



Amendments C192 & C193

Greater Shepparton Planning Scheme

David Barnes

Town Planning Expert Evidence Statement

Hansen Partnership
July, 2017

Contents

1	Introduction	1
2	Background.....	3
3	Current Policy Framework	9
3.1	State Planning Policy Framework.....	9
3.2	Local Planning Policy Framework.....	9
3.3	Other Strategies and Plans.....	11
4	The Proposed Amendments	14
4.1	Amendment C192	14
4.2	Amendment C193	17
5	Key Considerations	18
5.1	Local policy support for Fairley land	19
5.2	Support for expansion provided by Commercial Activity Centres Strategy and Amendment C192	20
5.3	Number and location of supermarkets	21
5.4	Activity Centre Planning.....	21
5.5	Longer Term Planning of the Shepparton North Activity Centre.....	23
5.6	Suggested Modifications to the Amendment 192	27
6	Conclusion	28

1 Introduction

1. My name is David Barnes. I am the Managing Director of Hansen Partnership Pty Ltd, which is located at Level 4, 136 Exhibition Street, Melbourne.
2. I hold the following qualifications:
 - Bachelor of Town and Regional Planning (Hons), University of Melbourne, 1980.
 - Master of Business Administration, Royal Melbourne Institute of Technology, 1993.
3. I have practiced as a town planner for over 35 years, working in the public as well as the private sectors. I have also worked overseas in Vietnam on a variety of statutory planning, strategic planning, institutional strengthening and tourism projects.
4. I am both a statutory and a strategic planner. My planning experience covers many aspects of the planning approvals process on a range of projects including residential, industrial, retail, mixed use and rural developments. I regularly appear before VCAT and Planning Panels Victoria. I have been involved in a broad range of strategic planning projects including the preparation of industrial land use strategies, residential development strategies, integrated municipal strategies, township strategies, town centre strategies, structure plans and urban design frameworks for activity centres and transit cities, and rural land use strategies.
5. I have been instructed by Wisewould Mahony Lawyers on behalf of Marle Enterprises Ltd, the owner of Fairley's IGA supermarket at No. 177-193 Numurkah Road, Shepparton (the Fairley land).
6. Key documents I have reviewed in preparing this statement include:
 - Commercial Activity Centres Strategy, prepared by Essential Economics, dated November 2015.
 - Review of Shepparton North Retail Proposal, prepared by Hill PDA, dated July 2016 and updated February 2017.
 - Shepparton North Neighbourhood Centre Economic Impact Assessment, prepared by MacroPlan Dimasi, dated January 2017.
 - Combined Planning Scheme Amendment and Permit Application Rezoning to the Commercial 1 Zone and Development of an Activity Centre Prepared by Debra Butcher Consulting for Lascorp Development Group, dated 27 January 2017.
 - Shepparton North, Victoria Retail Floorspace Potential, prepared by Location IQ for 18 Pty Ltd.
 - Documentation forming part of Amendment C192 to the Greater Shepparton Planning Scheme.
 - Documentation forming part of Amendment C193 to the Greater Shepparton Planning Scheme.
 - Draft Addendum and Addendum to the Urban Design Framework.
 - Amendment C119 Panel Report, dated March 2011.
 - Greater Shepparton 2030 Strategy, 2006.

7. A summary of my opinions follows:
 - The Fairley land is supported in the existing local planning policy framework as an activity centre and is appropriately zoned for this purpose.
 - Amendment C192 and the Commercial Activity Centres Strategy that it implements supports the expansion of retail facilities on the Fairley site.
 - The Commercial Activity Centres Strategy makes it very clear that the issue in terms of retail floorspace in Shepparton North revolves around the need for only two supermarkets and associated shops in the North Shepparton area. No economic analysis has suggested the need for three supermarkets.
 - The Activity Centre Strategy provides a strong preference for the expanded needs to occur on the Fairley's land, rather than a second site, but does raise the possibility of the need for additional Commercial 1 zoned land between Hawkins Street and Ford Road. That possibility, however, is only raised as a contingency, should the existing retail provision on the Fairley's land not be able to be accommodated.
 - A planning permit has been granted for an upgraded supermarket and associated shops on the Fairley site. An application has been lodged to modify that application. Earthworks have commenced on the site in relation to that application.
 - A planning permit application has been lodged for a second stage expansion on the Fairley's land site (Stage 2), which includes a second supermarket and additional shops etc. This clearly shows that the identified retail needs for Shepparton North can be wholly accommodate on the Fairley site. I can see no reason why this application would not be successful.
 - Retail land uses on the Fairley's land are established and the site is ideally suited to perform the core activity centre role in Shepparton North. It is close to the sports precinct, has main road frontage, is continuous with existing retail uses to the south, and is connected to public transport. This is consistent with planning policy which strongly supports the concentrate core retail facilities in the one location.
 - The opportunity should be taken to review the wording of Amendment C192, to confirm the role of the existing Fairley site as the core of the Shepparton North Activity Centre and clarify provisions relating to future expansion. I otherwise support this amendment.
 - I do not support the rezoning and permit application proposed by Amendment C193.
8. This statement has been prepared in accordance with the Planning Panels Victoria Guideline to Expert Evidence.
9. I have made all the inquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.
10. I have been assisted by Cameron Gentle from my office in the preparation of this report.

2 Background

11. My focus in preparing this statement has been on the implications of Amendments C192 and C193 on the land at No. 177-193 Numurkah Road, which is owned by Metcash and is referred to in the planning scheme as 'Fairley's (Numurkah Rd)'.
12. The Fairley land is located on the north-east corner of Numurkah Road (Goulburn Valley Highway) and Hawkins Street, approximately 3km north of the Shepparton CBD.

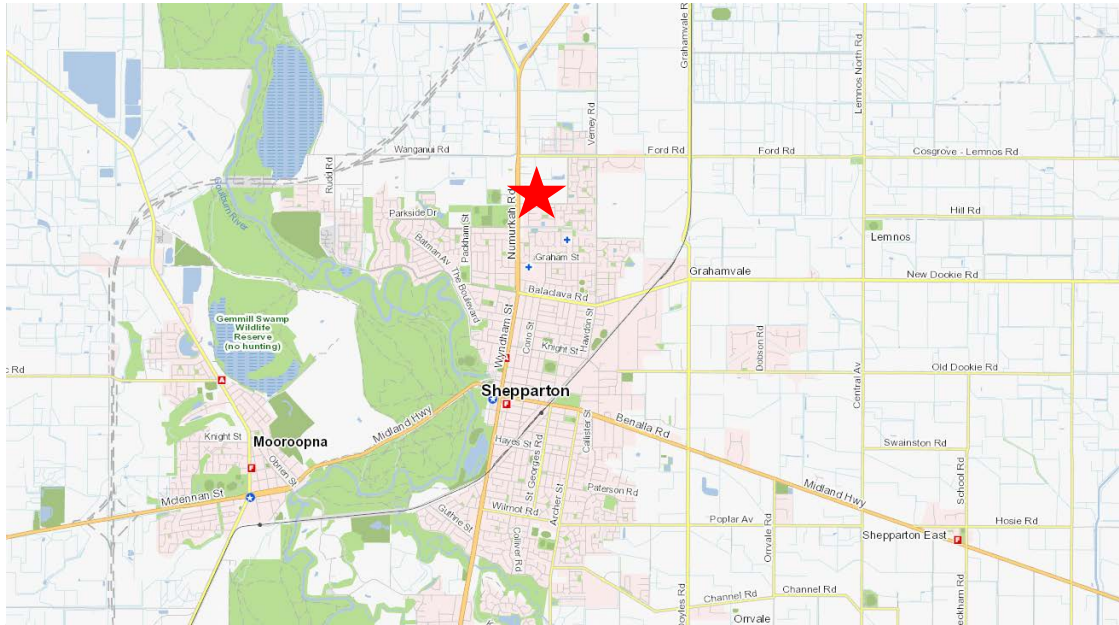


Figure 1 - Locality map showing location of Fairley's land

13. The land has an area of approximately 4.4ha and is developed in part with a supermarket with a floor area of approximately 3,800 sqm (Fairley's Supa IGA), an associated café, warehouse and office. The balance of land is currently undeveloped.



Figure 2 - Aerial view showing Fairley's land

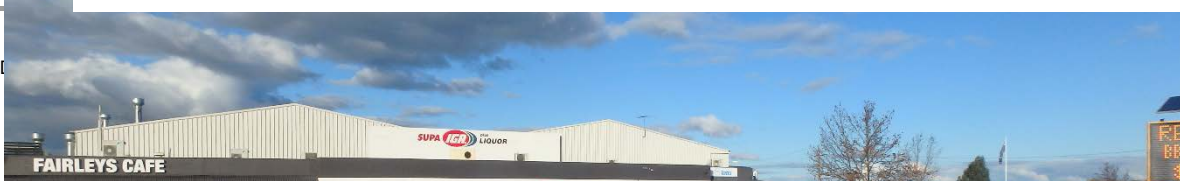


Figure 3 - Fairley's IGA viewed from Goulburn Valley Highway



Figure 4 - Fairley's support warehouse



Figure 5 - Vacant part of Fairley's land to east



Figure 6 – Fairley's main entrance



Figure 7 – Fairley's IGA cafe



Figure 8 – Fairley's internal

17. within the area surrounding the Fairley's land I note the following.

- Shepparton Sports Precinct and Shepparton Sports Stadium, diagonally opposite.

- Goulburn Valley Health and Melbourne University Shepparton Campus, approximately 900 metres to the south.
 - Wanganui Park Shepparton College approximately 1.2km to the west, and Shepparton Christian College approximately 1.1km to the east.
 - New residential development areas to the north and to the east.
15. The No.4 bus route runs along Hawkins Street, connecting the site to the Shepparton CBD via Goulburn Valley Health, Shepparton Private Hospital, Verney Road Primary School, Shepparton Secondary College, and Deakin Reserve.
16. The land is zoned Commercial 1, and is partly covered by a Land Subject to Inundation Overlay.

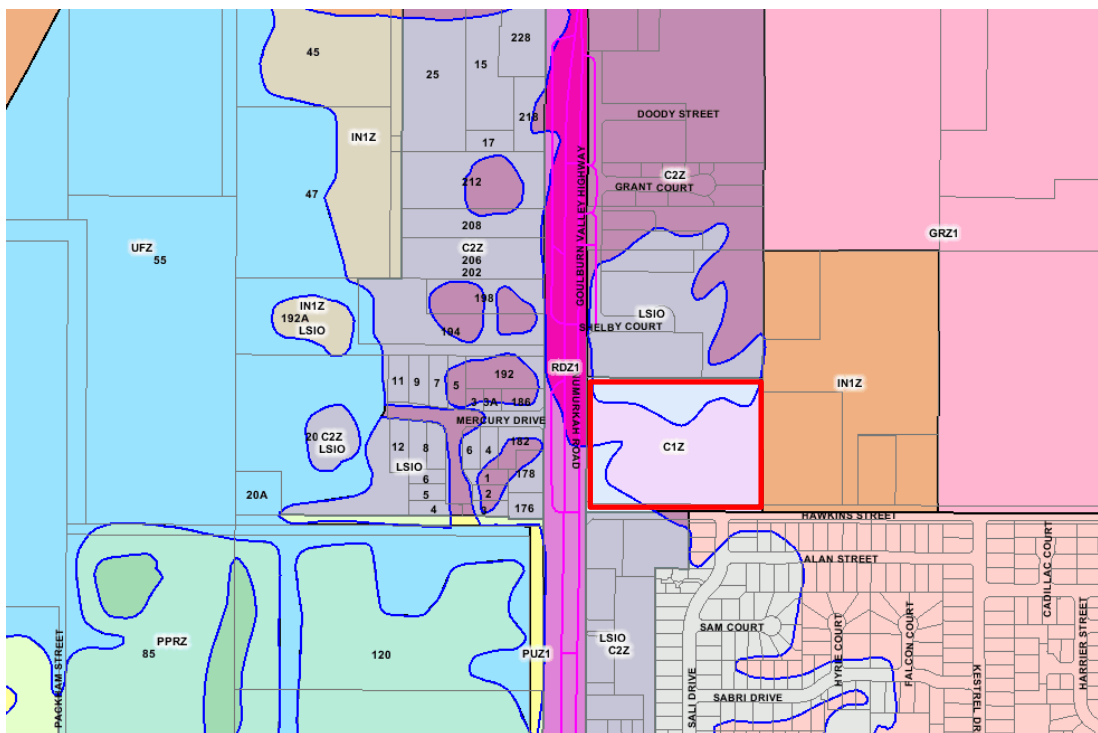


Figure 9 - Zoning map (with LSIO) showing Fairley's land

17. Amendment C119 to the Shepparton Planning Scheme (gazetted 5 April, 2012) rezoned the land from a Business 4 Zone to Business 1 Zone. A retail floor space cap of 8,000 sqm and an office floor space cap of 900 sqm was included in the zone schedule.
18. Concurrent with Amendment C119, a planning permit was granted to construct buildings and works for a neighbourhood centre incorporating shops, signage, vegetation removal, road access, and reduced parking.
19. I note that, in recommending that Amendment C119 be approved, the Panel commented (on page 3) that:
- The Panel considers that the Amendment and planning permit application has a high level of planning policy support. The potential for the redevelopment of the IGA site is specifically referred to in the Municipal Strategic Statement. The Panel has considered the Council's response to the Strategic Assessment Guidelines included in the exhibited Explanatory Report for Amendment C119, together with submissions on the Guidelines from the planning authority at the Hearing. The Panel has found that Amendment C119 is generally consistent with the Strategic Assessment Guidelines.
20. I understand that this permit is still valid and note from my inspection of the land, that preliminary earthworks have recently been undertaken.

21. I also understand that amended plans are currently being considered by Council which, in addition to a community facility (195 sqm), show a total shop floor area of 8,000 sqm, which is consistent with the current approval. The amended plans show the overall floor area comprised:

- A new IGA supermarket with a floor area of 3,750 sqm.
- A large format retail premises with a floor area of 1,680 sqm.
- Specialty shops and kiosks (x23) with a floor area of 2,320 sqm.

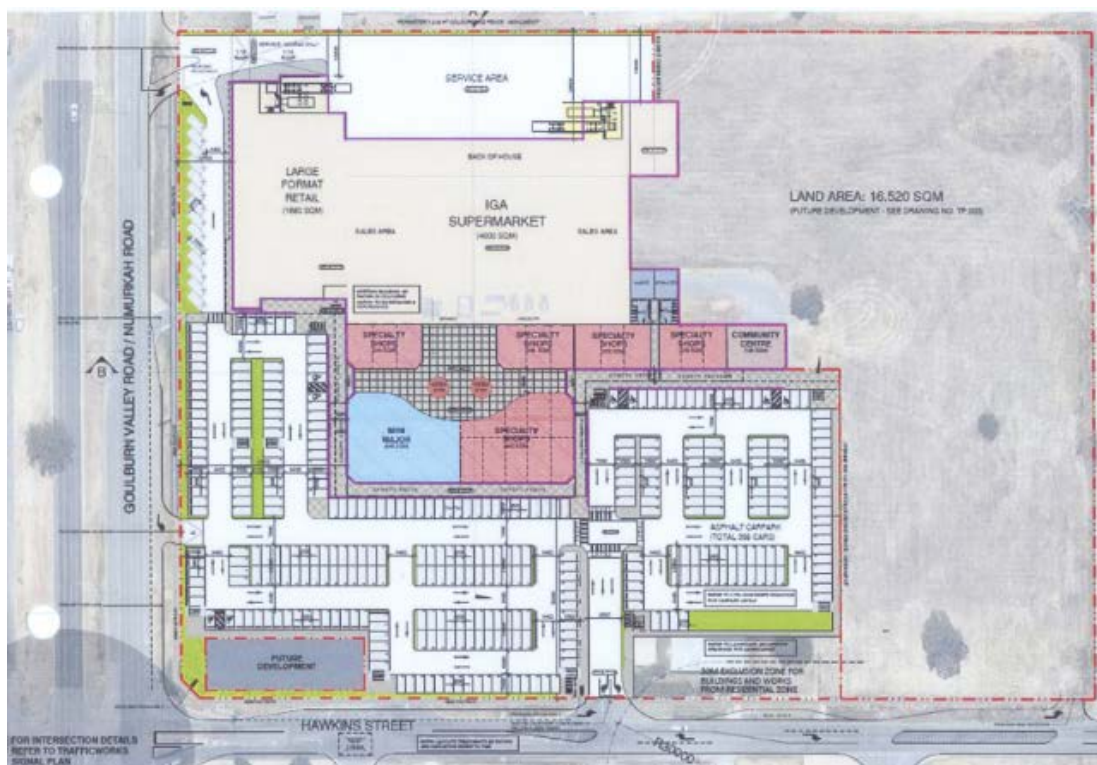


Figure 10 - Fairley's Stage 1 Redevelopment

22. I am advised that an application for a subsequent stage of redevelopment (referred to as Stage 2) has also recently been lodged with Council and is on advertising until late July, 2017. The permit applicant is 18 Pty Ltd, which I understand will be purchasing the land.
23. I have been provided with documentation which shows that the Stage 2 application proposes an additional 5,550 sqm of retail floorspace on the land, comprised of:
- A new full-line supermarket with a floor area of 3,470 sqm.
 - Mini-major tenancies (x2) with a floor area of 1,400 sqm.
 - Small shop tenancies (x9) with a floor area of 680 sqm.

In addition to the above would be a community facility (relocated from Stage 1) and a medical centre.

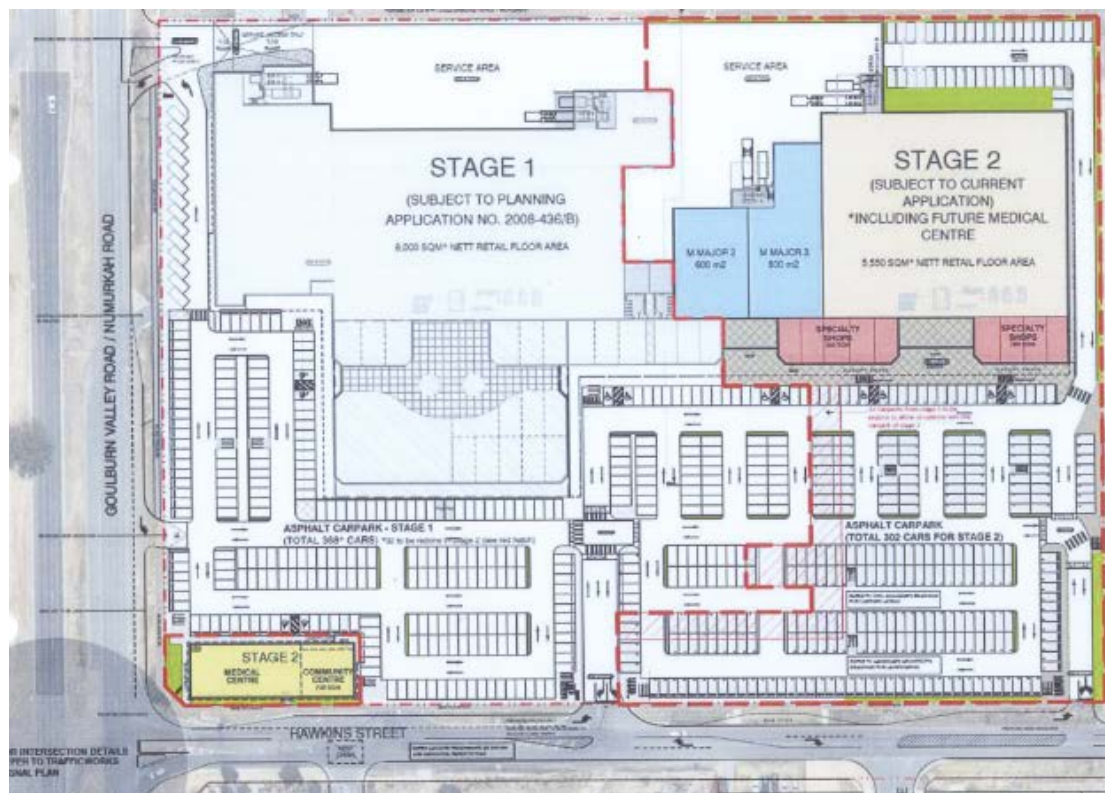


Figure 11 - Stages 1 and 2 of Fairley's Redevelopment

24. The combined shop floor area Stage 1 and Stage 2 would therefore be 13,550 sqm.
25. Amendment VC100 (gazetted 15 July, 2013) applied the suite of reformed residential and commercial zones across the state and the Business 1 Zone was replaced with the Commercial 1 Zone, applying the current zoning to the land.
26. As shown in Figure 9, most of the commercial land in the surrounding area is zoned Commercial 2. Within a Commercial 2 Zone a permit can be granted to use and develop land for a supermarket, provided the floor area does not exceed 1,800 sqm. It must also be located on a site which adjoins or has access to a road in a Road Zone.
27. The nearest Commercial 1 zoned land in this part of Shepparton is the strip of shops along Branditt Avenue, to the south-west. Further to the south is the strip of commercial development along Wyndham Street, which I note is proposed to be rezoned to Activity Centre Zone as part of Amendment C192 (with the DDO applicable to that land deleted).

3 Current Policy Framework

3.1 State Planning Policy Framework

28. Within the State Planning Policy Framework, I find the following clauses to be relevant to my evidence:
- **Clause 11.03 – Activity Centres** (referred to later in this report).
 - **Clause 11.07 - Regional Victoria** seeks to ‘develop regions and settlements which have a strong identity, are prosperous and are environmentally sustainable. I note strategies to achieve this include:
 - Ensuring there is a sufficient supply of appropriately located residential, commercial, and industrial land across a region to meet the needs identified at regional level.
 - Strengthening settlements by ensuring that retail, office-based employment, community facilities and services are concentrated in central locations.
 - **Clause 11.12 - Hume** outlines overarching policy objectives and strategy for the Hume region, which includes the City of Greater Shepparton, with reference to the *Hume Regional Growth Plan (Victorian Government, 2014)*. Shepparton is identified as a regional centre where growth and development is to be facilitated and where improved access to a range of employment and education opportunities is to be supported.
 - **Clause 15 – Built Environment and Heritage** seeks to ‘create urban environments that are safe, functional and provide good quality environments with a sense of place and cultural identity’.
 - **Clause 17.01-1 Business** seeks to ‘encourage development which meet the communities’ needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities’. This objective is accompanied by a number of strategies which include the following:
 - Locate commercial facilities in existing or planned activity centres.
 - Provide new convenience shopping facilities to provide for the needs of the local population in new residential areas and within, or immediately adjacent to, existing commercial centres.
 - Provide small scale shopping opportunities that meet the needs of local residents and workers in convenient locations.
 - **Clause 18 – Transport** (referred to later in this report).

3.2 Local Planning Policy Framework

29. Within the Local Planning Policy Framework, I find the following clauses to be relevant to my evidence:
- Clause 21.01 - Municipal Profile notes that:
 - *Shepparton is the fourth largest regional centre in Victoria with a commercial base having a catchment of approximately 160,000 people.*
30. The Shepparton CBD Strategy October 2008 recognises Shepparton CBD as the principal retail centre in the region with a need for consolidating the traditional retail core and strengthening its role and image.
- **Clause 21.04 Settlement** identifies the Northern Corridor as one of four main growth corridors in the municipality and explains that the population of Greater Shepparton is anticipated to increase from 59,202 in 2006 to 71,509 by 2026. A number of urban

design objectives and strategies are included at Clause 21.04-4 and the Shepparton North Framework Plan is included at Clause 21.04-7.

- **Clause 21.06-5 Commercial/Activity Centres** identifies the need for 40,570 square metres of retail floorspace to support anticipated population growth to 2030. It notes that the Fairley's land sits at the third level of the five level activity centres hierarchy outlined in the *Greater Shepparton 2030 Economic Development Report*. Clause 21.06-5 also includes objectives and strategies to:
 - protect the primacy of the CBD and allow appropriate expansion in other centres;
 - facilitate the expansion of the neighbourhood centre in the north at the Fairley's supermarket site subject to an Economic Impact Assessment";
 - encourage shops to front the road, be built in line with other buildings and consider the location of car parking, landscaping and pedestrian areas.

The Shepparton Business Framework Plan at Clause 21.06 shows a 'future / expanded neighbourhood centre' in the vicinity of the Fairley land (see Figure 12).

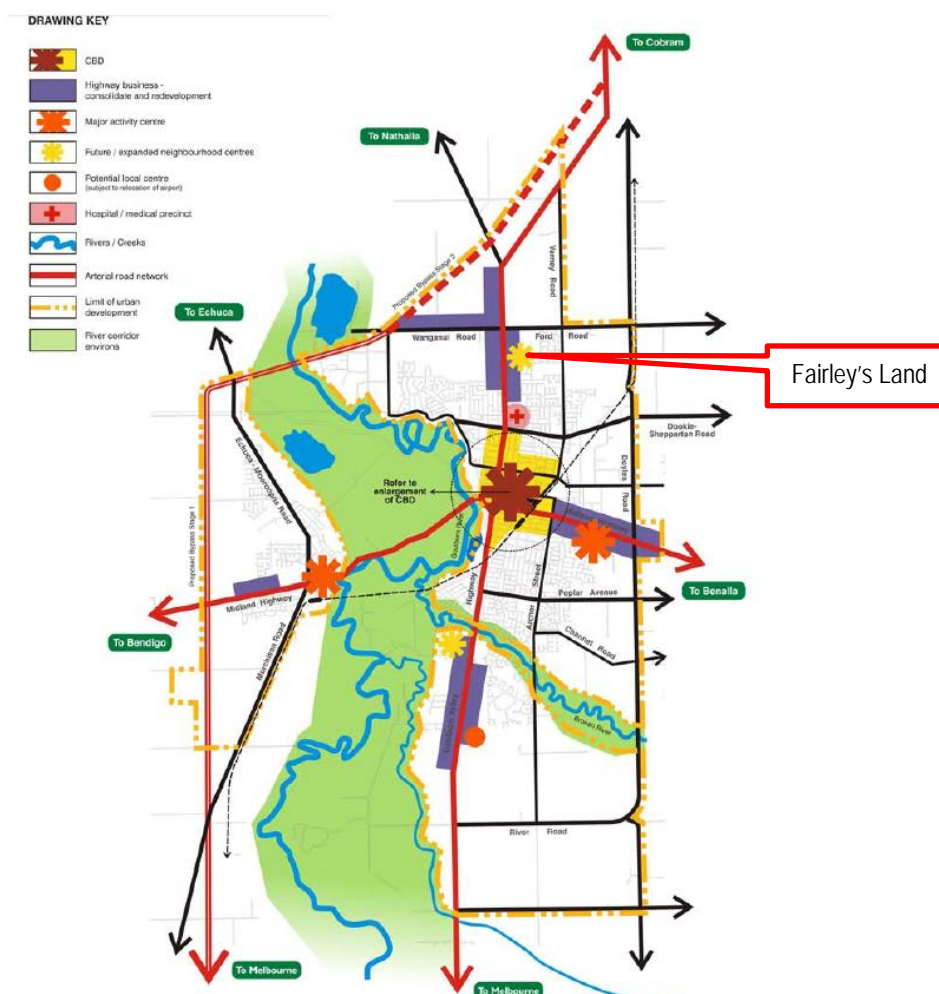


Figure 12 – Clause 21.06 Shepparton Business Framework Plan

3.3 Other Strategies and Plans

31. I note the following other strategies, plans, and planning scheme amendments relevant to my evidence in this matter:

- **Shepparton North Growth Corridor: Outline Development Plan (2003 & 2009)** provides a framework for residential growth in the area to the north of Ford Road and east of Goulburn Valley Highway. Amendment C11 rezoned most of the land for residential purposes (with a DPO and DCPO) in 2003. Amendment C188 proposes to rezone one of the remaining parcels of land for residential purposes and was recommended for adoption by the Panel in March 2017.



Figure 13 - Shepparton North ODP

- The **Greater Shepparton Housing Strategy 2011** formed the basis of new residential growth areas shown on the Shepparton North Framework Plan at Clause 21.04 and introduced by Amendment C92 (gazetted 10/12/2015).
- The **Industrial Land Review** formed the basis of a number of changes to the scheme, including the rezoning of land to the east of the Fairley's land from Industrial 1 Zone to General Residential Zone. These changes were implemented by Amendment C162 (gazetted 3/3/2016).

Figure 16 - Draft Shepparton North East PSP

4 The Proposed Amendments

4.1 Amendment C192

32. Amendment C192 proposes a number of changes to the Greater Shepparton Planning Scheme to implement the recommendations of the *Commercial Activity Centres Strategy, November 2015*.
33. Of those changes, I find the most relevant to the Fairley's land, as outlined in the Explanatory Report, are as follows:
- Update the activity centre hierarchy in the MSS at Clause 21.06-5 Commercial / Activity Centres.
 - Amend the MSS at Clause 21.06-5 Commercial/ Activity Centres to:
 - discourage the location of cinema and department stores outside the retail core (Precinct 1).
 - reinforce the Shepparton CBD as the principal retail centre.
 - include the *Commercial Activity Centres Strategy November 2015* as a reference document.
 - encourage expansion of retail and commercial convenience facilities in Shepparton North, subject to detailed planning and development assessment criteria.
 - Update Clause 21.06-7 *Strategic Work Program* to reflect work undertaken and include the preparation of Structure Plans / Urban Design Frameworks for relevant activity centres.
 - Update Clause 21.08 *General Implementation* to reflect the recommendations of the *Commercial Activity Centres Strategy, November 2015*.
 - Update Clause 21.09 *Reference Documents* to include the *Commercial Activity Centres Strategy, November 2015*.

Activity Centre Hierarchy Description

Level in Hierarchy	No. of Centres in Shepparton	Centre
Shepparton Central Activities District	1	Shepparton CBD
Regional Retail Centre	1	Shepparton Marketplace
Sub-Regional Centre	3	Riverside, Mooroopna CBD, Shepparton North
Neighbourhood Centre or Town Centre	3	Echuca Road (Mooroopna North), Rowe Street East (Shepparton Plaza), Tatura
Local Centre or Township Centre	29	Branditt Ave, Graham St, Parkside Drv, King St, Dunkirk Ave, Conifer St, Parker St, Macintosh St, Swallow St, Michel St, Poplar Ave, Archer St, Colliver Rd, Guthrie St, Longstaff St, Kialla Lakes, Joseph St, MacIsaac Rd, St Georges Road, Murchison, Dookie, Toolamba, Tallygaroopna, Undera, Shepparton East, Lemnos, Congupna, Katandra West, Merrigum
Enterprise Corridor	3	Benalla Road, Gateway North (Numurkah Road), Gateway South (Melbourne Road)

Source: Essential Economics

Figure 17 - Proposed Retail Hierarchy with Shepparton North highlighted

34. I note that the Strategy recognises the role of Shepparton North as one of three sub-regional centres but comments that, in contrast to the other sub-regional centres it 'currently serves a more limited role that is dominated by a single use (supermarket) and a lack of diversity in retail and commercial activities. It outlines the main features of and issues with the centre as follows:
- **Potential Expansion** - the opportunity exists for the Shepparton North activity centre to expand within the existing planning framework for the centre that includes a shop floorspace cap of 8,000 m² and significant land in the Commercial 1 Zone that is currently vacant. The opportunity for expansion has not been realised.
 - **Growing Demand** – the northern parts of the Shepparton area continue to experience population growth, and this is expected to continue for the foreseeable future. Development of the north-east growth area that has been identified by Greater Shepparton and is located a short distance to the east will further increase the demand for additional facilities required to meet the needs of the expanding population.
 - **Mix of uses** – at present, the limited mix of uses in the Shepparton North activity centre is not consistent with the expectations of both planning policy and the general community.
 - **Future Role** - as the Shepparton North centre expands to meet the needs of surrounding residents and a large regional hinterland, an enhanced role for the activity centre hierarchy as a sub-regional centre is anticipated. For this to occur, the centre must contain a broader range of retail and commercial functions consistent with this definition within the hierarchy.
 - **Centre Layout** - Although at present the Shepparton North activity centre is dominated by the Fairleys IGA site, it is appropriate that opportunities for further expansion are considered. This could represent an extension of the existing Commercial 1 Zoned land or, if required, a new area within the Commercial 1 Zone located elsewhere in that part of the Shepparton North Gateway between Ford Road and Hawkins Street in which a range of commercial uses are currently concentrated.
35. Section 9 of the Strategy outlines detailed actions for each activity centre. Those identified for Shepparton North are as follows:
- **Shepp. North Action 1:** Encourage the expansion of retail and commercial facilities in the existing Commercial 1 Zone area so that residents of Shepparton North are provided with an enhanced range of local convenience shopping facilities and services.
 - **Shepp. North Action 2:** Expansion of the Shepparton North centre to provide a range of retail and non-retail facilities that is consistent with sub-regional status in the activity centres hierarchy. This could include the addition of a second full-line supermarket and enhanced supporting retail (not including a major non-food retail anchor such as a discount department store
 - **Shepp. North Action 3:** Ensure that future development of the Shepparton North centre takes place in a manner supported by appropriate urban design and planning guidance. In indicative terms, an increase of 6,000 m² in shop floorspace may be supported on land outside the existing Commercial 1 Zone at Shepparton North, which is sufficient to accommodate a 2nd supermarket and supporting retail such as

specialty shops. This should be subject to detailed assessment through application of the Planning and Development Assessment Criteria to any proposal. An appropriate site in the area fronting the Goulburn Valley Highway between Ford Road in the north and Hawkins Street in the south can be endorsed for this extension to the Commercial 1 Zone.

- **Shepp. North Action 4:** *Consider implementation of a maximum shop tenancy size which restricts a discount department store or other major non-food based anchor 'shop' tenant in the Shepparton North centre (similar to that applied to a supermarket in Riverside Plaza). This will ensure large anchor tenants better suited to the CBD or Shepparton Marketplace are not located in the Commercial 1 Zone at Shepparton North.*
- **Shepp. North Action 5:** *Once the location of an expanded Commercial 1 Zone in Shepparton North is identified, develop an urban design framework or similar assessment that provides appropriate guidance on how the centre can develop in a manner that provides a high-level of amenity to shoppers and is consistent with best-practice activity centre development guidelines. If required, apply a Development Plan Overlay (DPO) or similar mechanism to the Shepparton North centre.*
- **Shepp. North Action 6:** *Allow for the development of a small local centre in association with the new North-East residential growth area. This centre will meet local convenience needs only, and will not include uses (such as a full-line supermarket) that would be more appropriately located in the Shepparton North centre.*

36. In a table providing 'strategic guidance', the Strategy includes the following:

Local Centres Policy: *Council to initiate a process with landowners and developers to identify the appropriate location for expansion to the Commercial 1 Zone. A preferred (but not necessary) outcome is an extension of the existing Commercial 1 Zone, although another location in the area between Ford Road and Hawkins Street may be required subject to site suitability and availability.*

Once a preferred location for expansion of the Commercial 1 Zone is identified, an urban design framework or similar assessment guiding built-form and development outcomes will be urgently required to ensure that expansion of the centre occurs in a manner that meets best-practice centre design principles

Centre Outlook: *Development of additional retail floorspace in the Shepparton North centre is likely within the next 5 years, as indicated in Shepp. North Actions 2 and 3.*

4.2 Amendment C193

37. I note that Amendment C193 proposes to rezone land at 221-229 Numurkah Road and 10 Ford Road, Shepparton from Commercial 2 Zone to Commercial 1 Zone and apply a Public Acquisition Overlay to nearby land for the purposes of drainage infrastructure.
38. Concurrent with the amendment is a proposed permit for:
 - buildings and works for a supermarket and additional retail space, medical centre and community meeting space;
 - use of the land for a community meeting space;
 - packaged liquor licence (bottle shop);
 - the creation and alteration of access points to a road in a Road Zone Category 1; and
 - erection and display of advertising signs.

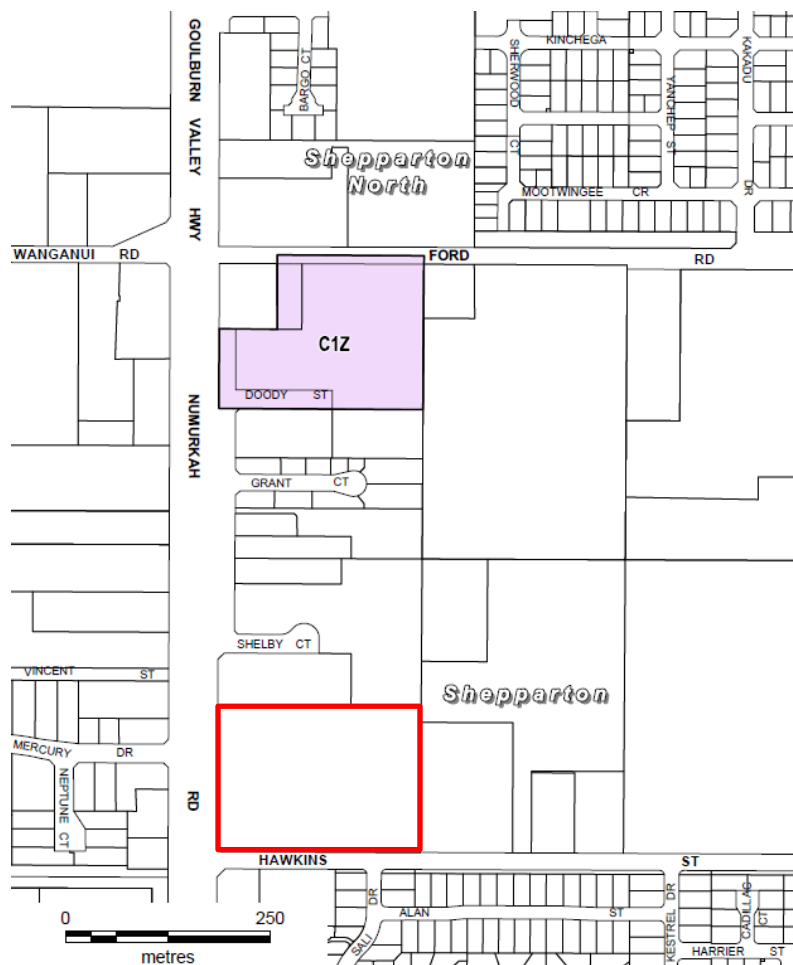


Figure 18 – Land proposed to be rezoned by Amendment C193, with Fairley's outlined in blue.

5 Key Considerations

39. In my assessment, the proposed amendments raise a number of issues in relation to the Fairley land and its future as an activity centre.
40. On one hand Amendment C193 proposes what would be a new centre at Ford Road, separated from the existing centre at the Fairley land by a distance of approximately 500m.
41. On the other hand, Amendment C192 supports the existing centre on the Fairley land, but leaves open the potential to expand the existing Commercial 1 Zone, should future retail needs be unable to be accommodated on this site.
42. Given the current provisions of the Greater Shepparton Planning Scheme, the activity centre status of the Fairley land, the locational attributes of this land, and the recent submission of an application for the Stage 2 redevelopment (as outlined in Section 2), it is my view that a new centre should not be supported at Ford Road. I support Amendment C192 but suggest that modifications be made consistent with this view. I expand on these opinions in the following sections.

5.1 Local policy support for Fairley land

43. As outlined in Section 3.2 of this statement, local policy expressed at Clause 21.06 explicitly identifies the Fairley land as the location of a Neighbourhood / Township Centre, within a five level Activity Centre Hierarchy based on the *Greater Shepparton 2030 Economic Development Report*.
44. Clause 21.06 also includes strategies to 'facilitate the expansion of the neighbourhood centre in the north at the Fairley's supermarket site subject to an Economic Impact Assessment' and to 'provide neighbourhood commercial and retail centres that are accessible to the local community, especially by public transport and bicycle, and that also have adequate car parking provisions'.
45. I note that Clause 21.06 includes a strategy to:

Identify lower order neighbourhood retail and community centres to serve convenience needs of north Shepparton.

I do not interpret this, however, as suggesting an alternative location for a Shepparton North Neighbourhood / Township Activity Centre.

46. Consistent, in my view, with the role identified in Clause 21.06, the Fairley land is located within a Commercial 1 Zone, a purpose of which is: *'to create vibrant mixed use commercial centres for retail, office, business, entertainment and community uses'*.
47. Further supporting the activity centre designation of the Fairley's land, in my view, are the provisions of Clause 21.04, which outline anticipated population growth in the municipality, and identify Shepparton North as a growth area. In my opinion, the Fairley's land is well located to serve the growth areas, being directly accessible and proximate to growth areas to the north and east.

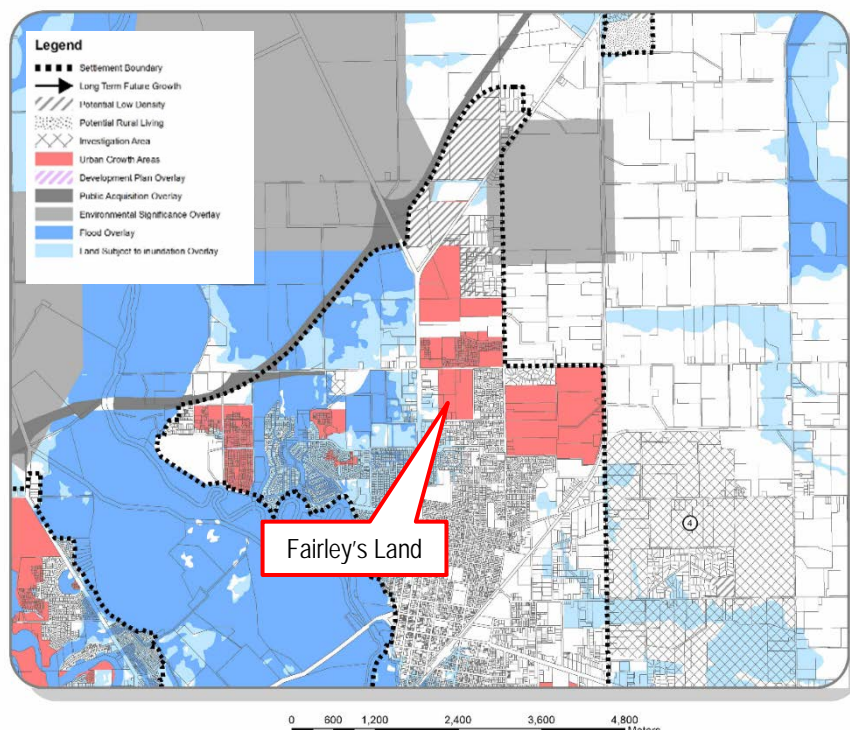


Figure 19 - Clause 21.04 Shepparton North Framework Plan with location of Fairley's land added

48. I therefore find that the current provisions of the Greater Shepparton Planning Scheme provide clear support for the current and ongoing role of the Fairley land as an activity centre.
49. In the context of this existing policy framework, I also find that the currently proposed Stage 2 redevelopment of the Fairley land to provide additional retail floor space, is clearly supported and would appropriately reinforce the role of this land as an activity centre.
50. As outlined in the explanatory report for Amendment C192, however, it has been over a decade since Council's retail strategy has been addressed and, as such, Council commissioned the preparation of the strategy which forms the basis of this amendment. Given population growth and changes to zone provisions since that time, I recognise the need to revisit existing planning scheme provisions.

5.2 Support for expansion provided by Commercial Activity Centres Strategy and Amendment C192

51. As outlined earlier, I find that the Commercial Activity Centres Strategy and Amendment C192 maintain policy support for the activity centre role of the Fairley land but open up the possibility of an expansion of the Commercial 1 Zone beyond the Fairley land. The most relevant strategy at Clause 21.06 would be amended from:

Facilitate the expansion of the neighbourhood centre in the north at the Fairley's supermarket site subject to an Economic Impact Assessment,

To:

Facilitate the expansion of additional retail and commercial facilities for the neighbourhood centre in the north between Ford Road and Hawkins Street, subject to the application of the planning and development assessment criteria at Appendix A of the Commercial Activity Centres Strategy November 2015, to reflect the designated sub-regional role and function of the centre in the future.

52. This corresponds with Action 3 (p117) in the Activity Centre Strategy, which outlines the possibility for expansion of the centre, as follows:

In indicative terms, an increase of 6,000 m2 in shop floorspace may be supported on land outside the existing Commercial 1 Zone at Shepparton North, which is sufficient to accommodate a 2nd supermarket and supporting retail such as specialty shops. This should be subject to detailed assessment through application of the Planning and Development Assessment Criteria to any proposal. An appropriate site in the area fronting the Goulburn Valley Highway between Ford Road in the north and Hawkins Street in the south can be endorsed for this extension to the Commercial 1 Zone.

53. In my view, however, this possibility has been included given earlier discussion in the Strategy about the main features and issues relevant to the centre, particularly potential expansion (p42) which reads:

Potential Expansion - the opportunity exists for the Shepparton North activity centre to expand within the existing planning framework for the centre that includes a shop floorspace cap of 8,000 m2 and significant land in the Commercial 1 Zone that is currently vacant. The opportunity for expansion has not been realised.

54. In this regard, it is also important to note the introductory text to Action 3 (p116-117) which explains that:

Although retaining a contiguous area of land in the Commercial 1 zone is a preferred outcome, the potential for expansion on other available sites in the area between Ford Road and Hawkins Street may be required to achieve the required growth in retail and commercial activity.

55. I therefore find that the Strategy supports the ongoing role of Fairley's land as an activity centre and in accommodating increased retail floorspace to meet future demand. In my view, the potential to expand the Commercial 1 Zone and identify an alternative site has only been included as a contingency, to meet future demand should the opportunity for expansion on the Fairley's land continues to not be realised.
56. As indicated by the recent lodgement of the Stage 2 application on the Fairley's land, the opportunity for expansion is now proposed and, therefore, the contingency provided for in the Strategy is unnecessary, particularly to the extent of identifying a site somewhere along the whole strip between Hawkins Street and Ford Road.
57. Should additional retail floor space and an expanded Commercial 1 Zone be required in the future, it is my view that this should occur immediately adjacent or in close proximity to the Fairley land, so as to support and reinforce role of this location as an activity centre.
58. In my view, the proposed provisions in Clause 21.06 should be tightened to clarify that expansion on the Fairley's land is supported in the first instance, and any expansion of the Commercial 1 Zone should only occur on land contiguous with the existing Commercial 1 Zone. (See further discussion in Section 5.6)

5.3 Number and location of supermarkets

59. Amendment C193 raises the prospect of three full-line supermarkets in the Shepparton North area, given that Stage 2 of development of the Fairley site is now proposed and would result in two supermarkets being located on that property. This is a prospect I do not support from a planning perspective and I note is not supported by any of the retail assessments I have reviewed.
60. I have considered the findings of the Commercial Activity Centres Strategy, the MacroPlan Dimasi report in support of Amendment C193, the peer review of the MacroPlan Dimasi report prepared by Hill PDA for Council, and the report prepared by Location IQ in support of the Stage 2 expansion on the Fairley's Land.
61. Whilst the reports supporting C193 and the Stage 2 expansion clearly differ in terms of where a second full-line supermarket should be located I note that, consistent with the Commercial Activity Centres Strategy, neither of these reports, nor the Hill PDA peer review, suggest that there is a need for three full-line supermarkets in Shepparton North.

5.4 Activity Centre Planning

62. In my opinion, it would be extremely poor planning and would be contrary to a raft of existing and long held planning policies, to establish two separate supermarket based activity

centres, close to each other but not connected, to jointly perform the role of a single sub-regional activity centre in Shepparton North.

63. The concentration of services and facilities in designated activity centres, and avoiding the dispersion of activities outside designated centres, is a fundamental tenant of activity centre planning in Victoria and is entrenched in State and local planning policy:
 - Activity centre policy calls for the 'concentration' of a wide range of activities into centres that are highly accessible to the community, especially by sustainable modes of transport such as walking, cycling and public transport (Clause 11.03-1 and 11.03-2):
 - *To encourage the concentration of major retail, residential, commercial, administrative, entertainment and cultural developments into activity centres which provide a variety of land uses and are highly accessible to the community.*
 - *Reduce the number of private motorised trips by concentrating activities that generate high numbers of (non-freight) trips in highly accessible activity centres.*
 - *Improve access by walking, cycling and public transport to services and facilities for local and regional populations.*
 - Economic development policy refers to encouraging the 'aggregation' of activities. It provides strong policy direction to locate new commercial facilities in existing activities centres (Clause 17.01-1) and to discourage 'out-of-centre' development (Clause 17.01-2):
 - *To encourage development which meet the communities' needs for retail, entertainment, office and other commercial services and provides net community benefit in relation to accessibility, efficient infrastructure use and the aggregation and sustainability of commercial facilities.*
 - *Locate commercial facilities in existing or planned activity centres.*
 - *Ensure that proposals or expansion of single use retail, commercial and recreational facilities outside activity centres are discouraged by giving preference to locations in or on the border of an activity centre.*
 - Transport policy seeks to integrate land use and transport planning, and to provide for sustainable forms of transport, with an emphasis on reducing car based trips and increasing more sustainable forms of movement such as walking cycling and public transport (Clause 18).
64. Activity centres are intended to be busy, interesting, diverse, active, mixed use, focal points for the community. Their success depends on locating the widest possible range of shops, jobs, community, entertainment, leisure and other related services and facilities in a concentrated and accessible centre, as is appropriate given the role of the centre the wider activity centre hierarchy that exists throughout a city.
65. Activity centres are intended to be the focal point for the provision of sustainable forms of transport such as walking, cycling and public transport. They are a focal point for investment by government agencies in community services and facilities, as well as in physical infrastructure to provide accessible, attractive and functional places.
66. They are intended to be the focus for increased housing densities.
67. A successful activity centre relies upon achieving a critical mass of activity that makes it a real focal point for the community and a place that people need to and choose to visit.
68. To disperse the activities that will be required to provide for the existing and future needs of the residents of Shepparton North, into two locations that would provide a similar range of services but which would be 500 metres apart, would in my opinion be contrary to planning policy and would prejudice the potential of both centres to perform the role intended for the by Shepparton North centre.

69. I do not believe that the risk of retail facilities not being expanded on the Fairley site is sufficient to warrant what I would consider an extreme measure, of allowing a second supermarket based centre on a free standing site close to the existing centre.

5.5 Longer Term Planning of the Shepparton North Activity Centre

70. In terms of the longer term planning of the Shepparton North Activity Centre, in my opinion the focus of attention should be generally south towards Pine Road and potentially east (should adjoining industrial zoned land become available in the future), rather than north to Ford Road.
71. Given the 14,000 sqm of retail floorspace identified as being required in Shepparton North, I do not believe that there is any prospect of effectively integrating a supermarket based centre at the corner of Ford Road, with the existing / redeveloped Fairley Site, to function as single, a well-planned and conveniently designed activity centre.
72. In my view, there is an existing critical mass of activity to the south of Hawkins Road, that supports any future planning of the activity centre focussing towards that direction, as evidenced by the following:
- There is a mix of food and other retail and business uses consistent with an activity centre use, presently existing in the Commercial 2 Zoned area along the east side of Numurkah road, to the south of Hawkins Street.
 - Council has recently granted a number of planning permits for shops to the south of Hawkins Street, on either side of Pine Road, some of which are nearing completion.
 - The Shepparton Sports Stadium is located on the opposite side of Numurkah Road to the south-west of the Fairley Site. That complex is a major activity generator in the precinct and should be integrated in the future planning of the Shepparton North activity centre.
 - There is a large vacant Commercial 2 zoned site on the opposite side of Hawkins Street, that has potential to be developed as part of the activity centre.
 - A footpath presently exists along the east side of Numurkah Road, south of Hawkins Street, that connects the precinct with uses further to the south.
 - Industrial zoned land to the east could be incorporated into the long term future planning of the centre, subject to ongoing use of the land for industrial purposes.
 - A significant medical precinct comprising a private hospital, Goulburn Valley Health and University of Melbourne Health exists on the east side of Numurkah Road some 500 metres to the south of the Pine Road and some 920 metres from Hawkins Street.
 - A bus service runs along Hawkins Street connecting the area to the CBD.
73. In contrast to the Fairley land and the surrounding locality, I note that the development proposed as part of Amendment C192 is not provided with pedestrian and public transport connections, and is not supported by complementary retail and other land uses. Its locational attributes are, in my view, significantly weaker than those of the Fairley's land and, from a planning perspective, I question the appropriateness of developing the land for a retail centre as proposed.
74. Whilst I note that it is intended that Ford Road may be an access road to the proposed Shepparton Bypass, when it eventuates, I do not believe that change in circumstances is important to the location of the Shepparton North activity centre, given the role it is intended to have.
75. I note that Commercial 2 zoned land along Numurkah Road in the vicinity of the Fairley Site, is identified as one of three Enterprise Corridors in Shepparton (Activity Centre Strategy). This area will remain and will evolve as a key business location in Shepparton North. In my opinion, it would be appropriate to continue to develop that area in accordance with the Enterprise Corridor concept outlined in the Activity Centre Strategy. It will have clear

synergies with the Shepparton North activity centre but should not in my opinion become a focus for retail uses that would be better located in a more concentrated manner in an expanded activity centre at the corner of Numurkah Road and Hawkins Street.



Figure 20 - Locality aerial showing surrounding land uses



Figure 21 - Shepparton Sports Stadium



Figure 22 - Bus stop opposite Fairley's land

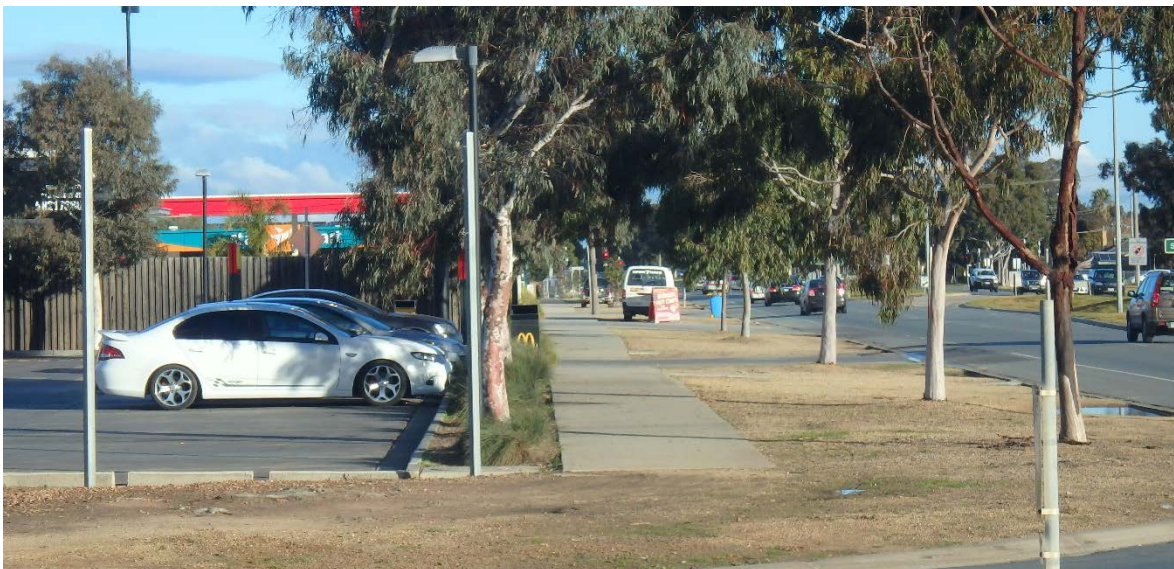


Figure 23 - Footpath along Goulburn Valley Highway to south of Fairley's land



Figure 24 - Food and drink premises to the south of Fairley's land



Figure 25 – Retail uses to south of Fairley's land

5.6 Suggested Modifications to the Amendment 192

Clear direction regarding the location of the Shepparton North Centre

76. I note that a key strategy for activity centre planning is to provide certainty regarding the location of activity centre and investment, by providing “clear directions for preferred locations of investment”:

Give clear direction in relation to preferred locations for investment. (Clause 11.03-2)

77. In my opinion, by keeping the option open for an alternative site to accommodate the additional retail floorspace required as part of the Shepparton North centre, I believe that Amendment C192 fails achieve this aim.
78. I note that Amendment C192 proposes to remove the ‘clear direction’ for the location of the Shepparton North activity centre, that is presently contained in the planning scheme. Existing policy in relation to Shepparton North is clear and specifically relates to the Fairley Site. It states:

Facilitate the expansion of the neighbourhood centre in the north at the Fairley's supermarket site subject to an Economic Impact Assessment. Existing Strategy - Clause 21.06-5 Commercial Activity Centres.

79. The proposed wording of Amendment C192 is broader and is not site specific. It refers to an area between Hawkins Road and Ford Road. It could apply to either the east or to the west side of Numurkah Road.

Facilitate the expansion of additional retail and commercial facilities for the neighbourhood centre in the north between Ford Road and Hawkins Street, subject to the application of the planning and development assessment criteria at Appendix A of the Commercial Activity Centres Strategy November 2015, to reflect the designated sub-regional role and function of the centre in the future.

80. The proposed policy goes further than the Activity Centre Strategy upon which it is based. It does not state that the Fairley site is the “superior site” and is the “preferred location” for an expansion of the Shepparton North activity centre, or that an alternative location north should only be considered if expansion of the existing site cannot be achieved, which were the clear directions from the Strategy . (Pages 116 and 117)
81. The proposed MSS strategy makes reference to Appendix A of the Activity Centre Strategy. Appendix A provides general procedural and other general assessment criterial only. It does not refer to the more detailed discussion and guidelines contained in Section 9.4 of the

Activity Centre Strategy, which relate specifically to Shepparton North and state the preference for the expansion of the centre on the existing site.

82. In my opinion, either the existing strategy in relation to Shepparton North should be retained, or if a broader strategy was to be considered it should continue to focus on the Fairley Site. For example:

Facilitate the expansion of additional retail and commercial facilities for the existing neighbourhood centre located at the north-east corner of Numurkah Road and Hawkins Street, to reflect the designated sub-regional role and function of the centre in the future.

Retail cap contained in Schedule 1 of the Commercial 1 Zone

83. I also note that Amendment C192 does not propose to alter the existing 8,000 sqm retail floorspace cap contained in Schedule 1 of the Commercial 1 Zone in relation to the Fairley site, despite the Activity Centre Strategy identifying the need for two full-line supermarkets in Shepparton North and the potential for up to 14,000 sqm of retail floorspace.
84. The implication of not raising the cap is that a land use permit is required for any retail floorspace above 8,000 sqm, rather than a buildings and works permit. This raises the prospect that a 'use' permit could be refused for an application that is entirely consistent with the Activity Centre Strategy.
85. In order to 'facilitate' the developed of the Fairley Site, in accordance with the Activity Centre Strategy, I believe it would be appropriate to either increase the cap applying to the Fairley site to 14,000 sqm, or to remove the cap as it applies to the site. The cap could be removed given that the size of the site effectively constrains its development potential to around 14,000 to 15,000 sqm of floorspace (assuming a single storey / ground level development).
86. A key consideration should be to prevent any 'as-of-right' opportunity for a discount department store (or higher order retail facility) being established on the site, as the Activity Centre Strategy clearly identifies the need for such facilities to be located in the Shepparton CBD. This could be achieved by including reference to a department store or large sized tenancy, in the Schedule to the Commercial 1 Zone.

6 Conclusion

87. Having considered the implications of Amendments C192 and C193 on the Fairley's land the their respective merits from a planning perspective I have reached the conclusion that:
- I do not support the rezoning and permit application proposed by Amendment C193 to the Greater Shepparton Planning Scheme and, for the reasons outlined in this statement, recommend that it should be abandoned.
 - I support the changes to the Greater Shepparton Planning Scheme proposed by Amendment C192 subject to modifications which make it clear that and any future expansion of the Commercial 1 Zone should only occur on land contiguous with the existing centre on the Fairley land.



David Barnes BTRP (Hons); MBA, FPIA

Managing Director | Hansen Partnership