

An aerial photograph of the Traralgon West area, showing a mix of residential housing, green fields, and some industrial structures in the distance under a clear blue sky.

Traralgon West Future Residential Area

Issues, opportunities and options report

Prepared for
Latrobe City Council
September 2023

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Version:	28/09/23

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Executive summary

This Issues, Opportunities and Options Report makes recommendations to progress the planning process for the Traralgon West Future Residential Area (the Precinct). The following key findings are made:

Policy and Context

- The Planning Policy contained within the Latrobe Planning Scheme supports the development of the Precinct with a mix of uses, including conventional urban residential, establishing what is now identified as the Traralgon West Future Residential Area. The change in policy direction was most strongly defined by the implementation of the Traralgon Growth Areas Review (Hansen, 2013) via Amendment C87 in 2017 which introduced new policy, framework plans and structure plans, including the Morwell- Traralgon Corridor Plan and Traralgon West Structure Plan, into the Scheme
- Planning Scheme Amendment C115 implemented the findings of the Morwell-Traralgon Employment Corridor in July 2020 and updated the Morwell to Traralgon Structure Plan which identified the portion of the Precinct south of Old Melbourne Road as being suitable for conventional residential development
- The current planning controls for the Precinct are permitting inefficient subdivision and development to occur that has and will continue to fragment land holdings, limiting the ability of future subdivision and development to deliver well-planned neighbourhoods, coordinated infrastructure and community facilities
- The current planning controls do not facilitate conventional residential subdivision patterns
- The assessments undertaken to date do not identify any significant environmental issues that would substantially impact on the ability of the Precinct to be developed, but further precinct specific assessments will be required to support future structure plans/applications.
- Existing planning controls which apply to the Precinct which will need to be considered in future planning of the Precinct (i.e., Design and Development Overlay Schedule 8 – Latrobe Regional Airport – Obstacle Height Area No. 2 and Design and Development Overlay Schedule 10 – Latrobe Regional Airport – Obstacle Height Area No. 3)

- There are significant upgrades required to the sewer services, including the establishment of new sewer pump stations and rising mains

Opportunities

- Planning Policy Support: The Planning Policy contained within the Latrobe Planning Scheme generally supports development of the Precinct with a mix of uses including conventional urban residential establishing what is now identified as the Traralgon West growth area Precinct. It is noted however that there are some differences between the proposed future land use designations in the relevant strategic planning documents in the Latrobe Planning Scheme.
- Connectivity to key destinations: The location of the Precinct in relation to key destinations in Traralgon and Morwell including employment opportunities and health and community facilities, and the existing and potential infrastructure connecting the site to these destinations is a significant opportunity that can be realised through planning and development of the Precinct.
- Delivery of Strategic Development Sites: A planning framework that prioritises and coordinates the development of these sites within the broader precinct will act as a 'catalyst' for the precinct by bringing forward key infrastructure including sewer mains and pump stations, potable water, transport infrastructure, open space and drainage. The scale of these sites will also support the delivery of a masterplanned community with facilities and services such as an activity centre, open space and community facilities that may support the broader precinct.
- Coordination of subdivision, planning and development: An appropriate suite of planning tools will coordinate masterplanning for the Precinct to provide certainty about the nature of the subdivision, land use and development proposed for the land. A strategic framework should set out the desired development outcomes and the overall layout of the land including, the design principles for the development, major land uses, transport and open space networks.
- Based on the residential land supply analysis undertaken through the Live, Work Latrobe Housing Strategy, there appears to be sufficient land supply (vacant and potential) to cater for the next 15 years of residential

urban growth in Traralgon. However, the adequacy of residential land stocks may be impacted by other factors

Options Assessment

- An Options Assessment was undertaken to establish a preferred planning pathway considering for each options of the policy implications and issues around implementation and development delivery.
- The preferred option is to rezone the Precinct to an appropriate residential zone and apply a Development Plan Overlay (DPO) implemented in stages, and a Development Contributions Plan Overlay (DCPO) and incorporate a Development Contributions Plan to coordinate and fund infrastructure.
- To determine which residential zone is appropriate, a Neighbourhood Character Strategy may need to be undertaken to determine the neighbourhood character of the Precinct and if there is any requirement to retain the existing character of the Precinct.

1.0 Introduction and Purpose

The Traralgon West Future Residential Area (the Precinct) is a significant area of land strategically located between the Latrobe City towns of Morwell and Traralgon (see Figure 6 - Traralgon West Future Residential Area Existing Conditions and Zoning Plan). The requirement for further planning for the Precinct has been established in the Settlement Policy (Clause 11.03 2L Morwell to Traralgon Structure Plan) in the Latrobe Planning Scheme. There is some urgency in progressing the strategic planning process for the Precinct given the number of subdivision applications and landowner enquiries which may further fragment the Precinct, which may jeopardise the future development potential of the precinct.

The planning undertaken by Council for this Precinct has identified the need for further planning assessment planning assessments and, ultimately, structure planning and planning amendments to occur. The previous planning studies have been reviewed and summarised as part of the Background Report prepared for this project (Echelon, July 2023) which include:

- Planning Scheme Amendment C7: Rezoning to LDRZ
- Previous Development Plans and Technical Assessments including the Traralgon West Concept Development Plan (Traralgon-Morwell Corridor Concept Plan (Beca, 2007)
- Amendment C42: Applies to land for the proposed alignment for the Traralgon Bypass
- Amendment C62 and the Traralgon-Morwell Corridor Concept Plan
- Traralgon West Interim Infrastructure Development Policy (Latrobe City Council. 2011)
- Amendment C87: Traralgon Growth Areas Review (TGAR) (Hansen, 2013):
 - Traralgon Growth Area Review Background Report which investigated both the existing situation on the ground in relation to the location of land uses but also constraints to development in the wider Traralgon area.
 - Traralgon West Structure Plan (TWSP) which provides guidance in relation to 'Traralgon West' which is experiencing ad-hoc and inefficient development and facing increasing development pressures.

- Traralgon Growth Areas Review Framework Plan which looks longer term at the identification of sustainable directions for growth and the policy and strategies which may be required to achieve this.

- Amendment C115: Morwell-Traralgon Employment Corridor (MTEC) (Urban Enterprise; Latrobe City Council; Department of Environment, Land, Water and Planning (DELWP); January 2020)
- Proponent Led Planning Scheme Amendment (Hollydale Strategic Development Site).

The purpose of the Issues, Opportunities and Options Report is to:

- Consolidates the key findings of a number of the previous studies undertaken by Latrobe City Council and private landowners to date
- Review previous planning studies to identify any updates required to progress planning for the Precinct
- Undertake a planning policy review to provide strategic guidance and justification to the next steps in planning the precinct.
- Identify changes that have occurred since the previous planning assessments were undertaken and what impact these changes have on the viability of the Precinct
- Identify the type and scale of development that may be viable for the Precinct
- Establish the required updates to existing strategic plans and assessments
- Identify precinct specific and strategic issues that must be resolved prior to the commencing of planning
- Identify required planning process to be undertaken to facilitate development
- Set out the options to progress planning for the Precinct.

2.0 Precinct Description

2.1 The Precinct

The Precinct is shown in Figure 6 - Traralgon West Future Residential Area Existing Conditions and Zoning Plan. It covers approximately 331ha and is made up of 205 Rural Living Zone (RLZ) and Low Density Residential (LDRZ) residential lots and public reserves. It is bounded by Traralgon West Road to the north, Traralgon township to the east, the Princes Highway to the south and the Traralgon Airport and existing Rural Living subdivision to the west. Significant parcels within the Precinct include the Hollydale Strategic Development Site (see Figure 2 - Hollydale Strategic Development Site) and the Traralgon Golf Club.

Large areas of the precinct accommodate low density residential uses. Some sections of the land are zoned LDRZ (see Figure 3 - Low Density Residential example - Copeland Court) and others are zoned RLZ (see Figure 5 - Rural Living Zone example - Regan Road).

Land within the LDRZ ranges in lot size from 0.2ha to 5.7ha. Limited lots within the LDRZ land have been subdivided to the allowed minimum lot size of 0.2ha. The Schedule to the RLZ allows a minimum lot size of 2ha, within the Precinct. The majority of these lots have been developed with one dwelling and range in size between 960sqm and 3.4ha. Figure 1 maps the range of lot sizes within the Precinct.

Old Melbourne Road, which includes the Traralgon to Morwell shared path, traverses the Precinct from east to west and connects Morwell and Traralgon (see Figure 4 - Traralgon to Morwell Shared Path).

2.2 Surrounds and Context

The Latrobe Regional Airport and the Latrobe Regional Hospital are located to the west of the Precinct. The Latrobe Regional Hospital is located on the Princes Highway at the intersection with Airfield Road. The hospital also supports a number of associated uses such as consulting suites.

The Precinct is also bound by the Princes Highway to the south. South of the Highway the land is mainly in the farming zone. The Traralgon future bypass alignment is to the south of the Princes Highway.

The Opal Australian Paper is to the north-west of the Precinct. The

Environmental Significance Overlay - Schedule 3 (ESO3) that manages the amenity impacts of the Paper Mill does not impact on the Precinct.

There is an existing plantation and sand quarry to the north and north west of the Precinct. In June 2022, Latrobe City Council issued a planning permit (2021/356) for the use and development of land for extractive industry to allow the expansion of the sand quarry. The expansion is planned to the north of Traralgon West Road and is unlikely to adversely impact the Precinct.

2.3 Regional Context

In a regional context, the Moe/Newborough, Morwell, Churchill and Traralgon network of towns is one of the key regional centres in Victoria. It is located 164km to the east of Melbourne along the Princes Highway. Traralgon is the largest of a string of towns which stretch out towards Lakes Entrance on the Victorian coast which include Drouin, Warragul, Moe, Morwell, Traralgon, Sale and Bairnsdale. Regional facilities include the Latrobe Regional Hospital, a purpose built 257-bed, fully integrated health service located in Traralgon West, and a Federation University campus at Churchill, 10 kilometres to the southwest of Traralgon.

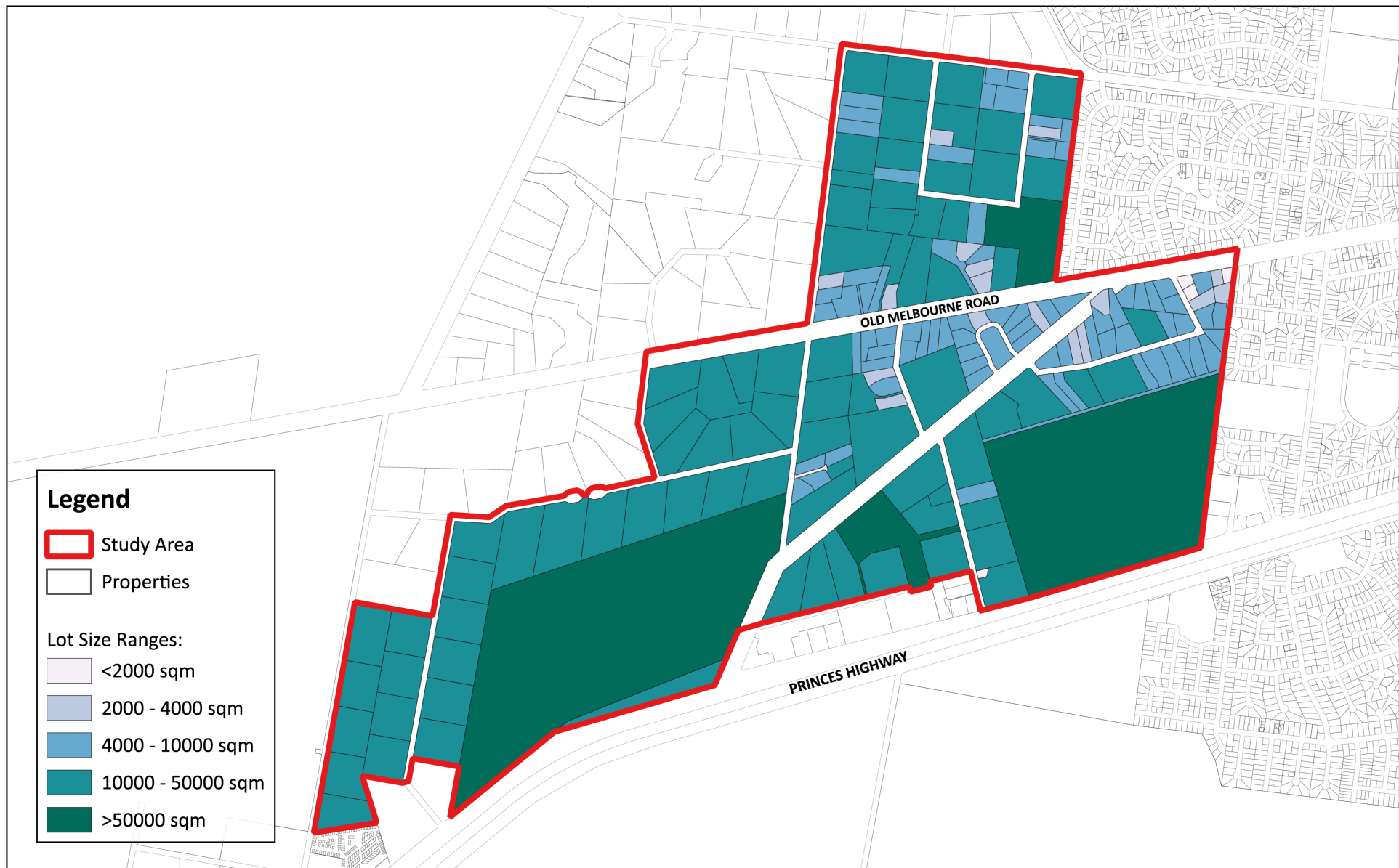


Figure 1 - Traralgon West Future Residential Area - Lot Size Ranges



Figure 2 - Hollydale Strategic Development Site



Figure 3 - Low Density Residential example - Copeland Court



Figure 4 - Traralgon to Morwell shared path



Figure 5 - Rural Living Zone Example - Regan Road

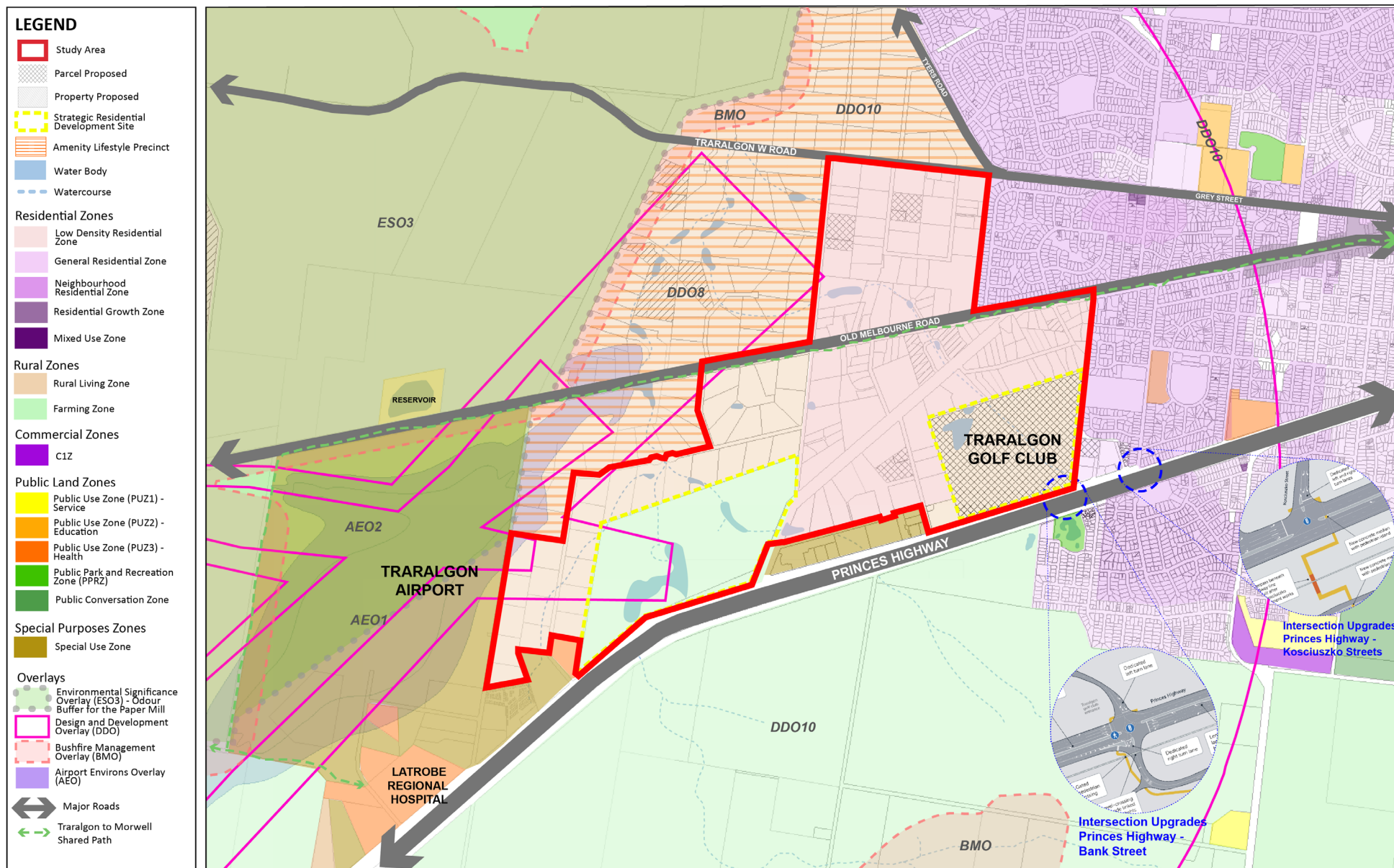


Figure 6 - Traralgon West Future Residential Area Existing Conditions and Zoning Plan

3.0 Precinct Planning History

The current planning context for the Traralgon West precinct and the issues and constraints for development are underpinned by a significant, historic shift in the strategic direction for the Morwell-Traralgon corridor.

Prior to 2010 (Amendment C62), there was a long-held planning policy to retain the corridor as a non-urban break between Morwell and Traralgon despite strong pressures for urban development. However, the strategic direction is now for the corridor to be developed with a mix of uses including conventional urban residential in the Traralgon West growth area Precinct. The change in planning direction was most strongly defined by the implementation of the *Traralgon Growth Areas Review* (Hansen, 2013) via Amendment C87 in 2017 which introduced new policy, framework plans and structure plans including the Morwell-Traralgon Corridor Plan and Traralgon West Structure Plan into the scheme.

The Precinct broadly retains the RLZ and LDRZ zoning controls that reflect its former role as a non-urban break, but the planning policy points to future urban residential development of the Precinct. This has resulted in a tension between protecting the land for urban residential development in accordance with current policy and the assessment of permit applications under the existing non-urban zoning.

There is a significant and complex history of planning for the precinct. To establish the decision that have been made, the following section describes the relevant events that have impacted on and shaped the Precinct.

3.1 Planning Scheme Amendment C7: Rezoning to LDRZ

Publicly available historic planning schemes indicate the majority of the Precinct was zoned RLZ since at least the year 2000. Amendment C7 in 2004 rezoned much of the Precinct from RLZ to LDRZ, with the exception of the Traralgon golf course, east of Regans Road, Copeland Court and Freemans Road and south of Traralgon West Road. The amendment implemented the findings of the Rural Living Study and allowed subdivision with a minimum lot size of 0.4ha while keeping in line with the planning policy at the time to maintain a non-urban break between Morwell and Traralgon.

The average size of the existing lots prior to the rezoning was approximately 3ha. Following the rezoning, a number of properties were subdivided in an ad hoc manner, creating 78 new lots since the rezoning. The average lot size

within the LDRZ is now approx 1.3ha.

Since Planning Scheme Amendment C7 rezoned the land to LDRZ, the Victorian Planning Provisions (VPP) were amended to allow a minimum lot size of 0.2ha if the land is connected to reticulated sewerage. Existing sewer services exist in the east of the Precinct. Future growth will require significant upgrade to the sewer services, including the establishment of new sewer pump stations and rising mains.

Since amendment C7, a substantial amount of subdivision has occurred, fragmenting the lots in the LDRZ section of the Precinct. Although there is reticulated sewerage provided to the eastern portion of the LDRZ land that could potentially facilitate subdivision to 0.2ha lot sizes, this is limited by the need for substantial upgrades to sewer pumps and rising mains.

3.2 Previous Development Plans and Technical Assessments

Council Led Development Plans

Council engaged Earth Tech Consultants (now SM Urban) in 2007 to assess flooding and drainage issues for the Traralgon West area and prepare a drainage strategy. It recommended upgrades to existing stormwater infrastructure, to be funded progressively via proportional landholder contributions as land is subdivided.

Council also engaged SM Urban to prepare a Development Plan (DP) for road networks within Traralgon West. Two draft DPs were submitted to Council, one showing a possible combination of standard urban residential development and low density development, and the other with low density development being retained. This work was paused and the draft plans were not completed as part of the Precinct was considered for higher density residential development during the Traralgon Growth Areas review, and the impacts of the location of the Traralgon Bypass were considered.

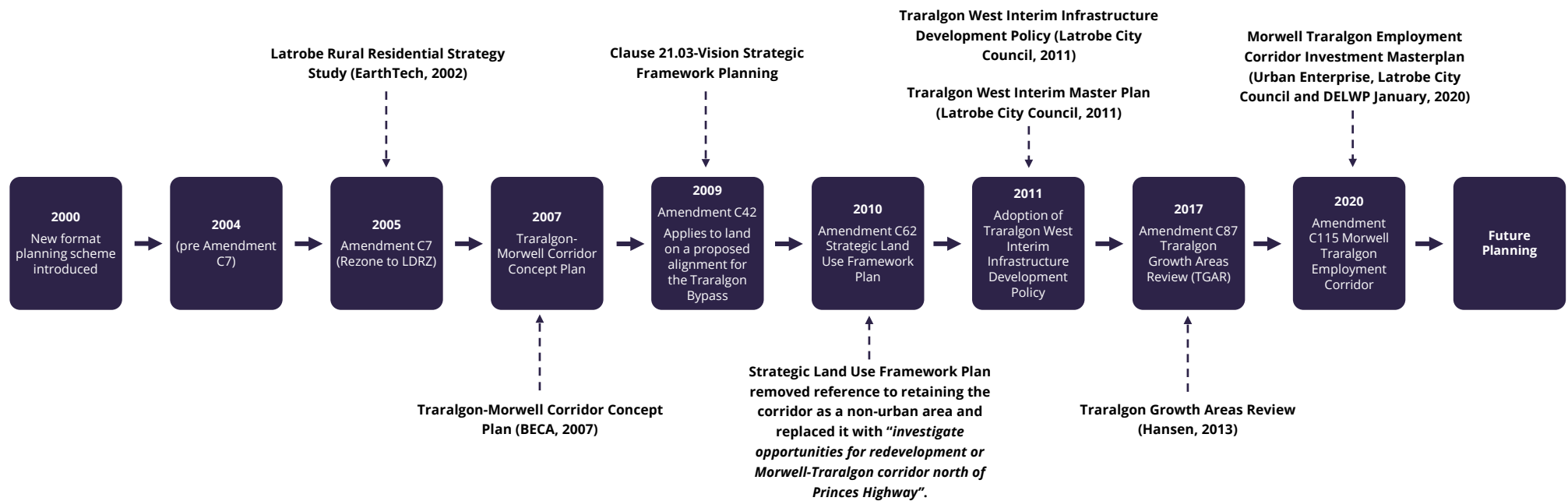


Figure 7 - Precinct Planning History

3.3 Amendment C42: Traralgon Bypass

The amendment applies to protect land on a proposed alignment described as Options W1C and E2D in the Planning Assessment Report for the Princes Highway – Traralgon Bypass, between the Princes Highway – Morwell Bypass, at Morwell East and the Princes Highway at Sheepwash Creek Road, east of Traralgon. The amendment also applies to land required for proposed interchange ramps on the Princes Freeway at Tramway Road and land on both sides of the proposed route alignment.

3.4 Amendment C62 and the Traralgon-Morwell Corridor Concept Plan

Amendment C62 implemented a review of the planning scheme in 2010 and instigated a policy shift in relation to the potential for urban development in the Morwell-Traralgon Corridor.

Prior to Amendment C62, the Strategic Land Use Framework Plan at Clause 21.03 and the 'Corridors' objectives and strategies at Clause 21.04 sought to retain the Morwell-Traralgon corridor as a non-urban break between the two towns. Amendment C62 introduced a new Strategic Land Use Framework Plan at Clause 21.03 and policy relating to urban containment and the identified corridors at Clause 21.04. The shift in the direction for the Morwell-Traralgon corridor can be summarised and most clearly expressed by the following key changes introduced through Amendment C62:

- The new Strategic Land Use Framework Plan removed references to retaining the corridor as a non-urban area and replaced it with *"investigate opportunities for redevelopment or Morwell-Traralgon corridor north of Princes Highway"*.
- Policy at Clause 21.04 changed to state *"maintain a clear separation between urban settlements facilitating the self-containment and individual identify of each town, except for the northern side of the Morwell-Traralgon Corridor"* (emphasis added).
- Policy at Clause 21.04 stated that *"the future of the Morwell-Traralgon corridor will be influenced by the location of the proposed Traralgon Bypass"*.

The planning scheme review implemented through Amendment C62 involved the review of the structure plans for Traralgon, Morwell, Churchill and Moe/

Newborough which was undertaken by Beca, on behalf of Council, in 2007.

A small part of Precinct I (see Figure 9 - Morwell Traralgon Employment Corridor Land Use Masterplan) of the Traralgon West growth area north of the golf course, which is part of the land that had been rezoned to LDRZ, had previously been within the Traralgon Structure Plan boundary and identified for 'rural character residential development opportunities'. The updated structure plan through C62 re-designated this land for 'future residential', with a minor refinement to the township boundary, defining this area as 'Area 2'. The accompanying strategy stated *"engage landowners to work towards developing a Development Plan for Area 2 and encourage residential intensification of this area."*

Council also commissioned Beca to develop a *Traralgon-Morwell Corridor Concept Plan* (Beca, 2007) (see Figure 8) for development in the corridor. However, the concept plan did not form part of Amendment C62. By the time Amendment C62 was approved in January 2010 the alignment option for the Traralgon Bypass had been decided and implemented through Amendment C42 in July 2009, having a major impact on the Corridor Concept Plan.

Although the Corridor Concept Plan was not implemented into the scheme at that time, as an adopted strategy it repositioned Council's strategic direction for the corridor from maintaining it as a non-urban separation between the two towns to designating it for a range of urban land uses including residential development.

The resulting *Traralgon-Morwell Corridor Concept Plan* (BECA 2007), identified a significant area of land for future urban residential development. This included part of the Traralgon West growth area precinct that was ultimately identified in the scheme, but at that stage did not include the area north of Old Melbourne Road.

The most significant land area identified for future residential was located south of the Princes Highway. This relied on the southern-most alignment of the Traralgon bypass options being selected and the removal of the coal buffer from the area north of that alignment. Neither of these decisions eventuated and the Traralgon-Morwell Corridor Concept Plan was revised as part of the *Traralgon Growth Areas Review* (Hansen, 2013) following the approval of the northernmost bypass option.

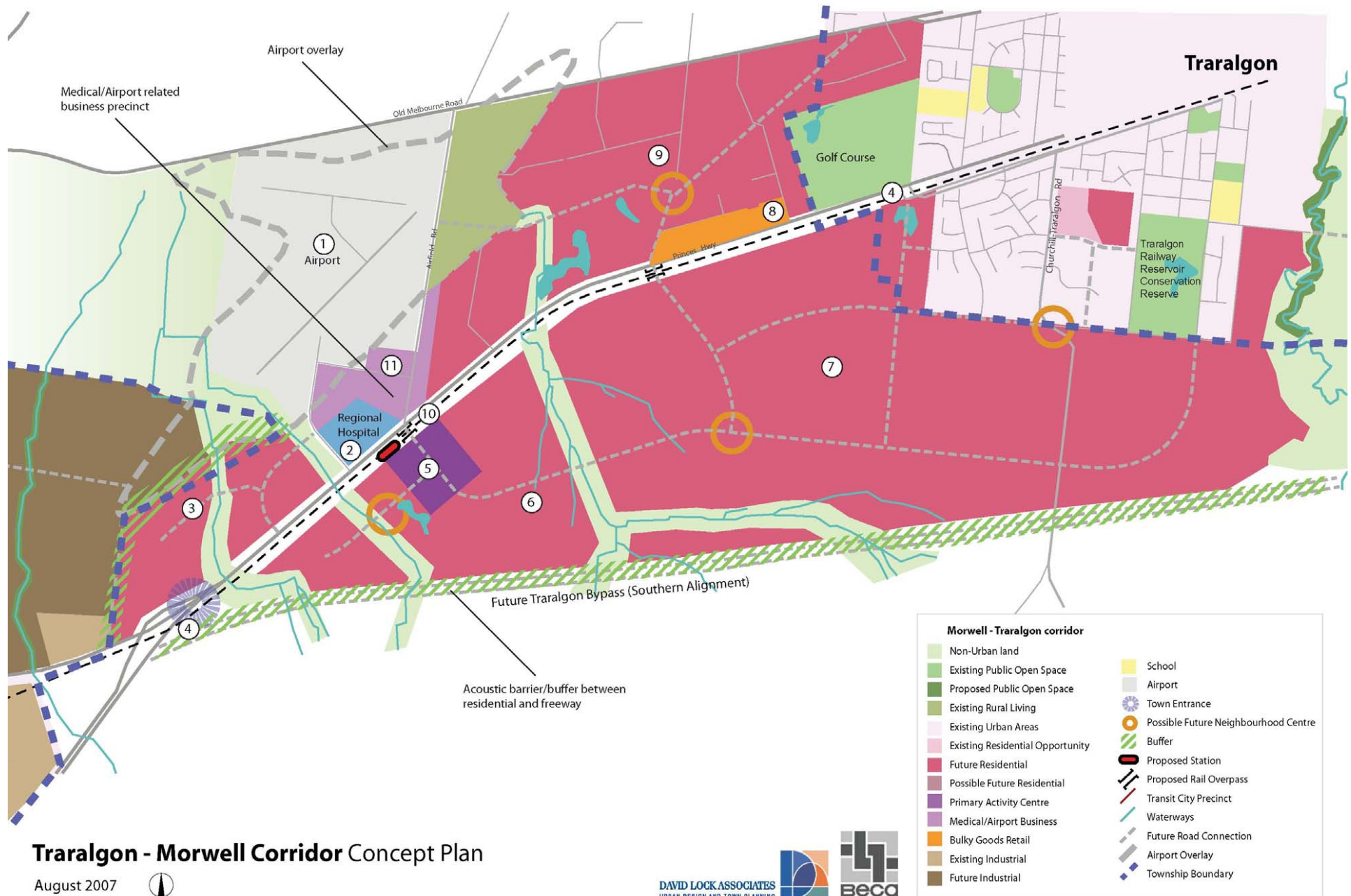


Figure 8 - Traralgon-Morwell Corridor Concept Plan (BECA, 2007)

Traralgon West Interim Infrastructure Development Policy (Latrobe City Council 2011)

Traralgon West Interim Infrastructure Development Policy was adopted by Latrobe City Council in February 2011 and is currently up for review by council.

The policy sets out Latrobe City Council's procedure for the assessment of subdivision proposals and the equitable provision and management of stormwater and road infrastructure within the Traralgon West Low Density Residential Precinct.

The policy requires subdivision applications to be assessed to ensure they address the following:

- All lots accessible by a public road
- All lots have adequate drainage
- Ensure subdivision does not have any detrimental effect on other properties
- Sewerage and domestic wastewater is adequately treated
- The subdivision is integrated with the Council's drainage and road networks
- Adequate provision of drainage
- There are no major risk implications to other properties or Council liability
- Ensure Council policy objectives are not compromised.

Broadly the policy attempts to manage the impacts of subdivision on the requirement for Council and other infrastructure providers to provide further infrastructure.

An analysis of the impact of the Policy on subdivision patterns has been undertaken in Section 3.7. It shows that the Policy has been useful for Council to work with landowners to address issues through the subdivision process. The key limitation on subdivision appears to be the coordination of servicing, particularly sewer and water. The Policy ensures that issues relating to infrastructure provision are addressed through the application process.

Discussion Paper: Land Use Development within Traralgon West Low Density Residential Zone (Latrobe City Council 2011)

The purpose of the Discussion Paper is to identify opportunities and constraints for the immediate and long term provision of higher density residential development within the existing LDRZ area and to provide a summary of issues and options for the sequencing and equitable distribution of essential infrastructure costs.

The majority of issues raised through the discussion paper remain relevant. One issue that requires further consideration through the preparation of a future Issues, Opportunities and Options Report is land supply in the Morwell Traralgon corridor, particularly given the market changes and uncertainty caused by the COVID-19 pandemic.

Previous work has been undertaken towards developing a master plan for the development of the precinct in line with current policy to form part of an updated interim policy. The Traralgon West Interim Masterplan (Latrobe City, 2011) attempts to protect the precinct from the fragmentation permissible under its existing controls to preserve development potential in line with existing policy.

3.5 Amendment C87 – Traralgon Growth Areas Review (TGAR)

The TGAR prepared three reports being:

- TGAR Background Report which investigated both the existing situation on the ground in relation to the location of land uses but also constraints to development in the wider Traralgon area.
- TGAR Framework Plan which looks longer term at the identification of sustainable directions for growth and the policies and strategies which may be required to achieve this.
- Traralgon West Structure Plan (TWSP) which provides guidance in relation to 'Traralgon West' which is experiencing ad-hoc and inefficient development and facing increasing development pressures.

The TGAR was undertaken due to a number of critical factors that have, or will, put pressure on the ability of Traralgon and surrounds to accommodate

MORWELL TRARALGON EMPLOYMENT CORRIDOR

FIGURE 1: LAND USE MASTERPLAN

PREPARED BY URBAN ENTERPRISE JULY 2018
UPDATED BY LATROBE CITY COUNCIL JAN 2020

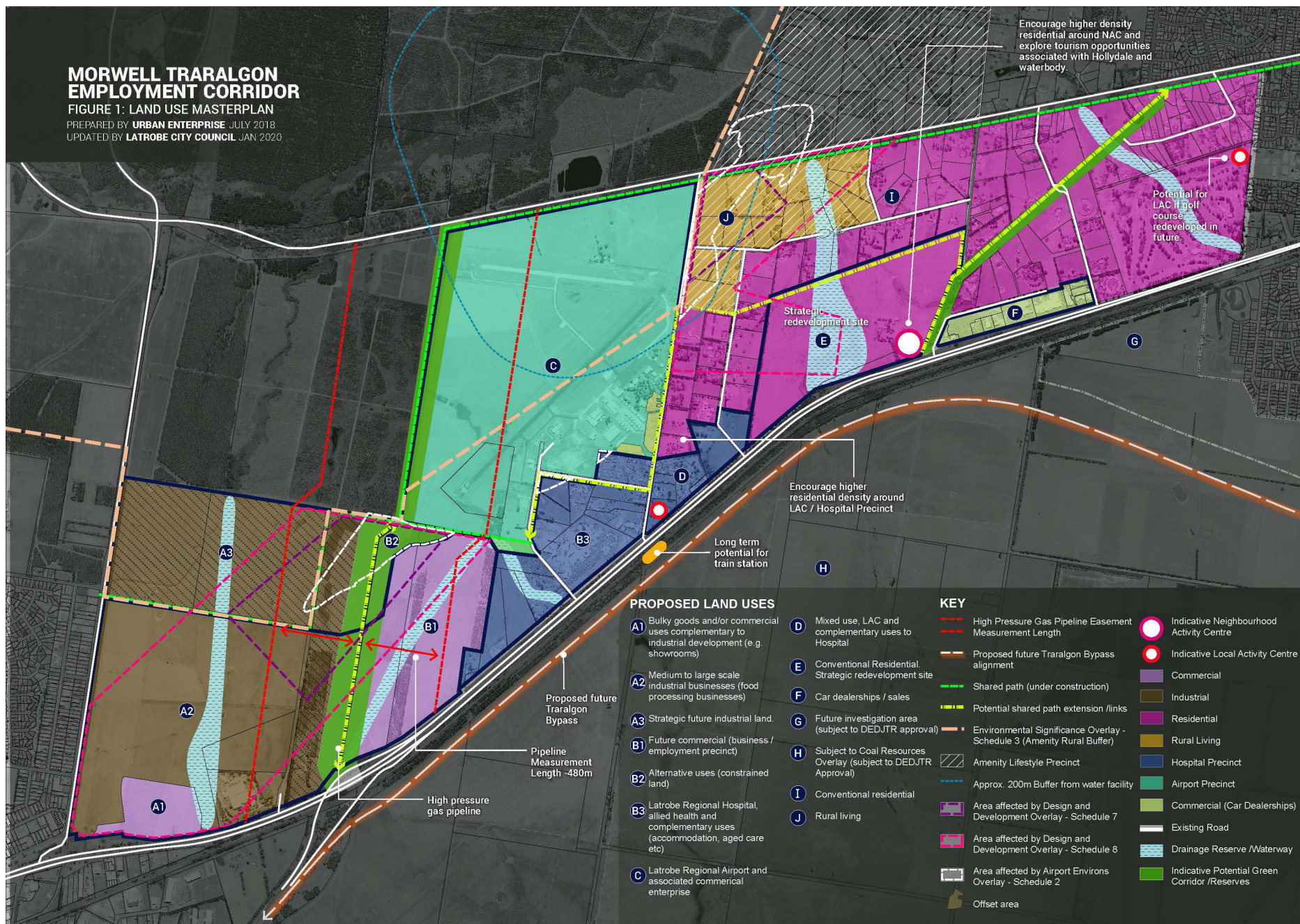


Figure 9 - Morwell Traralgon Employment Corridor Land Use Masterplan

likely future development. Among these factors is the State Government decision to nominate an alignment for the future Traralgon Bypass that has a direct impact on the adopted Traralgon Morwell Corridor Concept Plan (2007) which earmarked a large area of land (approximately 500 ha) for future urban growth, south of the confirmed highway bypass alignment.

The TWSP was designed to provide guidance in relation to a strategically important area of land currently experiencing ad-hoc or inefficient development and facing increasing development pressures. It seeks to establish an agreed vision for the Traralgon West area (which extends through to Morwell) to be realised over a period of up to 20 years. The TWSP is intended to establish a number of principles to guide future development of the area. The TWSP seeks to facilitate the transition of the corridor to an area which better reflects the opportunities available within the precinct, while responding appropriately to the constraints which exist within the area. The precinct will develop over time into a higher density residential corridor in the areas closest to the Princes Highway.

The TGAR Framework Plan establishes that it is important to recognise that the Council have resolved to apply a dwelling density of 11 lots per ha rather than the current requirement of 15 lots per ha in the Traralgon growth areas.

3.6 Morwell-Traralgon Employment Corridor (MTEC)

The MTEC undertook further detailed assessment regarding the specific uses and opportunities for the corridor and re-affirmed the future residential area identified in the Traralgon West Structure Plan. Planning Scheme Amendment C115 implemented the findings of the MTEC in July 2020 and updated the Morwell to Traralgon Structure Plan (see Figure 9 - Morwell Traralgon Employment Corridor Land Use Masterplan).

The MTEC identified the part of the Precinct south of Old Melbourne Road as conventional residential. The MTEC identified two options for potential zoning of the land. It proposed the use of the UGZ and Precinct Structure Plan and Development Contributions Plan or Infrastructure Contributions Plan as preferred tools for managing subdivision and development. A secondary option to rezone the land to General Residential Zone (GRZ) with an accompanying Development Plan Overlay (DPO) was also proposed.

The MTEC identifies the section of the Precinct north of Old Melbourne Road

(land precisely between Scrubby Lane and Freemans Road) as 'Amenity Lifestyle Precinct' to be retained within the RLZ.

The suitability of planning tools to manage subdivision and development will be discussed in the Issues, Opportunities and Options Report.

The MTEC identifies the potential for a Neighbourhood Activity Centre (NAC) located on the Hollydale Strategic Development Site at the intersection of the Princes Highway and Bradford Drive.

3.7 Subdivision Permits

A critical constraint to efficient and sequential development for the Precinct is the substantial amount of subdivision fragmenting the lots in the LDRZ land since Amendment C7. Although there is reticulated sewerage provided to the eastern portion of the LDRZ land that could potentially facilitate subdivision to 0.2ha lot sizes, this is limited by the need for substantial upgrades to sewer pumps and rising mains.

To inform the Issues, Opportunities and Options Report, an analysis of the subdivision patterns within the LDRZ portion of the Precinct has been undertaken. The analysis identifies the subdivision patterns created, the number of lots created and the type of issues raised through subdivision applications by assessing a VCAT decision relating to a multi lot subdivision application.

Table 1-3 analyses the impact subdivision has had on the fragmentation of the LDRZ showing that there has been a significant amount of additional lots created. Table 1 and 2 analyse the decisions Council have made regarding subdivision applications received since 2005 (C7 planning scheme amendment rezoning the LDRZ land).

Council receives a number of enquiries each year from landowners and prospective developers regarding the potential for subdivision. However, not all enquiries translate into planning permit applications.

Type of application	Number of Applications
Pre 2005 (C7 Planning Scheme Amendment)	17
2005 - present	78

Table 1 - Additional Lots Created (Pre and Post Planning Scheme Amendment C7)

Application Status	Number of Applications
Approved	39
Refused	6
Lapsed	1
Withdrawn	7
Permit Amended	3
Further Information Request	1

Table 2 - Status of applications (Post Planning Scheme Amendment C7)

Time period	Additional Lots Created
Council Reserve Alterations	1
2005 - present	23
More than two lots subdivision	33

Table 3 - Type of Planning Application (Post Planning Scheme Amendment C7)

The pattern of subdivision to date has created the following issues:

- Creation of an inefficient, indirect street network with limited permeability for all modes of transport
- Subdivision patterns that create limited frontages
- Lack of connectivity to existing neighbourhoods and destinations
- Lack of pedestrian facilities (e.g., paths, crossing points, wayfinding)
- Inefficient, uncoordinated drainage and stormwater management
- Lack of consideration of view lines and landscape features
- Removal of native vegetation
- Lack of planning for the provision of open space and corridors
- Lack of efficient servicing (see Section 5.5).

The analysis shows that a substantial number of subdivision applications have been lodged and approved, with few applications refused, indicating that Council do not have sufficient planning tools to manage subdivision within the LDRZ.

It should also be noted that anecdotally it has been observed that a number of applications have been lodged to amend the subdivision permit to remove building envelopes.

Summary of VCAT Order: Maria Vogt v Latrobe CC - 20 June 2012

The tribunal decided to affirm the decision of the Latrobe City Council to not grant a permit to subdivide a lot in Bradford Drive into four lots and creation and removal of easements. The Tribunal made the order in 2012 and concluded that the proposed development does not represent a good planning outcome for the site.

Reasons for Council Refusal

The Council objected to the original five-lot subdivision proposal on the grounds that it would compromise the potential for more intensive future subdivision in line with the current strategic planning, lacked provisions to retain natural drainage along the designated waterway on the site, and did not adequately address the increased stormwater runoff that would result from the proposal.

The subsequent Drainage Strategy submitted with the revised four-lot subdivisions still contains inadequate detail *'to understand the likely stormwater requirements and impacts of the waterway'* as contained in the 1999 Urban Stormwater - Best Practice Environmental Management Guidelines.

The Council has put forth three options for expanding residential land in Traralgon, including urban consolidation, 'greenfields' development in the east with farmland rezoning, and rezoning Low Density Residential Zone (LDRZ) land to the west of the town. Their preference is to rezone LDRZ land rather than farmland.

The Council however noted that achieving increased residential development in the LDRZ area containing the review site is challenging due to constraints like a minimum lot size of 0.4 ha, which makes future re-subdivision difficult. While it's possible to re-subdivide over time, it requires landowner support and coordinated development. The Council consequently argued that the proposed development of the site would hinder the intended growth and push future development elsewhere.

Summary for the VCAT Order

The Tribunal's decision to reject the subdivision proposal was mainly influenced by concerns related to the waterway's impact, the failure to adhere to statutory timeframes, and the inadequacy of the proposed revision to address these concerns.

The Latrobe City Council failed to make a decision within the statutory timeframe for the original proposal to subdivide 2ha lot into five 0.4 lots. Additionally, the West Gippsland Catchment Management Authority (WGCMA) opposed the application due to its potential adverse impact on designated waterways on the property.

The proposed revision to four lots subdivision also did not address the concerns regarding the waterway as it remained relevant primarily to the site's three easements, one of which covers a waterway that is declared under the Water Act 1989. The proposal lacked a management plan to address or manage the designated waterway which was a significant part of a catchment that flows west from the site and ultimately through flood-prone land to the Latrobe River.

The lot is also located in a Low-Density Residential Zone (LDRZ) area, surrounded by former grazing farmlands with mostly 2ha lots, many of which have existing dwellings.

Summary of VCAT Order: Cuddy v LaTrobe CC [2011] VCAT 1669

A VCAT order made in 2011 is worthy of assessment as it sets a precedent for future subdivision applications.

The tribunal decided to issue a permit for an amended subdivision layout, considering the agreed permit conditions between the Council and the Applicant. The tribunal believed that approving this proposal will not hinder the Council from undertaking future strategic planning for the area.

Reasons for Council Refusal

During the hearing, Latrobe Council's concerns with the proposed subdivision fell into three key areas:

- Inappropriate subdivision layout
- Absence of sufficient drainage infrastructure within the area
- Fragmentation of potential future residential land.

Summary of Reasons for the VCAT Order

The decision made by the tribunal for the planning subdivision permit is based on several factors.

The main issue in dispute was the appropriateness of the subdivision due to concerns raised by the Council about fragmentation of potential future residential land. The Council emphasised the need to ensure a sufficient supply of land for residential use, restrict low-density rural residential development, and direct urban growth into specific regional cities, including Traralgon.

The Tribunal found that although recent amendments to the planning scheme have not changed the zoning of the land, the proposed subdivision aligns with the requirements of the LDRZ. The tribunal noted that if the land is rezoned in the future, further development on the lots could occur. However, there is currently no shortage of land supply due to recent amendments to the planning scheme.

Based on these reasons, the tribunal decided to issue a permit for the amended subdivision layout, considering the agreed permit conditions between the Council and the Applicant. The tribunal believes that approving this proposal will not hinder the Council from undertaking future strategic planning for the area.

Summary of VCAT Order: Kangelaris & Anor v La Trobe CC [2011] VCAT 899

The Tribunal decided in 2011 to extend the time for the subdivision permits for land in Alamere Drive for 12 months from the date of the order.

Reasons for Council Refusal

The key concern to the Council was whether there has been a material change in planning policy; and the probability of a permit issuing should a fresh application made.

The Council expressed concerns about the subdivision in light of several changed planning policies at both the State and local levels including, for example, Regional Development policy (Clause 11.05-1) that promotes growth through directing urban growth into Traralgon, and the Traralgon Structure Plan (Clause 21.05-6) that encouraged residential intensification.

At the time of the hearing, there was a limited supply of residential lots, but recent Ministerial Amendments had increased available residential land. Despite this, the Council argued that the permits now represent an underdevelopment of the land due to their inability to control land utilization, potentially leading to less intensive development than desired.

Summary of Reasons for the VCAT Order

The Tribunal has decided to extend the permits for the subdivision despite the Council's concerns about underdevelopment. The Council argued that the permits represent an underdevelopment of the land due to changes in planning policy. However, the Tribunal disagreed, stating that the approved permits do not prevent further development and residential intensification of the land.

The Tribunal emphasised that the opportunity for higher densities should be created through appropriate planning controls, leaving it up to individual landowners to decide how and when to develop their land. The extension of the permits for 12 months then was granted, considering landowners' efforts, including detailed design work on reticulated services, and the fact that most surrounding lots have similar subdivisions.

4.0 Planning Policy

4.1 Gippsland Regional Growth Plan

The Gippsland Regional Growth Plan identifies Gippsland's key assets and responds positively to challenges that lie ahead. It adopts an integrated approach with a package of objectives and strategies for the economy, environment, regional living, infrastructure and transport.

The Gippsland region is forecast to become a fast-growing part of Victoria as more people relocate to the region from Melbourne. The Gippsland Regional Growth plan considers the implications of growing the region to a population of 386,000 by 2041, an increase of 116,000 people. Latrobe City, as the regional city comprising Moe/Newborough, Morwell, Traralgon and Churchill, has the capacity to accommodate this level of population and economic growth.

Growth in Gippsland has been planned for six urban centres being Latrobe City, Bairnsdale, Leongatha, Sale, Warragul/Drouin and Wonthaggi. Latrobe City (Traralgon, Morwell, Moe/Newborough and Churchill) has been planned as Gippsland's Regional City. Latrobe City will be a focal point for growth, infrastructure, and service investment. Growth will be planned in a way that integrates the four centres so they function as a single urban system.

The Growth Plan will provide a focus for future regional investment and support continued growth in the Princes Highway corridor, including the regional centres of Warragul, Sale and Bairnsdale and will be guided by the following principles:

Four Guiding Principles

Principle 1	Strengthen economic resilience by growing a more diverse economy that is supported by new investment, innovation and value-adding in traditional strengths.
Principle 2	Promote a healthy environment by valuing Gippsland's environmental and heritage assets, and by minimising the region's exposure to natural hazards and risks.
Principle 3	Develop sustainable communities through a settlement framework comprising major urban centres that ensures residents have convenient access to jobs, services, infrastructure, and community.
Principle 4	Deliver timely and accessible infrastructure to meet regional needs for transport, utilities, and community facilities.

4.2 State & Local Planning Policy

Plan Melbourne 2017 – 2050

Plan Melbourne 2017 – 2050 is a metropolitan planning strategy that defines the future shape of Melbourne and the state of Victoria over the next 35 years. It is the Victorian Government's long-term planning strategy, guiding the way the city will grow and change to 2050. The strategy integrates long-term land use, infrastructure and transport planning to support jobs and growth while building on Melbourne's legacy of being a distinctive, liveable and sustainable city.

Outcome 7 of Plan Melbourne identifies Latrobe City as one of Victoria's ten regional cities along with Geelong, Greater Bendigo, Ballarat, Greater Shepparton, Wodonga, Warrnambool, Mildura, Wangaratta and Horsham. Victoria's Regional Statement clearly articulates that government investment and decision-making in regional Victoria will reflect the strategic priorities regional communities have identified for themselves across economic, social, and environmental issues.

The Relevant Plan Melbourne Outcomes delivered through the planning for the Precinct may include:

Outcome 2: Policy 2.1.3: Plan for and define expected housing needs across Melbourne's Regions

Outcome 4: Melbourne is a distinctive and liveable city with quality design and amenity

Outcome 7: Regional Victoria is productive, sustainable and supports jobs and economic growth:

- Policy 7.1. Invest in Regional Victoria to support housing and economic growth
- Policy 7.2 Improve connections between cities and regions

It should be noted that DTP are currently reviewing Plan Melbourne to update in response to the COVID-19 pandemic.

4.3 Municipal Planning Strategy

Vision

The 2017-2021 Council Plan reflects the clear understanding that Latrobe City's community is in significant economic and social transition. The Council Plan provides a concentrated focus on employment, economic growth, liveability and a connected Latrobe City. It should be noted that the Latrobe Planning Scheme has not been amended to refer to the current Latrobe City Council Plan (2021-2025). The five objectives identified in the Council Plan includes:

Objective 1	Support job creation and industry diversification to enable economic growth in Latrobe City.
Objective 2	Encourage improved education and training outcomes in Latrobe City.
Objective 3	Improve the liveability and connectedness of Latrobe City
Objective 4	Provide a connected, engaged and safe community environment, which is improving the well-being of all Latrobe City citizens.
Objective 5	Grow the civic pride of the municipality and solidify Latrobe City's image as a key regional city.

Strategic Directions

A networked city. Traralgon and Morwell, along with Churchill and Moe-Newborough, will together form a 'networked city' where each town provides services and facilities to meet the needs of the community. Each town has developed its own function, with Traralgon as a regional retail centre and Morwell as a centre for government offices and industry. The Morwell to Traralgon Employment Corridor's gradual development over the next 20 years will link Morwell and Traralgon together to form a continuous urban area. Traralgon and Morwell form the primary population centre in Latrobe, supported by Churchill and Moe-Newborough.

District towns, small towns and rural living precincts. The four centres of Traralgon, Morwell, Churchill and Moe-Newborough will be integrated into a single urban system. In order to achieve this goal, the Council outlines several key objectives include:

- Promoting Traralgon-Morwell as the primary population centre and central hub for residential, commercial and retail activities
- Facilitating growth in the Morwell to Traralgon Employment Corridor to provide diverse employment opportunities
- Enhancing Traralgon's role as the primary regional retail centre for Gippsland
- Supporting Morwell's role as a significant industrial and government office centre
- Encouraging growth in small towns to strengthen their role as key retail and service centres for a moderate population and the surrounding hinterland.

The Council Economic Strategy Plan identifies the MTEC as an economic asset along with the Morwell – Maryvale Industry Growth Corridor.

Activity Centres. The Latrobe City Retail Centre Hierarchy identifies Traralgon as a Regional Retail Centre which is the major retail centre servicing Latrobe City and beyond, providing a full range of retail and non-retail uses such as community and recreation facilities and offices. This strategy seeks to support the development of a network of activity centres, facilitate the growth and viability of Latrobe's activity centres and create vibrant and walkable active retail areas. The Retail Hierarchy Plan identifies parts of the Traralgon West Precinct as a potential neighbourhood centre.

4.4 Live work Latrobe: Housing Strategy (2019)

The strategies contained in this document support Latrobe City to accommodate 100,000 residents, encouraging Morwell and Traralgon to grow together to create a single regional city centre. A major policy direction of the Housing Strategy is 'where appropriate, identify opportunities for sustainable growth in existing urban areas'.

With 70% of all population growth in Latrobe City being driven by age groups

70 years and over, a key message for housing is to 'encourage well designed, diverse housing types to be built in new developments or in renewal sites across the municipality that are conducive to the needs of the elderly or those wishing to age in place.'

The report states that Latrobe is anticipated to accommodate an additional 5,000 new houses in infill and greenfield development, with an average of 330 new dwellings anticipated to be required each year for the next 15 years. Traralgon will accommodate the majority of this growth. There are also limitations to the amount of greenfield development which can occur due to land use and environmental constraints.

The Housing Strategy identifies Traralgon-Morwell to be a Primary Population Centre and to 'promote' future growth. The Housing Framework Plan for Traralgon, however, identifies only the most eastern part of the Precinct and does not include the rest of the Precinct. The Framework Plan applies the 'Limited Change' potential to the most eastern part of the site which is also only the LDRZ section of the Precinct. The 'Limited Change' potential is characterised by providing for a 'limited degree of housing growth and change in established residential areas' and being generally 'beyond reasonable walking distances of public transport and services.' Limited Change areas 'will encounter some housing change in the form of townhouse, unit and dual occupancy in locations with good access to an identified Local or Neighbourhood Activity Centre,' while 'new development in the wider Limited Change Area will comprise dual occupancies and detached houses.' The Housing Strategy recommends that this 'Limited Change' area be zoned General Residential Zone.

4.5 Planning Policy Framework – Latrobe Planning Scheme

Settlement

Victoria Settlement Framework (Clause 11.01-1S)

Under the Victoria Settlement Framework, Latrobe City is designated as a Regional City as well as to facilitate major growth outside of Metropolitan Melbourne region. The objective of this settlement framework is to facilitate sustainable growth and development of Victoria and deliver choice and opportunity for all Victorians through a network of settlements. One of the

strategies is to focus investment and growth in places of state significance in Metropolitan Melbourne and the Major Regional Cities including Latrobe City.

Gippsland Regional Growth Plan (Clause 11.01-1R)

The Gippsland Regional Growth Plan provides several strategies to guide development of the region. The Plan supports growth in Latrobe City as the regional city, along with the regional centres in Bairnsdale, Leongatha, Sale, Warragul/Drouin, and Wonthaggi, as well as sub-regional networks of towns. The plan aims to establish new urban growth fronts in regional centres that can effectively manage natural hazards and environmental risks.

It recognises the role of towns and small settlements in providing services to their districts and emphasises the creation of vibrant town centres that respond to changing population and market conditions. The plan also focuses on providing regional social infrastructure in the regional city and centres and planning for increased seasonal demand for services and infrastructure in towns with high holiday home ownership.

Morwell to Traralgon Structure Plan (Clause 11.03-2L)

The Morwell to Traralgon Structure Plan (MTTSP) outlines several strategies for the development of the Morwell to Traralgon corridor (Figure 10 - Morwell to Traralgon Structure Plan) (Clause 11.03-2L). The plan encourages the relocation of the Traralgon golf course for residential purposes. It also promotes residential development in MTTSP Area 3 while ensuring the protection of Latrobe Regional Airport operations. The plan supports the development of retirement villages, aged care facilities and higher density residential areas near Latrobe Regional Airport operations.

It encourages employment-intensive businesses related to health and aeronautics in MTTSP Area 4. The plan also calls for the development of Local and Neighbourhood Activity Centres near key intersections, with an emphasis on catchment area, minimal economic impact and proximity to essential amenities. It discourages the expansion of car sales areas along the Princes Highway and suggests a landscaped buffer for the industrial precinct in MTTSP Area 6. Additionally, the plan encourages the creation of green movement corridors and open space areas along designated roads and waterways to incorporate pedestrian and cycle pathways and preserve native vegetation.

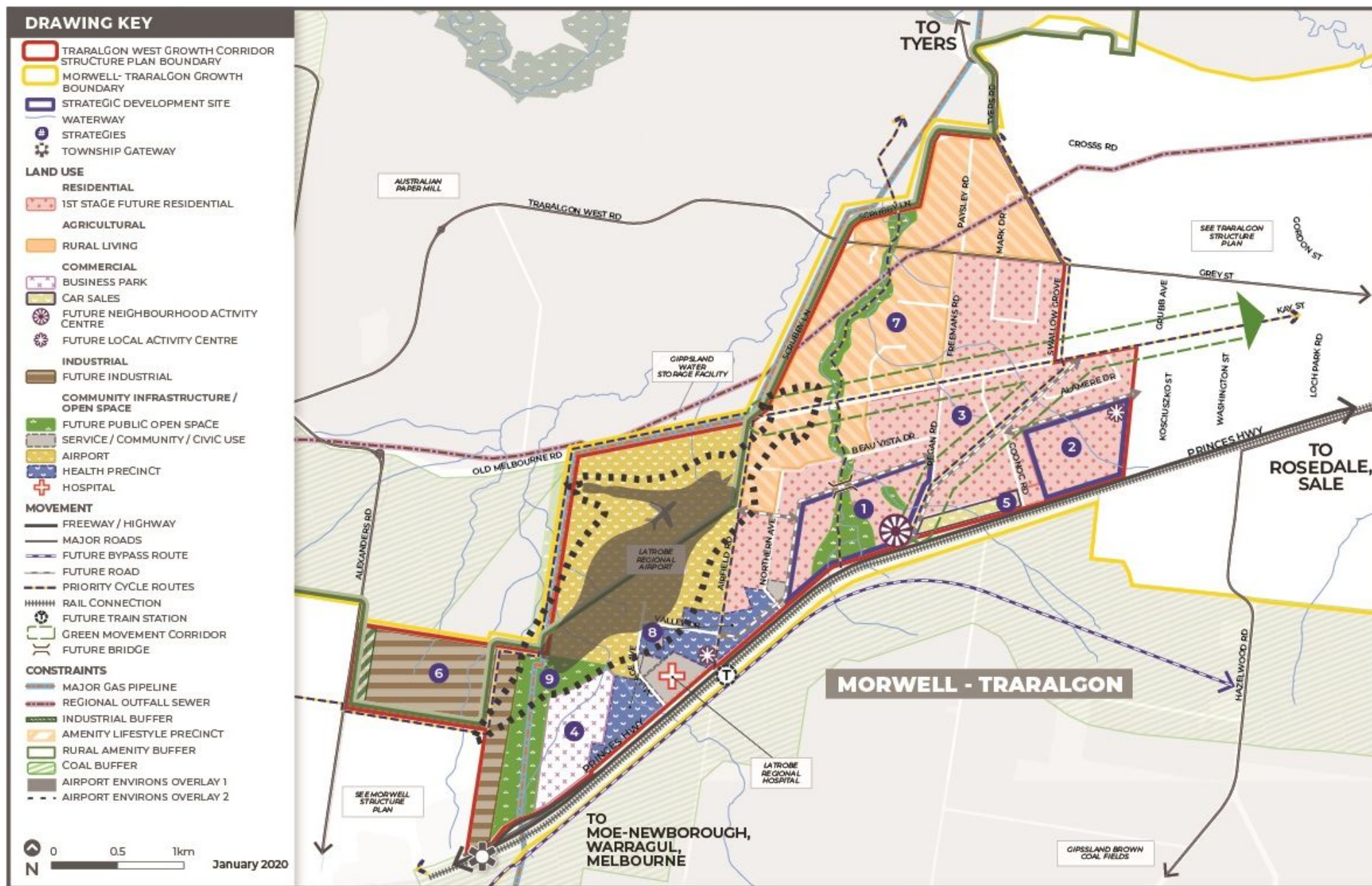


Figure 10 - Morwell to Traralgon Structure Plan (Clause 11.03-2L)

Activity Centres (Clause 11.03-1L)

The strategies for Activity Centres in Latrobe City include facilitating the development of regionally significant commercial ventures in the Traralgon Primary Activity Centre. Major offices and institutions are to be facilitated within the primary activity centre of Morwell. The activity centres of Moe and Churchill are also supported in their roles as secondary urban centres. The plan emphasises the support for local convenience retail, community services, and small businesses within Neighbourhood and Local Activity Centres.

The policy discourages the establishment of new centres unless there is sufficient demand to sustain their viability and their establishment will not have a detrimental impact on existing centres.

Environmental Risk and Amenity

Natural hazards and climate change (Clause 13.01-1S)

This clause sets out strategies to minimise the impacts of natural hazards and adapt to climate change through risk-based planning. These strategies include incorporating climate change risks in decision-making processes, identifying at-risk areas using data and climate change science, integrating land use planning with emergency management, directing growth to low-risk locations, developing adaptation strategies for high-risk settlements, implementing planning controls for risk mitigation and designing developments to minimize risks to life, property, and the environment. These measures promote proactive and resilient approaches to address natural hazards and climate change challenges.

Bushfire (Clause 13.02)

Land to the west of the Traralgon West Future Residential Area is subject to the Bushfire Management Overlay (BMO). The strategies give priority to the protection of human life and directing population growth to low-risk locations. The policy emphasizes the identification and assessment of bushfire hazards using scientific data and consultation with emergency management agencies. Settlement planning focuses on directing growth to low-risk areas, ensuring safe access to protected locations and avoiding increasing risks to residents and infrastructure.

The policy discourages settlement in areas of high biodiversity value affected by bushfires. It also outlines specific considerations for planning applications

in bushfire-prone areas and mandates the implementation of appropriate bushfire protection measures. The policy guidelines emphasize the importance of considering approved fire prevention plans at the state, regional and municipal levels.

Bushfire Prone Areas

The Precinct is in a designated bushfire prone area. Bushfire prone areas are where the bushfire hazard has been identified and mapped under the building system. This triggers building permit requirements where new buildings are required to build a national construction standard Bushfire Attack Levels (BAL).

Noise (Clause 13.05)

This clause aims to manage the effects of noise on sensitive land uses (e.g. residential). The strategy involves preventing development prejudice and ensuring that community amenity and human health are not negatively affected by noise emissions (see, The Noise Requirements in accordance with the Environment Protection Regulations under the *Environment Protection Act 2017*).

The clause emphasises the need to minimise noise exposures to occupants of sensitive land uses near transportation systems and other noise sources. This is to be achieved by suitable building siting and design including considerations of orientation, internal layout, urban design and land use separation techniques that align with the functions and character of the area.

The objective is to create a harmonious environment that safeguards the well-being of individuals and maintains the quality of life in the community.

Air Quality (Clause 13.06)

The Air Quality Management clause aims to protect and improve air quality. Key developments that generate high volumes of trips are encouraged to be in designated areas such as the Central City, Metropolitan Activity Centres and Major Activity Centres. Infrastructure for walking, cycling and public transport is to be provided to reduce reliance on private vehicles.

The clause also emphasizes the need for appropriate separation between land uses that may pose health risks or reduce amenity due to air pollutants and sensitive land uses such as residential areas, childcare centres, schools and hospitals. Additionally, efforts are made to minimize air pollutant exposure to

occupants of sensitive land uses near transportation systems through suitable site selection, layout and design considerations.

Land Use Compatibility – General Strategies (Clause 13.07-1L)

The clause aims to discourage subdivision or rezoning of Farming Zone and RLZ land within a specific area. This area includes the Amenity Lifestyle Precinct (Area 7 of the MTSP and Area 11 of the Morwell Town Structure Plan) near the Australian Paper Mill. The proximity to the paper mill and the purpose of the area warrant discouraging residential development.

Garden Suburban	Spacious residential areas in a garden setting with a mix of older buildings located along linear street patterns and pockets of established vegetation.
Lifestyle Suburban	Dwellings on large lots in spacious landscape settings, located on curvilinear and court street patterns with a strong rural character.
Bush Suburban	Residential areas of large, informal lots visually dominated by landscaping with built form typically hidden behind canopy trees and a well-established garden setting.

The clause encourages, on the other hand, the promotion of industrial uses that have limited off-site amenity impacts and other compatible uses. These industrial uses can act as a buffer between residential areas and more intensive industrial uses.

Built Environment and Heritage

Neighbourhood Character

Special neighbourhood character areas have been identified in Traralgon, Moe/ Newborough and Churchill as follows:

With the above in mind, planning for neighbourhood character seeks to:

- Retain regional suburban character of established and growing neighbourhoods where special neighbourhood character values have not been identified

- Protect areas with special neighbourhood character values, maintain the rural character of district and small towns, balance development and consolidation with respecting residential amenity and neighbourhood character.

Housing

Latrobe City Council aspires to grow the municipal population to 100,000 by 2050, which is expected to include a high proportion of older people. A significant shift to smaller households is also expected, with one and two person households expected to represent 76% of all new households over the next 15 years.

Housing Framework Plans have been prepared for all towns and they provide direction on the location preferred housing change including areas of 'Substantial' Change, 'Incremental' Change, 'Limited' Change and 'Minimal' Change. Residential use in Moe, Morwell and Traralgon is expected to support the renewal of underutilised industrial sites. Please note the Housing Framework Plans do not apply to the Precinct but would be reviewed if any changes to zoning were made.

Transport

Latrobe Regional Airport

The Latrobe Regional Airport is an important part of the region's transport network and provides a range of employment and recreation opportunities. The airport's supply of serviced industrial land has been expanded to facilitate aeronautical development, which has created opportunities for aviation-related businesses to establish. Planning for Latrobe Regional Airport seeks to facilitate and protect the operations of Latrobe Regional Airport and its environs.

Infrastructure

Infrastructure Assets

Development in Latrobe is influenced by many existing or planned infrastructure assets including the proposed alignment of Traralgon Freeway Bypass. Planning for infrastructure assets seeks to: protect infrastructure assets from encroachment of development that would compromise their

efficient functioning and safety; manage land use and development in the vicinity of the pipelines to minimise risks to human life and the functional operation of the pipelines.

Community Infrastructure

Latrobe is the principal service centre for Gippsland that boasts a wide range of health, community and education services, including Latrobe Regional Hospital in Traralgon West and Federation University at Churchill. Planning for community infrastructure seeks to: support a range of health; social and recreational facilities including the expansion of educational facilities; support hubs of integrated community services; and encourage community facilities to locate in or near activity centres and be accessible by public transport.

4.6 Relevant Zoning and Overlays

Low-Density Residential Zone (LDRZ)

This zone is applied to areas on the fringe of urban settlements and townships with reticulated sewerage (0.2 ha minimum) or without reticulated sewerage (0.4 ha minimum) to ensure lots remain large enough to treat and retain all wastewater but small enough to be maintained without the need for agricultural techniques or equipment (see Figure 6 - Traralgon West Future Residential Area Existing Conditions and Zoning Plan).

Rural Living Zone (RLZ)

This zone aims to provide for residential use in a rural environment, to provide for agricultural land uses which do not adversely affect the amenity of surrounding land uses, to protect and enhance the natural resources, biodiversity and landscape and heritage values of the area and to encourage use and development of land based on comprehensive and sustainable land management practices and infrastructure provision (see Figure 6 - Traralgon West Future Residential Area Existing Conditions and Zoning Plan).

Schedule 1 to the RLZ specifies a minimum subdivision area of 2 hectares.

Design and Development Overlay Schedule 8 – Latrobe Regional Airport – Obstacle Height Area No. 2

The design objectives of this overlay are to: ensure that all buildings and works are within specified height limits; to ensure that appropriate external building materials are used, to avoid creating a hazard to aircraft flight paths in the vicinity of Latrobe Regional Airport; and to ensure that flight paths associated with Latrobe Regional Airport are protected from the encroachment of inappropriate obstacles which may affect the safe and effective operation of the Airport.

Buildings and works permitted under this clause include construction which does not exceed 65 metres Australian Height Datum (AHD); or construction on the airport site which, in the opinion of the responsible authority, is consistent with the Latrobe Regional Airport Master Plan (2019), including the Development Guidelines contained within the Master Plan.

Design and Development Overlay Schedule 10 – Latrobe Regional Airport – Obstacle Height Area No. 3

The design objectives of this overlay are to: ensure that all buildings and works are within specified height limits; to ensure that appropriate external building materials are used to avoid creating a hazard to aircraft flight paths in the vicinity of Latrobe Regional Airport; and to ensure that flight paths associated with Latrobe Regional Airport are protected from the encroachment of inappropriate obstacles which may affect the safe and effective operation of the airport.

Buildings and works permitted under this clause include construction which does not exceed 10 metres above natural ground level; or construction which does not exceed 96.5 metres AHD; or construction on the airport site which, in the opinion of the responsible authority, is consistent with the Latrobe Regional Airport Master Plan (2019), including the Development Guidelines contained within the Master Plan.

Airport Environs Overlay (AEO)

Adjoining areas to the West of the Precinct fall within the Schedule 1 of the AEO. One of the aims of this overlay is to: identify areas which are or will be subject to high levels of aircraft noise, including areas where the use of land for uses sensitive to aircraft noise will need to be restricted and to limit the

number of people residing in the area or likely to be subject to significant levels of aircraft noise.

Any new building must be constructed so as to comply with any noise attenuation measures required by Section 3 of Australian Standard AS 2021-2015, Acoustics – Aircraft Noise Intrusion – Building Siting and Construction, issued by standards Australia Limited.

Environmental Significance Overlay (ESO)

Areas to the west of the Precinct fall within the ESO, particularly Schedule 3 to this overlay which regulates the area between Maryvale Pulp and Paper Mill. Schedule 3 to this overlay aims to minimise amenity impacts from the Mill and ensure it is protected from the incremental encroachment of any inappropriate development, including buildings and works, associated with sensitive land uses.

The Maryvale Pulp and Paper Mill is a vital part of the Victorian and Gippsland manufacturing industry. The Maryvale Pulp and Paper Mill is a major regional employer in the Latrobe Valley. The land around the mill is important in providing separation between nearby sensitive land uses and the mill, due to potential off-site odour impacts from the mill operations. This buffer is significant in protecting the community and minimising potential threats to the long-term viability of the mill, through inappropriate establishment or siting of development associated with sensitive uses. It should be noted that a works approval has been issued for the mill site to operate as a Waste to Energy Facility.

Relevant Particular Provisions in the Planning Scheme

Clause 54 - One Dwelling on A Lot

As stated in Clause 54, this provision applies to all single dwellings (including alterations and extensions) where the land is within one of five zones: Neighbourhood Residential Zone, General Residential Zone, Residential Growth Zone, Mixed Use Zone or Township Zone. The clause aims to ensure that the construction or extension of single dwellings is consistent with the objectives of planning in Victoria and the purposes of the Latrobe Planning Scheme. This clause also aims to achieve residential development that respects the existing neighbourhood character or which contributes to a preferred

neighbourhood character and to encourage residential development that provides reasonable standards of amenity for existing and new residents.

Clause 55 - Two or More Dwellings on a Lot and Residential Buildings

This provision applies to the development of two or more dwellings on a lot and residential buildings up to and including three storeys. In Victoria, the development of two or more dwellings on a lot and residential buildings must be assessed in accordance with Clause 55 (ResCode). Provisions in this clause apply to an application to construct a dwelling if there is at least one dwelling existing on the lot; construct two or more dwellings on a lot; extend a dwelling if there are two or more dwellings on the lot; construct or extend a dwelling on common property; or Construct or extend a residential building. This provision applies to dwellings where the land is within one of five zones: the Neighbourhood Residential Zone, General Residential Zone, Residential Growth Zone; Mixed Use Zone, or Township Zone.

Clause 56 - Residential Subdivision

This provision aims to achieve residential subdivision outcomes that appropriately respond to the site and its context for: Metropolitan Melbourne growth areas; infill sites within established residential areas; and regional cities and towns. This provision also aims to ensure residential subdivision design appropriately provides for: policy implementation, liveable and sustainable communities, residential lot design, urban landscape, access and mobility management, integrated water management, site management and utilities. These provisions apply to an application to subdivide land in the Neighbourhood Residential Zone, General Residential Zone, Residential Growth Zone, Mixed Use Zone, or Township Zone and any Comprehensive Development Zone or Priority Development Zone that provides for residential development. The provisions do not apply to an application to subdivide land into lots each containing an existing dwelling or car parking space.

4.7 Summary of Key Policy Findings

- Plan Melbourne identifies Latrobe City as one of Victoria's ten regional cities
- Traralgon is a Regional Retail Centre which is the major retail centre servicing Latrobe City and beyond

- Policy discourages the establishment of new centres unless there is sufficient demand to sustain their viability and their establishment will not have a detrimental impact on existing centres
- The Settlement Strategy establishes Latrobe City as a Regional City that will facilitate major growth and supports the development of retirement villages, aged care facilities, higher density residential areas and employment intensive businesses in the Morwell-Traralgon corridor
- Planning should respond to existing infrastructure and land uses and ensure that encroachment does not impact on their viability
- Planning must deliver timely and accessible infrastructure to meet regional needs for transport, utilities and community facilities.

5.0 Precinct Physical Context

This section provides a description of the Precinct based on previous assessments undertaken and a sit visit. It will also inform further assessments that may be required to progress planning for the Precinct.

5.1 Topography

The land falls away to the southwest of this precinct where it falls from a high point of approximately 62m AHD at properties north of the Traralgon golf course fronting Alemere Drive, sloping towards to 51m at the south western boundary. There is a tributary of Boyd Creek running north to south through the centre of the Precinct.

Broadly, the topography of the Precinct is gently undulating and is not a constraint to development.

5.2 Flora and Fauna

No flora and fauna assessments have been undertaken by Council for the Precinct to date. An assessment of the Native Vegetation and biodiversity values has been undertaken for the Hollydale Strategic Development Site at 5483 and 5495 Prince Highway to inform a proponent led planning scheme amendment to rezone the land to facilitate urban development.

Vegetation across the Hollydale development site was found to comprise five native patches and locally indigenous scattered trees, alongside planted exotic and Victorian native trees. The ground storey is mostly degraded, and pasture grasses dominate for utilisation by rotational grazing and agricultural land use.

No threatened ecological communities listed under the commonwealth Environment Protection & Biodiversity Conservation Act 1999 nor under Victoria's Flora & Fauna Guarantee Act 2019 were found to be present on the development site.

Inspection of the Precinct indicates that the majority of the Precinct has been cleared to facilitate low density rural living subdivision. However, a number of significant patches of native vegetation were observed on the properties and within road reserves and easements (see Figure 11 - Native vegetation along the road reserve on Bradford Drive).

5.3 Drainage and Stormwater Management

A number of creek lines traverse the Precinct with surface water flowing from the west of the Precinct towards the north east. Previous studies have identified flooding associated with drainage lines which run through the precinct as a consideration for the precinct (see Figure 12 - Existing drainage at the Alemere Drive subdivision).

Latrobe City Council is the authority for stormwater within the municipality. However, the West Gippsland Catchment Management Authority (WGCMA) are responsible for stormwater quality and applicants will need to demonstrate compliance with 'Urban Stormwater Best Practice Environmental Management Guidelines'. Stormwater for Latrobe City Council is managed through the Infrastructure Design Manual and the Latrobe Planning Scheme.

The Servicing Strategy for Morwell-Traralgon Employment Corridor and Surrounds (May 2019) identifies the Precinct as having existing historical issues in relation to stormwater management. When land develops in the area, a Stormwater Management Strategy could be developed to show areas required for stormwater. Land in the Precinct is likely to naturally drain towards Boyds Creek. Some areas of the Precinct will naturally drain towards the unnamed waterway near the Traralgon Golf Course.

An Integrated Stormwater Management Strategy should be prepared for the catchment area to inform the entire MTEC and Firmins Lane Precincts in order to inform any future planning for the Precinct. The assessment should include:

- The likely extent of flooding associated with the existing drainage lines
- Identification of drainage assets required to meet requirements of WGCMA and Council to manage a 20% AEP storm event
- Ensure that overland flows can be safely conveyed through the Precinct road network
- Identify how stormwater quality will be managed.



Figure 11 - Native vegetation along the road reserve on Bradford Drive



Figure 12 - Existing drainage at the Alamere Drive subdivision

5.4 Current settlement and subdivision patterns

The existing settlement pattern in the precinct is highly fragmented, with 205 parcels of land that are predominantly in individual ownership. This fragmentation is a result of the current use and development pattern of the land associated with the LDRZ and RLZ. Within the LDRZ, properties range in size between approximately 0.2ha and 5.7ha, and within the RLZ properties range in size between 960sqm and 3.4ha. There are two large sites within the Precinct: the Hollydale Strategic Development Site which is approximately 58.13ha and is in the Faming Zone, and the Traralgon Golf Club which is 40.5ha within the RLZ.

5.5 Existing Servicing Infrastructure

Latrobe City Council drafted a Servicing Strategy to support planning for the MTEC (*Servicing Strategy Morwell-Traralgon Employment Corridor May 2019*).

The Servicing Strategy applies to land identified in the MTEC as Precincts I (LDRZ and RLZ) and Precinct E (Hollydale Strategic Development Site and RLZ) within the Precinct south of Old Melbourne Road. The Strategy assumed the Precinct would be redeveloped for conventional residential.

Sewer

Existing sewer services exist in the east of Precinct I. Future growth of Precincts E and I will require significant upgrade to the sewer services, including the establishment of new sewer pump stations and rising mains.

Water

There are reticulation mains surrounding both Precinct E and Precinct I. The residential development of Area E would require water main extensions off existing mains and Area I would require augmentation.

Electricity

It is expected that the development of the MTEC is likely to use most of the spare capacity within the feeder and the new Morwell Zone Substation.

Gas

All precincts in the MTEC are supply constrained. Augmentation to support

this area may be quite significant in terms of infrastructure and cost. Works could include a new supply point within this precinct at a location adjacent to the existing Victoria Transmission Systems pipeline. Any extension, upgrade or augmentation may require a contribution to be made by the customer/ developer.

There are existing reticulation mains that extend along the southern boundary of these precincts along the Princes Highway. APA Networks have indicated it would be unsuitable for the direct connection of additional large demand.

It should be noted that in July 2023 the State Government announced that from January 2024 new homes and residential subdivisions that require a planning permit will no longer be able to connect to the gas network. Any permit application lodged before January 2024 will not be affected by the gas connection prohibition. For staged subdivisions, if the original application is lodged before January 2024, all stages within the subdivision are exempt from the gas connection prohibition.

The Tyers – Morwell pipeline runs north – south adjacent to the Precinct. The associated easement and measurement length does not impact on the precinct.

5.6 Open Space

A number of opportunities for the provision of open space have been identified through previous planning assessments. Opportunities include:

- Planning assessments and tools to provide passive and active open space through the development process
- Provision of public corridors adjacent to drainage and creek lines
- Connectivity to the Morwell-Traralgon shared path which is a key strategic linear open space facilitating active transport and recreation between Morwell and Traralgon.

5.7 Transport

The Princes Highway will continue to develop as a key transport corridor. The Traralgon Growth Area's Framework proposes a high frequency bus service to be established along this corridor, in addition to cycle and shared paths and

existing vehicular movement.

A new train station is identified as a long term project in the TGAR and the MTEC adjacent to the hospital and the proposed Neighbourhood Activity Centre.

The MTEC establishes a Transport and Movement Infrastructure Plan which include transport infrastructure required to facilitate development within the precinct.

In addition to the train station, key infrastructure items identified in this plan include:

- Signalised intersection at the Princes Highway and Bradford Drive intersection
- Signalised intersection at the Princes Highway and Northern Avenue intersection
- Turning treatments at the intersections of Coopers Road, Regan Road and Alfred Road with Old Melbourne Road
- Shared path within the Old Melbourne Road reserve (Morwell-Traralgon shared path)
- Strategic shared paths to be delivered through a future development process.

6.0 Stakeholder Engagement

To inform the Issues and Opportunities and Options Assessment for the Precinct, landowners and key stakeholders were contacted to inform them of the Assessment and to get input as follows:

- What are the key features of the Precinct that should be considered in the planning process (e.g., topography, housing character, subdivision patterns, vegetation, waterbodies)?
- What issues need to be addressed through the planning process (e.g., subdivision pattern, access and connectivity, management of native vegetation, flood mitigation, infrastructure and servicing, impacts from surrounding land uses)?
- What opportunities do you see when planning for the precinct (e.g., transport and access improvements, provision of open space)?
- What are the preferred planning outcomes for the precinct?

A total of 12 written submissions were received, officers also had four 1:1 meetings and responded to 10 telephone calls. A summary of the key issues raised and how these views align with planning policy is provided below.

6.1 Key issues raised through stakeholder engagement

Density and size of subdivisions

Many of the submissions stated a preference for future subdivision to enable only larger lots or to keep the LDRZ

Alignment with policy:

The policy intent for the Precinct is to accommodate conventional residential growth. This may include zoning changes to reflect this intent. Council has also stated a preference for the Precinct to provide for conventional residential development with densities of 11 dwellings per hectare. This is supported by Clause 11.03 (Morwell to Traralgon Structure Plan) and previous planning scheme amendments (Amendment C62, C87 and C115).

Character and amenity

Some community feedback comments expressed a desire to maintain a rural character in the Precinct. Some comments expressed opposition

to conventional residential subdivision due to developed areas looking incongruous next to undeveloped areas. A comment stated they would prefer to see transition zones in density and character between rural areas and future residential development. Other respondents indicated a desire to manage increased traffic in the Precinct and township and to direct it to appropriate roadways.

Alignment with policy:

In line with Clause 11.03 (Morwell to Traralgon Structure Plan), the Precinct is anticipated to accommodate conventional residential density. This will entail the transition of the Precinct from an area with a rural lifestyle character to one with an urban character. Future planning for the Precinct will respond to the site's characteristics and development potential by applying neighbourhood character areas in the Latrobe City Planning Scheme. Urban densities will also respond to the site's opportunities and constraints. Interfaces between different densities will be coordinated through future planning and design processes to ensure cohesive urban character across the Precinct. Some future planning processes may entail the incorporation of design guidelines to help shape the urban character of future development. Additional assessments will be undertaken further in the planning process to determine optimal traffic routes and management techniques to mitigate the effect of increased traffic in the Precinct.

Infrastructure provision

Other comments indicated a desire to support future urban growth with sufficient infrastructure, in particular sewerage and drainage infrastructure. One respondent also stated that existing infrastructure constraints should be a reason for reducing the future urban density. Some submitters supported lower density development due to its lower servicing requirements for developers.

Alignment with policy:

Future urban processes will consider infrastructure provision holistically and assess the infrastructure and funding required to service growth, guided by Clause 19.03. Existing infrastructure constraints in the Precinct are not representative of the capacity of the Precinct to provide future infrastructure to support growth. The provision of drainage and sewerage infrastructure will

be guided by the planning scheme. Some potential future planning processes include mechanisms which identify essential infrastructure to support growth and apportion infrastructure funding between developments.

Active transit paths and recreational spaces

Many of the comments expressed a desire to support growth with additional active transit paths and green spaces. Two respondents specified the need for an extension of the Traralgon West Road active transit path, with one submitter stating an extended path to west of Wilga Crescent on both sides of the road would be optimal for students. Upgrades, such as for extra lighting, were requested on the existing Traralgon West Road active transit path. Active transit paths were requested on Wilga Crescent and through the golf course.

There was support for the creation of additional walking tracks, with one respondent requesting a loop track from Traralgon West Rd to Old Melbourne Rd.

One respondent stated the potential of the Latrobe River drainage network to become recreational areas and support the creation of wetlands. There was also support for the ecological restoration of the Hollydale site and the regeneration of the ecosystem through additional native vegetation in the Precinct.

Alignment with policy:

The planning and design for conventional urban densities will be guided by active transit links and green space policy (including that contained within Clauses 18.02-2L, 18.02-6L and 19.02-6L) to ensure residents have access to recreational spaces and active transit paths.

Policy currently fails to recognise priority active transit routes in the northern part of the precinct containing Wilga Crescent and along Traralgon West Road (Clause 11.03 - Morwell to Traralgon Structure Plan). Clause 18.01-3L (Sustainable personal transport - Tracks, Trails and Paths Strategy (2016)) does not yet identify a proposed active transit path along Traralgon West Road west of Tyers Road or a link from Traralgon West Road to the Old Melbourne Road. A 'green movement corridor' is, however, identified on Old Melbourne Road and to the Princes Highway throughout the precinct in the structure plan (Clause 11.03). In spite these policy gaps, active transport connectivity will be addressed through future planning processes and residents will be able to

provide input into planning and designs.

Future development will be undertaken in line with policy guidelines for the retention and planting of native vegetation as guided by Clause 12.01 (Biodiversity).

Demand for rural lifestyle living

Some respondents used the demand for rural lifestyle living as a reason to maintain the existing low-density environment in the Precinct.

Alignment with policy:

The Morwell to Traralgon Structure Plan (Clause 11.03) states the planning intent for the Precinct is to provide conventional residential densities. Clause 11.03, however, also identifies areas outside of the Precinct which are anticipated to accommodate rural living. These areas will have lower residential densities and provide for the rural lifestyle living amenities which are in demand.

It is also noted that one of the strategies outlined under Clause 16.01-3L of the Planning Policy Framework is to *discourage rural living or low-density residential use and development on the fringes of major towns where land is designated as a long-term urban growth corridor*.

Preferences for the Hollydale site

Two comments expressed a desire to maintain the rural character of the Hollydale site (submissions 10, 15), with one wanting to maintain a rural outlook for surrounding sites. One respondent expressed a desire for the development of the Hollydale site to be directed by a rehabilitation authority and for the waterbody to be used for an appropriate recreational use given the historic nature of the site.

Alignment with policy:

In Clause 11.03 (Morwell to Traralgon Structure Plan), the Hollydale site is identified as a Strategic Development Site and as a location for a future Neighbourhood Activity Centre and higher housing densities (as identified in Amendment C115 - Morwell Traralgon Employment Corridor Land Use Masterplan). The site therefore is not intended to accommodate rural lifestyle development on larger lots. Planning processes will manage interfaces

between different densities to ensure cohesive urban development.

Preferences for the Traralgon golf course

A number of submissions were received regarding the planning options for the Traralgon Golf Course. This is a strategically important landholding. One submitter stated the golf course may be a more viable lot for development rather than existing LDRZ areas due to its large, contiguous nature. One respondent was against the golf course being developed due to the complexity of relocating a golf course and their concern for the loss of recreational space for youth. Another respondent stated that the golf course could remain and provide an active transit and recreational path for the community through it.

Alignment with policy:

The golf course is predicted to accommodate conventional residential development following Clause 11.03 (Morwell to Traralgon Structure Plan). The relocation of the golf course will be assessed and managed through future planning processes which may also involve input from the private sector to assess the viability of constructing and managing a new golf course.

Future planning processes will be underpinned by active transport and green space provision (Clauses 19.02-6L and Clause 19.03) to ensure young community members have access to recreational areas.

The structure plan does not currently highlight a 'green movement corridor' going through the golf course. However, future planning processes will further resolve the planning and design for this area, for which residents will be able to provide their input.

Comments which materially affect our recommendations

Lot fragmentation in the Precinct

Subdivision: there may be difficulties coordinating development where lots are fragmented and owners may not want to sell.

Alignment with policy:

Future planning processes will consider the management of the irregular lot sizes and alignments in the precinct. Planning controls can help coordinate development and infrastructure staging within the Precinct across different lots being developed at different times.

Development viability

Two respondents expressed concerns about the viability of conventional residential development due to a perception that developers require larger land holdings for viable and sufficiently serviced development. These comments also noted that residents may be reluctant to sell which may constrain the development of multiple lots.

Alignment with policy:

Further planning processes can direct development so that it is viable and serviced sufficiently. Planning controls can also identify essential infrastructure and include tools to collect and apportion funding for infrastructure across the Precinct.

6.2 General comments

Proximity to the airport

Two submissions mentioned the proximity to the airport as a reason to maintain lower densities on areas close to it.

Alignment with policy:

The Morwell to Traralgon Structure Plan (Clause 11.03) identifies the application of the Airport Environs Overlay around the airport which will inform future development and mitigate risk from the airport. The structure plan also identifies that conventional residential densities will apply within the Precinct, even in areas close to the airport but outside of the AEO. Masterplanning for the airport has been undertaken and additional assessments will be conducted at further steps in the planning process to assess any potential risks from the airport on future development.

7.0 Land Issues and Constraints

7.1 Current settlement and subdivision patterns

The existing settlement pattern in the precinct is highly fragmented, with 205 parcels of land that are predominantly in individual ownership. This fragmentation is a result of the current use and development pattern of the land associated with the LDRZ and RLZ. Within the LDRZ, properties range in size between approx 0.2ha and 5.7ha, and within the RLZ properties range in size between 960sqm and 3.4ha. There are two large sites within the Precinct: The Hollydale strategic development site is approx. 58.13ha and is in the Faming Zone, and the Traralgon Golf Club is 40.5ha within the RLZ.

Developing fragmented allotments such as those within the Precinct present challenges and issues, including:

- Coordination of efficient, sequential development
- Efficient provision of services and utilities
- Planning, funding and delivery of transport infrastructure
- Planning, funding and delivery of community infrastructure and open space
- Planning, funding and delivery of drainage infrastructure
- Management of native vegetation across the precinct
- Management of cultural heritage across the site

Establishing a planning framework that supports consolidation and holistic planning will be critical to the future liveability of the Precinct. The framework should give landowners and developers confidence that an overall masterplan can be planned and delivered, and provision of servicing and infrastructure is efficient, sequential and equitable.

7.2 Servicing

The key limitation on the delivery of a masterplanned community within the precinct appears to be coordination of servicing, particularly sewer and water. There are significant upgrades required to the sewer services, including the establishment of new sewer pump stations and rising mains.

The MTEC Serving Strategy makes a generic statement that rezoning of land

could be supported in the short term. However, significant investment and planning is required by Gippsland Water on the future Sewer capacity in Latrobe City Council before further rezoning of land is undertaken as part of the MTEC Investment Master Plan.

As suggested in Section 8, planning for the provision of servicing is a critical element of the strategic planning required for the Precinct.

7.3 Provision and Funding of Infrastructure

Under the current planning controls, the only option for Council to fund infrastructure is through freely negotiated agreements for the provision of infrastructure at the time of development. An agreement can be used to place an obligation on the parties to provide infrastructure, and/or pay for infrastructure.

Entering into an agreement for development contributions requires all parties to voluntarily agree to commit to their obligations, as set out in the agreement. Therefore, the establishment of a voluntary agreement cannot be a requirement of a planning scheme amendment or planning permit. Section 173 of the Planning and Environment Act 1987 provides a mechanism for formalising a voluntary agreement between the responsible authority, a landowner, and other parties. Options and constraints for funding infrastructure is summarised in Section 9 (Options Assessment)

8.0 Opportunities

8.1 Planning Policy Support

The Planning Policy contained within the Latrobe Planning Scheme generally supports development of the Precinct with a mix of uses including conventional urban residential establishing what is now identified as the Traralgon West growth area Precinct.

In saying that, there are some differences between the proposed future land use designations in the relevant strategic planning documents in the Latrobe Planning Scheme. The key differences in the planning documents include:

- The footprint of the West Residential Area varies between the following background documents that support incorporated planning documents:
 - Traralgon Growth Areas Review (Hansen, 2013) and the Morwell-Traralgon Employment Corridor (MTEC). The Traralgon Growth Areas Review (Hansen, 2013) includes the LDRZ land north of Old Melbourne Road as future residential.
 - The Morwell-Traralgon Employment Corridor (MTEC) identifies this land north of Old Melbourne Road as an 'Amenity Lifestyle Precinct'. The amenity lifestyle precincts were implemented through Planning Scheme Amendment C87 as post exhibition changes. It is unclear in the MTEC, or the Latrobe Planning Scheme the definition or land use outcomes sought for the Amenity Lifestyle Precinct.
 - The footprint of the Latrobe Housing Strategy (Latrobe City Council, MacroPlan Dimasi, RMCG and Planisphere, May 2019) does not include the RLZ land within the precinct west of Freemans Road, Copeland Court and Regans Road.
- The MTEC provides recommendations to use the UGZ as the preferred approach for planning Precinct E and I (i.e. the Traralgon West Future Residential Area south of Old Melbourne Road). The Latrobe Housing Strategy (Latrobe City Council, MacroPlan Dimasi, RMCG and Planisphere, May 2019) recommends land identified as suitable or 'limited change' to be zoned GRZ in the Latrobe Planning Scheme.

8.2 Connectivity to key destinations

The location of the Precinct in relation to key destinations in Traralgon and

Morwell including employment, health and community facilities, and the existing (and potential) infrastructure connecting the site to these destinations is a significant opportunity that can be realised through planning and development of the Precinct. Opportunities include:

- Connectivity to a potential future train station located on the Princess Highway between Morwell and Traralgon Stations (it should be noted that the viability of the future train station is still under investigation).
- Reduction in traffic on the Princess Highway achieved through the Traralgon Bypass, which will provide more road capacity to accommodate the increase in traffic generated through the potential development of the Precinct.
- The Princess Highway corridor provides existing bus services and there is an opportunity to establish a high frequency bus service connecting Morwell, Moe and Traralgon
- The Traralgon to Morwell shared path (Old Melbourne Road) has been fully funded and partially delivered. The stages within the Precinct have been completed. The pathway connects Morwell to Traralgon, via the Latrobe Valley Hospital and the Latrobe Regional Airport providing excellent connectivity from the Precinct to key regional destinations.

8.3 Delivery of Strategic Development Sites

There are two strategic development sites identified in the Latrobe Planning Scheme within the Precinct (The Hollydale Site, and the Traralgon Golf Course, See Section 9.9 for details of each site). A planning framework that prioritises and coordinates the development of these sites within the broader precinct will act as a 'catalyst' for the precinct to bring forward key infrastructure including sewer mains and pump stations, potable water, transport infrastructure, open space and drainage. The scale of these sites will also support the delivery of a masterplanned community with facilities and services such as an activity centre, recreation spaces and community facilities that may support the broader precinct.

8.4 Coordination of subdivision, land use and development

There is currently a lack of coordination in planning, subdivision and

servicing, and ad hoc approach and site-specific response to issues such as site management of native vegetation and the provision of stormwater infrastructure. The current controls do not facilitate the delivery of transport/ community infrastructure or open space.

An appropriate suite of planning tools will coordinate masterplanning for the Precinct to provide certainty about the nature of the subdivision, land use and development proposed for the land. A strategic framework should set out the desired development outcomes and the overall layout of the land integrating land uses, transport and open space networks.

8.5 Land Supply

The Live, Work Latrobe Background Report (April 2016) estimated a total potential supply of land zoned LDRZ, NRZ and GRZ in Traralgon of 196ha (Victoria in Future 2015). The Live, Work, Latrobe Background Report estimated that approx. 246ha of land will be required to deliver 2710 dwellings to meet demand by 2031.

Based on the residential land supply analysis established in the Live, Work Latrobe Background Report (April 2016), there appears to be sufficient land supply (vacant and potential) to cater for the next 15 years of residential urban growth in Traralgon. It should be noted that Clause 11.02-1S (Supply of Urban Land) considers residential land supply on a municipal basis, rather than a town-by-town basis.

However, when considering the adequacy of residential land stocks other factors should be considered:

- Demand for housing may exceed projections
- Site specific constraints or issues with land development
- What proportion of identified land stocks are realistically developable
- Landowner choices, that is how much land will eventuate to the market as some landowners will choose not to develop
- Access and serviceability of land stocks due to fragmentation may result in the cost of developing sites being prohibitive

9.0 Options

9.1 Options Assessment

Following the establishment of key issues and opportunities, a number of options have been identified to progress planning for the Precinct. The assessment of each option considers:

- Actions required to implement the option
- The Pros and cons Potential planning/policy implications
- Extent of Policy support

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
1	No site-specific amendment or policy update (retain status quo).	- No site-specific planning scheme amendment required - Amend settlement strategy and supporting planning policy to re-instate the precinct as an 'inter urban break' with LDRZ and RLZ	This option is consistent with views of some landholders consulted through the Options Assessment (See Section 6: Stakeholder Engagement)	- Lack of coordination in planning, subdivision and servicing - Ad hoc management of native vegetation and stormwater - No planning tools to plan for or fund transport/community infrastructure or open space. - Inconsistent with the Municipal Planning Strategy, Strategic Framework Plan and Housing Strategy. - Subdivision patterns to be determined by servicing costs and availability - Allowing low density urban form to continue is inconsistent with Latrobe Planning Scheme which supports development of the Precinct with a mix of uses including conventional urban residential, establishing what is now identified as the Traralgon West growth area Precinct. - A lack of density provides challenges to establishing a walkable, well serviced neighbourhood.	This option is inconsistent with the Latrobe Planning Scheme. Under this scenario, updates to the Latrobe Planning Scheme would be required to re institute the precinct as an 'inter-urban break' as follows: - Strategic Land Use Framework Plan (Clause 21.04) - Settlement Policy (Clause 11.03 2L Morwell to Traralgon Structure Plan) - Traralgon Growth Areas Review (TGAR) (Planning Scheme Amendment C87) - Morwell Traralgon Employment Corridor (Planning Scheme Amendment C115) - Live Work Latrobe Housing Strategy (Planning Scheme Amendment C105)

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
2	Development Plan Overlay - Low Density Subdivision	- Development Plan Overlay (DPO) to coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development proposed for the land - Planning scheme amendment to rezone RLZ and FZ to LDRZ to facilitate low density development (i.e., 2000sqm-4,000sqm lots, dependent on servicing). - Planning background assessments required to inform planning scheme amendment to implement DPO and rezone RLZ and FZ to LDRZ and address environmental, social and economic effects.	- The existing LDRZ portion of the precinct is the appropriate zone for this option - Consistent with views of some landholders consulted through the Options Assessment (See Section 6: Stakeholder Engagement) - The DPO will coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development - Application requirements can be included to identify and apportion infrastructure costs across the developable area. - The DPO will guide the content of the development plan by specifying that it should contain particular information - The DPO will remove notice requirements and third-party review rights from planning permit applications for proposals that conform with the Development Plan - It is typical to introduce the DPO into the planning scheme before a Development Plan is in place - The DPO can prevent the granting of permits under the zone before a Development Plan has been approved - The DPO allows for a Development Plan to be approved in stages.	- Subdivision patterns to be determined by servicing costs and availability. - Facilitating low density urban form is inconsistent with Latrobe Planning Scheme which supports development of the Precinct with a mix of uses including conventional urban residential, - A lack of density provides challenges to establishing a walkable, well serviced neighbourhood.	- The Development Plan Overlay-Low Density Subdivision option is inconsistent with the Latrobe Planning Scheme. Updates to the Latrobe Planning Scheme would be required as follows: - Strategic Land Use Framework Plan (Clause 21.04) - Settlement Policy (Clause 11.03 2L Morwell to Traralgon Structure Plan) - Traralgon Growth Areas Review (TGAR) (Planning Scheme Amendment C87) - Morwell Traralgon Employment Corridor (Planning Scheme Amendment C115) - Live Work Latrobe Housing Strategy (Planning Scheme Amendment C105) - Incorporate a Schedule to the DPO (Clause 43.04) - Rezone RLZ land within the Precinct to LDRZ (Clause 32.03). - Incorporate a Schedule to the LDRZ (Clause 32.03)

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
3	General Residential Zone (GRZ)	- Planning scheme amendment to rezone RLZ and LDRZ to facilitate conventional density development. - Planning background assessments required to inform planning scheme amendment to rezone RLZ and LDRZ and address environmental, social and economic effects. - There is a need to establish the neighbourhood character of the Precinct and the desire to retain the existing character of the precinct to determine which residential zone to use.	- The GRZ will allow limited change consistent with that proposed in the Latrobe Council Housing Strategy - The Latrobe Council Housing Strategy identifies the GRZ as the appropriate zone for use in the portion of the precinct zoned LDRZ east of Regan Road. - This option is consistent with the Traralgon Growth Areas Review (TGAR) (Planning Scheme Amendment C87) - Neighbourhood character objectives can be established in the Schedule to the GRZ - It is possible to vary standards of clause 54 and clause 55 to respond to local character - The GRZ sets a mandatory height limit of 11 metres and 3 storeys.	- There is no ability to establish a minimum lot size in a Schedule to the GRZ. - The Housing Strategy does not support conventional residential in the portion of the precinct zoned RLZ west of Regan Road.	- Incorporate a Schedule to the GRZ (Clause 32.08) - Requirement to amend the Live Work Latrobe Housing Strategy (Planning Scheme Amendment C105) to include the balance of the precinct west of Regan Road.
4	Neighbourhood Residential Zone (NRZ)	- Planning scheme amendment to rezone RLZ, LDRZ and Farming Zone (FZ) to Neighbourhood Residential Zone (NRZ) to facilitate conventional density development. - Planning background assessments required to inform planning scheme amendment to implement DPO and rezone RLZ, LDRZ and FZ to NRZ and address environmental, social and economic effects.	- The NRZ will allow limited change consistent with that proposed in the Latrobe Council Housing Strategy - If the existing neighbourhood character values (i.e. single and double storey character) is to be retained, the NRZ will protect these values. - There is potential to set a minimum lot size through the NRZ. - It is possible to vary standards of clause 54 and clause 55 to respond to local character.	- A minimum lot size can be established in a Schedule to the NRZ . - The Housing Strategy does not support conventional residential in the portion of the precinct zoned RLZ west of Regan Road. - There is a need to establish the neighbourhood character of the Precinct and the desire to retain the existing character of the precinct to determine which residential zone to use.	- Incorporate a Schedule to the NRZ (Clause 32.09) - Requirement to amend the Traralgon Housing Framework Plan

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
5	Development Plan Overlay (DPO) (to be applied concurrently with rezoning of land to a suitable residential zone)	- DPO to coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development proposed for the land. - The DPO should be underpinned by a strategic framework that sets out the desired development outcomes and the overall layout of the land including, the design principles for the development, major land uses, transport and open space networks. - Planning background assessments required to inform planning scheme amendment to implement DPO and address environmental, social and economic effects. - The DPO has no mechanism to fund infrastructure required to support the Precinct. There are examples of DPO schedules requiring landowners to enter into a S173 agreement to fund infrastructure prior to the granting of a permit.	- The DPO will coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development. - Application requirements can be included to identify and apportion infrastructure costs across the developable area. - The DPO will guide the content of the development plan by specifying that it should contain particular information. - The DPO will remove notice requirements and third-party review rights from planning permit applications for proposals that conform with the development plan. - It is typical to introduce the DPO into the planning scheme before a Development Plan is in place. - The DPO will prevent the granting of permits under the zone before a development plan has been approved - The DPO allows for a Development Plan to be approved in stages.	- The DPO may not be effective in consolidating fragmented land holdings into a larger development parcel. - The DPO has no mechanism to fund infrastructure required to support the Precinct. A separate mechanism such as a S173 agreement on title, a DCP or a special charges scheme would be required to fund and coordinate infrastructure provision and this can be included as a requirement within the DPO Schedule. - The delivery of a Development Plan is the responsibility of developers, removing Council's ability to deliver housing through the development of the Precinct. There is an option for Council to prepare a Development Plan on behalf of landowners if there was a need. - The DPO schedule cannot include a requirement for consultation but informal consultation can be undertaken by the Council.	Incorporate a Schedule to the DPO (Clause 43.04)

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
6	Incorporated Plan Overlay (IPO) (to be applied concurrently with rezoning of land to a suitable residential zone)	• IPO to coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development proposed for the land • The IPO should be underpinned by a strategic framework that sets out the desired development outcomes and the overall layout of the land including, the design principles for the development, major land uses, transport and open space networks • The Plan is incorporated into the planning scheme. A new or changed incorporated plan will normally be exhibited. • The Minister for Planning approves the Incorporated plan. • Planning background assessments required to inform planning scheme amendment to implement IPO and address environmental, social and economic effects.	• The IPO will coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development • Application requirements can be included to identify and apportion infrastructure costs across the developable area. • The IPO will guide the content of the incorporated plan by specifying that it should contain particular information • The IPO will remove notice requirements and third-party review rights from planning permit applications for proposals that conform with the Incorporated Plan • It is possible to introduce the IPO into the planning scheme before a plan is in place • The IPO will prevent the granting of permits under the zone before a Incorporated Plan has been approved • A new or amended Incorporated Plan will normally be exhibited, giving stakeholders opportunity to comment.	• A planning scheme amendment to incorporate the Plan into the Latrobe Planning Scheme is an extensive and costly process. • Amending the Incorporated Plan will require a planning scheme amendment, which reduces the flexibility of the plan and can create potential issues during implementation. • The IPO may not be effective in consolidating fragmented land holdings into a larger development parcel • The IPO has no mechanism to fund infrastructure required to support the Precinct. A separate mechanism such as a S173 agreement on title, a DCP or a special charges scheme would be required to fund and coordinate infrastructure provision. • Although the IPO allows for an Incorporated Plan to be approved in stages, each stage will require a planning scheme amendment, which is an onerous process.	• Incorporate a Schedule to the IPO (Clause 43.04) • Plan incorporated into the Planning Scheme.

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
7	Urban Growth Zone (UGZ) and Precinct Structure Plan (PSP)	Planning scheme amendment to introduce a Schedule to the UGZ, incorporate a PSP, Native Vegetation Precinct Plan (NVPP) and Development Contributions Plan (DCP) into the Latrobe Planning Scheme	- Use of the UGZ will facilitate the transition of non-urban land to urban land over time - Use of the UGZ will allow zones to be applied, giving flexibility to apply appropriate zones across the Precinct - The application of the UGZ, PSP, NVPP and DCP will allow: - Coordination of use and development through a strategic framework that provides direction about development outcomes and the overall form of development - Coordination of the planning, funding and delivery of infrastructure including drainage - Coordinate and streamline the protection, retention and offset of native vegetation	- A planning scheme amendment to incorporate a PSP, NVPP and DCP into the Latrobe Planning Scheme is an extensive and costly process. - The UGZ is designed for use in a greenfield context in Metropolitan Melbourne, although there are examples of it being applied in regional context. The UGZ is proposed to be applied in the South East Traralgon PSP, which includes land within the GRZ & FZ.	- Incorporate a Schedule to the UGZ (Clause 37.07) - Incorporate Schedule to the DCPO (45.06) - Incorporate Schedule to Native Vegetation Precinct Plan (52.16) - Incorporate PSP, DCP, NVPP to the Latrobe Planning Scheme.

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
8	Development Contributions Plan (DCP)	Planning scheme amendment to apply the Development Plan Contributions Overlay (DCPO) and incorporated a DCP into the Latrobe Planning Scheme	- A DCP will strategically justify the infrastructure required. - A DCP will allow fair apportionment of development costs across the Precinct - The DCP can be implemented concurrently with other planning tools (e.g. PSP, Development Plan) - The DCP must be prepared by the Planning Authority, giving Council the ability to manage infrastructure provision.	- A planning scheme amendment to incorporate a Development Contributions Plan (DCP) into the Latrobe Planning Scheme is an extensive and costly process. - A DCP must set a timeframe for delivery which requires a level of certainty in regarding the rate of development. The fragmentation of the land may make establishing rate of development difficult	Incorporate Schedule to the DCPO (45.06)
9	Site Specific Planning Controls: Hollydale Strategic Development Site	- DPO to coordinate masterplanning to provide certainty about the nature of a use and development proposed for the land - Planning Scheme Amendment to rezone Farming Zone (FZ) to suitable zone/s to facilitate residential and commercial use	- The scale of the allotment (approx. 58ha), allows for the delivery of a masterplanned community - There is strategic support in the Latrobe Planning Scheme for the land as a strategic development site - There is strategic support for delivery of an Activity Centre on the site. - The ground storey is mostly degraded with some native patches and locally indigenous scattered trees, planted exotic and Victorian native trees. - No threatened ecological communities listed under the commonwealth Environment Protection & Biodiversity Conservation Act 1999	- Future development of the site will require significant upgrade to the sewer services, including the establishment of new Sewer Pump Stations and Rising Mains and water main extensions and augmentation of services required. - Site specific planning controls for the site will potentially result in ad hoc development outcomes that don't consider surrounding land uses. - The scale and location of the development will impact on the ability of the site to fund and deliver infrastructure and community facilities.	- Incorporate a Schedule to the DPO (Clause 43.04) - Rezone FZ land within the Precinct to appropriate zone (TBC)

Ref	Option	Actions	Pros	Cons	Potential planning/policy implications
10	Site Specific Planning Controls: Traralgon Golf Course	- Development Plan Overlay to coordinate masterplanning to provide certainty about the nature of a use and development proposed for the land - Planning scheme amendment to rezone RLZ to a suitable zone to facilitate residential to facilitate conventional density development. - Planning background assessments required to inform planning scheme amendment to implement DPO and rezone RLZ to General Residential Zone (GRZ) and address environmental, social and economic effects.	- The scale of the allotment (approx. 40.6ha), allows for the delivery of a masterplanned community - There is strategic policy support for the land as a strategic development site (Clause 11.03-2L: Encourage the relocation of the Traralgon Golf Course (MTTSP Area 2) and its development for residential purposes. - The site is directly adjacent to the existing residential neighbourhood in Traralgon - There have been recent intersection upgrades accessing the Golf Course (Bank Street and Princess Highway)	- Site specific planning controls for the site will potentially result in ad hoc development outcomes that don't consider surrounding land uses. - It is understood that the current golf course is a functional well operated business and the current owner wishes to continue operating the land as a golf course	- Incorporate a Schedule to the DPO (Clause 43.04) - Rezone RLZ land within the Precinct to appropriate zone (TBC)

Table 4 - Options Assessment

9.2 Traffic Light Assessment

Based on the initial options assessment a traffic light assessment has been undertaken against the potential for each option to deliver on key policy, planning, and development outcomes. This assessment will display the potential for each option to deliver against required outcomes as follows:

	High compliance/ability to deliver desired planning outcomes
	Some compliance/ability to deliver desired planning outcomes
	Little to no compliance/ability to deliver desired planning outcomes

Ref	Option	Strategic Framework Plan, MPS: Latrobe Housing Strategy	Traralgon Growth Areas Review (TGAR)	Morwell - Traralgon Employment Corridor (MTEC)	Morwell to Traralgon Structure Plan (Clause 11.03-2L)	Potential to coordinate planning and development outcomes	Fund and deliver neighbourhood character outcomes	Potential to deliver neighbourhood character outcomes	Implementation Practicalities
1	No site-specific amendment or policy update (retain status quo)								
2	Development Plan Overlay - Low Density Subdivision								
3	General Residential Zone (GRZ)								
4	Neighbourhood Residential Zone (NRZ)								
5	Development Plan Overlay (DPO) (to be applied concurrently with rezoning of land to a suitable residential zone)								
6	Incorporated Plan Overlay (IPO) (to be applied concurrently with rezoning of land to a suitable residential zone)								
7	Urban Growth Zone (UGZ) and Precinct Structure Plan (PSP)								
8	Development Contributions Plan (DCP)								
9	Site Specific Planning Controls: Hollydale Strategic Development Site								
10	Site Specific Controls: Traralgon Golf Course								

Table 5 - Traffic light assessment

9.3 No Site Specific Amendment or Policy Update (Retain Status Quo)

This option would see no change to the planning control in the precinct and therefore would continue to result in inefficient subdivision and developments which further fragment land holdings. The current planning controls do not facilitate conventional residential subdivision patterns, transport or community infrastructure or open space provision.

This pattern of subdivision, use and development is inconsistent with the, The Municipal Planning Strategy (MPS), and the Strategic Framework Plan and the Housing Strategy contained therein which supports the Precinct to be developed to deliver conventional residential development.

This option would also result in a lack of coordination in planning, subdivision and servicing, and an ad hoc approach to considering broader issues.

Use of a Suitable Residential Zone

Three of the options consider rezoning the site to a residential zone to facilitate conventional residential subdivision, use and development. Consideration will need to balance two critical aspects: the need for housing and supporting infrastructure, and the neighbourhood character and amenity of the Precinct.

The Victorian Planning Provisions (VPP) identify the following suite of standard residential zones:

- Clause 32.03 Low Density Residential Zone (LDRZ)
- Clause 32.04 Mixed Use Zone (MUZ)
- Clause 32.05 Township Zone (TZ)
- Clause 32.07 Residential Growth Zone (RGZ)
- Clause 32.08 General Residential Zone (GRZ)
- Clause 32.09 Neighbourhood Residential Zone (NRZ)

An initial high level options assessment applying the Planning Practice Note 91 (Using the Residential Zones), established that the LDRZ, MUZ, TZ, RGZ, are not appropriate to deliver conventional residential subdivision, use and development in the Precinct.

There is potential to use the GRZ or the NRZ in the Precinct. An assessment

of the purpose and principles of the General Residential Zone (GRZ) and the Neighbourhood Residential Zone (NRZ) has been undertaken.

Applying the right residential zone must be derived from the municipal-wide strategic framework plan contained in the Latrobe City Council Municipal Planning Strategy (MPS). The Strategic Framework Plan including the relevant Housing Framework Plan have been considered.

General Residential Zone (GRZ)

The purpose of the GRZ (Clause 32.08 of the Latrobe City Planning Scheme) are as follows:

- To encourage development that respects the neighbourhood character of the area.
- To encourage a diversity of housing types and housing growth particularly in locations offering good access to services and transport.
- To allow educational, recreational, religious, community, and a limited range of other non-residential uses to serve local community needs in appropriate locations.

The GRZ has a maximum building height of 11 metres and three storeys. It is important to remember that through the building system, a single dwelling can be constructed to a height of 11 metres and three storeys in the GRZ without the need to obtain a planning permit. This should be considered. As the Precinct has an existing single and double storey character, applying the GRZ is likely to be inconsistent with this as a preferred neighbourhood character outcome. While the purpose of the GRZ includes 'To encourage development that respects the neighbourhood character of the area', and it is possible to include neighbourhood character objectives in the schedule to the zone, it is unlikely that neighbourhood character can be respected if existing development is single and double storey.

To determine if the GRZ is the appropriate zone to be used, it is critical to establish the neighbourhood character of the Precinct, and the desire to retain the existing character.

The Live Work Latrobe Housing Strategy (Latrobe City Council, MacroPlan Dimasi, RMCG and Planisphere, May 2019) in the Strategic Framework Plan in the Latrobe City Council MPS identifies the LDRZ part of the Precinct as being

Housing Framework Plan TRARALGON

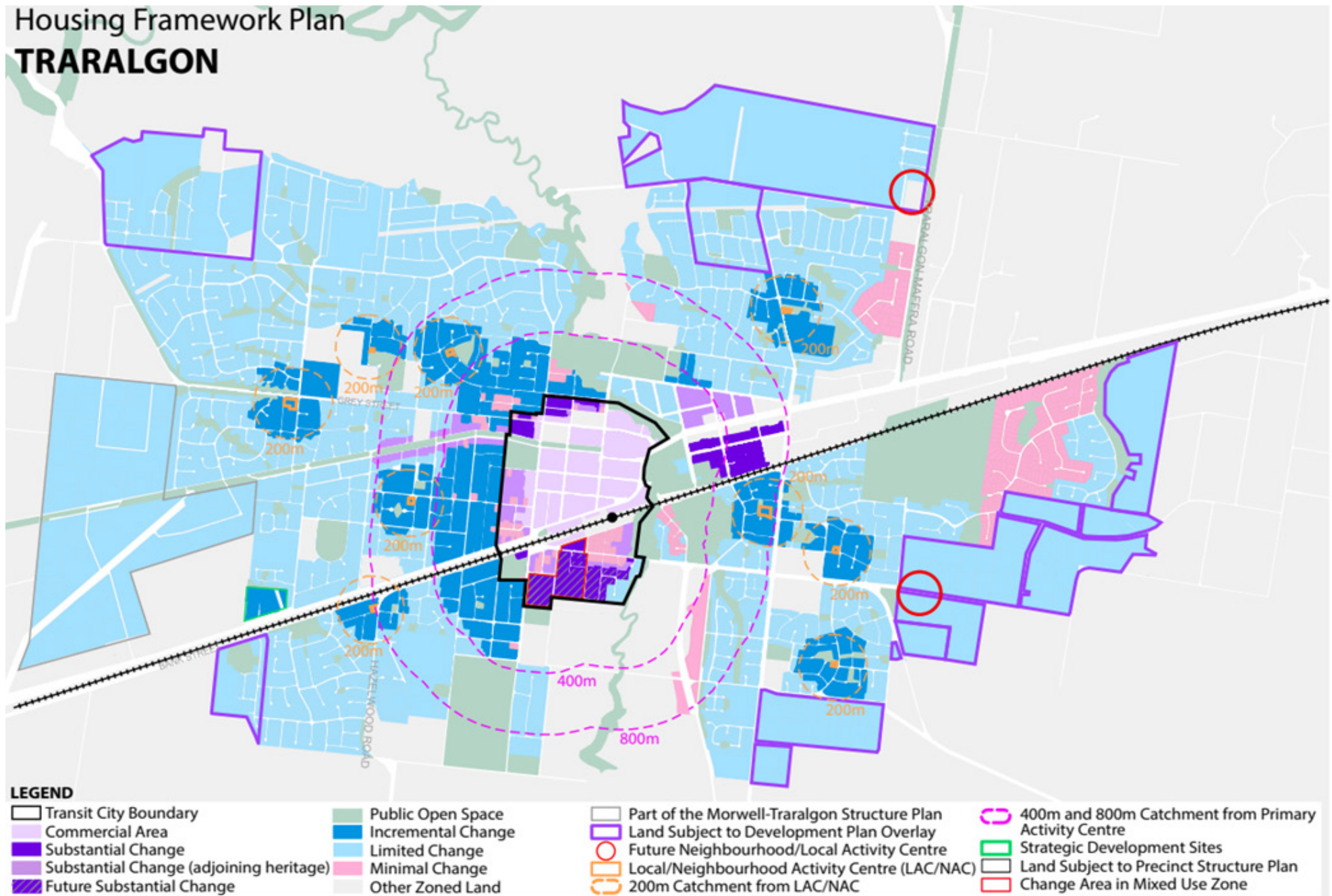


Figure 13 - Housing Framework Plan - Traralgon (Live Work Latrobe Housing Strategy (Latrobe City Council, MacroPlan Dimasi, RMCG and Planisphere, May 2019)

suitable for 'Limited Change' (See Figure 13).

Limited Change areas are defined in the Housing Strategy as: provide for a limited degree of housing growth and change in established residential areas. These locations are generally beyond reasonable walking distances of public transport and services.

The Housing Strategy recommends land identified as suitable or 'limited change' to be zoned GRZ or NRZ in the Latrobe Planning Scheme. Preferred character statements that include an overall vision for the area and identify the key elements to be maintained or enhanced should be included in the local policy as well as the Schedule to the Zone.

Neighbourhood character objectives in the schedule to the GRZ may also provide a basis for varying clause 54 and clause 55 standards where variations can be strategically justified. Objectives in the schedule to the GRZ should specify the attributes of the neighbourhood character to be achieved in the context of a preferred built form outcome of three storeys.

The standards of clause 54 and clause 55 may be varied where it can be strategically justified as follows:

- Standard A3 and B6 Minimum street setback
- Standard A5 and B8 Site coverage
- Standard A6 and B9 Permeability
- Standard B13 Landscaping
- Standard A10 and B17 Side and rear setbacks
- Standard A11 and B18 Walls on boundaries
- Standard A17 and B28 Private open space
- Standard A20 and B32 Front fences

If any of the above standards are replaced with a local value specified in a schedule, the value replaces the relevant standard in both the clause 54 and clause 55 standard and in the corresponding building regulation.

The MPS and the Strategic Framework Plan and the Housing Strategy contained therein support the use of the GRZ to deliver the conventional residential component of the Precinct. Subject to the establishment of

a Neighbourhood Character Strategy, it may be suitable to amend the standards in and establish character objectives in the schedule to the GRZ.

Neighbourhood Residential Zone (GRZ)

The purpose of the NRZ (Clause 32.09 of the Latrobe City Planning Scheme) are as follows:

- To recognise areas of predominantly single and double storey residential development
- To manage and ensure that development respects the identified neighbourhood character, heritage, environmental or landscape characteristics
- To allow educational, recreational, religious, community and a limited range of other non-residential uses to serve local community needs in appropriate locations.

The NRZ is generally applied to areas where there is no anticipated change to the predominantly single and double storey character and to areas that have been identified as having specific neighbourhood, heritage, environmental or landscape character values that distinguish the land from other parts of the municipality or surrounding area.

The density or number of dwellings on a lot cannot be restricted in the NRZ unless special neighbourhood character, heritage, environmental or landscape attributes, or other constraints and hazards exist. Planning Practice Note 91 (Using the residential zones) establishes that dwelling density is no longer the basis for restricting development outcomes in the NRZ. It is no longer appropriate to limit housing growth in existing urban areas just because an area is perceived to be remote from jobs, services and public transport.

A schedule to the NRZ may specify a minimum lot size. There is a mandatory building height/ number of storeys of 9 metres and 2 storeys. A mandatory maximum building height can be specified in the schedule of not less than 9 metres and 2 storeys.

As a general principle, applying a residential zone should align with either existing building heights if they are sought to be maintained.

To determine if it is appropriate to use the NRZ, it is critical to establish the neighbourhood character of the Precinct, and the desire to retain the existing character. This should also consider the existing neighbourhoods within Traralgon to the east of the Precinct. The majority of this land is zoned NRZ4 (Regional Suburbs).

The Neighbourhood Character Objectives in the Schedule to the NRZ are as follows:

- To reinforce a spacious regional suburban character of existing and new neighbourhoods by providing generous front and side building setbacks and landscaped front setbacks with canopy trees.
- To minimise the prominence of buildings within the streetscape by setting back upper levels of buildings and siting garages and carports behind the front façade.
- To encourage walls on boundaries to be setback from the building façade to provide space for landscaping, building articulation and appearance of space between dwellings.

When determining which is the most suitable zone, the ability of the zone to retain the character of the NRZ4 should be considered, and whether clause 54 and clause 55 standards should be varied.

Neighbourhood character objectives in the schedule to the NRZ may also provide a basis for varying clause 54 and clause 55 standards where variations can be strategically justified. Objectives in the schedule to the NRZ should specify the attributes of the neighbourhood character to be achieved in the context of a preferred built form outcome of three storeys.

The standards of clause 54 and clause 55 may be varied where it can be strategically justified as follows:

- Standard A3 and B6 Minimum street setback
- Standard A5 and B8 Site coverage
- Standard A6 and B9 Permeability
- Standard B13 Landscaping
- Standard A10 and B17 Side and rear setbacks

- Standard A11 and B18 Walls on boundaries
- Standard A17 and B28 Private open space
- Standard A20 and B32 Front fences

If any of the above standards are replaced with a local value specified in a schedule, the value replaces the relevant standard in both the clause 54 and clause 55 standard and in the corresponding building regulation.

9.4 Development Plan Overlay (DPO)

The use of a Development Plan Overlay (DPO) to coordinate masterplanning for the site to provide certainty about the nature the use and development proposed for the land.

The DPO will coordinate masterplanning to provide certainty about the nature of the subdivision, land use and development proposed for the land. The DPO should be underpinned by a strategic framework that sets out the desired development outcomes and the overall layout of the land including, the design principles for the development, major land uses, transport and open space networks. The delivery of a Development Plan is the responsibility of developers, removing Council's ability to drive the planning process to deliver housing through the development of the Precinct.

Whilst the DPO has no mechanism to fund infrastructure requirements there are options including:

- A condition in the DPO requiring owners of the land to enter into an agreement under section 173 of the Planning & Environment Act 1987. The agreement may provide for infrastructure contributions to be paid prior to the commencement of any development of the land or prior to the issue of a statement of compliance in respect of the subdivision of land.
- A requirement that the Development Plan includes identification of infrastructure and reticulated services cost distribution plan encompassing all lots providing for the distribution of costs associated with the provision of infrastructure and reticulated services that are common to more than one existing developable lot. This requirement does not fund the delivery of the service. There is potential to use this

tool in tandem with a Special Charge Scheme. The Local Government Act provides Council with the ability to introduce a Special Charge Scheme whereby landowner contributions can be sought for infrastructure improvement projects such as roads, footpaths and drainage.

- A Development Contributions Plan (DCP) (see Section 8.9)

The DPO will guide the content of the development plan by specifying that it should contain particular information and will remove notice requirements and third-party review rights from planning permit applications for proposals that conform with the development plan. This will simplify the subdivision and development process once the Development Plan has been approved. It should be noted that the overlay schedule cannot include a requirement for consultation.

The DPO supports the implementation of a Development Plan in stages and can be tailored to address specific issues within the Precinct. In the case of the Traralgon West Future Residential Area which is a large area of land where the development process is anticipated to take several years, and the existing conditions and planning issues vary across the precinct, the preparation, implementation and review of the Development Plan in stages may be good practice. The Schedule to the DPO can identify Development Plan stages.

Issues to be considered when identifying stages include:

- Location and works required to service a site:
 - Location and timing of signalised intersections following completion of the Traralgon Bypass
 - Other road and intersection upgrade requirements
 - Location and upgrades of servicing infrastructure (primarily sewer and water pumps and mains)
- Allowing an initial 'catalyst' site to bringing forward key infrastructure and services
- Desire of the landowner to develop
- Land fragmentation

A potential staging plan has been developed that may be implemented through the DPO.

Precinct Area	Stage	Comments
Hollydale Strategic Site	Short Term	• Access available from Bradford Drive • Site owned by developer with intent to develop • Existing sewer mains and pump stations are located adjacent to the site, but require upgrade. The developer has expressed intent to bring forward servicing
LDRZ land	Medium Term	• The land is significantly fragmented which is likely to encumber development • There are existing sewer mains and pump stations located adjacent to the land
Traralgon Golf Course	Long Term (Dependent on owners desire to develop)	• There are existing sewer mains and pump stations located adjacent to the land • Accessible via recently upgraded Bank Street/Prince Highway intersection • Timing dependent on operation of the Gold Course and desire for landowner to develop.
RLZ Land	Medium - Long Term (Dependent on available to servicing)	• Relatively unfragmented landholdings • Existing sewer mains and pump stations are located in the vicinity to the site, but require upgrade and mains extensions. • Upgrade to Regan Road/Melbourne Road intersection required.

Table 6 - Indicative Precinct Staging

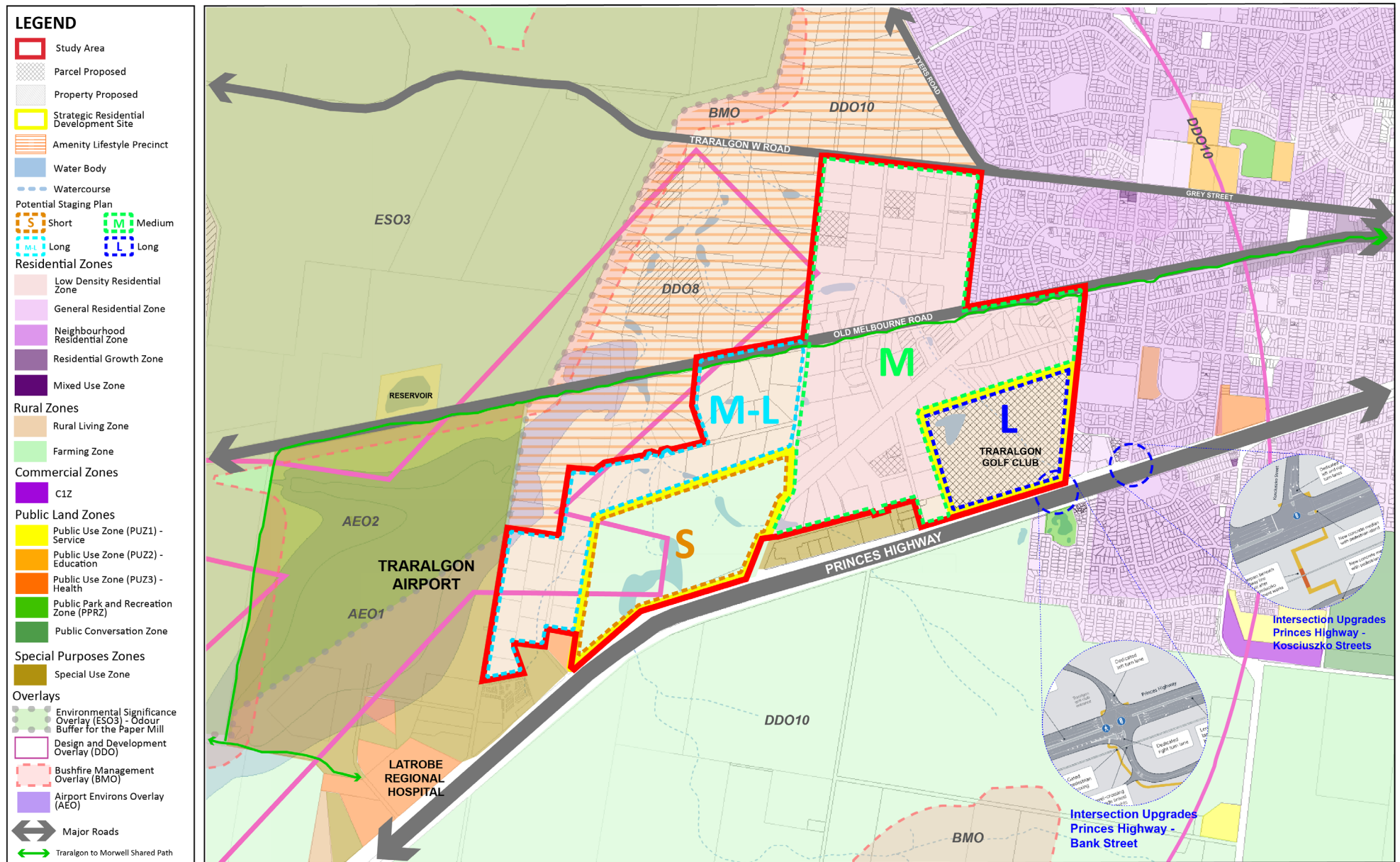


Figure 14 - Potential Staging Plan: Short, Medium, and Long Term

In determining whether or not to approve commencement of a subsequent stage, development plan requirements can be included in the DPO requiring the responsible authority to consider the measures to ensure that any stage does not create a burden of the community or the responsible authority, for example:

- The rate of subdivision and implication for land supply in Traralgon
- The provision of servicing and utilities
- The provision of drainage infrastructure to minimise interim drainage works
- The provision of efficient and safe vehicular access
- The rate of dwelling commencement

The DPO can include a Map and conditions and requirements for a permit to the schedule to the DPO. The map can identify the various Precinct Areas and specify conditions and requirements specific to these Precinct within the DPO. One of the key issues to managed through the DPO is the masterplanning and development of the fragmented land with the current LDRZ. Permit application requirements that may be developed to manage subdivision of the fragmented land include:

- The acquisition of any land required for public purposes
- The design and construction of stormwater drainage infrastructure
- Identification of walking and cycling network to service the application

If the DPO allows Development Plan to be undertaken in stages, it should require the initial staged Development Plan to consider the broader precinct and plan for strategic items such as:

- Connector level street network
- Provision of open space and community facilities
- Catchment scale drainage

Typically, the DPO is introduced into the planning scheme before a plan is in place. The application of the DPO will prevent the granting of permits under the zone before a development plan has been approved.

When amending the Latrobe Planning Scheme to insert a DPO, planning background assessments will be required to inform the planning scheme amendment and address environmental, social and economic effects such as:

- Flora and fauna
- Stormwater management
- Land supply provision
- Bushfire Risk
- Preliminary Site Investigation (Land capability)
- Cultural heritage impact
- Post contact heritage impact
- Retail and commercial Requirement

9.5 Incorporated Plan Overlay (IPO)

The process to apply an Incorporated Plan Overlay (IPO) is very similar to that to apply the DPO and will provide similar outcomes.

The critical difference between the two is that a planning scheme amendment is needed to approve or change the plan as the plan is incorporated into the planning scheme. A new or changed incorporated plan will normally be exhibited.

For the IPO, not introducing the plan at the same time as the overlay will mean that a second amendment will be required to introduce it, a process that has time and cost implications.

9.6 Development Contributions Plan Overlay (DCPO)

A Development Contributions Plan (DCP) is a mechanism used to levy development contributions for new development to fund planned infrastructure needed by the future community. A council collects development contribution levies from new development through an approved DCP incorporated into the Planning Scheme. The Minister for Planning must approve an amendment to the planning scheme to incorporate a DCP.

An approved DCP is implemented through the Development Contributions Plan Overlay (DCPO) and schedule. The DCPO indicates the area covered by the DCP. The schedule indicates the levies that apply in a particular area. A DCP identifies infrastructure to be provided. The infrastructure:

- must serve a neighbourhood or larger area
- must be used by a broad section of the community
- will in most cases serve a wider catchment than an individual development.

With the exception of open space contributions in clause 52.01 of the Victoria Planning Provisions, an approved DCP is the only legitimate mechanism for requiring a levy towards infrastructure provision in the planning scheme across a number of users.

It would be appropriate to apply a DCPO to allow a DCP to be incorporated into the Latrobe Planning Scheme. The DCPO may be implemented concurrently with a strategic plan such as a PSP, Development Contributions Plan Overlay, or Incorporated Plan Overlay.

A DCP will strategically justify the infrastructure required and allow fair apportionment of development costs across the Precinct. The DCP must be prepared by the Planning Authority, giving Council the ability to manage infrastructure provision.

It should be noted a planning scheme amendment to incorporate a Development Contributions Plan (DCP) into the Latrobe Planning Scheme is an extensive and costly process and a DCP must set a timeframe for delivery which requires a level of certainty in regarding the rate of development. The fragmentation of the land may make establishing rate of development difficult.

9.7 Urban Growth Zone (UGZ)

Planning Practice Note 47 (Urban Growth Zone) states the UGZ operates to:

- Manage the transition of non-urban land into urban land
- Encourage the development of well-planned and well-serviced new urban communities, generally in accordance with a PSP
- Reduce the number of development approvals needed in areas where a

PSP is approved

- Safeguard non-urban land from use and development that could prejudice its future urban development.

The UGZ has been applied to land within the Urban Growth Boundary in Melbourne's designated growth areas. The zone can also be applied to land within regional cities and towns where a strategy identifies that the land is suitable for future urban development.

The application of the UGZ does not by itself allow urban use and development to proceed. A PSP must be prepared and applied to the land before this can occur. This is undertaken through a planning scheme amendment to incorporate a PSP. It is also generally supported by a Native Vegetation Precinct Plan (NVPP) and Development Contributions Plan (DCP) incorporated into the Planning Scheme.

Use of the UGZ will facilitate the transition of non-urban land to urban land over time. The UGZ will allow zones to be applied, giving flexibility to apply appropriate zones across the Precinct. The planning scheme amendment could be undertaken in phases, i.e. rezone land to UGZ as a 'holding zone' to manage subdivision until the PSP is incorporated

The application of the UGZ, PSP, NVPP and DCP will allow:

- Coordination of use and development through a strategic framework that provides direction about development outcomes and the overall form of development
- Coordinate the planning, funding and delivery of infrastructure including drainage
- Coordinate and streamline the protection, retention and offset of native vegetation

It should be noted that a planning scheme amendment to incorporate a PSP, Native Vegetation Precinct Plan (NVPP) and Development Contributions Plan (DCP) into the Latrobe Planning Scheme is an extensive and costly process. There is potential for Council to require 'third party' funding to fund the development of the PSP and supporting documentation. However, due to the fragmentation of the land, there may be barriers to developers or landowners viably funding the development of a PSP.

It should also be noted that the UGZ is designed for use in a greenfield context in Metropolitan Melbourne. There are however examples of it being applied in a regional context. It is proposed to be applied in the Southeast Traralgon PSP, which includes land zoned GRZ.

9.8 Strategic Development Sites: Hollydale Strategic Development Site and the Traralgon Golf Course

The 'Hollydale site' and the Traralgon Golf Course have been identified in the Traralgon Growth Areas Review (TGAR) as 'Strategic Residential Development Sites'. Through this review both sites were identified as having potential to be developed for residential purposes.

There is strategic policy support for the Golf Course land as a strategic development site (Clause 11.03-2L: Encourage the relocation of the Traralgon Golf Course (MTTSP Area 2) and its development for residential purposes.

The TGAR also identifies an indicative location for a 'Local Activity Centre' on the Hollydale site. A locally accessible activity centre should be 'available to residents should the population density in this area increase'.¹

The TGAR suggest the application of a Development Plan Overlay to the Hollydale site and the Traralgon Golf Course site to ensure development of these key strategic sites is maximised and issues such as vehicular connections and public open space are considered in a broader, precinct wide context.

For the Hollydale Site, a planning scheme amendment will be required to rezone Farming Zone (FZ) to suitable zone/s to facilitate residential and commercial use (i.e Local Activity Centre) and to apply a Development Plan Overlay to coordinate masterplanning to provide certainty about the nature of a use and development proposed for the land.

The ground storey is mostly degraded, and pasture grasses dominate for utilisation by rotational grazing and agricultural land use with some native patches and locally indigenous scattered trees, alongside planted exotic and Victorian native trees. No threatened ecological communities listed under the commonwealth Environment Protection & Biodiversity Conservation Act 1999. Future growth will require significant upgrade to the sewer services, including the establishment of new Sewer Pump Stations and Rising Mains and water

main extensions and augmentation of services required.

For the Golf Course site, a Planning Scheme Amendment to rezone the site from RLZ to a suitable zone to facilitate conventional residential density development. The site is directly adjacent to the existing residential neighbourhood in Traralgon. There have been recent intersection upgrades accessing the Golf Course (Bank Street and Princess Highway).

Site specific planning controls such as a Development Plan for the strategic development sites will potentially result in ad hoc development outcomes that don't consider surrounding future land uses. The scale and location of the development will impact on the ability of the site to fund and deliver infrastructure and community facilities.

The implementation of a Development Plan for the strategic development sites should be undertaken as part of a staged approach for the balance of the Precinct.

¹ https://www.latrobe.vic.gov.au/sites/default/files/TWSP_7032012.pdf

10.0 Preferred Option

The preferred option is the use of a suitable zone/s for the Precinct, with the application of a Development Plan Overlay and mechanism to fund infrastructure (e.g. Development Contributions Plan Overlay and Incorporated Development Contributions Plan, or S173 Agreement). This option allows:

Stage 1

- The application of the DPO to coordinate and masterplan the Precinct, to provide certainty about the nature of the subdivision, land use and development proposed for the land and require landowners/developers to identify and apportion costs for servicing. Allow the Development Plans to be prepared in stages is recommended. There is an opportunity for a Schedule to the DPO to require landowners to enter into S173 Agreement to fund infrastructure prior to the granting of a permit.

Stage 2

- Council prepare a Development Plan in accordance with the Schedule to the DPO
- The application of an appropriate tool (e.g. DCPO and incorporated DCP, or S173 Agreement required through a schedule to the DPO, or other) to strategically justify, fund and coordinate infrastructure provision.

Stage 3

- Council to endorse a Development Plan in accordance with the DPO Schedule
- Prior to determining the use of the residential zone to be used, a neighbourhood character assessment to determine which neighbourhood character values are to be retained to be undertaken.
- Council to prepare a Planning Scheme Amendment to rezone the land as follows:
 - The use of an appropriate residential zone to deliver neighbourhood character outcomes
 - The use of an appropriate commercial zone to deliver Neighbourhood Activity Centre and complementary commercial uses
- If required, Council to prepare a Planning Scheme Amendment to apply the DCPO and incorporate a DCP into the Latrobe Planning Scheme

This option:

- Most closely aligns with the relevant planning policy
- Most efficiently allows planning and infrastructure provision to be coordinated
- Provides Council with a mechanism to coordinate and fund the provision of infrastructure
- Most effectively allow planning to deliver neighbourhood character outcomes
- Most effectively manages site specific planning issues

A number of assessments may be required to inform the planning scheme amendment required to implement these planning controls that address environmental, social and economic effects. These assessments may include:

- | | |
|---------------------------------------|--|
| • Neighbourhood Character Assessment | • Post contact heritage impact assessment |
| • Flora and fauna assessment | • Retail and commercial assessment |
| • Stormwater management | • Obstacle height limitation on the site from Airport operations (Development Plan requirement) |
| • Land supply provision | • Infrastructure Assessment (community infrastructure, open space, transport, to inform either DCP or Development Plan). |
| • Bushfire Risk Assessment | |
| • Preliminary Site Investigation | |
| • Cultural heritage impact assessment | |

It is also recommended that Council consider amending the Latrobe Housing Framework (Latrobe City Council, MacroPlan Dimasi, RMCG and Planisphere, May 2019) to align the Housing Framework with the Morwell to Traralgon Structure Plan (Clause 11.03-2L) and the Traralgon Growth Areas Review (TGAR).

It is recommended that Council retain the Traralgon West Interim Infrastructure Development Policy (Latrobe City Council, 2011) until the planning scheme is amended.



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