcash's position that not only Aldi and SPC Factory Outlet, but Coles and



Woolworths appear to have broad drawing power throughout the community, especially through marketing via local media which saturates the entire area, not just a small definitive section of it.

14. Customers are driving past two and three other supermarkets to get to Fairleys, and Metcash understands that Fairleys' management believe that there is no reason why other supermarkets would not have their own loyal customers who would also choose to drive past one store to get to their preferred supermarket.

15. The logic of the CRCS appears to be that customers will shop at their nearest supermarket. However, the evidence in Shepparton, at least, is that that proposition of customer behaviour is not necessarily accurate. The logic of siting more retail in North Shepparton is not necessarily a benefit to customers who may in some future time reside on that side of Shepparton. Customer behaviour seems to belie the assumptions of the CRCS.

16. Metcash is of the view that structure planning should underlie the future planning of Shepparton and that this would be preferable to the reliance on blunt economic estimates. Planning can, to an extent, rely on economic data, but economic data should not take precedence over more nuanced and appropriate application of planning principles.

17. Investment in the North Shepparton area has been made over the years on the basis of established zoning and planning and the windfall economics being proposed in C192 in North Shepparton is corrosive to making long term sustainable investment.

18. Sound planning principles in the proposed recommendation for North Shepparton would discourage a two node activity centre.

19. Metcash is of the view that a two node activity centre is a less than optimal planning outcome in this area of Shepparton.

20. Metcash refers this Panel to the judgement of Councils, Planning Panel and even the Minister for Planning in rejecting a two node in a single activity centre planning scenario. Examples in rural and regional Victoria in recent years at Heathcote and Irymple are recent demonstrations of this judgement.

21. The example of Emerald in outer Melbourne also demonstrates the loss of community benefit that can be inherent in two node development. In such circumstances there may be benefit for a few, but disbenefit for many more (most) of the community.



22. Another possible outcome derived from the CRCS at North Shepparton is to deliver a strip of Neighbourhood Activity centres along Numurkah Road which would be an unintentional planning outcome. It is Metcash's contention that Council would not prefer such a result for the intended activity centre.

23. On a positive note, Metcash supports emphasis on the Hawkins Street corner and building on what is already designated and emerging further still as a Sub Regional Activity Centre. A petrol station, MacDonalds, Subway, and three other fast food outlets, together with the Council's regional sports centre across the road all make for a major Centre based on Fairleys, the largest supermarket in Shepparton, its bakery, its own Tattslotto agency, liquor outlet and newsagency. This is already an Activity Centre and Council and the community have been advised that further site development is being prepared as allowed for under a current planning permit for 8,000sqm of retail.

24. Metcash also agrees that under MSS Clause 21.06.05 expansion of retailing and commercial facilities in North Shepparton should be subject to planning and development assessment criterion, with especial reference to impact on the CBD and that with the existing prime location already functioning well as a centre it should continue to flourish on the Hawkins Street site making further rezoning (apart from as of right proposals under the recent Victorian Government laws to encourage smaller retail development) superfluous and redundant in this area for the period into the mid 2030's when demand may call for further retail opportunity in North Shepparton and being allowed always in concert with considerations for the vibrancy and primacy of the CBD at Shepparton. Please note that there is also development space at Hawkins Street to add to the community centre and other elements as envisaged under a "full service" activity centre: as envisaged already by the Fairley's redevelopment.

Metcash thanks Council and Panel for the opportunity to present its views on the Planning Scheme Amendment C192 proposal as they relate to North Shepparton and the Shepparton CBD.

Metcash will continue to foster responsible development for the benefit of the Shepparton community which it has served for many years.

Yours sincerely,



**Christopher Burke** | Regional Business Development Manager – (Vic, SA & WA)

**Metcash Supermarkets**

75-79 Fitzgerald Road | Laverton North | VIC 3026

P (03) 8368 6175 M 0419-825-827 F (03) 8368 6225

[christopher.burke@metcashfg.com](mailto:christopher.burke@metcashfg.com)

8<sup>th</sup> August 2016

Greater Shepparton City Council  
Locked Bag 1000  
SHEPPARTON VIC 3632

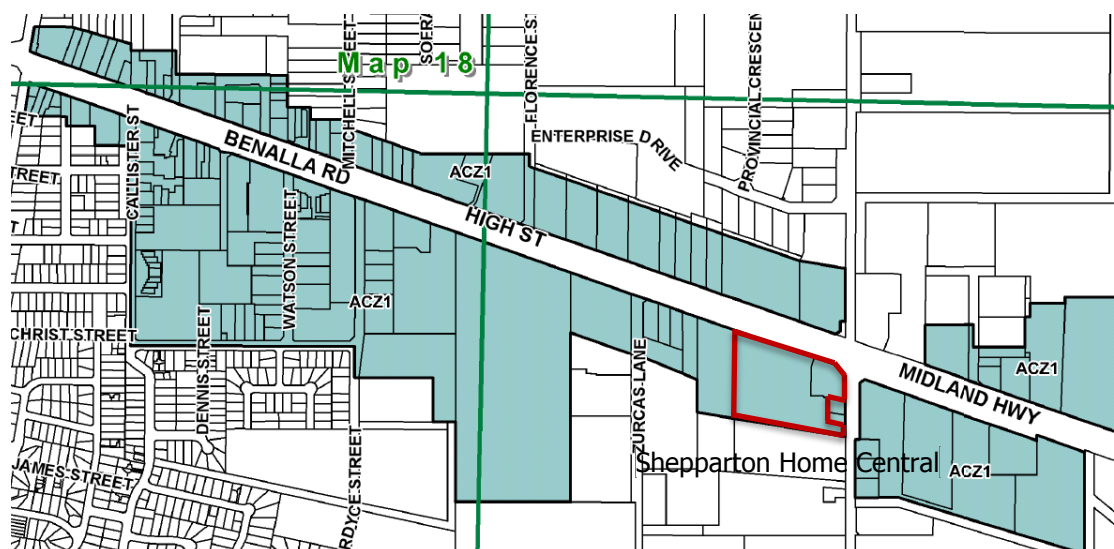
Via email: [council@shepparton.vic.gov.au](mailto:council@shepparton.vic.gov.au)

To Whom It May Concern,

## SUBMISSION ON BEHALF OF SHEPPARTON HOME CENTRAL

We write with respect to the proposed Planning Scheme Amendment C192 to the Greater Shepparton Planning Scheme. Aventus Property Group Pty Ltd are the owners of the Shepparton Home Central located at 290 Benalla Road, Shepparton which is a retail centre home to a number of well-known large-format retailers including Fantastic Furniture, BCF, Pillow Talk, Forty Winks, and Focus on Furniture. Figure 1 below shows the location of the Home Central as indicated on the proposed extent of the new Activity Centre Zone encompassing the Benalla Road Economic Corridor and Shepparton Marketplace.

**Figure 1** – Shepparton Home Central Location



Source: Amendment C192, Greater Shepparton Council

We have reviewed proposed Amendment C192 and understand that it seeks to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*. It is our understanding that the Amendment proposes to rezone parts of the Municipality from the Commercial 1 and 2 Zones to the Activity Centre Zone (ACZ) including the Shepparton Marketplace



and land along Benalla Road (Enterprise Corridor). Of particular relevance to Shepparton Home Central, it is proposed to update Schedule 1 to the ACZ to introduce new Precincts including Precinct 10 – Benalla Road Enterprise Corridor (Clause 5.10). Precinct 10 comprises precinct-specific objectives, requirements (in the form of built form controls), and guidelines. The Amendment suggests that the Table of uses at Clause 3.0 of the Schedule be amended to restrict or require a permit for some land uses to reflect the activity centre hierarchy established within the *Commercial Activity Centres Strategy*. We consider that the extent of a number of these changes to the controls are not required to implement the Strategy. We set out below how we consider the exhibited Amendment should be changed.

#### Preferred Land Uses/Permit Requirements

Proposed amended Schedule 1 to the ACZ seeks to tighten the range of land uses that can be permitted within the Enterprise Corridor (Precinct 10) either by requiring a planning permit application to be made, or by prohibiting some uses such as Supermarket and any uses that fall under the definition of Office (including Medical Centre).

We do not support the inclusion of Supermarket and Office/Medical Centre uses as Section 3 (prohibited uses) and it is considered to be particularly unreasonable to include Office given that it is currently a Section 1 use (as-of-right) under the Commercial 2 Zone, of which the Home Central is currently included. The Benalla Road EC is identified as mixed-business area that includes a wide range of both retail and non-retail employment-related uses that rely on significant exposure to passing traffic. Uses typically include:

- Homemaker and bulky goods retailing;
- Light industry;
- Trade supplies;
- Trade showrooms;
- Automotive sales and repairs; and
- Warehousing and storage.

Exclusion of Office uses from the area ignores this context and will restrict the inclusion of appropriate uses that are unlikely to directly impact on higher order centres such as the CBD and Shepparton Marketplace. It is considered that there is still an opportunity to contemplate such uses within Precinct 10 without compromising the underlying retail policy. This can be managed via either an appropriate floorspace cap or the requirement for a permit to be made to ensure that any potential retail impact on higher order centres is minimised.

*It is requested that Supermarket is retained as a Section 2 use. It is also requested that Office (including Medical Centre) is retained as a Section 1 use accompanied by an appropriate floorspace cap.*

#### Built Form Controls – Precinct 10

We note that the table at Clause 5.10-3 (Precinct requirements) refers to Precinct 2 which we have assumed is an administrative error and should refer to Precinct 10.

It is proposed to introduce a preferred street wall height of 11.5 metres (three storeys), a preferred front setback of 20 metres and rear setback of three (3) metres. It is not clear how it is proposed to implement these controls, in particular, if it is intended that the street wall height and setbacks are to be applied as minimums.

*Clarification is sought from Council if the built form controls at Clause 5.10-3 are intended to be applied as minimums.*

A preferred street wall height of 11.5m/3 storeys and encouragement of higher built form to lots fronting Benalla Road is not commensurate with the built form of typical large-format retail centres. Within the context of Benalla Road which has a focus on large format built form which is typically single storey/6-10 metres in height, in conjunction with the proposal to prohibit Office uses which would more likely fit the preferred street wall height (for example, office uses located above restricted retail tenancies), it is not clear how the preferred street wall height could reasonably be achieved, for example on a site such as Shepparton Home Central.

*If it is intended that the preferred street wall height of 11.5 metres (3 storeys) is to be implemented by Council as a minimum, it is requested that it be removed from Clause 5.10-3 Precinct requirements. Alternatively, it is requested that the requirement for a preferred street wall height specifically excludes large format retail centres.*

### Conclusion

Aventus Property Group support a neutral translation from the current controls. Specifically, it is requested that Council reconsider the changes to prohibition on the uses referred to above and consider more flexibility in relation to the proposed built form controls.

We look forward to Council's consideration of this matter and would be happy to discuss our submission with you. We request that Council keep Aventus Property Group informed of the progress of Amendment C192 and that we are provided with the opportunity to be a party to any Panel hearing.

Yours sincerely,

Kate Parkinson  
Acquisitions and Development Manager  
On behalf of Aventus Property Group Pty Ltd |



GBCMA Ref: F-2016-0426  
Document No: 3

Council Ref: C192

Date: 1 August 2016



**GOULBURN  
BROKEN**

CATCHMENT  
MANAGEMENT  
AUTHORITY

[www.gbcma.vic.gov.au](http://www.gbcma.vic.gov.au)

Mr Michael MacDonagh  
Acting Team leader Strategic Planning  
Greater Shepparton City Council  
Locked Bag 1000  
Shepparton Vic 3632

Dear Mr MacDonagh

**Amendment C192  
Greater Shepparton Planning Scheme  
Notice of Preparation of Amendment**

Thank you for giving notice under Section 19 of the *Planning and Environment Act, 1987*, received 7 July 2016, regarding the above matter.

In response I advise that the Goulburn Broken CMA raises no objections to the proposed planning scheme amendment.

Should you have any queries, please do not hesitate to contact me on **(03) 5822 7700**. To assist the CMA in handling any enquiries please quote **F-2016-0426** in your correspondence.

Yours sincerely

Guy Tierney  
**Statutory Planning and  
Floodplain Manager**

**Head Office:**

**Shepparton**

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89 Sydney Road,  
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Telephone: (03) 5761 1611  
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**Yea**

5/10 High Street,  
Yea, Vic. 3717  
Telephone: (03) 5767 4400  
Facsimile: (03) 5797 3199



Information contained in this correspondence is subject to the definitions and disclaimers below.

#### **Definitions and Disclaimers**

1. The area referred to in this letter as the 'proposed development location' is the land parcel(s) that, according to the Authority's assessment, represent(s) the location identified by the applicant. The identification of the 'proposed development location' on the Authority's GIS has been done in good faith and in accordance with the information given to the Authority by the applicant(s) and/or local government authority.
2. While every endeavour has been made by the Authority to identify the proposed development location on its GIS using VicMap Parcel and Address data, the Authority accepts no responsibility for or makes no warranty with regard to the accuracy or naming of this proposed development location according to its official land title description.
3. **AEP** as Annual Exceedance Probability – is the likelihood of occurrence of a flood of given size or larger occurring in any one year. AEP is expressed as a percentage (%) risk and may be expressed as the reciprocal of ARI (Average Recurrence Interval).
4. **ARI** as Average Recurrence Interval - is the likelihood of occurrence, expressed in terms of the long-term average number of years, between flood events as large as or larger than the design flood event. For example, floods with a discharge as large as or larger than the 100-year ARI flood will occur on average once every 100 years.
5. **AHD** as Australian Height Datum - is the adopted national height datum that generally relates to height above mean sea level. Elevation is in metres.
6. No warranty is made as to the accuracy or liability of any studies, estimates, calculations, opinions, conclusions, recommendations (which may change without notice) or other information contained in this letter and, to the maximum extent permitted by law, the Authority disclaims all liability and responsibility for any direct or indirect loss or damage which may be suffered by any recipient or other person through relying on anything contained in or omitted from this letter.
7. This letter has been prepared in response to local government authority notice under Section 19 of the *Planning and Environment Act 1987*, for a proposed **Planning Scheme Amendment**, and is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole nor any part of this letter or any reference thereto may be included in any document, circular or statement without the Authority's written approval of the form and context in which it will appear.
8. The flood information provided represents the best estimates based on currently available information. This information is subject to change as new information becomes available and as further studies are carried out.





## Department of Economic Development, Jobs, Transport & Resources

52 Clarke Street  
Benalla Victoria 3672  
PO Box 135  
Benalla Victoria 3672  
Telephone: (03) 5761 1863  
Facsimile (03) 5762 4980  
DX 214467

Mr Michael MacDonagh  
Team Leader Strategic Planning  
Greater Shepparton City Council  
Locked Bag 1000  
SHEPPARTON VIC 3632

Dear Mr MacDonagh

### **RE – GREATER SHEPPARTON PLANNING SCHEME AMENDMENT C192**

In response to Greater Shepparton Planning Scheme Amendment C192 the following comments are provided that incorporate input from Public Transport Victoria, VicRoads and the transport portfolio within the Department of Economic Development, Jobs, Transport and Resources. The amendment is supported, subject to consideration of the following comments.

#### ***Maude Street Mall activation***

The proposed amendment to include the objective in Clause 21.06 to revitalise and activate Maude Street Mall is supported. In reviewing the transport function of Maude Street Mall as part of the Commercial Activity Centres Strategy, VicRoads should be consulted to review the impact on the Midland Highway/Maude St traffic signals.

#### ***Maude Street Bus***

It is noted that the PTV has approved the new bus interchange location.

#### ***Enterprise corridor transport access***

Section 2.7 of the *Greater Shepparton Commercial Activity Centres Strategy* identifies the need for integrated land use planning to support the role and functions of enterprise corridors. It is also an objective in 21.06-5 for a movement network that is convenient, connects key destinations and precincts, and prioritises walkability, cycling and public transport use.

It is suggested that a strategy is inserted in 21.06-5 that requires the development of a corridor access strategy to guide decision making along all main roads. The need to support the relevant strategy should be included in the Activity Centre Zone Schedule 1, Clause 4.4 Design and Development under the movement networks, transport and access section.

#### ***Welsford Street***

Please review the objectives for Welsford Street in the Activity Centre Zone Schedule 1 as they do not appear to reflect the previous discussions that were supported 'in principle' by



VicRoads. The vision for Welsford Street was for it to be an arterial road replacing Wyndham Street from Sobroan Street to Knight Street so that Wyndham Street can be made more pedestrian friendly.

It is suggested that this could be confirmed through the precinct objectives in Clause 5.2-2 of the Activity Centre Zone Schedule 1 or through a corridor access strategy.

***Shepparton Marketplace expansion***

The amount of impact from expanding the Shepparton Marketplace from the maximum 15,000 square metres that was listed in Clause 34.01 Commercial 1 Zone to 22,5000 square metres as identified in the new Clause 6 application requirements in the Schedule to the Activity Centre Zone has not been identified in the explanatory report. Given this expansion is it anticipated that there will be impact on future transport needs. Accordingly the explanatory report should include an assessment with regard to the *Transport Integration Act 2010*. Please refer to the support material at:

<http://economicdevelopment.vic.gov.au/transport/legislation/transport-integration-act>

Furthermore, the increase in floor size appears to conflict with the current strategy in 21.06-5 that requires an economic impact assessment when considering the impact of expanding the Shepparton Marketplace. Please note, that any expansion of the marketplace is to be subject to Clause 52.29 of the Greater Shepparton Planning Scheme.

***Cycling***

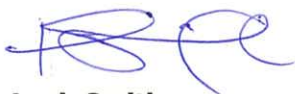
The Activity Schedule Zone Schedule includes an objective to improve access by bicycle. The relevant cycling actions from objective 3 of the Commercial Activity Centres Strategy should be listed in the Activity Centre Zone Schedule 1, such as in clause 4.4 movement networks, transport and access provisions.

***Development adjoining rail***

The precinct objectives in Section 5.8-2 should identify the need to design development that does not compromise rail operations. PTV requests that the land around the station is kept clear of development that may limit the construction of additional rail and related infrastructure.

Should you require any further information or would like to discuss this submission please contact Ryan Thomas, Senior Transport Planner (Hume Region) on (03)57611887.

Yours sincerely



**Leah Smith**

Transport Coordination Manager (Hume Region)  
Department of Economic Development, Jobs, Transport and Resources

11 / 08 / 16



Our Ref: FOL/95 DOC16/55409

10 August 2016

Strategic Planning  
Greater Shepparton City Council  
Locked Bag 1000  
SHEPPARTON 3630

Attention: Michael MacDonagh

Dear Sir

**AMENDMENT C192  
GREATER SHEPPARTON PLANNING SCHEME  
NOTICE OF PREPARATION OF AN AMENDMENT**

I refer to your letter dated the 30 June 2016, regarding amendments to the proposed planning scheme amendment C192 in accordance with Section 19(1)(c) of the Planning and Environment Act 1987.

The Planning Scheme Amendment proposes to:

Update the Municipal Strategic Statement and Activity Centre Zone to implement the recommendations of the Commercial Activity Centre Strategy, November 2015

The amendment applies to:

Land generally within the commercial areas of Greater Shepparton

The Corporation appreciates the opportunity to comment on this amendment and advises as follows:-

The Corporation has investigated the Planning Scheme amendment forwarded under 19(1)(c) of the Planning and Environment Act, 1987, and does not object to the amendments.

If you require any further information regarding this matter please contact Ed Twining on (03) 5832 4638

Yours faithfully



Paul Kerrins  
TECHNICAL CUSTOMER SERVICE CO-ORDINATOR





8 August 2016

The Manager  
Strategic Planning Department  
Greater Shepparton City Council  
Locked Bag 1000  
SHEPPARTON VIC 3658

*Our reference: DBC 0001 Amendment C192 Submission*

Dear Sir/Madam,

## **AMENDMENT C192 TO THE GREATER SHEPPARTON PLANNING SCHEME SUBMISSION**

### **1. INTRODUCTION**

Debra Butcher Consulting Pty Ltd acts on behalf of Lascorp Development Group (Aust) Pty Ltd (Lascorp) in relation to Amendment C192 to the Greater Shepparton Planning Scheme (the Planning Scheme).

As you would be aware, our client has an interest in land at 221-229 Numurkah Road and 10 Ford Road, which it proposes to develop for the purpose of an activity centre comprising a supermarket, specialty stores and community facilities, including a child care centre, medical centre and community building.

The purpose of this submission is to express our client's strong support for proposed Amendment C192 insofar as it relates to the Shepparton North Sub-Regional Activity Centre. It is considered that the Amendment will ensure a clear and robust activity centre hierarchy for Shepparton and, in particular, will provide appropriate policy support for the further expansion of the Shepparton North Activity Centre, subject to further assessment work being undertaken.

Whilst we strongly support the Amendment, there are a couple of minor changes that we submit should be made to the amendment documentation as outlined briefly below.

### **2. SUBMISSION**

We strongly support Amendment C192 and the supporting City of Greater Shepparton Commercial Activity Centre Strategy (the Strategy). However, we seek Council's consideration of the following proposed modifications to the amendment documentation.

- **Clause 21.06-5**, Page 12 of 19, fifth paragraph, amend the first sentence to read 'Further expansion of retail and commercial facilities **will** be needed to serve the residents in the north to reflect **the Shepparton North Activity Centre's designated role** as a sub-regional centre'. The proposed replacement of 'may' with 'will' is suggested as in the Strategy it is clear that expansion will be required, it is just the precise location that needs further consideration. The inclusion of 'Shepparton North' in the text provides greater clarity around which centre is being referred to.



- **Clause 21.06-5**, Page 12 of 19, objectives, amend either the first or fifth dot point objective to include reference to the hierarchy specified in the Strategy.
- In the new 'Business Framework Plan' included at the end of the **Clause 21.06** expand the blue square designating the Shepparton North Sub-Regional Activity Centre so that it is shown as directly abutting Numurkah Road and so that it better reflects the potential for expanded retail and community facilities to be located somewhere between Hawkins Street and Ford Road.
- **Clause 21.08**, Page 2 of 2, Applying Zones and Overlays – Economic Development. Include a dot point about applying the Commercial 1 Zone to additional land at the existing Shepparton North activity centre to facilitate expansion of the centre to a sub-regional centre scale.
- In the Commercial Activity Centres Strategy amend Map 2.1 on page 25 to more accurately reflect the sub-regional activity centre being located between Hawkins Street and Ford Road. At the moment the map shows the centre as being located only around the existing Fairley's IGA site.

### 3. CONCLUSION

We appreciate the opportunity to provide a submission in relation to Amendment C192 and reiterate our general support for the Amendment.

**Should this matter proceed to a Panel Hearing we request to be a party to that hearing to enable us to further expand on our support and also respond to any other submissions that might be made in relation to the Amendment.**

We would obviously be happy to discuss our submission further. Should you wish to discuss the issues raised please do not hesitate to contact the undersigned on 0448 565 896.

Yours sincerely,



Debra Butcher  
Director





G-MW Ref: PSA-16-00023  
File Ref: 2016/5/1  
DM Ref:4260128

Greater Shepparton City Council  
Planning Department  
[council@shepparton.vic.gov.au](mailto:council@shepparton.vic.gov.au)

24 August 2016

Dear Sir and/or Madam,

**Planning Scheme Amendment C192**

Thank you for your letter and information received 07 Jul 2016 giving Goulburn-Murray Water the opportunity to consider this Planning Scheme Amendment.

GMW's areas of interest are surface water and groundwater quality, use and disposal. GMW requires that development proposals do not impact detrimentally on GMW's infrastructure and the flow and quality of surface water and groundwater. Applicants must ensure that any required water supplies are available from an approved source.

Based on the information provided, G-MW has no objection to Planning Scheme Amendment C192.

If you require further information please e-mail [planning.referrals@gmwater.com.au](mailto:planning.referrals@gmwater.com.au) or contact 1800 013 357.

Yours sincerely

*ORIGINAL SIGNED BY NEIL REPACHOLI*

Neil Repacholi  
SECTION LEADER STATUTORY PLANNING



26 May, 2017

Greater Shepparton City Council

Via email: [council@shepparton.vic.gov.au](mailto:council@shepparton.vic.gov.au)

Dear Sir/Madam,

**Re: Greater Shepparton Planning Scheme – Amendment C192  
Late Submission on behalf of 18 Pty Ltd**

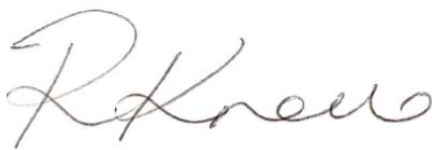
I refer to the above Amendment, which was exhibited in July and August last year.

Centrum Town Planning has been engaged to prepare this submission by 18 Pty Ltd, the purchasers of the Fairleys site at 177-193 Numurkah Road, Shepparton. Our submissions are provided in the attachment.

We request that Council considers this as a late submission to the Amendment. The purpose of the submission is to provide the opportunity for 18 Pty Ltd to be heard at the upcoming panel hearing. The submission raises no points that have not previously been raised in submissions to the Amendment.

We would appreciate if you would send all correspondence in relation to this submission to [raph@centrumplanning.com.au](mailto:raph@centrumplanning.com.au) and [mal.bamf@gmail.com](mailto:mal.bamf@gmail.com).

Yours sincerely



Raph Krelle  
**Centrum Town Planning**

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ABN: 28 501 449 183



### ***Points of agreement***

We support the following key aspects of the Amendment:

- Establishment of a clear hierarchy of activity centres and designation of the CBD as the principal activity centre. The designation of the Shepparton North Activity Centre as a Sub-Regional Activity Centre.
- The concept of providing a more appropriately sized delivery of retailing in Shepparton to avoid adverse impacts on the Shepparton CBD and other existing commercial centres.
- The cautionary approach to expanding the retail offering in Shepparton outside of the Shepparton CBD and other centres to ensure the primacy of the Shepparton CBD and role of other commercial centres.

### ***Submissions***

Our submissions relate to the contents of the proposed new Clause 21.06-5 and schedule to the Commercial 1 Zone. Our detailed submissions are outlined in the attached table, together with the requested changes to the Amendment and a brief explanation of the reasons for the request.

Clause	Submission / issue	Requested changes	Reasons
Proposed Clause 21.06-5 (Objectives)	Lack of a clear objective that relates to the need to provide shopping facilities to sub regions within the Shepparton urban area.	Include a new or modified objective to “ <i>support the role of sub-regional centres as important locations for retail and commercial activity that serves an immediate residential catchment in the surrounding urban area, as well as a broader rural and regional hinterland that is highly accessible via regional road networks</i> ” (adapted from page 22 of CACS).	The proposed objectives relate only to the CBD or to other shopping facilities in the general context of the activity centre hierarchy. The three sub-regional centres in Shepparton, including Shepparton North, are considered to be sufficiently important to warrant a specific objective that provides a link to the relevant strategies that follow (e.g. strategies 13-15).
Proposed Clause 21.06-5 (Strategies)	Proposed strategy number 14, which relates to the expansion of retail and commercial facilities in Shepparton North, is vague and uncommitted about where the preferred North Shepparton Sub Regional Centre should be located.	<p>Include words to the effect that the Fairleys’ site at 177-193 Numurkah Road is the designated site for the future North Shepparton Sub-Regional Centre and any expansion of commercial floorspace.</p> <p>Include words to the effect that requests to rezone land and applications for new shopping centres outside the designated site will not be supported.</p>	<p>All users of the planning system should have a clear understanding of the preferred location of sub-regional level activity centres in the MSS. The Fairleys’ site is currently the designated location of the North Shepparton neighbourhood centre, as identified in the current MSS. The Fairleys site:</p> <ul style="list-style-type: none"> <li>• is located to take best advantage of the activity node surrounding the site, with a good relationship between the site, major roads and other community areas including nearby sporting facilities;</li> <li>• offers the opportunity to deliver a full-service sub-regional centre, including community facilities such as medical centre, without expansion of the CZ1 beyond the site;</li> <li>• has a valid planning permit for the development of a full neighbourhood centre, including a commitment to provide a community facility on the site.</li> </ul> <p>As worded, this strategy would allow for the development of multiple retail nodes in Shepparton North up to 600-700 metres apart, with no defined focal point for the community and poor pedestrian and other movement connections.</p>



Clause	Submission / issue	Requested changes	Reasons
Proposed Clause 21.06-5 (Strategies)	Proposed strategy 14, which refers to the application of planning and development assessment criteria at Appendix A of the <i>Commercial Activity Centres Strategy November 201</i> , should not be a substitute for proper strategic planning.	Remove the reference to ‘ <i>Appendix A of the Commercial Activity Centres Strategy November 2015</i> ’ from Strategy 14 and replace with reference to the need for a structure plan or other local level strategic plans prior to the consideration of any planning scheme amendments to rezone land for commercial purposes in Shepparton North.	Clause 11.02-3 of the State Planning Policy Framework states that planning authorities should prepare a hierarchy of plans to facilitate the orderly development of urban areas. We believe that there would be significant benefit in undertaking such a structure planning or similar process prior to the rezoning of any additional land to Commercial 1 in Shepparton North in the context of the issues raised in this and our previous submissions. This view is supported by the proposed new action under ‘further strategic work <i>‘to prepare Structure Plans/Urban Design Frameworks for activity centres where further development is likely to occur’.</i>
Proposed Clause 21.06-5 (Shepparton Business Framework Plan)	The proposed Shepparton Business Framework Plan needs to more clearly explain the preferred areas for commercial development, expansion and further investigation.	Update plan with road names, greater detail and clearly identify the Fairleys’ site as the designated site for the North Shepparton sub-regional centre and any expansion of commercial floorspace.	The proposed plan is simplistic and vague and could be interpreted in different ways as a result, leading to uncertainty and debate. For example, it contains no road names despite its small scale, lacks key roads such as Hawkins Road and has highly conceptual identifiers. By means of comparison, the residential framework plans at Clause 21.04 are at a township scale yet are clear because they enable individual properties to be identified.
Proposed Schedule to the C1Z	The schedule to the C1Z does not acknowledge the capacity of the Fairleys site to accommodate all of the 14,000 estimated to be required for the future North Shepparton sub-regional centre.	Modify the maximum leasable floor area for shop (other than restricted retail premises) at 177-193 Numurkah Road to 14,000m2.	This change would reflect the Fairley’s site as the preferred location of the Shepparton North Sub-Regional Centre, as per the previous points.