



AGENDA APPENDIX
Council Meeting
Wednesday 18 December 2013

AGENDA ITEM FOR SEPARATE DISTRIBUTION TO COUNCILLORS AND EXECUTIVE LEADERSHIP TEAM DUE TO DOCUMENT SIZE.

THE ITEM IS ACCESSIBLE VIA THE COUNCIL WEBSITE OR BY CONTACTING COUNCIL ON 03 5662 9200.

E.4 – PLANNING SCHEME AMENDMENT C52 REZONE FARM ZONE TO RESIDENTIAL 1 ZONE KORUMBURRA - SPLIT AMENDMENT INTO 2 PARTS AND ADOPT PART 1

Appendix 2 – Council Minutes 19 December 2012

E.7 PLANNING PANEL REPORT - PLANNING SCHEME AMENDMENTS C70, C71, C52 AND C66

Development Services Directorate

EXECUTIVE SUMMARY

This report is to advise Council of the recommendations of the Planning Panel (Panel) Report (refer **Appendix 1**) received for Planning Scheme Amendments C70, C71, C52 and C66 in the township of Korumburra.

The amendments propose the following:

1. C70 introduces Korumburra Township planning provisions defining: the locations of the retail core and town centre; locations of new developments; a Framework Plan identifying future developments; future urban and rural growth areas; and strategies and principles guiding land release and development within the Korumburra Framework Plan.
2. C71 seeks to rezone a Council-owned site at 155-165 Commercial Street Korumburra from Public Use Zone 7 (PUZ 7) to Business 1 Zone (B1Z).
3. C52 & C66 seek to rezone 20ha and 73ha respectively from Farming Zone (FZ) to Residential 1 Zone (R1Z), remove the Environmental Significance Overlay Schedule 5 (Areas susceptible to erosion) from the land and apply a schedule to the Development Plan Overlay (DPO) to guide the future residential subdivision of the land.
4. It is recommended that Council adopt Planning Scheme Amendments C70 and C71 as recommended by the Panel.
5. For reasons of long term public interest, it is also recommended that Council seeks a 12-month extension of time to approve Planning Scheme Amendments C52 and C66 so that:
 - a. Negotiations can be conducted with landowners over Development Contributions;
 - b. A Development Contributions Plan for the areas can be prepared; and
 - c. Further work can be conducted on Neighbourhood Character assessment and preparation of design controls for Korumburra to assist with future town development prior to adoption of C52 & C66

Documents pertaining to this Council Report

Appendix 1:

Panel Report - South Gippsland Planning Scheme Amendments C52, C66, C70 and C71

Appendix 2:

Section A: South Gippsland Shire Council Minutes 23 May 2012 - Amendment C70 Korumburra Structure Plan

Section B: South Gippsland Shire Council Minutes 23 May 2012 Amendment C71 155-165 Commercial Street, Korumburra

Section C: South Gippsland Shire Council Minutes 22 September 2010 C52 Jumbunna Road Residential Rezoning

Section D: South Gippsland Shire Council Minutes 23 May 2012 Amendment C66 - Western Korumburra Rezoning

A copy of the **Appendix 1 and 2** is available on Council's website: www.southgippsland.vic.gov.au or by contacting 5662 9200.

Confidential Appendix 1: Confidential submissions

LEGISLATIVE / ACTION PLANS / STRATEGIES / POLICIES

Planning and Environment Act 1987

INTERNAL POLICIES / STRATEGIES / DOCUMENTS

Nil

COUNCIL PLAN

Strategic Goal:	3	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.2	Transport
Strategic Goal:	3	A strong economy
Outcome:	3.3	Infrastructure
Strategy No:	3.3.4	Land-use planning

CONSULTATION

The Amendments have each been subject to consultation and notice in accordance with usual practice. Submissions were received as follows:

- C70 - Eight submissions, four requesting changes,

- C71 - Ten submissions, four requesting changes; one has been subsequently withdrawn
- C52 - 27 submissions, all requesting changes,
- C66 - 12 submissions, four requesting changes.

REPORT

Background

In accordance with Council resolutions in **Appendix 2**, Amendments C70, C71, C52 and C66 were referred to an independent Planning Panel for consideration. Submissions from the public regarding the amendments appear in **Confidential Appendix 1**.

Whilst Council exhibited the Amendments separately, the Panel determined that they should be heard together as the issues for Amendments C52, C66 and C71 overlap and implement the key policy objectives of Amendment C70.

C70 - Korumburra Structure Plan

Amendment C70 introduces the key recommendations of the Korumburra Structure Plan July 2010 into the Municipal Strategic Statement of the South Gippsland Planning Scheme.

Korumburra Structure Plan was initially adopted by Council in October 2008 but it was not implemented at that time due to issues surrounding the town centre and Korumburra Saleyards site. The Structure Plan was referred to the Department of Planning and Community Development's Priority Development Panel (PDP) for consideration. The provisions of Amendment C70 respond to the recommendations of the PDP May 2010 report.

The updated Structure Plan identifies all C52 and C66 land as Urban Expansion Areas and provides a strategic basis to rezone these areas.

Responses to submissions are summarised as follows:

Appropriate definition of the town centre and core retail area

The owner of the Korumburra IGA requested that the IGA site be included in the defined Town Centre area on the grounds that the site's exclusion could discourage future development. The wording of Clause 21.04-5 was altered to support operation and expansion of existing businesses at their current locations.

Buffers to existing industrial sites including the Burra Foods factory

Burra Foods' submission raised concerns over future residential rezoning in close proximity to its site due to noise, odour, vibration and lighting affecting

residential amenity. Another submitter sought clarification of the 'industrial estate' description in the exhibited Framework Plan.

A new strategy was inserted into clause 21.04-5 to address adverse amenity effects and make corresponding changes to the Framework Plan map to more appropriately describe existing industrial areas.

Residential land supply and demand and residential amenity

A number of submitters supported new land availability but raised specific concerns over the changing character of the area. In particular, submitters objected to the appearance of new housing estates as 'a sea of houses'.

To minimise the visual impact of residential development, Council included design controls for land adjacent to existing Low Density Residential Zones (LDRZ) and along 'collector' roads including Jumbunna and Bena Road.

The Panel supported the need to increase land supply and include design controls over the interface between the R1Z and the LDRZ land. However, the Panel did not support design controls for land abutting collector roads due to a lack of strategic evidence.

A residential character assessment within Korumburra is supported to be undertaken to obtain the required strategic evidence.

Defining the new growth areas for residential, commercial and industrial development within Korumburra

The Panel concurred that the existing and future uses identified in the Framework Plan are appropriate and provide sufficient guidance to development and rezoning.

Public Acquisition Overlay (PAO) Little Commercial Street (Lot 1 PS321369)

Council is undertaking a separate Planning Scheme Amendment, C79, which corrects anomalies in the Planning Scheme. The Little Commercial Street PAO is not required and was proposed for removal by C79 shortly after the Panel Hearing. Removing the PAO from the Town Centre Framework Plan, as recommended by the Panel, is supported.

Panel Recommendation

The Panel recommends that Amendment C70 to the South Gippsland Planning Scheme be adopted subject to changing the exhibited Clause 21.04-5 as shown in the Panel report and correcting minor mapping errors.

C71 - 155-156 Commercial Street Rezone from Public Use Zone 7 (PUZ7) (Other public use) to Business 1 Zone (B1Z)

The introduction of a Korumburra Town Centre Framework Plan into the Planning Scheme was recommended by the PDP and provides support for

Amendment C71 to rezone the library site from Public Use Zone to a Business 1 Zoning.

Council proposed rezoning this site to increase retail opportunities, in particular a large retail site for Korumburra as recommended by the PDP. Submitters raised a number of concerns over the loss of an important community asset without a replacement being provided. Objections were also raised about various amenity issues and it was contended that the site was outside the Town Centre Retail Core.

The Panel supported Amendment C71 without change; however it recommended that Council reiterate its commitment to ensure community uses on the site are preserved. This commitment has been made previously by Council at a meeting on 20 March 2011 with the Korumburra community.

C52 and C66 common Issues

Strategic justification for rezoning the land to R1Z

The Panel agreed that the land is strategically supported for rezoning to R1Z based on land supply and demand; and because the land has been identified within the existing and proposed Korumburra Framework Plans.

The impact of development on adjoining LDRZ land

As discussed under Amendment C70 the Panel consider the neighbourhood interface issues associated with developing the land adjacent to LDRZ can be appropriately dealt with under the provisions of the DPO.

The Panel recommended the addition of a minor amendment to the DPO requirement for a 'Traffic Impact Assessment to the satisfaction of the Responsible Authority in consultation with VicRoads'. This recommendation is supported.

The detail of the controls in the proposed DPO

The Panel reviewed the exhibited and proposed DPO and considered that a number of changes are required to improve legibility. This recommendation is supported.

Development Contributions

The Panel recommended that provisions for development contributions are removed due to a lack of strategic justification. This recommendation is not supported as detailed later.

Amenity Issues - Interface issues relating to Jumbunna Road and Somers Crescent

The Panel expressed that there was insufficient strategic justification for these requirements for dwellings adjacent to Sommers Crescent and Jumbunna Road.

It is recommended that Council conducts further work on township character and design controls to guide future township developments in Korumburra.

C52 - Rezoning of 20 ha of Farm Zone land to Residential 1 Zone land with Development Plan Overlay 4

Amenity Issues

Amenity Issues - Interface issues relating to adjoining Low Density Residential Zoned (LDRZ) land

The Panel agreed with the amenity controls (setbacks and site coverage) resolved by Council on 29 August 2012 for the Low Density Residential Zone interface.

Amenity Issues - Interface issues relating to Jumbunna Road and Somers Crescent

The Panel expressed that there was insufficient strategic justification for these requirements for dwellings adjacent to Sommers Crescent and Jumbunna Road.

It is recommended that Council conducts further work on township character and design controls to guide future township developments in Korumburra.

Road access and traffic details

Based on the proponent's traffic study, the Panel agreed that the existing road networks have sufficient capacity to manage the traffic generated by the development. It should be noted that Council's Engineering Services Department is waiting for further information from the proponent on additional intersections including the Jumbunna and Bena Road intersections.

The Panel considered there may be issues with Prudence Close which is required for connection between the C52 land and the adjoining subdivision to the north east and in the future with traffic arising from the C66 land.

Panel Recommendation C52

The Panel recommended that Amendment C52 to the South Gippsland Planning Scheme be adopted with recommended changes to DPO4.

C66 - Rezoning of 73 ha of Farm Zone land to Residential 1 Zone land with Development Plan Overlay 6 and removal of Environmental Significance Overlay 5 (Areas susceptible to erosion).

Amenity Issues - Interface issues relating to adjoining industrially zoned land

The Panel supports the proposed controls in the DPO to enable an appropriate design response to this area.

Amenity Issues - Interface issues relating to adjoining Low Density Residential Zoned (LDRZ) land

As with C52, the Panel considered that an amended Development Plan control between the proposed R1Z land and the existing LDRZ land was required to protect the LDRZ amenity. The change provides for a minimum rear setback, a landscape buffer and a limit to the number of new adjoining R1Z lots. This recommendation is supported.

Staging of Development

The Panel shares concerns that due to the number of landowners and the large area to be rezoned, the staging of development may lead to out-of-sequence infrastructure provision. To address this concern the Panel supported the inclusion of a staging provision in the DPO.

Panel Recommendation C52

The Panel recommended that Amendment C66 to the South Gippsland Planning Scheme be adopted with recommended changes to DPO6.

DEVELOPMENT CONTRIBUTIONS

It is considered prudent for developers to contribute to the provision of community infrastructure including roads, drainage and other community assets associated with rezoning.

For example, amendment C52 will place considerable additional demand on the existing road network. Therefore it is in the public interest that the future purchasers of the lots should contribute (via the developer's contribution) to the provision of the upgrade of that infrastructure.

Council has started the background work on developer infrastructure contributions with its Korumburra Town Centre Framework Plan, the Korumburra Traffic and Drainage Study, and the Korumburra Social and Community Infrastructure Project.

State Government consultants have calculated a range of development contributions rates across the state from \$3,500 to \$27,000 per lot. The C52 and C66 rezonings would enable 500 to 800 new lots. If the ability to secure developer contributions from these developments is compromised, up to \$6million in contributions could be lost from the C52 and C66 rezonings alone; assuming a rate of approximately \$7,500 per lot. It is estimated that Korumburra's total infrastructure needs in the next 15 years is approximately \$12-15million.

However, the Panel recommendations remove Council's ability to require development contributions associated with C52 and C66 until further work is undertaken.

The State Government is developing 'off the shelf' development contribution mechanisms, but as the expected delivery date of these changes is considered too far away, so waiting for these changes is not considered an appropriate option for Council.

AMENITY CONTROLS

The issues regarding amenity controls for land abutting collector roads for both C52 and C66 are similar. Consequently it is recommended to undertake assessment of Korumburra's neighbourhood character to inform the design parameters for the preservation of neighbourhood 'feel ' prior to the adoption of the amendments.

DISCUSSION

Accepting and adopting all of the recommendations of the Panel would facilitate a release of new land quickly but it would also introduce long term challenges regarding developer contributions and design requirements.

Korumburra has approximately 5 to 7 years of available land supply and it is acknowledged that there is a high need for additional housing in Korumburra based on housing construction trends. Rezoning of the land for C52 and C66 would provide for a potential 20-25 years supply of residential land.

However, the land supply need is not so urgent that it should be fulfilled at the expense of long term outcomes for the sake of a relatively brief and affordable amount of additional strategic work identified by the Panel. Therefore, it is recommended to undertake the further work to address the concerns of the Panel for developer contributions and amenity controls on land adjacent to collector and main roads prior to adopting the amendments.

A revision of Ministerial Direction No. 15 requires Council to make a decision to either adopt or abandon an amendment within 40 business days of receiving the Panel report unless an extension of time has been granted by the Minister. If Council obtained a 12-month extension of time before adoption, there would be time for voluntary negotiations on development contributions to occur with the C52 and C66 proponents. During the same period, Council could undertake the strategic work to prepare a Planning Scheme Amendment for a Development Contributions Overlay Schedule for Korumburra.

FINANCIAL CONSIDERATIONS

Council is required to pay the Panel costs for its C70 and C71 amendments. The proponents for Amendments C52 and C66 are required to pay their share of Panel costs. The invoice for the Panel costs should be provided to Council within the next two months.

If Council adopts C52 and C66 now without undertaking strategic work recommended by the Panel, it loses the opportunity to obtain developer contributions on behalf of the Korumburra community for infrastructure relevant for the next 25-30 years of growth and estimated as being worth up to \$6 million.

OPTIONS

When considering the recommendations of a Panel Report, Council is not bound to accept the recommendations. However the usual practice is to accept the expert independent advice and adopt the recommendations unless strong grounds exist for not doing so. The Minister for Planning must also consider the Panel's recommendation when determining whether to approve the Amendment and it is unusual for the Minister to dismiss Panel recommendations.

The options for Council are:

1. Accept and adopt all amendments now in the form recommended by the Panel and seek approval from the Minister for Planning;
2. Set aside some of the recommendations of the Panel and proceed with the amendments as Council determines:
 - a. Where Council agrees fully with the Panel recommendations it can proceed to adoption;
 - b. Where Council does not agree fully with the Panel recommendations, it can request further time for adoption and negotiate with amendment proponents to obtain agreement over the matters that Council does not support; and undertake further strategic work including further Planning Scheme Amendments to address Panel concerns; or
3. Abandon all or some of the Amendments.

It is recommended that Council accept all Panel recommendations for C70 and C71 and adopt these amendments.

It also recommended seeking a resolution to the issues identified by the Panel for Amendments C52 and C66 and then adopting them at a later date.

RISK FACTORS

If C70 is not approved there will be a lack of strategic guidance for the development of Korumburra.

If C71 is not approved this will be a significant impediment to Council's work to facilitate further retail developments in Korumburra.

If Council approves C66 and C52 now, there is a risk that Council will be unable to obtain development contributions without a formal agreement or Development Contributions Overlay. This has the potential to leave Council facing funding pressure from traffic, drainage and community infrastructure needs from development. It is conservatively estimated that this may be a cumulative shortfall of up to \$6million.

The amendment proponents for C52 and C66 are private development interests. The risk factors associated with the amendment are borne by the developer.

CONCLUSION

The Panel's recommendations for amendments C70 and C71 are supported.

The Panel supports Amendments C52 and C66 with minor changes to the Development Plan Overlays but also with the recommendation that provisions for development contributions and amenity controls on collector roads are removed. Council supports the minor changes but not the removal of the development contribution and amenity controls. Therefore, it is recommended that Council seeks an extension of time for amendments C52 and C66 to conduct further work prior to adoption.

RECOMMENDATION

That Council:

1. Receive the Panel Report 'South Gippsland Planning Scheme Amendment C52, C66, C70 and C71 dated 8 November 2012';
2. Adopt Planning Scheme Amendments C70 and C71 to the South Gippsland Planning Scheme as recommended by Panel Report;
3. Forward Amendment C70 to the Secretary of the Department of Planning and Community Development for Certification;
4. Note Amendment C70 is to be approved under delegation following its Certification;
5. Request the Minister for Planning to approve Amendment C71;
6. Request the Minister for Planning for a 12-month extension of time to the period allowed for Council to adopt Amendments C52 and C66 to enable completion of strategic work on development contributions and neighbourhood character as recommended by the Panel to serve the public interest and to ensure a just and fair process
7. Consider a future report on a proposed project to undertake further strategic work on character assessment of Korumburra and to prepare amenity controls for future residential development in Korumburra.
8. Confirm the commitment to ensure existing community uses at 155-156 Commercial Street, Korumburra will be relocated or incorporated into any future development of the site.

MOVED: Cr Brunt

SECONDED: Cr McEwen

THAT COUNCIL:

- 1. RECEIVE THE PANEL REPORT 'SOUTH GIPPSLAND PLANNING SCHEME AMENDMENT C52, C66 AND C70 DATED 8 NOVEMBER 2012';**
- 2. ADOPT PLANNING SCHEME AMENDMENTS C70 TO THE SOUTH GIPPSLAND PLANNING SCHEME AS RECOMMENDED BY PANEL REPORT;**
- 3. FORWARD AMENDMENT C70 TO THE SECRETARY OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FOR CERTIFICATION;**
- 4. NOTE AMENDMENT C70 IS TO BE APPROVED UNDER DELEGATION FOLLOWING ITS CERTIFICATION;**
- 5. REQUEST THE MINISTER FOR PLANNING FOR A 12-MONTH EXTENSION OF TIME TO THE PERIOD ALLOWED FOR COUNCIL TO ADOPT AMENDMENTS C52 AND C66 TO ENABLE COMPLETION OF STRATEGIC WORK ON DEVELOPMENT CONTRIBUTIONS AND NEIGHBOURHOOD CHARACTER AS RECOMMENDED BY THE PANEL TO SERVE THE PUBLIC INTEREST AND TO ENSURE A JUST AND FAIR PROCESS**
- 6. CONSIDER A FUTURE REPORT ON A PROPOSED PROJECT TO UNDERTAKE FURTHER STRATEGIC WORK ON CHARACTER ASSESSMENT OF KORUMBURRA AND TO PREPARE AMENITY CONTROLS FOR FUTURE RESIDENTIAL DEVELOPMENT IN KORUMBURRA.**

MOVED: Cr Newton

SECONDED: Cr McEwen

THAT STANDING ORDERS BE SUSPENDED FOR TEN MINUTES.

CARRIED

For: Crs Brunt, Hutchinson-Brooks, Davies, McEwen, Hill, Kennedy and Newton.

Against: Crs Fawcett and Harding.

Discussion ensued.

MOVED: Cr Kennedy

SECONDED: Cr Newton

THAT STANDING ORDERS RESUME.

CARRIED UNANIMOUSLY

A vote was taken to accept the following alternate motion and was CARRIED UNANIMOUSLY.

THAT COUNCIL:

- 1. RECEIVE THE PANEL REPORT 'SOUTH GIPPSLAND PLANNING SCHEME AMENDMENT C52, C66 AND C70 DATED 8 NOVEMBER 2012';**
- 2. ADOPT PLANNING SCHEME AMENDMENTS C70 TO THE SOUTH GIPPSLAND PLANNING SCHEME AS RECOMMENDED BY PANEL REPORT;**
- 3. FORWARD AMENDMENT C70 TO THE SECRETARY OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FOR CERTIFICATION;**
- 4. NOTE AMENDMENT C70 IS TO BE APPROVED UNDER DELEGATION FOLLOWING ITS CERTIFICATION;**
- 5. REQUEST THE MINISTER FOR PLANNING FOR A 12-MONTH EXTENSION OF TIME TO THE PERIOD ALLOWED FOR COUNCIL TO ADOPT AMENDMENTS C52 AND C66 TO ENABLE COMPLETION OF STRATEGIC WORK ON DEVELOPMENT CONTRIBUTIONS AND NEIGHBOURHOOD CHARACTER AS RECOMMENDED BY THE PANEL TO SERVE THE PUBLIC INTEREST AND TO ENSURE A JUST AND FAIR PROCESS**
- 6. CONSIDER A FUTURE REPORT ON A PROPOSED PROJECT TO UNDERTAKE FURTHER STRATEGIC WORK ON CHARACTER ASSESSMENT OF KORUMBURRA AND TO PREPARE AMENITY CONTROLS FOR FUTURE RESIDENTIAL DEVELOPMENT IN KORUMBURRA.**
- 7. CONFIRM THE COMMITMENT TO ENSURE EXISTING COMMUNITY USES AT 155-156 COMMERCIAL STREET, KORUMBURRA WILL BE RELOCATED OR INCORPORATED INTO ANY FUTURE DEVELOPMENT OF THE SITE;**
- 8. RECEIVE THE PANEL REPORT 'SOUTH GIPPSLAND PLANNING SCHEME AMENDMENT C71 DATED 8 NOVEMBER 2012';**
- 9. ADOPT PLANNING SCHEME AMENDMENT C71 TO THE SOUTH GIPPSLAND PLANNING SCHEME AS RECOMMENDED BY PANEL REPORT; AND**
- 10. REQUEST THE MINISTER FOR PLANNING TO APPROVE AMENDMENT C71.**

MOVED: Cr Fawcett

SECONDED: Cr Davies

**THAT THE MOTION BE SPLIT TO VOTE SEPERATELY ON POINTS 1 – 6
AND 7 – 10.**

CARRIED UNANIMOUSLY

The Mayor separated the Motion into points 1 – 6 and points 7 – 10.

MOVED: Cr Hutchinson-Brooks

SECONDED: Cr Brunt

THAT POINTS 1 – 6 BE ADOPTED.

CARRIED UNANIMOUSLY

MOVED: Cr Hutchinson-Brooks

SECONDED: Cr Brunt

THAT POINTS 7 – 10 BE ADOPTED.

LOST

For: Crs Hutchinson-Brooks, Harding, Davies and Fawcett.

Against: Crs Newton, Kennedy, McEwen, Hill and Brunt.