

9 DEVELOPMENT AND INFRASTRUCTURE

9.1 AMENDMENT C123 - KILMORE AND WANDONG-HEATHCOTE JUNCTION STRUCTURE PLAN IMPLEMENTATION: CONSIDERATION OF PLANNING PANEL REPORT

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Attachments:

1. Amendment C123 Panel Report - Under Separate Cover
2. Amendment C123 Documentation - Under Separate Cover
3. Kilmore and Wandong-Heathcote Junction Structure Plans and Supporting Strategies - Under Separate Cover
4. Amendment C123 Table of Changes - Under Separate Cover

SUMMARY

Planning Scheme Amendment C123 seeks to implement the Kilmore and Wandong-Heathcote Junction Structure Plans and associated strategies into the *Mitchell Planning Scheme*. Following public exhibition of Amendment C123 Council considered submissions at its Ordinary Meeting held 19 February 2018 and resolved to refer the Amendment and all submissions to an Independent Planning Panel.

The role of the Independent Planning Panel is to consider all submissions received, the strategic merit of Amendment C123 and to provide a report of its findings and recommendations to Council and the Minister for Planning.

A Panel Report has now been received (Attachment 1) which supports Amendment C123, noting that “*both Structure Plans put in place a robust and realistic policy and statutory framework that will guide the future growth of both towns*” (Page 2). The Panel recommends that Amendment C123 be adopted, subject to minor technical changes.

In accordance with the *Planning and Environment Act 1987*, Council is now required to consider the Panel Report and the Panel’s recommendation. This report provides a summary of the key matters considered and the recommendations of the Independent Planning Panel.

Following consideration of the Panel Report it is recommended that Council adopt Amendment C123 to the *Mitchell Planning Scheme*, with changes in accordance with the Panel’s recommendations and generally in accordance with Attachments 2 and 3 to this report. This report also recommends that Council submit the adopted Amendment C123 to the Minister for Planning requesting approval.

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RECOMMENDATION

THAT Council:

1. Pursuant to Section 29 of the *Planning and Environment Act 1987*, adopt Planning Scheme Amendment C123 to the *Mitchell Planning Scheme*, with changes generally in the form provided at Attachments 2 and 3.
2. Pursuant to Section 31 of the *Planning and Environment Act 1987*, forward the adopted Planning Scheme Amendment C123 to the Minister for Planning requesting approval.

BACKGROUND

Structure Plan Preparation and Community Consultation

The Kilmore and Wandong-Heathcote Junction Structure Plans were prepared concurrently between June 2015 and August 2016. Community consultation occurred at key milestones throughout this process and attracted significant levels of engagement and interest from the community. All feedback received was reviewed and appropriate changes were made to the Structure Plans prior to Council adoption at the Ordinary Council Meeting held on 15 August 2016.

Kilmore Structure Plan

The Kilmore Structure Plan seeks to accommodate a future population of 20,000 people and provides timely direction on future land supply and infrastructure delivery. The Kilmore Structure Plan provides guidance for coordinated development, with regard for lifestyle, heritage and environment and revitalisation of the Sydney Street town centre to provide improved amenity for current and future residents of Kilmore. The Kilmore Structure Plan identifies several residential growth areas and infill development opportunities to accommodate the anticipated population growth.

Amendment C123 proposes the following changes to Kilmore's planning controls:

- Applying the Development Plan Overlay to Kilmore's growth areas in the north, west and south east.
- Applying the Development Plan Overlay to Kilmore's large infill development sites.
- Adding the Kilmore Infrastructure Framework as a reference document.
- Applying the Design and Development Overlay to the Sydney Street town centre and key gateway sites which are located at the north and south town entrances.
- Applying a new schedule to the Township Zone to Kilmore East.
- Revision of Local Policy.

Wandong-Heathcote Junction Structure Plan

The Wandong-Heathcote Junction Structure Plan vision identifies the township as appropriate for modest growth and development. The vision highlights that future development must ensure that the high environmental, heritage and valued rural lifestyle of the township are preserved and bushfire risk is considered.

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The Wandong-Heathcote Junction Structure Plan does not nominate any residential growth fronts due to physical and infrastructure constraints including the steep topography and environmental features of the township.

Amendment C123 proposes the following changes to Wandong-Heathcote Junction:

- Rezone part of Wandong to Neighbourhood Residential Zone and apply a Design and Development Overlay.
- Apply a lot size minimum of 4,000 square metres to the Low Density Residential Zone Schedule 2 (LDRZ2) within Heathcote Junction.
- Rezone nine (9) properties along Baden Drive, Wandong from General Residential Zone to LDRZ to reflect existing development pattern and avoid inappropriate re-subdivision outcomes that would impact neighbourhood character and existing vegetation.
- Two minor rezonings (83 Rail Street, Wandong from Low Density Residential Zone to Public Use Zone to reflect CFA ownership and rezoning 85 Rail Street and 87 Bonnieview Court, Wandong from Commercial 1 Zone to General Residential Zone to reflect existing land use and development pattern).
- Revision of Local Policy.

Preparation and Exhibition of Amendment C123

Council at its Ordinary Council Meeting on 21 August 2017, resolved to prepare and exhibit Amendment C123 which seeks to implement the Kilmore and Wandong-Heathcote Junction Structure Plans and associated *Kilmore Infrastructure Funding Framework August 2017*, the *Kilmore East Planning Controls Review 2017*, the *Kilmore Town Centre Revitalisation Plan 2016* and the *Wandong-Heathcote Junction Neighbourhood Character Assessment July 2017* into the *Mitchell Planning Scheme*.

Amendment C123 was placed on formal exhibition from 6 October to 17 November 2017, in accordance with the relevant requirements of the *Planning and Environment Act 1987* and the *Mitchell Shire Community Framework 2014*. Exhibition comprised:

- Direct notification of relevant referral agencies, directly affected land owners and residents and local land developers, including a plain English information sheet. Approximately 1250 residents and land owners were directly notified.
- Two weeks of advertising in the North Central Review (10 and 17 October 2017).
- Notice in the Victoria Government Gazette (12 October 2017).
- Three drop-in sessions held in the Kilmore Library and two drop-in sessions in the Wandong Public Hall. Sessions were held during and after business hours and were attended by approximately 70 residents.
- Electronic copies of all Amendment documentation, including an information sheet, were made available on the Engaging Mitchell website, Mitchell Shire Council website and Department of Environment, Land, Water and Planning (DELWP) website.
- Hard copies of all Amendment documentation were available at the Wallan Library, Kilmore Library and Broadford Customer Service Centre.

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- Meetings with key stakeholder groups Kilmore and District Residents and Ratepayers Association (KADRRA), Wandong Community Group and Assumption College were held.

Submissions to Amendment C123

Amendment C123 received thirty-two (32) submissions. Five (5) submissions were received from referral authorities, nineteen (19) for Kilmore, four (4) for Kilmore East and four (4) for Wandong-Heathcote Junction. Based on a wide mailout of 1,250 residents and land owners this is considered a low number of submissions and indicates general support for Amendment C123 and the Structure Plans.

Of the submissions received:

- Eight (8) submissions were resolved with no changes required.
- Five (5) submissions were resolved with recommended changes prior to the Panel Hearing.
- Nineteen (19) submissions were unresolvable as the changes requested were not supported and / or inconsistent with the Structure Plans.

The overall vision and strategic intent of the Structure Plans and Amendment C123 were not challenged by the submissions. Most submissions received throughout the process were focussed on a single site or specific issue.

Council at its Ordinary Council Meeting held 19 February 2018 reviewed submissions to Amendment C123 and resolved to request the Minister for Planning to appoint an Independent Planning Panel to consider Amendment C123.

ISSUES AND DISCUSSION

Planning Panel Hearing

Following Council consideration of submissions, the Minister for Planning appointed a two (2) person Independent Planning Panel. The role of the Planning Panel is to conduct a public hearing, consider all submissions, review the strategic merit of Planning Scheme Amendment C123 and provide a report to the Minister for Planning and Council, detailing their findings and recommendations.

A Directions Hearing was held 9 April 2018, at Kilmore Trackside. The purpose of the Directions Hearing was to consider preliminary and procedural matters and to make arrangements for the timetable.

The Planning Panel conducted a three (3) day public hearing between 2 - 4 May 2018, at Kilmore Trackside. All submitters were invited to provide further written and verbal presentations to the Panel as part of proceedings. Council Officers presented Council's submission with Mesh Planning (lead consultants in preparing the Structure Plans) appearing as expert witness. Ten (10) submitters presented at the Hearing.

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Planning Panel Report

The Panel's findings and recommendations support the strategic intent of Amendment C123 and is a favourable outcome for Council, noting *"Council should be congratulated for its approach to future growth, particularly for Kilmore which has a history of structure plans that were never implemented or approved"* (Page 1).

A summary of the Panel findings to key issues arising through the exhibition of Amendment C123 is provided in Table 1 below.

Following officer consideration of the Panel Report, it is recommended that Amendment C123 be adopted by Council with changes as recommended by the Planning Panel. All changes recommended by the Panel are technical and do not alter the strategic intent of the exhibited amendment. A table detailing all changes to Amendment C123 documentation is provided at Attachment 4.

Table 1: Summary of Panel Findings to Amendment C123 Key Issues

Issue and Panel Report Page Number	Panel Findings
Kilmore Growth Precincts	<ul style="list-style-type: none"> - Supports using the Development Plan Overlays (DPO) to avoid further fragmentation of land in Kilmore's growth precincts, concluding that <i>"the application of the DPO to land in the Farming Zone in the growth precincts is an appropriate measure to maintain land at scale and avoid further fragmentation"</i> (p.35 of the Panel Report). - Recommends several minor technical changes to the DPO schedule provisions.
Kilmore Bypass	<ul style="list-style-type: none"> - VicRoads advised that the northern section of the proposed bypass route as shown within the Kilmore Structure Plan was no longer under consideration and that two alternative routes were under consideration to avoid the wastewater treatment plant. - The Panel noted that the ultimate bypass route will impact on how the north area of Kilmore will develop <i>"if Option A is supported to the north of the waste water treatment facility...it would be unwise to include within a settlement boundary a wastewater treatment facility and its buffer"</i> (p.38 of the Panel Report). - Recommends the following text be added to relevant Structure Plan maps: <i>"Update the settlement boundaries, particularly north of Willowmavin Road, following the gazettal of the Public Acquisition Overlay for the proposed Kilmore-Wallan bypass project"</i> (p.40 of the Panel Report). - Noting that further investigation by Council will be required, particularly north of Willowmavin Road, once the bypass route has been finalised.
Kilmore Supermarket and Ancillary Retail	<ul style="list-style-type: none"> - Recognises that the proposed supermarket and ancillary retail on the subject site (109 Northern Highway and 80 Clarke Street, Kilmore) <i>"has a stronger relationship with the town centre than the industrial area north of Clarke Street"</i> (p.31 of the Panel Report). - The Panel <i>"accepts that Kilmore currently has an economic need for another full line supermarket"</i> (p.31 of the Panel Report) and recommends technical

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Issue and Panel Report Page Number	Panel Findings
	changes to the Kilmore Structure Plan and Local Policy to clearly articulate this finding.
Kilmore Growth Precincts: Location of Future Schools	<ul style="list-style-type: none"> - Proposed Government Secondary School: The Panel supports retaining the exhibited location in the West Growth Precinct fronting Butlers Road, noting <i>"The Panel does not support the relocation of the open space and government school as this would undermine the intent of co-locating educational, open space and community facilities along Butlers Road"</i> (p.43 of the Panel Report). - Proposed Government Primary School: The Panel supports swapping the location of the Government Primary School in the South East Growth Precinct into the active open space location noting this is a <i>"matter that has been mutually resolved between the submitter, Council and the Department of Education and Training"</i> (p.45 of the Panel Report).
Kilmore Infrastructure Framework	<ul style="list-style-type: none"> - Supports the Kilmore Infrastructure Framework (KIF), noting that it is <i>"an important first step in identifying infrastructure items that should be the subject of contributions from developers"</i> (p.33 of the Panel Report). - The Panel highlighted that the KIFF requires more detail on costs and implementation and therefore recommends that it be renamed the Kilmore Infrastructure Framework (KIF). The Panel supports inclusion of the KIF as a Reference Document within the <i>Mitchell Planning Scheme</i>. - The Panel stated that the KIF <i>"Should not require the retrospective reimbursement of funds already spent at the intersection of Sydney Street and Clarke Street"</i> (p.33 of the Panel Report).
Kilmore East	<ul style="list-style-type: none"> - <u>Zone Controls</u>: supports retaining the Township Zone in Kilmore East and recognises constraints on further expansion, <i>"Kilmore East provides a suitable residential location...the lack of reticulated sewerage limits the extent of development that can occur"</i> (p. 51 of the Panel Report). - <u>Kilmore to Kilmore East Shared Path</u>: observed that usage of a path between Kilmore and Kilmore East would be very low and stated that <i>"Including a potential shared path connection between Kilmore and Kilmore East in the Kilmore Structure Plan may unreasonably raise community expectations that this path will be provided within the foreseeable future, despite Council clearly stating that this is not a priority"</i> (p. 53 of the Panel Report). - Supports Council continuing to prioritise advocating for improved bus services to Kilmore East. - The Structure Plan and Amendment C123 does not preclude the delivery of a shared path between Kilmore to Kilmore East in the future.
Kilmore Heritage	<ul style="list-style-type: none"> - <i>"The Panel appreciates that heritage is a key component of Kilmore. The Kilmore Structure Plan should not be seen as a means to an end; and that other work will continue, one of which is a heritage gap study. The Panel is satisfied the Kilmore Structure Plan addresses heritage in an appropriate manner"</i> (p.47 of the Panel Report).

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Issue and Panel Report Page Number	Panel Findings
Wandong-Heathcote Junction: Vision, Housing Supply and Bushfire Policy	<ul style="list-style-type: none"> - Supports Council's vision for modest growth in Wandong-Heathcote Junction <i>"given its environmental constraints (topography, vegetation and fire risk)"</i> (p.55 of the Panel Report). - In light of recent State Government bushfire policy changes implemented via Amendment VC140, post-exhibition of Amendment C123, the Panel noted that the level of development in Wandong-Heathcote Junction may be limited by bushfire risk to the township and that <i>"the lot supply projections should not be interpreted as an aspiration or target to be achieved, nor a cap on supply; rather they are an indication of the potential growth that <u>may</u> be achieved"</i> (p.59 of the Panel Report). - Recommends that the Vision for Wandong-Heathcote Junction be updated to include <i>"responds to bushfire risk"</i>, that bushfire prone areas are shown on the Structure Plan and local policy changes that are consistent with Structure Plan and State Government bushfire policy changes.
Wandong-Heathcote Junction: Dry Creek Road, Wandong (Sunnyglen Estate)	<ul style="list-style-type: none"> - Supports applying the Development Plan Overlay (DPO) to the Sunnyglen site noting that it will <i>"establish a comprehensive framework for any future proposal for the use or development (including subdivision) of the site that in all likelihood would result in lower density residential development"</i> (p.65 of the Panel Report). - The Panel highlighted that <i>"the extent of vegetation, bushfire risk, limited access and the condition of Dry Creek Road, indicate the ability to develop the land in accordance with that usually expected in the General Residential Zone is not achievable or appropriate"</i> (p.64 of the Panel Report).
Wandong-Heathcote Junction: Display of the Interchange for the Kilmore-Wallan Bypass	<ul style="list-style-type: none"> - Accepts that the representation of the interchange location as shown in the Structure Plan is appropriate and should remain as currently shown, noting <i>"the precise design, layout and point of connection of the interchange is a matter for VicRoads and is beyond the scope of what can be addressed through the Wandong-Heathcote Junction Structure Plan and this Amendment"</i> (p.66 of the Panel Report). - Note that the bypass and interchange are labelled as "Indicative Future Bypass" throughout the Structure Plan.
Wandong-Heathcote Junction: Heritage	<ul style="list-style-type: none"> - Noted the importance of heritage within the Wandong Village area and to the community and highlighted that <i>"Council's recent implementation of the (Wandong-Heathcote Junction) heritage gap study through Amendment C113 demonstrates their acknowledgement of the importance of the heritage of the township"</i> (p.66 of the Panel Report). - Recommend changes from the Panel includes updating the Structure Plan to reflect the implementation of the Wandong Heritage Gap Study via Amendment C113.
Heathcote Junction: Lot size minimum	<ul style="list-style-type: none"> - Supports increasing the minimum subdivision area of Heathcote Junction, which is within the Low Density Residential Zone, from 2000 square meters to 4000 square meters, advising <i>"this approach seems to reflect the constraints of the town such as fire risk, vegetation and access that would lead to lower density residential development"</i> (p.61-62 of the Panel Report).

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CONSULTATION

All submitters were presented with the opportunity to be heard by the Independent Planning Panel. The Panel Hearing was a public session and any person was welcome to attend the Hearing and observe the proceedings.

Council publicly released the Planning Panel Report within the prescribed timeframes of receiving the report. All submitters were notified of publication of the Panel Report and a copy has been made available for viewing on Council's website, the Broadford Library, Kilmore Library and the Wallan Building and Planning Office.

All submitters to Amendment C123 have also received written notification of the process for Council's consideration of the Panel Report, including the details of this Ordinary Council Meeting. All submitters will be notified of the outcome of Council's consideration of this report.

FINANCIAL, RESOURCE AND ASSET MANAGEMENT IMPLICATIONS

Sufficient funds for the costs incurred by the Planning Panel were allocated within the Strategic Planning budget for the 2018-2019 financial year. The operating budget of Council's Strategic Planning Department has allowed for the fees associated with the request to approve this Planning Scheme Amendment should Council resolve to adopt and seek Ministerial approval for the amendment.

POLICY AND LEGISLATIVE IMPLICATIONS

Implementation of the Kilmore and Wandong-Heathcote Junction Structure Plans is consistent with the *Mitchell Shire Council Plan 2017-2021* and will specifically complete Actions 3.1.3 and 3.1.4.

Key Strategy 3.1 of the Council Plan states that Council should "*Plan for growth and change through best practice design of services, infrastructure, open space and recreation facilities*".

State Planning Policy nominates Kilmore as a peri-urban growth town in the *Hume Regional Growth Plan, May 2014* and *Plan Melbourne, March 2017*. State Planning Policy does not identify Wandong-Heathcote Junction as a growth area township.

The Amendment has been prepared and processed in accordance with the provisions of the *Planning and Environment Act 1987*.

SUSTAINABILITY IMPLICATIONS (SOCIAL AND ENVIRONMENTAL)

Amendment C123 will implement an environmentally sustainable planning framework for both townships. The Amendment will introduce Framework Plans into Local Policy within the *Mitchell Planning Scheme* which nominates land for community infrastructure within Kilmore and Wandong-Heathcote Junction.

CHARTER OF HUMAN RIGHTS IMPLICATIONS

The rights protected in the *Charter of Human Rights and Responsibilities Act 2006* were considered in preparing this report and it's determined that the subject matter does not raise any human rights issues.

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OFFICER DECLARATION OF CONFLICT OF INTEREST

No officers involved in the preparation of this report have any direct or indirect interest in this matter.

CONCLUSION

The Independent Planning Panel has submitted its Report and provided recommendations. Council is now required to formally consider this Panel Report. After considering all submissions received and the strategic merit of Planning Scheme Amendment C123, the Panel supports the implementation of this Amendment. The Panel recommends adopting Amendment C123, subject to minor technical changes.

It is recommended that Council adopt Planning Scheme Amendment C123 to the *Mitchell Planning Scheme*, with changes in accordance with the Panel's recommendations and provided in the form of Attachment 2 to this report and seek approval of the adopted Planning Scheme Amendment from the Minister for Planning.