

Live Work Latrobe

Background Report

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GLOSSARY OF ACRONYMS AND ABBREVIATIONS

ABS	Australian Bureau of Statistics
CFA	Country Fire Association
DELWP	Department of Environment, Land, Water and Planning
DSE	The former Department of Sustainability and Environment (now DELWP)
DPI	The former Department of Primary Industries (now DELWP)
EPA	Environmental Protection Authority
EVC	Ecological Vegetation Class
GIFT	Gippsland Intermodal Freight Terminal
GRGP	Gippsland Regional Growth Plan
GRP	Gippsland Regional Plan
IDM	Infrastructure Design Manual
LPPF	Local Planning Policy Framework
MPA	Melbourne Planning Authority
MSS	Municipal Strategic Statement
NAHA	National Housing Affordability Agreement
RDA	Regional Development Australia
RDV	Regional Development Victoria
SEIFA	Socio Economic Index for Areas
SPPF	State Planning Policy Framework
TGAR	Traralgon Growth Area Review
VCAT	Victorian Civil and Administrative Tribunal
VIF	Victoria in Future
VIFSA	Victoria in Future Small Areas

1 Executive Summary

This Background Report has been prepared to underpin the Latrobe City's "Live Work Latrobe" project. It is intended that *Live Work Latrobe* will provide strategic direction for future housing, jobs and investment within the Latrobe City.

The Background Report is a starting point. It contains up to date research, data and analysis to inform the *Live Work Latrobe* project. The project is being undertaken in two stages:

- *Stage 1* - Considers the three themes of the project (Housing, Industry and Employment and Rural Land Use) as well as broader issues which intersect with all three themes. Stage 1 culminates in the preparation of a Background Report (this document), Consultation Report, and Policy Directions Paper. Council will consider the Policy Directions arising from Stage 1 before proceeding to Stage 2.
- *Stage 2* – Will consider the policy directions arising from Stage 1 in developing three separate strategies:
 - Housing Strategy
 - Industrial and Employment Strategy
 - Rural Land Use Strategy

A consortium led by Meinhardt Infrastructure and Environment is providing specialist assistance to Latrobe City Council to prepare Stage 1.

It is intended that each strategy will be implemented through policy and future amendments to the Latrobe Planning Scheme. The project will also inform advocacy positions for matters outside of Latrobe City Council's direct control.

1.1 Overarching findings

Latrobe City is intended to become a focal point for growth, infrastructure and service investment. Local policy encourages urban growth within four urban centres which make up Latrobe City (Moe-Newborough, Morwell, Churchill and Traralgon). To establish a connected regional city, planning across the four centres will need to allow for the right type of growth in the right locations. Efficient and reliable transport between the four centres will be critical to ensure access and connectivity.

In preparing this report, it has been identified that Latrobe City faces a number of significant opportunities and challenges which require meaningful consideration.

Traditionally, the municipality has benefited from its association with energy production, owing to the State Significant brown coal resources which exist within the Latrobe Valley. Significant shifts in world energy markets and changing environmental standards are impacting the broader region. Through the development of its Economic Development Strategy, Latrobe City Council, in conjunction with key stakeholders, are currently considering ways in which the unique mix of skills and infrastructure within the municipality may deliver future benefit in a transitioning energy economy. The timing of these projects presents an opportunity for future work, particularly the Industrial Land Use Strategy, to provide land use expression to the directions of the Economic Development Strategy.

The Gippsland Regional Growth Plan has identified that the region has aspirations to diversify from a coal region to a region that produces low emissions energy resources and technology; and from an agricultural commodities region to a region that increasingly value-adds to its commodities for domestic and export markets. In particular, the region wants to grow its food production capacity. These regional opportunities may present rural and industrial opportunities within Latrobe City.

Participation by Latrobe City Council, the Victorian State Government, major industries and the community will be required to assist the development of effective policy and strategy responses, particularly in relation to land affected by coal related policies.

Latrobe City's association with coal mining has delivered economic benefit, but has also constrained the way in which land can now be used and developed. The Latrobe Planning Scheme contains restrictions including resource protection and buffer protection areas which have been established to protect coal resources and support energy production. In combination with other constraints including; biodiversity, bushfire, flood, land capability and serviceability – constraints to growth within the Latrobe City are significant. Recently, questions relating to geology, land subsidence, land slip and concerns stemming from the Hazelwood Mine Fire have added to this complexity. Each of these factors constrains the way in which the Latrobe City can plan for future growth.

The local community has reinforced the extent to which land use constraints impact Latrobe City. It has been identified however that further consideration of coal related planning controls (the State Resource Overlay, Environmental Significance Overlay and the local Urban Buffer Overlays) could support opportunities for new and more intensive land uses in these areas. Given the extent of land impacted by buffers, overlays and other constraints, the identification of compatible or temporary uses of this land is seen as a significant opportunity for Latrobe City.

It is therefore critical that future strategies developed through *Live Work Latrobe* explore more effective ways in which affected land can be used. Participation by Latrobe City Council, the Victorian State Government, major industries, key stakeholders and the community will be required to assist the development of such policy and strategy responses, particularly in relation to land affected by coal related policies.

As Council develops future policy and strategy, the following broad trends will require further consideration:

- Population projections suggest a population growth rate of 0.7% from approximately 74,000 to approximately 83,000 in 2031.
- Demographic forecasts suggest a significant trend towards an aging population. The trend will be important to recognise in all three strategies as it raises a variety of questions including the types of housing needs, employment opportunities and constraints and how Council will respond to servicing this changing demographic.
- Some parts of Latrobe City are the subject of multigenerational social disadvantage. Opportunities to support and improve outcomes for these communities need to be considered through future strategy.
- The municipality is generally well serviced by infrastructure when compared to other parts of Regional Victoria. Regional Policy identifies continued investment in higher order infrastructure to support the growth of Latrobe City.
- Local policy encourages urban growth within four urban centres which make up Latrobe City (Moe-Newborough, Morwell, Churchill and Traralgon).
- Current forecasts identify that the largest urban centre (Traralgon) will accommodate more growth than the other urban centres.
- Recognition of Latrobe City as a “Networked City” and “Major Regional City” appears to have gained momentum within more recent State Policy, Plans, and Strategies. Better articulation of what these approaches mean for the municipality would assist future planning, and other strategic decisions. The networked city approach is crucial to support the Regional City status, to protect the four cities from working against each other, and promote cooperative function. Broader recognition and acceptance of the status as a “Major Regional City”, particularly as one of four Regional Cities in Victoria, will assist Latrobe City Council and the community in leveraging benefits likely associated with such status, such as regionally significant infrastructure and investment.
- The smaller towns and rural living areas within Latrobe City offer attractive lifestyle opportunities often within a picturesque setting close to other regional centres. Community feedback has identified concerns that rising population in small towns may negatively impact the rural character of “sense of community”. Future work provides an opportunity to better reflect the individual characteristics and role of each place.

1.2 Housing

In broad terms, there is adequate supply of currently zoned residential land to accommodate for future growth projections. This however needs to be considered in more detail having regard to the following factors:

- Demand for housing might exceed projections
- Township specific constraints or issues with land development
- Quality of land supply – what proportion of identified land stocks are realistically developable
- Landowner choice – how much land will eventuate to the market, as some landowners will hold onto land / choose not to develop
- Size of land parcels – do the mix of land parcels meet future demand trends, especially with regard to the ageing population and implications for smaller properties
- Access and serviceability of land stocks – are the costs of developing sites prohibitive
- Conflicts with surrounding uses – are sites/land constrained by surrounding non-residential uses

The State Government (through the Gippsland Regional Growth Plan) has identified a desire to support a diversity of housing types to facilitate population growth. A diversity of housing types is further supported by the identified population trends which point to smaller households and an aging population. When these factors are considered in combination with the significant land use constraints which limit long term urban expansion, it is clear that additional consideration should be given to what smaller or medium-higher density housing would mean for Latrobe City, and the best way to achieve such growth to protect continued opportunities for growth in the future.

This Background Report has found that historically, Latrobe City has undertaken much of its strategic work relating to housing at a structure planning, or township level. As such, much of the policy directions for housing in the municipality level are found through State or Regional policy rather than local policies. The future Housing Strategy provides an opportunity to ‘check in’ with the existing work done to date and tie it together with a broader municipal

level approach to ensure there is a clear direction for housing across the municipality. This is particularly important given the desire for ongoing growth of Latrobe City as a Major Regional City and the significant land constraints faced by Latrobe City.

Through the preparation of this report and in consultation with the community, it is evident that significant opportunities exist to improve design outcomes for Latrobe City's future housing stock. While guidelines cannot be retrospectively applied, they will greatly assist with infill, urban renewal, and new subdivision.

1.3 Industry and Employment

Electricity generation is significant to the economy of Latrobe City, based on direct / indirect employment and Gross Regional Product. Recognising the potential restructure of the power generation sector and preparing for a transition to a lower carbon economy are important for Latrobe City.

Other major contributors to Latrobe City's economy include forestry, pulp and paper, food production, agriculture, manufacturing, retail and health services. The success of these industries is strengthened by an established network of electricity infrastructure, accessible rail and road links to Melbourne, as well as larger freight networks across the State and Australia.

Further diversification of employment opportunities is considered a priority for Latrobe City. Growing new markets for low emission energy resources and food are considered opportunities.

While not a focus of *Live Work Latrobe*, work undertaken as part of developing this Background Report identified opportunities existing within the health sector, food production and building on Latrobe City's strong foundation in engineering. Council is currently undertaking an Economic Development Strategy, which when complete, will provide strong guidance for future opportunities for Latrobe City. Given the timing of the projects, future work undertaken as part of *Live Work Latrobe* provides an opportunity to express any relevant land use or development implications of the Economic Development Strategy, and ensure the Latrobe Planning Scheme and related planning work can facilitate economic opportunities as appropriate.

There is a current gap in the level of strategic understanding of industrial land in Latrobe City including its role, and future function. Council has not undertaken an Industrial Study previously and has faced challenges in accommodating the needs of a changing industrial sector. Council will pursue an Industrial Land Use Strategy on Stage 2. The Strategy should consider findings from this Stage 1 Background Report including:

- The municipality appears to have sufficient long-term industrial land stocks, even when increased demand is factored in.
- Consideration should be given to the appropriateness of these land stocks as to whether they are suitable to accommodate traditional and emerging industries, in relation to location, serviceability and type of land use.
- The State Resource Overlay, Environmental Significance Overlay, proposed Urban Amenity Buffer and land use separation distances limit opportunities for the use and development of a significant proportion of land within Latrobe City. Further consideration of uses which could potentially operate in this context should be considered.
- Strong partnerships and investment by the State Government to improve freight and logistics services and upgrades to water infrastructure are considered important to Latrobe City's future.

1.4 Rural

Primary research undertaken as part of this report and consultation with the different communities within Latrobe City has identified a number of competing demands for rural land. In many ways, the challenges faced by the municipality are not dissimilar from those experienced across the Gippsland Region or, more broadly, across Regional Victoria.

Specific to the region, Gippsland contributes significantly to Victoria's overall food production. While primary production will continue to be important within Latrobe City, there is a desire (as referenced through current State, Regional, and Local Policy) for Latrobe City to leverage existing infrastructure and relative proximity to Melbourne and provide 'value adding' rural industries for Gippsland. This poses questions over the role Latrobe City's rural lands which have traditionally been used for agriculture. More intensive agricultural activities offer opportunities which require further consideration.

Latrobe City contains areas of valuable or high class agricultural land and emerging changes in intensive agriculture and farming practices. The protection of agricultural land needs to be considered in light of current and future needs, taking into account future changes to land productivity such as climate change and emerging technologies.

Some of Latrobe City's rural areas contain landscape and biodiversity values, which are not formally recognised through the Latrobe Planning Scheme. As such, there is a lack of certainty as to what may or may not be significant.

Quite unique to Latrobe City (in the Gippsland context) is the amount of rural land which is constrained by buffers or coal resource protection overlays (i.e. State Resource Overlay). There is concern that this land is not being used to its full potential. Opportunities for short term and longer term use of this land needs to be further explored in discussion with key stakeholders.

Rural living occurs across the municipality (both within the Rural Living Zone and Farm Zone). Rural living provides a valuable and sought after lifestyle choice and can support niche or hobby farms on small allotments. There are however challenges associated with rural living which require further consideration. The use of land for rural living can remove productive agricultural land from the Farm Zone. Consideration as to where council will or will not allow rural living is required. Consideration is also required as to the types of infrastructure and services which will be provided to rural living settlements, noting their rural context. Latrobe City Council could articulate and distinguish between the types of infrastructure and services that will be provided within the rural context from that of an urban area and address different expectations of amenity and services within rural areas.

2 Introduction

2.1 What is Live Work Latrobe?

Live Work Latrobe will provide a roadmap for future strategic planning that identifies the right locations for new housing, support for existing and new industry and associated employment, clear guidance for rural areas, as well as support for transitioning industries.

The project will deliver three key strategies, a Housing Strategy, Industrial and Employment Strategy and Rural Land Use Strategy. These strategies will guide future growth, recognise and protect important assets, as well as plan for changing industry and employment opportunities in the region. Significant community engagement has occurred throughout the preparation of this background report and will be considered in preparing policy directions.

Land use planning in Latrobe City is unique and affected by many factors not experienced elsewhere in the State. Conflicting land uses continue to impact the ability of Latrobe City to promote a healthy, balanced municipality, offering affordable lifestyle and housing choices while providing adequate jobs and prosperous modern industries which can support its existing and growing population.

While significant strategic work has occurred within the Latrobe City Council previously, Council's Municipal Strategic Statement is considered to contain gaps, particularly relating to industrial land and rural land. As such, there is a lack of a well-defined policy to guide long term decision making regarding land use planning for the whole municipality. Furthermore, it is noted that bulk of the existing studies are aged or have not been implemented into Council's Planning Scheme. This project will assist in identifying gaps and providing direction for new policy and strategy.

2.2 Methodology

2.2.1 Live Work Latrobe

This project is being undertaken over two stages (refer below):

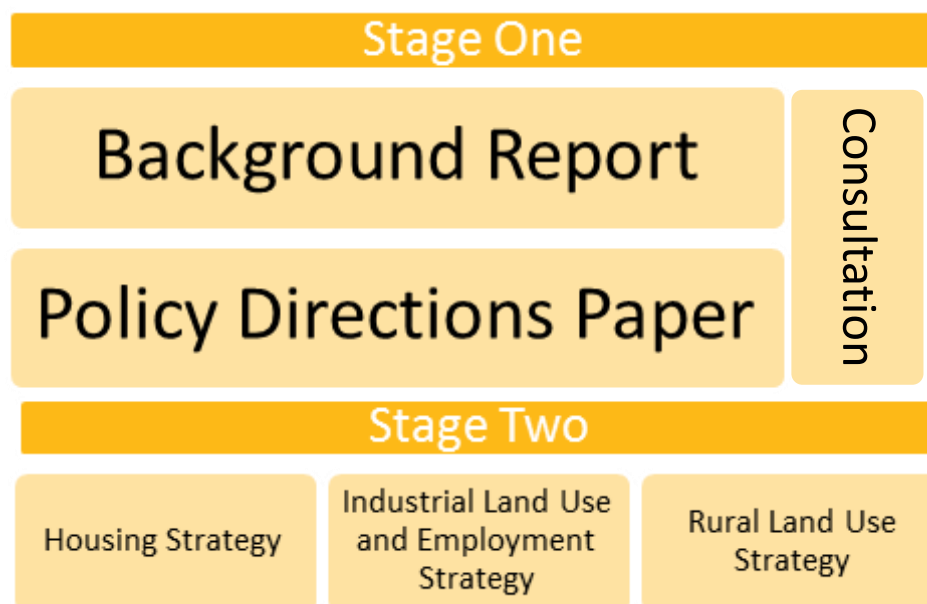


Figure 1: Live Work Latrobe Process

Stage 1 includes the development of a Background Paper (this document) which captures the current *status quo*, existing State, Regional and Local policies, as well the projections and trends for the future. Stage 1 also includes extensive community consultation, to capture community sentiment and community aspirations for the future. This is expressed within the Community Consultation Report. The Background Report and Community Consultation Report will inform the final piece of work for Stage 1, which is the Policy Directions Paper. The Policy Directions Paper will capture the emerging themes which develop over the course of Stage 1. The Policy Directions Paper will inform the future development of the three strategies, which will occur in Stage 2.

2.2.2 Background Paper

This Background Report has been prepared for Latrobe City Council by Meinhardt with input from David Lock Associates, Essential Economics and Capire, to provide the necessary background information, data, analysis and

strategic land use objectives to enable an informed policy directions paper to be prepared. The policy directions paper will lead to the preparation of individual land use strategies for industry and employment, rural land and housing.

The methodology used to produce the content of this Background Report included the following:

- Desktop research (including a literature review of relevant Council strategies and best practice in urban planning, urban design and sustainability);
- Consideration of issues such as economics, population, environment, employment, growth, infrastructure and social cohesion;
- Community and Stakeholder Consultation.

Council supplied the consultant team with a comprehensive list of data and background material for review at the commencement of the project. Latrobe City has undertaken numerous investigations, studies, plans, and strategies. In some instances, Council has adopted positions or strategic documents, however these documents are not represented in the Latrobe Planning Scheme. In some instances, new policies and strategy development is yet to be completed (such as Economic Development Strategy, Traralgon Growth Area Review and the Municipal Strategic Statement Review).

Given the extent of existing work which is broadly related to *Live Work Latrobe*, we have considered this work and identified the preminent policies, studies, and directions which will shape decisions relating to the future use and development of land within Latrobe City.

This background document provides both an overview of the existing conditions for the whole municipality, and identifies the opportunities and constraints which affect the study area as a whole. A broad approach has been taken in an attempt to capture a holistic understanding of the municipality. Therefore it is recognised that many of the opportunities and constraints identified within this document are outside the scope of land use planning and the future strategies, however they have been included to ensure they can inform future land use planning decisions, as appropriate.

This report recognises the requirements of the Latrobe Planning Scheme to accommodate projected population growth for at least 15 years, and includes projections from Victoria in Future 2015 which provide projected data for the next 15 years. However, this report recognises the limitations of data projections, particularly in Latrobe City which is facing future change. Furthermore, as identified within this report, due to the challenges which face the municipality it is important to take a long term view which goes beyond 15 years, and considers factors broader than quantitative projections. As such, while projections and land supply are expressed as long term being 15 years, due to the constraints of the numerical data, longer term thinking framed around discussions of protecting current and future strengths and opportunities and responding to current and future weaknesses and threats are also required.

It is important to note that this Background Report is not envisaged as being the primary research document which will be solely relied upon for future work, and each strategy will include their own research components.

2.2.3 Consultation

Stakeholder and community consultation was a key deliverable of Stage 1.

Consultation activities have included:

- Community Listening Posts
- Neighbourhood Listening Posts
- Project Reference Group Meetings
- Project Assurance Group Meetings
- Community Workshops
- One-on-one Stakeholder Engagement
- Engagement with servicing and government authorities
- Councillor Workshops
- Submissions
- On-street and online survey and dedicated project webpage

There are a number of limitations regarding this consultation that should be acknowledged, these are outlined below.

The engagement discussions were framed around housing, industrial land use and employment as well as rural land use in Latrobe City. The purpose of this engagement was to understand a range of aspirations and views for the future of Latrobe City across these broad themes. Feedback from the engagement activities will be used to

inform the development of the three strategies where appropriate and practicable, however not everything discussed can be addressed through land-use planning.

The engagement themes for this project are quite broad. There are varying degrees of understanding or knowledge about planning amongst community members and this may have influenced their capacity to fully understand the engagement questions in relation to the project.

The Consultation Report is an analysis of the views of both the general community and stakeholders. It should be acknowledged that invitations were sent to a range of different stakeholders representing different interests, industries and government sectors to attend the workshops as well as targeted meetings. Not all stakeholders who were invited to the workshops or meetings attended.

Despite the limitations, Capire who facilitated the engagement are confident the findings accurately reflect feedback provided by the participants through the engagement activities.

It is noted that anecdotal feedback suggests that some stakeholders were resistant to engage this early in the project, but flagged an interest in being involved in the development of the future strategies.

Refer to the Consultation Report for a detailed understanding of the consultation process and a summary of stakeholder and community feedback.

The key findings of the Consultation Report, in addition to the key findings of this report, are further considered in the Policy Directions Paper.

2.2.4 Limitations

There are many 'big picture', macro issues which are impacting and projected to continue to impact Latrobe City. These include issues of an environmental, economic or social nature, such as the transitioning economy away from coal, climate change impacts, and social and economic disadvantage within the community. It is recognised these high level issues may each influence how Latrobe City looks, feels and functions in the future. This background report considers Latrobe City's role in dealing with both issues of a macro and micro nature. However it should be recognised that not all issues, particularly macro issues, are able to be resolved by Council through *Live Work Latrobe*.

Live Work Latrobe has been developed at a local Council level with a high level of community participation. Stage 1 of the project is intended to inform further strategic investigations (and ultimately) changes to the Latrobe Planning Scheme. Future work will be the subject of further consultation between Council, Government, community, and key stakeholders.

2.2.5 Dependencies

During the preparation of this report, a number of key policy and planning initiatives were being developed by Council, regional agencies and other levels of Government. It will be essential to ensure future work undertaken as part of *Live Work Latrobe* responds to and aligns with these various initiatives.

In particular, the State Government coal and energy policy (see Section 10.1 of this report) will be a key consideration in the formation of the three strategies as part of Stage 2 of this project.

3 Location

3.1 Gippsland

The Gippsland region is located in the south-east corner of Victoria, extending from the edge of Melbourne's metropolitan area to the New South Wales border; with the Great Dividing Range forming its northern boundary. The Gippsland region includes six local government municipalities: Bass Coast, Baw Baw, East Gippsland, Latrobe City, South Gippsland and Wellington.

Gippsland is home to over 260,000 people, with the population growing at a faster rate (1.5% per annum) than regional Victoria as a whole (1.3% per annum) (*VIF 2015*). Council advise the main factor contributing to this growth is migration from Melbourne, with new residents attracted to the lifestyle advantages and affordable housing, while remaining within commuting distance to employment opportunities, services and key infrastructure provided within the main townships.

The region has a diverse economy with a total Gross Regional Product (GRP) estimated at \$13.3 billion (2010), with the agricultural, mining, manufacturing, energy, construction and service sectors operating as the key economic drivers. Strong economic linkages exist between the region's primary and secondary industries with electricity and gas supply, dairy products and pulp and paper manufacturing making the largest contribution to economic output. When combined, the agricultural, mining, manufacturing, energy and construction sectors account for 88% of the region's exports, 48% of the Gross Regional Product and 31% of the region's employment (*Gippsland Freight Strategy 2013*).

3.2 Latrobe City

Located between the Strzelecki Ranges and Baw Baw Plateau, Latrobe City is centrally located in Gippsland, easily accessible from Metropolitan Melbourne. Recognised as one of Victoria's four major regional cities, Latrobe City is the fourth-largest city in regional Victoria by population and is a major service centre for Gippsland and eastern Victoria. The municipality is well serviced by transport infrastructure, with major freeway access, V/Line Service and an airport.

Community infrastructure such as Federation University, Latrobe Regional Hospital, Latrobe Regional Gallery, and various recreational and regional sporting facilities spread across the main townships of Moe, Morwell, Churchill and Traralgon. The seven smaller rural townships of Boolarra, Glengarry, Newborough, Traralgon South, Toongabbie, Tyers, Yallourn North and Yinnar also provide an attractive rural community lifestyle choice.

4 Population Profile and Projections

4.1 Estimated population

The Estimated Resident Population of Latrobe City was 73,650 persons as of June 2015. As of 2011, the age-composition of the municipality's residents was broadly similar to State averages, albeit containing a slightly higher proportion of residents in the 50+ year age group (35.3% cf 32.3%).

Latest population projections prepared by the Victorian State Government (VIF 2015), show that over the 15 year period 2016-2031 the Latrobe City's population is expected to increase at a lower rate (+0.7% pa) compared to the State average (+1.6% pa).

The VIF 2015 projections indicate Latrobe City's population will increase by +8,560 persons over the 15 year period, expanding from an estimated level of 73,900 persons in 2016 to 82,460 persons in 2031. Population growth in the municipality will be driven by Traralgon (VIFSA Traralgon Town) whose population is expected to grow by +1.2% per annum and will account for 61% of all population growth in the municipality between 2016-2031. Churchill (VIF Churchill District) is expected to account for 15% of population and Moe-Newborough (VIFSA Moe Town) 14% of growth over the period, although this represents relatively modest annual growth rates of +0.7% and +0.5% respectively. Even lower annual growth rates are projected for Morwell (VIFSA Morwell Town) and Glengarry North Tyers (VIFSA Glengarry North-Tyers District) of 0.4% and 0.1% respectively, with Morwell's growth representing just 10% of municipal growth over the 15 year period, and Glengarry North Tyers only 1% of population growth over the coming 15 years.

Table 1: Population Projections – Selected Locations, 2016-2031

	2016	2021	2026	2031	Change	AAGR
VIFSA Churchill District	11,660	12,040	12,550	12,910	+1,250	+0.7%
VIFSA Glengarry North-Tyers District	4,650	4,710	4,740	4,730	+80	+0.1%
VIFSA Moe Town	16,500	16,580	16,870	17,690	+1,190	+0.5%
VIFSA Morwell Town	14,100	14,270	14,560	14,950	+850	+0.4%
VIFSA Traralgon Town	26,990	28,720	30,440	32,170	+5,180	+1.2%
Latrobe (C)	73,900	76,320	79,160	82,460	+8,560	+0.7%
Victoria	6,053,350	6,598,360	7,147,980	7,701,110	+1,647,760	+1.6%

Source: Essential Economics, Victoria in Future 2015, Department of Environment, Land,

4.1.1 Aged-based Projections

VIF 2015 age-based population projections, which are included in Table 1, highlight a significant aging of Latrobe's population over the coming 15 years. When the composition of future growth is considered, approximately 70% of Latrobe City's growth is focussed on seniors and elderly aged cohorts (70+ years) and this compares to just 26% growth in these cohorts across the State over the period. In contrast, just 9% of population growth is expected to occur in Latrobe City's core working aged groups (25-59 years) compared to the State average of 37% over the 2016-2031 period. Compared to State averages, Latrobe City also has below average growth predicted in babies and pre-schoolers (-1% cf 4%) and school and tertiary aged (12% cf 22%) populations.

Projections show that while Traralgon is expected to have a relatively well balanced growth pattern (more akin with State growth patterns) all other townships are heavily focussed on growth across the seniors (70-84 years) and elderly aged (85+ years).

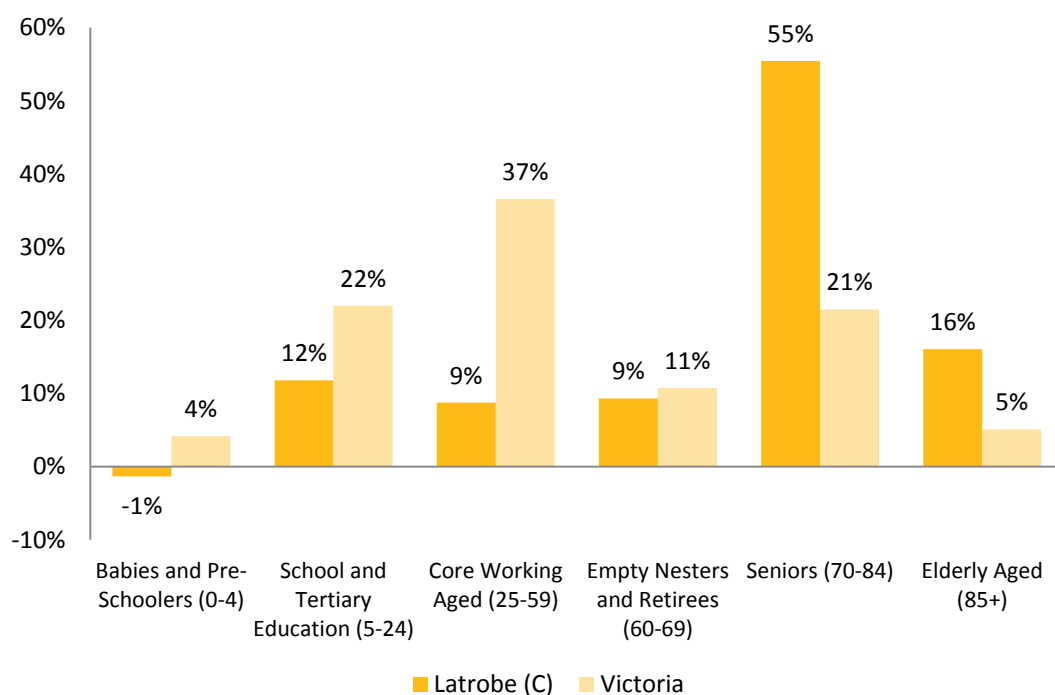


Figure 2: Share of Projected Population Growth by Age Cohort – Selected Locations, 2016-2031

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

4.2 Cultural Diversity and Migration

The Gunai Kurnai indigenous people are recognised as the traditional owners of the land, which in part includes the area known as Latrobe City.

Today, Latrobe City contains a diverse indigenous population, with people from many areas of Australia.

The City also has a long history of successive generations of migrants and refugees. More than 30% of people within Latrobe City have one or both parents who were born overseas. A total of 9,930 or 13.7% of Latrobe City residents were born overseas and 6.9% of people in Latrobe City speak a language other than English at home (*Cultural and Linguistic Diversity Plan 2015*).

Latrobe's population has more people born overseas than the Gippsland average, but less than the State average (approximately 19%, 17% and 31% respectively, not including "not stated" (*REMPPLAN Community Report 2011*)).

The Department of Immigration and Citizenship settlement database (cited in *Cultural and Linguistic Diversity Plan 2015*) contains a high level of information on migrants and refugees who have entered Australia and made Latrobe City their home. Over the past ten years, a total of 1,687 migrants and refugees have settled in Latrobe City. The *Latrobe City Council Cultural and Linguistic Diversity Plan, 2015* details Council's desire and efforts to support new arrivals into the municipality.

4.2.1 Community Health and Wellbeing

In order to understand the living and working needs of Latrobe City's future population, consideration should be given to the health and wellbeing of the population. The Municipal Public Health and Wellbeing Plan (MPHWP) established Council's key priorities and directions for improving community health and wellbeing outcomes (see Section 5.4.3 of this report).

Community Resilience

As an initiative of the *Latrobe Valley Industry and Employment Roadmap*, the *Gippsland Regional Resilience Monitor – Socio- economic and Liveability Dimensions Report 2015* was completed by Federation University. The findings focus on three Gippsland local government areas: Baw Baw Shire Council, Latrobe City Council and Wellington Shire Council.

Essentially, the report found Latrobe City to have a relatively higher level of resilience than other parts of Gippsland.

Some of the more applicable aspects of the report include:

- Personal income in Latrobe City is higher than Gippsland average.
- Latrobe City reports the lowest share of people with good health and is below the Gippsland and state averages.
- Latrobe City receives higher numbers of new migrants, with new settler arrivals 17% higher than the Gippsland average and close to 13% higher than the Victorian regional average.
- Latrobe City has the largest number of child care and aged care facilities in Gippsland, higher than the state average.
- Latrobe City has the highest crime rate.
- Latrobe City has the largest proportion of social housing dwellings.
- Latrobe City ranks high with respect to a reduced work commuting time
- Latrobe City ranks 6% higher than the Gippsland average and about 9% higher than the Victorian average regarding the perception of the availability of good facilities and services

Broadly, it can be deduced that the higher rating of Latrobe City relates to the municipality's relative smaller size and higher density, with the population able to access the services, education and facilities provided by main towns which comprise Latrobe City. In this regard, the relative density, accessibility and diversity of services which are located within Latrobe City can be understood as contributing to the local Community Resilience.

Socio Economic Index for Areas (SEIFA)

The Socio Economic Indexes for Areas (SEIFA) measures the relative level of socio-economic disadvantage based on a range of Census data including: income, education, unemployment, occupation, single parent families, rental price and English proficiency. A lower score means a *higher* level of disadvantage and a high score means *lower* level of disadvantage. It is important to recognise that the numerical score fails to articulate the reasons why an area has relatively higher or lower disadvantage, and areas with a similar score may have different characteristics and contributing factors. Latrobe City ranked as the 7th most disadvantaged community across the state, with a score of 940 in the 2011 Census. When compared to the other four regional cities, Latrobe City (940) ranked the most disadvantaged, followed by Ballarat (981), Bendigo (983) and Geelong (993).

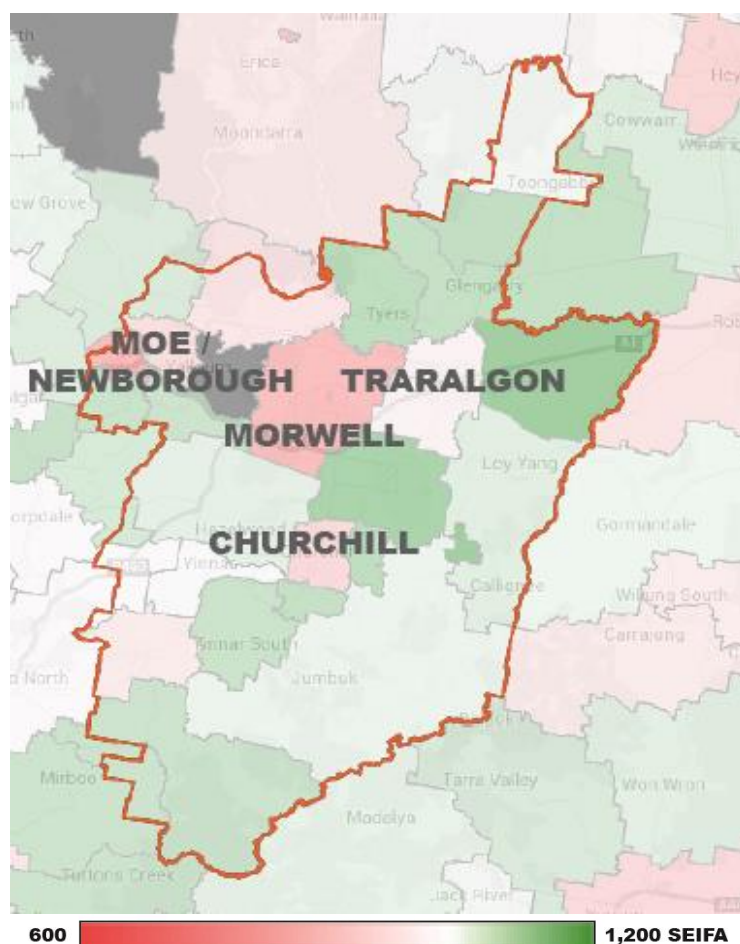


Figure 3: SEIFA Relative Disadvantage

Source: REMPLAN Community Report

While the Community Resilience data suggested Latrobe City's access, services and relative density broadly contributed to the resilience of the community, the localised SEIFA map suggests that there are higher levels of disadvantage in the main towns (where the services and facilities are condensed), and higher advantage in the rural areas. There are a variety of factors which may contribute to this. Where additional understanding of social disadvantage is required, future work will consult with Latrobe City's Community Services Department.

Generational Disadvantage

It is important to acknowledge that segments of the community are found to be experiencing generational disadvantage.

The *Dropping off the Edge report 2015* undertaken by Jesuit and Catholic Social Services identifies Morwell as one seven towns in Victoria suffering from a "complex web" of disadvantage at disproportionately high levels. The report found that areas of Morwell, Moe and Churchill had remained disadvantaged for long periods, demonstrating symptoms of persistent disadvantage occurring through second and third generations. Further, the report identified that some segments of the community had high unemployment and interaction with the criminal justice system, low levels of education, high levels of child maltreatment, family violence and mental health problems (*Dropping off the Edge*).

Again, future work will refer to Latrobe City's Community Services Department, and seek to capture opportunities for supporting shifts against reoccurring disadvantage which may exist, albeit these are likely to be at a higher level such as supporting community and social infrastructure, protecting and encouraging employment generating land uses, transport and accessibility and general community amenity.

5 Policy, Plans and Initiatives

There are numerous existing policies which are relevant to *Live Work Latrobe*. Given the extent of relevant policy and literature, it is not possible to outline them all within this document. A summary of the key policies are provided below. Future strategic work, namely the Housing Strategy, Industrial Land Use and Employment Strategy and the Rural Strategy will involve targeted assessment of the related policies, as appropriate.

During the preparation of this report, a number of key policy and planning initiatives were being developed by Council, regional agencies and other levels of Government. It will be essential to ensure that future work under this project responds to and aligns with these various initiatives.

5.1 Federal Policy

5.1.1 National Affordable Housing Agreement

The National Affordable Housing Agreement (NAHA) is an agreement between Federal, State and Local Governments that commenced in January 2009 and provides the framework for Parties to work together to improve housing affordability and homelessness outcomes. The NAHA is supported by three partnership programs:

- **National Partnership Agreement on Social Housing** – established to provide capital funding to support a range of projects to increase the supply of social housing and enable more disadvantaged households to access safe and secure housing that meets their needs;
- **National Partnership Agreement on Homelessness** – aims to reduce homelessness through sustained effort and partnerships with business, the not for profit sector and the community;
- **National Partnership Agreement on Remote Indigenous Housing** – establishes a remote indigenous housing and funding strategy aimed at reducing severe overcrowding, increasing the supply of new housing, improving existing stock and ensuring that rental accommodation is well managed in remote indigenous communities.

The NAHA is an important source of funding for the not-for-profit sector and the Victorian State Government, providing \$6.2 billion of assistance throughout the first five years, to increase the provision of social and affordable housing. Not-for-profit housing organisations are able to apply for funding to increase the supply of social and affordable housing stock.

The NAHA identifies the roles and responsibilities of each level of government and establishes a performance framework against which the key outcomes of the agreement will be measured. The responsibility of Local Government as relevant to the scope of this project relates to the management of local urban planning and development approval processes. As a planning authority, Council can play a proactive role in facilitating and encouraging appropriate housing developments and streamlining the land use planning process to support the aims of the NAHA.

5.1.2 National Land Transport Network

The National Land Transport Network is a single integrated network of land transport linkages of strategic national importance, which is funded by Commonwealth, State and Territory Governments. The National Land Transport Network is based on national and inter-regional transport corridors and connections (*Gippsland Freight Strategy*).

The Princes Highway between Melbourne and Sale has been recognised as a transport link of strategic national importance, and is included on the National Land Transport Network. The Commonwealth and Victorian Governments are investing \$175 million for the duplication of the Princes Highway between Traralgon and Sale. The *Gippsland Freight Strategy* recognises the Princes Highway as the primary corridor linking the Gippsland region to Melbourne and export ports.

National Innovation and Science Agenda Report

The National Innovation and Science Agenda Report released by the Federal Government in 2015 articulates the Governments' focus on supporting Australia's economic prosperity into the future through supporting innovation.

The National Innovation and Science Agenda focuses on four key pillars:

1. Culture and capital
2. Collaboration
3. Talent and skills
4. Government as an exemplar

The initiatives are worth \$1.1 billion over four years. Given Latrobe City's focus on supporting a diversified and strong economy, a transitioning energy market and identified local skills, the opportunity presented as part of the National Innovation and Science Agenda should be recognised.

5.1.3 Energy White Paper

Given the significance of the energy industry in Latrobe City, a review of the Energy White Paper has been undertaken.

In April 2015, the Australian Government published the Energy White Paper, which desires to give industry and consumers certainty and confidence in energy policy.

The main themes of this document are:

- Increasing competition to keep prices down
- Increasing energy productivity to promote growth
- Investing in Australia's energy future

The Initiatives identified in the document which are considered broadly relevant for Latrobe City are:

- **Industry Growth Centres**
\$188.5 million Industry Growth Centres, which will lift competitiveness and productivity by focusing on areas of competitive strength, including the oil, gas and energy resources sector and the mining equipment, technology and services sector.
- **Industry Skills Fund**
\$476 million Industry Skills Fund, which will enable Australia to have the highly skilled workforce needed to adapt to new business growth opportunities, rapid technological change and market-driven structural adjustment.
- **Entrepreneurs' Infrastructure Programme**
\$484.2 million Entrepreneurs' Infrastructure Programme, which will provide Australian companies with structural and strategic support to capitalise on growth opportunities.

5.1.4 Australian Infrastructure Plan

Building on the Australian Infrastructure Audit (which noted the essential nature of integrated infrastructure and land-use planning) and Northern Australia Audit, the Australian Infrastructure Plan was released in February 2016.

The reforms in this Plan are guided by the following:

- Productive cities, productive regions;
- Efficient infrastructure markets;
- Sustainable and equitable infrastructure; and
- Better decisions and better delivery.

The result is a long-term strategy that lays the foundation for a more productive Australia over the coming 15 years and beyond.

The Australian Infrastructure Plan specifically notes the contributions of Regional Australia (including Latrobe City) and the following relevant recommendations are made in the Plan:

Recommendation 4.1

State and territory governments should deliver long-term regional infrastructure plans.

These plans should:

- *Identify gaps in infrastructure networks and identify priorities to support productive regional industries;*
- *Be developed with involvement from all levels of government to help coordinate investments and remove duplication;*
- *Provide transparency for the private sector to allow for government funding to be leveraged and private investment to be maximised; and*
- *Assess the potential for regions to ease pressure on our largest cities.*

Recommendation 4.2

The Australian Government should prioritise investment in regional infrastructure where the population is growing quickly and where the bulk of our regional economic growth can be found.

Efficient, liveable and productive regional hubs should be considered national economic assets and be a key priority of every level of government, including capitalising on opportunities to develop the north.

Recommendation 4.3

Regional infrastructure investment should respond to each community's particular needs, its changing demographics, and what is affordable.

Where governments are providing infrastructure in slower growing regions, they should make available information on how infrastructure is being used to address efficiency and equity issues, what taxpayers can expect in return and how such investments will be maintained over time.

5.2 State Policy

5.2.1 Plan Melbourne – State of Cities

Plan Melbourne outlines several key concepts for planning the future of Melbourne and recognises the role of regional centres in contributing to Victoria's long-term prosperity. As growing pressure to accommodate an increasing population is placed on Melbourne's limited space and resources, the ability of regional centres that are well-connected and within viable commuting distances of capital cities to offer alternate housing and employment opportunities is recognised.

A 'State of Cities' policy seeks to 'maximise the growth potential of Victoria by developing a state of cities which delivers choice, opportunity and global competitiveness' through integrated planning and investments that facilitate the growth of regional Victoria, strengthen regional city economies and help regional towns be more affordable and attractive places to live and work. Latrobe City is recognised as a key regional area to be integrated into Victoria's State of Cities.

Plan Melbourne also identifies the following directions which are considered relevant to Latrobe City:

- **Direction 6.2** Rebalance Victoria's population growth from Melbourne to rural and regional Victoria over the life of the strategy
- **Direction 6.3** Integrate metropolitan, peri-urban and regional planning implementation
- **Direction 6.4** Improve connections between cities

Plan Melbourne notes that key to attracting growth to the Gippsland region will be optimising development potential through major infrastructure planning and strategic investment whilst protecting the region's natural assets. Infrastructure that further supports connectivity between regions, key gateways and transport routes will support the development of new and existing industries and contribute to employment generation.

Laying the foundation – 30 year Infrastructure Plan (2016)

An initiative of the Victorian Government, Infrastructure Victoria is currently undertaking work which will help set the direction of infrastructure planning in Victoria for the next 30 years. The Victorian Government is currently completing a series of discussion papers, which will culminate with the release of the final strategy by the end of 2016.

In the second quarter of 2016 Infrastructure Victoria have committed to the release of a final set of recommendations. The final strategy will help set the direction of infrastructure planning in Victoria for the next 30 years.

The document *Laying the foundation* identified that the future Infrastructure Victoria strategy will contribute to future updates to land use strategies, and identifies that land use planning and infrastructure planning should be closely aligned. Infrastructure Victoria anticipates that the recommendations made in their 30-year strategy will be able to inform future refreshes of *Plan Melbourne* and the *Regional Growth Plans*.

The future work undertaken by *Live Work Latrobe* will be cognisant of the evolving work by Infrastructure Victoria.

The Latrobe Valley Industry and Employment Roadmap (2012)

The *Latrobe Valley Industry and Employment Roadmap* (the Roadmap), is the Victorian Government's framework for guiding future investment in the Latrobe Valley. The Roadmap outlines a number of strategic directions to diversify the local economy and invest in key infrastructure in order to meet structural adjustments to the energy sector. The Roadmap was initially prepared in response to the introduction of the national carbon tax. Whilst the carbon tax has since been repealed, the opportunities and directions provided by the Roadmap are considered to remain relevant, noting the forecast changes to the energy and coal industries remain.

Specifically, the Roadmap aims to strengthen the workforce, support business, guide infrastructure investment, support innovation and attract and facilitate new industry investment in the Latrobe Valley region.

The Victorian Freight and Logistics Plan (2013)

In August 2013 the *Victorian Freight and Logistics Plan* undertaken by the Victorian Government released its vision for maintaining and increasing Victoria's competitive edge as Australia's freight and logistics capital.

The Plan provides an evidence-based long term strategic vision for the management and ongoing development of Victoria's freight network. By 2050 it is forecast that the use of shipping containers will grow fourfold, the general freight task will increase three times and heavy freight vehicle trips will double.

The plan to provide a major container distribution at Hastings will generate additional economic development in the south east region and associated freight movements. This may have positive impacts for Latrobe City's industrial areas and strengthens the opportunity for the establishment of the Morwell Gippsland Intermodal Freight terminal and new rail freight links along the Gippsland rail line to support the transfer of freight from Gippsland to coastal ports.

The Victorian Government has indicated commitments to the further development of the Port of Hastings, to become Victoria's second container port. This funding will enable detailed planning for the new port which will eventually complement the Port of Melbourne and cater for the growth of container movements which are projected to quadruple at the Port of Melbourne over the next 25 years.

State Government Advisory Committees

Residential Zones Standing Advisory Committee (Stage One)

Latrobe City Council's application of the New Residential Zones was reviewed by the Residential Zones Standing Advisory Committee.

Key planning policy issues identified for Latrobe City included management of anticipated regional growth and development, particularly in existing towns, and consideration of heritage, flooding, wildfire and healthy urban design outcomes. The Advisory Committee broadly supported the Council's approach to applying the new residential zones, with only minor recommendations for changes.

The Minister for Planning formally approved Amendment C84 which applied the New Residential Zones on 9 October 2014.

Managing Residential Development Advisory Committee and Residential Development Taskforce

The Managing Residential Development Advisory Committee (MMRDAC) was asked to report on the application of zones that provide for residential development in metropolitan Melbourne and the four regional cities of Bendigo, Ballarat, Geelong and Latrobe City, having regard to managing growth, proximity to transport and jobs, housing affordability and diversity. In addition to the establishment of the MMRDAC the Managing Residential Development Taskforce (the Taskforce) was also established, and assists the MMRDAC in the considerations. The Taskforce have released the *Residential Zones State of Play* reports for each of the Plan Melbourne Metropolitan subregions and one combined report for the four regional cities of Bendigo, Ballarat, Geelong and Latrobe City.

The Committee is currently considering submissions, and it is expected the MMRDAC provide their report to the Minister for Planning by 30 June 2016. It is envisaged the final recommendations of the MMRDAC and response to their report will be incorporated into the future Housing Strategy.

Animal Industries Advisory Committee

The Minister for Planning established the Animal Industries Advisory Committee to consider how the planning system can support the establishment and expansion of productive, competitive and market-responsive animal industries in Victoria while balancing environmental outcomes and community expectations.

Latrobe City Council had provided its submission to the advisory committee at the time of this report. The final recommendations of the committee and possible Ministerial directions which may result, will be a key consideration the preparation of Latrobe City's Rural Land Use Strategy.

5.3 Regional Policy

5.3.1 Gippsland Regional Plan 2015-2020

The Gippsland Regional Plan (GRP) is a long-term strategic plan for improving economic, social and environmental outcomes for the Gippsland region and its community, and responding to the most significant challenges and opportunities for the region over the next ten to twenty years.

The development and implementation of the GRP brings together all levels of Government and business, as well as a wide range of agencies and community organisations. The GRP provides a framework from which priority projects and initiatives that will drive improved regional capability are identified, agreed, and advocated for.

The Strategic Themes are:

1. Economic Prosperity
2. Education and Community Wellbeing
3. Natural Environment Stewardship
4. Connectivity

Each Strategic Theme includes Objectives that identify desired outcomes relevant to the theme. Strategic Priorities then identify the areas of activity needed to achieve those Objectives. This framework of Objectives and Strategic Priorities provides a platform from which relevant projects and initiatives can be identified, agreed, prioritized and implemented.

The GRP reinforces the recognition of Latrobe City as Gippsland's Regional City, consisting of Moe, Morwell, Traralgon and Churchill, highlighting its function as a collective urban system or networked city.

5.3.2 Gippsland Regional Growth Plan

The Gippsland Regional Growth Plan (GRGP) provides direction for land use and development across regional Victoria, providing more detailed planning frameworks for key regional cities and centres. There are eight Growth Plans for the regional areas throughout Victoria, complementing the metropolitan planning *Strategy Plan Melbourne*, acknowledging the interdependence of urban settlements and facilitating their growth as a networked, 'state of cities'.

The GRGP recognises Latrobe City's importance to Gippsland, as the region's only regional city, it is seen as a collective urban system or 'networked city'. This is consistent with the policy approach of "a state of cities" which is articulated within *Plan Melbourne*. The GRGP seeks to promote the continued growth for Latrobe City as the Regional City of Gippsland, as follows:

"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 that they function as a single urban system. This 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.

To establish a connected regional city, planning across the four centres will allow for the right type of growth in the right locations for residential, industrial and commercial development. Efficient and reliable transport between the four centres will be critical to ensure access and connectivity."

The GRGP identifies that the region has aspirations to diversify from a coal region to a region that produces low emissions energy resources and technology; and from an agricultural commodities region to a region that increasingly value-adds to its commodities for domestic and export markets. In particular, the region wants to grow its food production capacity. In comparison to other regions, Gippsland's road and rail infrastructure connections to Melbourne's port and airports have less capacity. Growing new markets for low emission energy resources and food will therefore rely upon strong partnerships and investment by the State Government to improve freight and logistics services and upgrades to water infrastructure.

Refer to Gippsland Regional Growth Plan, Figure 4, overleaf.

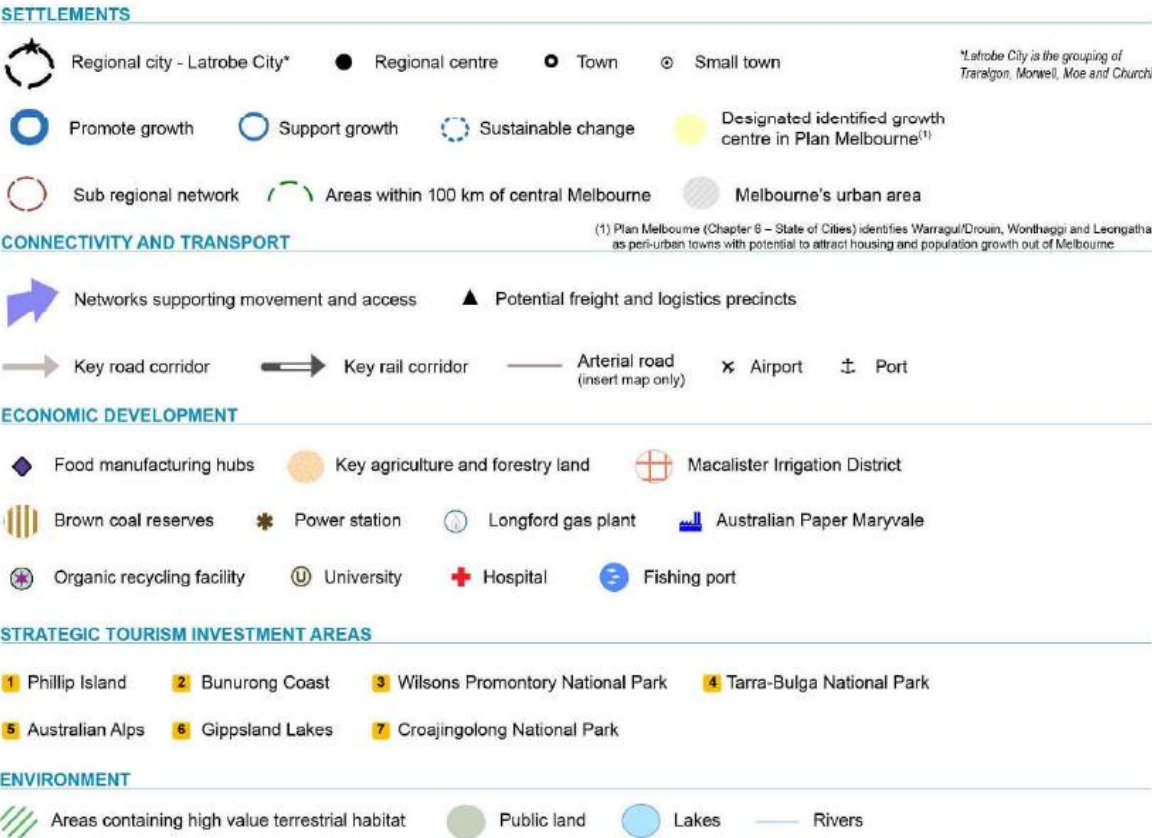
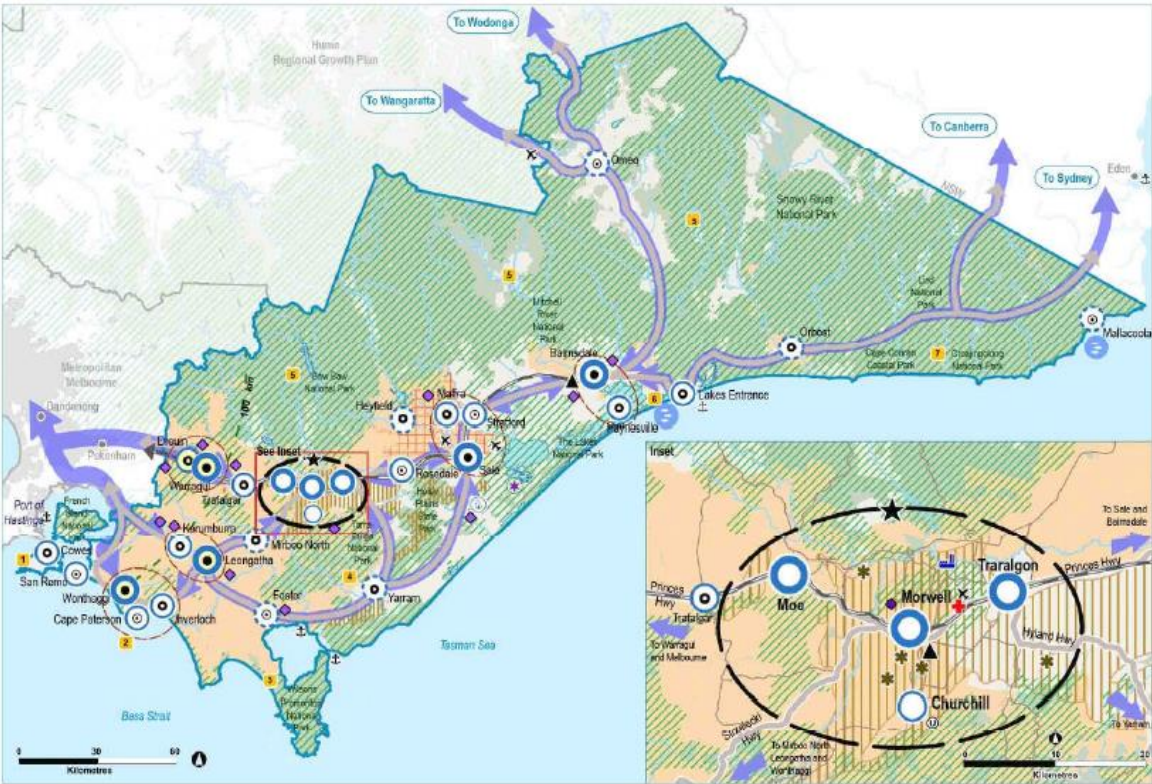


Figure 4: Gippsland Regional Growth Plan

Source: Latrobe Planning Scheme

5.3.3 Latrobe Valley and East Gippsland Rail-freight Task Assessment (2012)

The *Latrobe Valley and East Gippsland Rail-freight Task Assessment* provides a detailed analysis of current and potential rail freight users in Gippsland. The assessment was undertaken to inform Latrobe City and East Gippsland Shire Councils of potential operators for the Gippsland Logistics Precinct at Morwell and an intermodal facility at Bairnsdale.

The assessment examines the current freight task and logistics arrangements by sector, analyses future growth in the freight task and provides advice on the future use of rail. It provides advice on the issues and opportunities for the operation of the intermodal facilities as well as analysis of broader regional transport infrastructure requirements.

5.3.4 Gippsland Transport Strategy 2008

The *Gippsland Transport Strategy 2008-2020* was developed by the Gippsland Local Government Network (GLGN) to guide collective effort in improving the region's transport infrastructure and services.

The strategy identifies five major challenges facing the development of transport projects in the Gippsland region:

- The movement of project cargo in and export cargo out (e.g. as a consequence of major coal and energy projects).
- Carbon pricing and the rising cost of fuel.
- Urban encroachment on western Gippsland.
- Competing demands on rail services from increasing passenger demand and an increased freight task moving by rail.

5.3.5 Gippsland Freight Strategy 2013

The development of the *Gippsland Freight Strategy* was managed by GLGN and the Department of Transport, in close consultation with other State Government agencies, transport and distribution sectors and industry. The goal of the *Gippsland Freight Strategy* is to identify the actions that will facilitate the efficient movement of the Gippsland freight.

Should the utilisation of water, land and mineral assets of Latrobe City and the broader Gippsland region be expanded, it would generate a significant freight task to support emergent export markets; potentially limited only by the extent of the supporting transport infrastructure network. Providing the necessary transport system changes and investments in infrastructure will be critical if the regions strengths and competitive advantages are to be fully realised.

The Gippsland Freight Strategy reinforces the GLGN and Victorian Government's directions for growing regional freight, as stated in the *Transport Solutions Framework 2010-11*, *Gippsland Regional Plan 2010* and included within the *Gippsland Regional Growth Plan* and *The Victorian Freight and Logistics Plan*.

5.3.6 Gippsland Food Plan

The Gippsland Food Plan aims to put the region's food industry on the world food map and encourage further investment in the region to assist in expanding the local food industry's value and contribution to the regional economy. The plan was developed by Regional Development Australia (RDA) – Gippsland in response to *the Australian National Food Plan*.

The plan recognises the diversity of food production businesses in Gippsland which range from small scale traditional family operations, organic enterprises and innovators using new techniques and technologies through to large corporate farm businesses and technically advanced production plants. All of these have legitimate roles to play in the food system and the Food Plan would see these flourish. This varied mix of food production operations is seen as an important strength in the future.

The plan highlights Gippsland's competitive strengths, high quality products and value-adding processing and manufacturing capabilities, all of which provide key opportunities for Latrobe City.

5.3.7 Gippsland Region Sustainable Water Strategy (2011)

The *Gippsland Region Sustainable Water Strategy* is one of the four regional sustainable water strategies covering Victoria that were produced between 2006 and 2011.

The strategy sets out long-term plans to secure each region's water future, identifying threats to water availability and identifying policies and actions to help water users, water corporations and catchment management authorities manage and respond to those threats over the next 50 years.

The Strategy suggests that Gippsland is well placed to meet its water supply needs through the development and implementation of each regional urban water authority's water supply demand strategies; whilst acknowledging that technological developments, land use change and market fluctuations will play a major part in the ability of major

industrial customers to reduce water consumption to support long term sustainability of water resources and enable alternative users to leverage from water assets in the future.

5.3.8 Gippsland Workforce Plan (due for completion April 2016)

The *Gippsland Workforce Plan* is an initiative of RDA- Gippsland, that will review key employment sectors to determine current workforce status and the skills employees will need in these industries by the year 2030.

5.3.9 Intensive Agriculture in Gippsland – Poultry, Glasshouses and Feed Barns (due for completion May 2016)

Regional Development Victoria Gippsland (RDV-Gippsland),, recently commenced this project, which aims to improve the success rate of intensive agriculture investment proposals in Gippsland. The resource will enable industry to be better informed when considering investment in intensive agriculture, councils to assess intensive agriculture planning application and the community to be better informed about intensive agriculture. The project is driven by the trend of agricultural intensification in Gippsland, particularly in the poultry, glasshouse and feed barn sectors, which are expected to see high levels of investment in the future. Recent intensive agriculture investment proposals have achieved varying degrees of success. The outcomes of this work will inform the completion of Latrobe City Council's Rural Land Use Strategy during Stage 2 of this project.

Latrobe City as a Major Regional City

The Gippsland Regional Growth Plan identifies Latrobe City as the only Major Regional City in Gippsland. Clause 11.05-1 of the Latrobe Planning Scheme identifies the Regional Settlement Networks for Victoria and Latrobe City is identified as one of ten Regional Cities. However, other strategic work, including the recent Residential Zones State of Play, identifies Latrobe City as one of four Regional Cities, the others being Geelong, Bendigo and Ballarat.

Latrobe City have previously highlighted concerns that the hierarchy of Regional Cities is unclear, through their submission to the State Planning Policy Framework Review Advisory Committee and it is also noted in the most recent Latrobe Planning Scheme Review Report 2014.

While the current Latrobe Planning Scheme and related strategic documents provide some policy references to Latrobe City's status as a Regional City, and significantly the only Regional City in Gippsland, broader recognition of this status from a Regional and State perspective would be beneficial not only for strategic planning, but for understanding and planning for future investment and infrastructure. Broader recognition will likely also assist Latrobe City Council and the community in leveraging benefits likely associated with such status, such as regionally significant infrastructure and investment.

The networked city approach is crucial to support the Regional City status, to protect the four cities from working against each other, and promote cooperative function. As part of this report we have identified a lack of policy articulation which expresses the vision of the network city and a clear understanding of how it is to function. This is further articulated throughout the report and most specifically through Section 9.1.2 of this report.

5.4 Local Policy

Latrobe City Council has prepared a range of strategies, plans and other policies which respond to community needs and priorities and provide direction to shape the future of Latrobe City. Refer below.

5.4.1 Latrobe City Council Plan 2013-2017

The Mission of the Council Plan is:

To provide the best possible facilities, services, advocacy and leadership for Latrobe City, one of Victoria's four major regional cities.

The Council Plan is based around five themes which are as follows:

1. Job creation and economic sustainability
2. Appropriate, affordable and sustainable facilities, services and recreation
3. Efficient, effective and accountable governance

4. Advocacy for and consultation with our community
5. Planning for the future

Each of the five themes provide various principles and strategic directions. It is considered that all of these are broadly related to *Live Work Latrobe*, with number 1 and number 5 being considered directly relevant to the project.

The Strategic Directions under Theme 1: Job creation and economic sustainability are as follows:

- a) Provide incentives and work proactively to attract new businesses and industry to locate in Latrobe City.
- b) Assist existing small and medium enterprises to expand and sustain employment opportunities.
- c) Work in partnership with business, industry and government to create new jobs and investment in Latrobe City.
- d) Provide timely and targeted infrastructure to support economic growth and the marketability of Latrobe City to industry and investors.
- e) Promote and support the development and economic return of the tourism and events sector.
- f) Maximise access to Federal and State Government funds for jobs creation.
- g) Enhance community and business confidence in the future of the local economy.
- h) Facilitate the creation of an Industrial Park and an Intermodal Freight Terminal in the municipality.
- i) Promote research and development for new products and processes to exploit the significant coal resource of the Latrobe Valley.

The Strategic Directions under Theme 5: Planning for the future are as follows:

- j) Explore the establishment of a Council planning committee to guide land use planning, development and growth.
- k) Provide efficient and effective planning services and decision making to encourage development and new investment opportunities.
- l) Plan and coordinate the provision of key services and essential infrastructure to support new growth and developments.
- m) Investigate the need for and provide appropriate resources to support land use planning and development of Latrobe City.
- n) Review our policy and guidelines for new residential development in particular lot density, unit development, road widths and emergency vehicle access.
- o) In consultation with the community, review Council's Municipal Strategic Statement and the Latrobe City Planning Scheme.
- p) Work with stakeholders to maintain and enhance the natural environment and biodiversity of Latrobe City and the region.
- q) Protect and celebrate the cultural heritage and historical character of Latrobe City.

5.4.2 Latrobe 2026

Latrobe 2026 articulates the Latrobe Valley's communities' vision for the future;

In 2026 the Latrobe Valley is a liveable and sustainable region with collaborative and inclusive community leadership

The following relevant components contribute to this vision:

- *Liveable and vibrant*
A place where people feel safe, connected and proud of their city;
- *Sustainable and enterprising*
A place where community life complements the environment, and diverse employment opportunities secure our future; and
- *Committed to collaborative and inclusive leadership*
A place where people work in partnership to facilitate local outcomes.

5.4.3 Latrobe City Municipal Public Health and Wellbeing Plan 2013 – 2017

Given the future strategies may impact the environmental and physical health of communities, the Municipal Public Health and Wellbeing Plan is broadly relevant.

The Municipal Public Health and Wellbeing Plan provides for six Strategic Directions, which are all broadly related to *Live Work Latrobe*:

- Being Active
- Eating Well
- Protecting Our Health
- Staying Connected
- Feeling Safe
- Skills For Healthy Communities

5.4.4 Gippsland Logistics Precinct Project Plan (2010)

Traditionally, the Gippsland economy has relied on primary and secondary production, with the main generators of freight movements in the region coming from the dairy, quarrying and forestry industries. Other industries are significant in terms of their economic contribution and freight demand in the region, but are relatively small in comparison to the major supply chains. These include the livestock (especially beef cattle and lamb), horticulture and fishing industries. While the coal, oil and gas industries have long played a critical role in underpinning the region's economy, these sectors generate only a very small freight transport task at present, with the vast majority of product either consumed on-site by power generation facilities (coal) or transported to Melbourne via pipeline (gas).

In 2001, the total Gippsland freight task was estimated at approximately 16 million tonnes per annum. Of this freight task, approximately 54% (or 8.6 million tonnes per annum) moved to a destination within the region. The majority of the remaining freight task (32%, or 5.1 million tonnes per annum) was transported to and from Melbourne.

Latrobe City Council has had a significant long term interest and involvement in facilitating an open access intermodal freight terminal to meet the needs of the region. The development of the Gippsland Logistics Precinct (GLP) seeks to establish a centre for the efficient and cost effective movement of freight to and from the Gippsland region. While, at present, the Gippsland Intermodal Freight Terminal (GIFT) and associated GLP is recognised as being under-utilised, the Gippsland Logistics Precinct Project Plan articulates the desired future direction for this land, which is being directly facilitated by Latrobe City Council. The opportunities and challenges which are faced by the GIFT and GLP will be further considered in relation to Stage 2, in particular the Industrial and Employment Land Use Strategy.

5.4.5 Latrobe Transit Centered Precincts

The Latrobe Transit Centered Precincts sought to promote transit centered development for Traralgon, Moe and Morwell. The document was adopted by Council in 2004, and incorporated into the Latrobe Planning Scheme through Planning Scheme Amendment C50.

A State Government initiative, the transit centered approach sought to leverage location on the fixed rail V/Line service and encourage more intense development within identified areas of Traralgon, Moe and Morwell. It set out to promote mixed use and walkable precincts surrounding the train stations of each town, promoting new urban living opportunities.

The Latrobe Transit Centred Precincts included Masterplans for each town, which clearly articulate how future development, particularly urban living and medium density development could occur. The Masterplans are a reference document within the Latrobe Planning Scheme.

5.4.6 Positioning Latrobe for a Low Carbon Emissions Future (2010)

Australian and international policies regarding greenhouse gas emissions and climate change have varied greatly over the past 10 years, particularly with the most recent change of Federal Government in 2013. As governments have changed, so have their policies and the likely effect on Latrobe City. Regardless of the change in policies from the Federal and State Governments, Latrobe City Council has identified a position to successfully transition to a low carbon economy.

In its policy, Latrobe City seeks to ensure that its economy and community continue to prosper and, with the appropriate transition mechanisms in place, it believes that both climate change mitigation and economic growth can be achieved. This position can be summarised as follows:

- Pursuing and realising opportunities* - A smooth and successful transition to a low carbon emissions future will require Latrobe City and the broader Gippsland region to continue to grow and develop existing business as well as harness new opportunities, which arise as a consequence of Government emission reduction schemes. In this policy theme, actions are identified that will allow Latrobe City Council to capture opportunities and enable business innovation and growth.
- Contingency planning* - Contingency planning involves identifying threats along with possible outcomes and identifying measures to avoid or manage detrimental impacts. The policy actions proposed in this theme will allow Council, Governments and other stakeholders to put in place the necessary safeguards

and plans to ensure that they are able to respond quickly and provide support to the community during the transition period.

- c) *Working together* - Latrobe City Council recognises that the scope of the adjustment task is beyond the capacity of Council acting alone. It intends to work in partnership with its community, businesses, industry, neighbouring municipalities, State and Federal Governments, and others to proactively plan for the smooth and successful transition of the Latrobe Valley region to a low carbon economy.

Rising energy demand in Asia and growing concern over greenhouse gas emissions have stimulated research and development into clean coal technologies, which will build on the natural advantages of the Gippsland brown coal resource. Although many of the proposals are still only at concept or pilot phase, there is a potential for multi-billion dollar investment to occur should the technology be proven, opening up new investments and possible export opportunities.

5.4.7 Latrobe City Council – Wood Encouragement Policy

In December 2014 Latrobe City Council became the first in Australia to adopt a Wood Encouragement Policy for public buildings. The wood encouragement policy generally requires responsibly sourced wood to be considered, where feasible, as the primary construction material in all new-build and refurbishment projects. This is usually limited to public sector buildings but could be applied across residential and commercial.

5.4.8 Draft Latrobe Draft Economic Development Strategy (currently in development)

Concurrent with the preparation of this Background Report was the preparation of the Draft Latrobe Economic Development Strategy. Given the draft nature of the Economic Development Strategy, it has not been able to provide specific direction on this Background Report, however the broad themes identified within the Draft Economic Development Strategy are recognised and the key findings of this report have been tested using the Draft Strategy.

It is important to recognise that some of the facts and figures provided within the Draft Economic Development Strategy differ from those which are provided within this Background Report. This relates to the type of data collected, the source from which it was received and the way it was interpreted. Moving forward, as the Draft Latrobe Economic Development Strategy becomes more formalised and work on the future strategies commences, there will be opportunity to revisit the data sources as appropriate.

5.5 Latrobe Planning Scheme

Latrobe City Planning Scheme Review Report 2014

This Background Report has found that while Latrobe City Council have undertaken numerous strategies and planning studies at a township level there are limited overarching municipal level approaches to housing, industry or rural land use. As such, the approach taken for each town does not necessarily have a clear preferred role defined by policy. This was broadly recognised in the most recent Latrobe Planning Scheme Review 2014.

The Planning Scheme Review identified that while the basis of the Latrobe Planning Scheme is fundamentally sound, implementation of recently adopted strategic work and the undertaking of new strategic work is required to fill identified gaps. *Live Work Latrobe* is, in part, a response to the recommendations of this review.

The Planning Scheme Review identified the need to commission the following (emphasis added):

- Employment and Industrial Land Review including the implications of the new Farming Zone
- Retail demand and supply strategy (excluding bulky goods)
- Rural Land Use Strategy addressing landscape, economic initiatives, environmental, tourism and rural lifestyle considerations
- Housing Strategy inclusive of Neighbourhood Character guidance, housing density, housing diversity and residential design guidelines
- An infrastructure needs analysis for existing and future significant shared infrastructure across the municipality
- A land use response to the state government's Strategic Plan for Coal
- A land use response to the implementation of Gippsland Regional Growth Plan

The Planning Scheme Review identified the need to complete the following:

- Traralgon Activity Centre
- Latrobe Regional Airport Master Plan
- Parking Precinct Plan
- Infrastructure Design Manual
- A land use response to the New Residential Zone Advisory Committee Report
- A land use response to the Hazelwood Mine Fire Inquiry Report

Finally, the Planning Scheme Review also suggested making amendments to the Municipal Strategic Statement, which are currently being undertaken within Planning Scheme Amendment C97, see below.

Municipal Strategic Statement and Planning Scheme Amendment C97

The Municipal Strategic Statement (MSS) is currently being updated through Amendment C97. The amendment proposes to implement the recommendations of Council's recently completed four year Planning Scheme Review (Planning Scheme Review Report, October 2014 – The 2014 Review). The amendment proposes to replace the existing Clause 21 MSS with a new format MSS. The new format MSS is arranged in a manner which better aligns with the format of State policy to provide clearer strategic direction for the municipality.

There are no changes proposed to Clause 22 of the Latrobe Planning Scheme.

The amendment also implements a number of strategic planning projects undertaken and adopted by Council as well as state government initiatives which are relevant to the MSS but not currently incorporated into the Latrobe Planning Scheme.

Key elements of the current MSS included within the Latrobe Planning Scheme are provided within Section 5.5.3.

5.5.1 State Planning Policy Framework

The State Planning Policy Framework provides high level policy directions for planning in Victoria.

Broadly, the State Planning Policy Framework identifies the following, which is considered relevant to *Live Work Latrobe*:

Clause 11 Settlement

This Clause provides overarching principles which needs to be incorporated into the thinking of the future strategies. The key elements identified under this Clause are:

- Health and safety.
- Diversity of choice.
- Adaptation in response to changing technology.
- Economic viability.
- A high standard of urban design and amenity.
- Energy efficiency.
- Prevention of pollution to land, water and air.
- Protection of environmentally sensitive areas and natural resources.
- Accessibility.
- Land use and transport integration.

Clause 11.08 Gippsland regional growth

The Gippsland Regional Growth Plan is considered directly relevant for this project and is considered in more detailed within Section 4.3 of this report.

Clause 12 Environmental And Landscape Values

Latrobe City's natural environment, habitat and biodiversity values should be protected from adverse impacts and threats. There is also the potential for the establishment of formal protection for the preservation of valuable views, vistas and landscape values, however these are not currently well documented and will likely be considered within the future Rural Strategy.

Clause 13 Environmental Risks

This specifically includes policy directions relating to:

- Clause 13.02 Floodplains
- Clause 13.03 Soil Degradation
- Clause 13.04 Noise and air
- Clause 13.05 Bushfire

Bushfire, flood, contaminated land, odour and air quality and geotechnical stability are all issues which occur within the municipality and which will need to be directly considered as part of any future strategy.

Clause 14 Natural Resource Management

Planning is to assist in the conservation and wise use of natural resources including energy, water, land, stone and minerals to support both environmental quality and sustainable development. Specific guidance is provided for the relevant following areas:

- Clause 14.01-1 Protection of agricultural land
- Clause 14.01-2 Sustainable agricultural land use
- Clause 14.01-3 Forestry and timber production
- Clause 14.02 Water
- Clause 14.03 Resource exploration and extraction

The protection of agricultural and resource exploration and extraction are considered particularly relevant to *Live Work Latrobe* and any future strategies will need to ensure that the state level policies are met.

Clause 15 Built Environment and Heritage

These Clauses provide high level policies as to appropriate built form outcomes. It is broadly relevant to all of the future strategies, but will be of most significance when considering any new rezoning which would change expected development types, or encourage additional development or new uses of land.

Clause 16 Housing

This Clause is directly relevant to the Housing Strategy. Generally it seeks to provide a diversity of housing types suitable for people in all stages of life. It also specifically supports affordable and social housing.

Clause 17 Economic Development

Planning is to provide for a strong and innovative economy, where all sectors of the economy are critical to economic prosperity.

Planning is to contribute to the economic well-being of communities and the State as a whole by supporting and fostering economic growth and development by providing land, facilitating decisions, and resolving land use conflicts, so that each district may build on its strengths and achieve its economic potential.

Specific guidance is provided for the relevant following areas:

- Clause 17.02 Industry
- Clause 17.02-1 Industrial land development
- Clause 17.02-2 Design of industrial development
- Clause 17.02-4 Innovation and research
- Clause 17.03 Tourism

The State Policy focus on innovation and research within industrial areas are considered to be highly relevant and a key opportunity for Latrobe City (see Section 9.2 of this report).

Tourism is also a possible opportunity for Latrobe and is supported by this policy.

5.5.2 Local Planning Policy Framework**Clause 21.01 Municipal Profile**

The Municipal Profile recognises the unique physical attributes of Latrobe and the contribution the area's natural resources make to Latrobe City's regional economy, one of the strongest in Victoria. Latrobe City extends across three bioregions, being the Gippsland Plain, the Strzelecki Ranges and the Highlands – Southern Fall. The main industries in Latrobe City in terms of gross revenue generated are electricity, gas and water (26%) and manufacturing (18%), where most of this production is based on processing the local natural resources of coal and timber. Electricity generation forms a major source of employment for the local population.

Comparatively, urban settlement covers a relatively small proportion of the municipality, where approximately 40% of Latrobe City is used for forestry, 30% for agriculture, 10% for coal mining and native vegetation covers 20% of the land area.

The diverse natural and physical characteristics of Latrobe City offer a variety of rural and urban living opportunities for the City's estimated population of 73,000. Approximately 75% of the population live in the main urban centres of Traralgon, Morwell, Moe and Churchill with a further estimated 20% living in rural areas.

Clause 21.02 Municipal Vision

This Clause identifies Council's Vision, based on *Latrobe 2021*, which is envisioned as:

- A vibrant region
- A caring and enterprising community
- A harmonious community
- A sustainable, safe and secure region

Amendment C97 would update the Vision to align with the more recent Latrobe 2026. The updated vision is:

In 2026 the Latrobe Valley is a liveable and sustainable region with collaborative and inclusive community leadership.

Clause 21.02 also includes a Strategic Land Use Framework, which is included overleaf.

Clause 21.03 Natural Environment Sustainability

The natural environment is recognised as Latrobe City's most valuable asset. Preservation and management of the environment forms a central component of Clause 21.03 where Council's Vision seeks to ensure the region's natural assets are managed responsibly and sustainably for the use and enjoyment of the community and future generations.

Latrobe City's extensive presence of native flora and fauna, some of which come under Federal and international protections, have diminished over time through competition with urban development, logging, agriculture, mine expansion, incremental clearing and dieback of paddock trees.

Striking a balance between environmental sustainability and the needs of a regional economy that largely relies on the processing of natural resources will be fundamental to the sustainability of Latrobe City's natural environment.

Clause 21.04-2 Settlement Overview

The towns of Moe, Morwell, Traralgon and Churchill are recognised as being part of a 'networked city' as well as being places with unique characteristics which contribute to the local sense of place and provide diversity. Each town has developed its own role and function with Moe as a service centre; Morwell as a centre for government offices and industry; Traralgon as a commercial centre; and Churchill as a university town.

Notwithstanding the networked city concept it remains Latrobe City Council policy that each town grow in its own right and maintain a 10 to 15 year urban land supply within them. Central to the concept of the networked city is acceptance by the community that higher order services and facilities (such as an art gallery or civic centre) that are provided in only one location can benefit the whole community and not just the town in which they are located. This should continue as the roles of towns evolve over time in response to changing social and economic influences.

The role of the smaller settlements is to provide important diversity of housing and lifestyle as well as function as rural service centres. Local structure plans have been prepared for Boolarra, Glengarry and Tyers. Local structure plans will be prepared for Toongabbie, Traralgon South, Yallourn North and Yinnar. They will guide future land use decisions in these settlements. Commercial and community facilities and services for the townships and surrounding hinterlands should continue to be centralised to provide a focus for each town centre. This development pattern and the social community it engenders are qualities to be pursued and reinforced.

The diversity in housing types available in the municipality contributes to the lifestyle choices provided and the overall attractiveness of the municipality as a place to live and invest. The priorities in all the main urban settlements are on realising opportunities for infill development, diversity of housing types, upgrading areas of public housing, improving residential amenity, while maximising existing infrastructure and community facilities.

Housing stock in some of the larger towns will require urban renewal initiatives to improve the quality and capacity of housing stock throughout the municipality. Future housing growth should be encouraged in future residential areas as designated in the relevant local structure plans.

Given the land use constraints around the major towns there is an increasing need to reduce average residential property sizes so the remaining land is consumed at a more sustainable rate. The location of medium density housing close to activity centres in the main towns and Transit Cities (refer Section 5.4.5 of this report) should assist in strengthening and reinforcing those centres.

Corridors form one of the key elements of the networked city concept. The Moe-Morwell, Traralgon-Churchill, Morwell-Churchill, and Morwell-Traralgon corridors provide transport links facilitating the movement of people and goods within as well as to and from the municipality.

The future of the Morwell-Traralgon corridor will be influenced by the location of the proposed Traralgon Bypass. The state government confirmed 'northern route' provides only limited development opportunities within the corridor on the south side of the highway. While future development is likely to be restricted to the northern side of the highway, there remain development opportunities for residential, industrial, health and airport related activities on this northern side.

Clause 21.05 Main Towns

The MSS states that the, 'urban areas of Churchill, Moe, Morwell and Traralgon are the most populated towns in the municipality' and acknowledged that many areas of the municipality are experiencing a decline in overall population. The MSS recognises there are constraints affecting these towns, including coal and stone mining activities and associated buffers, land subject to inundation, industry, inter-town corridors and land that is fragmented into small rural allotments. The MSS has not been updated since 2010, and estimates a relatively low supply of residential land for these areas.

Specifically, the MSS provides the following objectives relating to the main towns:

- *To provide the flexibility for development to occur in each town to accommodate the needs of its population as well as to contribute to the municipal networked city.*
- *To facilitate development in accordance with the specific Town Structure Plan attached to this clause.*
- *To reduce industrial-residential land use conflicts.*

Clause 21.06 Small Towns

Council's small towns provision aims to, 'promote the responsible and sustainable care of our built environment for the use and enjoyment of the people who make up the vibrant community of Latrobe Valley and develop clear directions and strategies through consultation with the community ensuring sustainable and balanced development.'

The Clause recognises the attractive lifestyle choice the small towns of Latrobe City offer, providing rural living opportunities for those working in the nearby main towns. However, many of these towns have been haphazardly planned, with community and commercial facilities scattered throughout, and further planning is required to provide a development framework for these towns to grow in an orderly, balanced manner. The growth of some of these towns is limited due to the absence or limited capacity of the sewerage infrastructure.

Clause 21.07 Economic Sustainability

Latrobe City forms one of Victoria's strongest regional economies with a strong correlation between the area's natural resources and its economic sustainability. Council's Economic Development Strategy (2007) focused on facilitating investment in six target areas:

1. Energy
2. Forestry, Timber and Paper
3. Food and Agribusiness
4. Advanced Manufacturing and Aviation
5. Services, Tourism and Events, and
6. New and Emerging Industries.

Latrobe City still faces challenges to maintain its transformation and create opportunities that will continue to consolidate its future growth and prosperity. A new Economic Development Strategy is currently being undertaken to develop a long term plan to support the existing sectors and facilitate new opportunities and industries.

While energy and manufacturing have been the dominant sectors, employment in recent times is more widespread with the service sectors now being more dominant. Industry sectors such as health, education, hospitality and finance are also beginning to emerge as vital employers in the local economy. Latrobe City's labour force now totals more than 38,000 persons. The research and education sector also plays an important role in contributing to Latrobe City's economy, particularly in Churchill.

Clause 21.07-3 Coal Resources Overview

The Latrobe Planning Scheme includes extensive discussion on coal resources and associated land management considerations. Further discussion of coal resources and associated considerations is expanded upon at Section 10.1 of this report.

Clause 21.07-7 Industry

The industrial sector has been recognised as having three main dimensions. The first is heavy industrial complex which is currently sustained by the coal and timber resources. The main location of this industrial complex is in the South Morwell area and within the Special Use – Brown Coal zoned areas in association with the power stations and mines.

The second is the emerging industries, for example, those establishing in the Churchill urban settlement taking advantage of proximity to Monash University (now Federation University) or east of Morwell with advantages such as the outfall sewer and other key infrastructure together with the high amenity of the local environment. The third sector is local servicing industry providing for local community needs.

The municipality should maximise the potential for new industry to locate in the municipality through strategic land use and infrastructure investment decisions and pro-active actions with the private sector, providing high amenity as well as functional locations.

The strategic direction is to promote and support the development of existing and new industry and infrastructure to enhance the social and economic wellbeing of the Latrobe City.

Clause 21.08 Liveability

Community liveability includes a number of interrelated elements, including community safety, provision of health services, education services, mobility and accessibility and a 'sense of place'. Community liveability is a concept that relates to the unique combinations of these community assets, the provision of services and the ways in which they make a positive contribution to the community's quality of life.

Latrobe City Council seeks to sustain a strong sense of community in attracting people to live and work in the region with a Vision:

- *To promote and support social, recreational, cultural and community life by providing both essential and innovative amenities, services and facilities within the municipality.*
- *To enrich the vibrancy and diversity of community life through promoting and supporting recreational services and facilities.*
- *To enhance the quality of residents' lives by encouraging positive interrelated elements including safety, health, education, quality of life, mobility and accessibility, and sense of place.*
- *To support arts and cultural opportunities that contribute to the vibrancy and diversity of community life.*

5.5.3 Zoning Controls

The zoning controls within Latrobe as below in Figure 6.

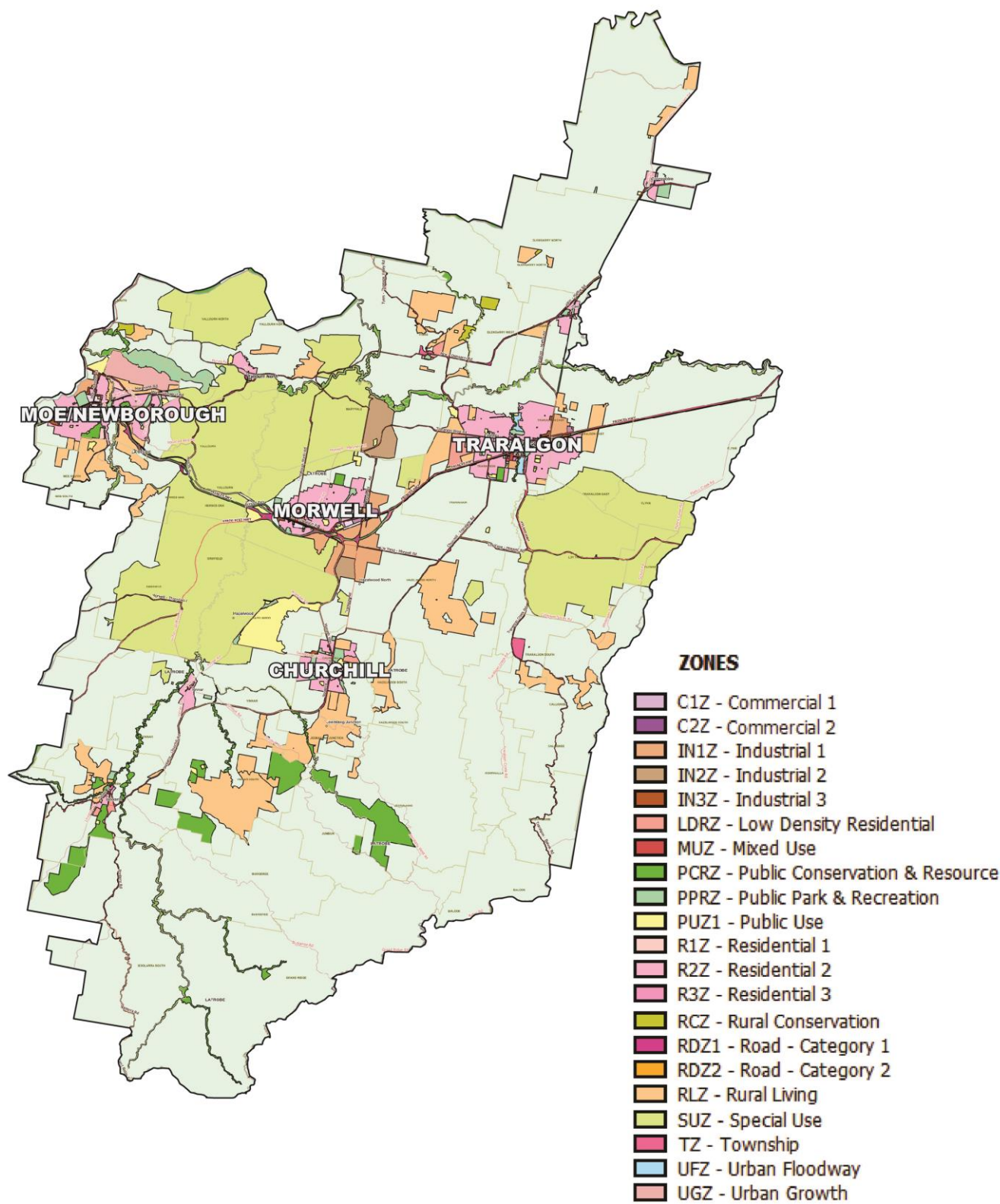


Figure 6: Zoning Map

Source: Meinhardt and Planning Maps Online

6 Towns and settlements

Latrobe City Council and its predecessors have over time made a number of settlement decisions which affect the way Latrobe City looks and functions today. Many of these are reflected in planning policy or plans. A profile of each of the towns and some of the key issues affecting each place is provided below and overleaf. In combination with the Gippsland Regional Growth Plan, described in the previous section, the individual planning frameworks provided for each town give direction for the use and development of land within Latrobe City.

A key consideration for future growth and development of the urban areas of Latrobe City will be the establishment of a 'whole of city' planning approach for the development of a single urban system servicing the broader Gippsland region.

6.1 Moe-Newborough

Moe-Newborough is one of the four towns collectively known as Latrobe City. Located near the western border of the municipality, Moe-Newborough is approximately 130kms east of Melbourne. Moe-Newborough has a population of 18,775 people and given its location is a stopover for tourism in the region (Walhalla, Mount Baw Baw, Lake Narracan).

Moe-Newborough contains a variety of sporting facilities of local and regional significance including the only cycling track in eastern Victoria, Joe Carmody Regional Athletics Track, an Aquatic Centre, Equestrian Centre and number of recreation reserves.

Local policy identifies specific areas to direct new residential development within Moe-Newborough, as well as areas of higher density around the identified Train Station and Activity Centre (Transit City Precinct). It also specifically seeks for the future investigation of the potential to change existing industrially zoned land to residentially zoned land within Area 3, and to protect identified areas of residential and industrial from interface conflicts.

The following land-use constraints affect Moe-Newborough:

- Latrobe City Council and Baw Baw Shire Council municipal boundary to the west
- Lake Narracan to the north
- Waste-water Treatment Facility to the north
- Coal resources and associated industry abutting residential areas to the east
- Yallourn Golf Course to the east

Lake Narracan Precinct Structure Plan (Amendment C86):

The Lake Narracan Structure Plan has recently been approved by the Minister for Planning under Planning Scheme Amendment C86 on 17 December 2015. The Lake Narracan Precinct Structure Plan will allow the development of a new residential community, located between the existing township of Moe and Newborough, and Lake Narracan to the north. The area affected by the Structure Plan is approximately 610ha and is a significant area of land for the town.

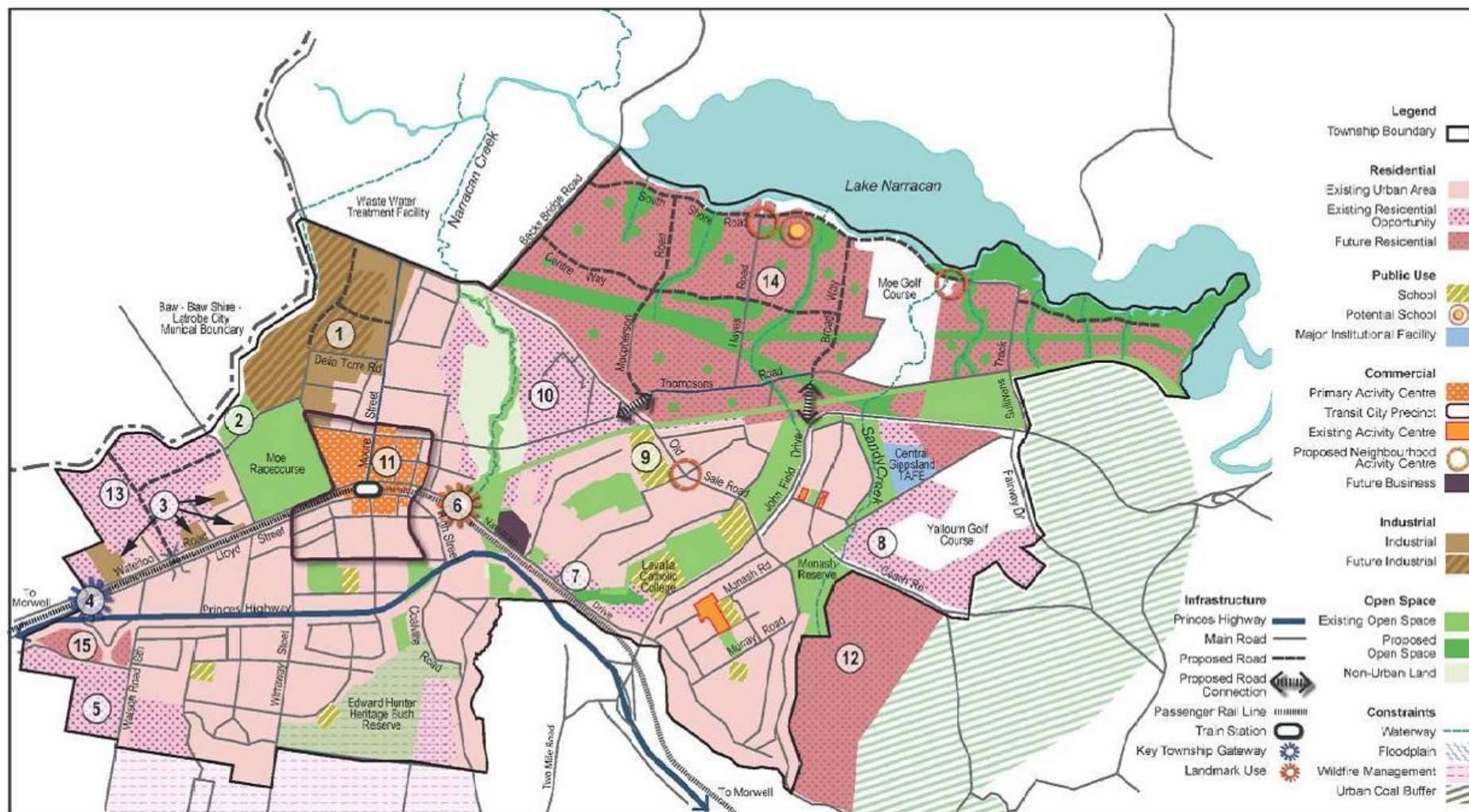


Figure 7: Moe - Newborough Structure Plan

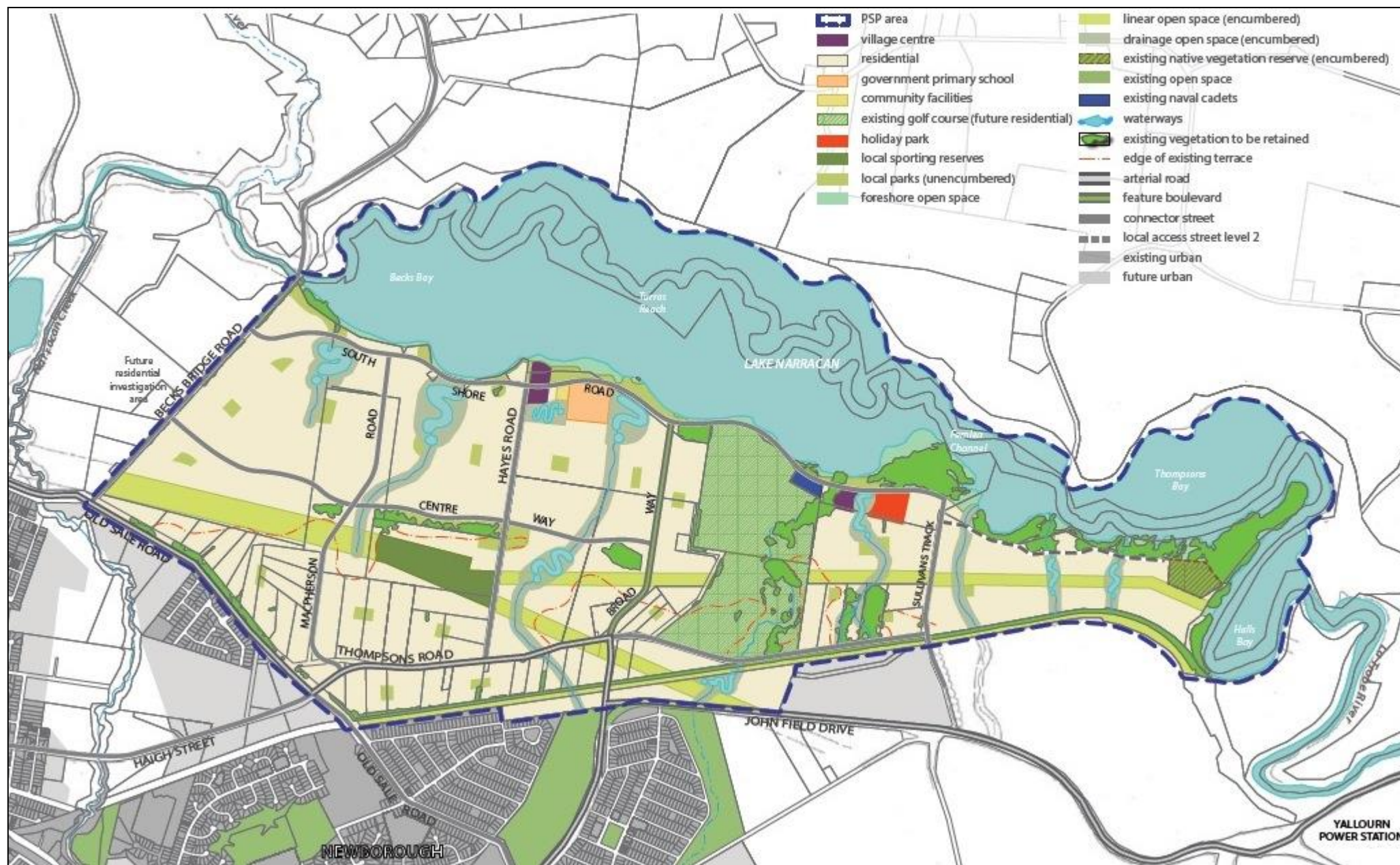


Figure 9: Lake Narracan Draft Precinct Structure Plan

Source: MPA

6.2 Morwell

Situated in the centre of the municipality, Morwell is approximately 150kms east of Melbourne. Morwell has a population of 21,808 people and is the seat of local government and administrative centre for Latrobe City. Morwell contains the Latrobe Regional Gallery, Morwell Rose Garden, Latrobe City Sports Stadium, Ronald Reserve and other various sports and recreation reserves.

The structure planning work undertaken for the area in 2007 (Beca – Morwell Structure Plan, August 2007) identifies a drop in the household size by 2031, consistent with wider assessments of the City undertaken as part of this report by Essential Economics (1.95 persons per household by 2031). The directions contained within the Morwell Structure Plan have been further articulated through work undertaken in the Morwell North Development Plan (CPG 2010) and Morwell West Development Plan (2015).

The Traralgon Growth Areas Review project proposed to extend the township boundary of Morwell and Traralgon (Traralgon West Growth Corridor) and allow the two townships to link together. It is envisaged that the two townships continue to develop with their own distinct character.

Morwell services both local community needs as well as the needs of the regional community with two main retail centres. There are significant areas of industrial land in Morwell; in fact most directions will find land being used for an industrial purpose, including the largest industrial area to the southeast of Morwell – Hazelwood Opencut Coal Mine. To the north of Morwell, residential growth has extended to abut the industrial area containing the Australian Paper Mill at Maryvale.

Morwell is ringed by a variety of land-use constraints:

- Coal resources and associated industry abutting residential areas to the north and south
- The two creeks (Waterhole Creek and Plough Creek) that run north-south near/through Morwell
- A major gas pipeline that runs north-south along the eastern border of Morwell
- Highway to the south
- The Latrobe Regional Airport to the east
- High Voltage Powerlines which surround the larger area of the township
- Flood plains which occur in various locations within the town

A number of land use planning anomalies have occurred historically as the town grew, with several industrial pockets now surrounded by residential uses. The future Industrial and Employment Strategy will consider if these industrial areas are appropriate to transition to residential uses, or if they should remain as industrial land.

6.3 Churchill

Churchill was established in the 1960's to service the Hazelwood Power Station and to replace the Yallourn Township. Due to its strategic placement and proposed population, the town aimed to accommodate an ultimate population of 40,000 people. The current population of Churchill is approximately 5000, and therefore the town has a good supply of undeveloped land and open space.

Churchill is home to the Gippsland Campus of Federation University and the Gippsland Education Centre and is host to the GREEN Inc Technology & Business Development Centre which provides a space for research and innovation for Gippsland.

The Churchill Structure Plan 2007 (Beca) identified that the Churchill town centre suffered from a lack of cohesion and connectivity. This was addressed through a Town Centre Plan, and further resolved through the Churchill East West Link Masterplan and Urban Design Framework 2013.

The Churchill Structure Plan identified that Churchill was able to accommodate a significantly higher level of growth than other towns within Latrobe City, however a high rate of growth was considered unlikely. The Structure Plan articulated key opportunities for the township including building on its position in Latrobe City and Gippsland as a centre for education, and promoting higher density development within the inner core of the township to promote vitality. The challenges of transport routes and movement, particularly relating to the lack of fixed rail access to the town as opposed to other towns within Latrobe City, are recognised as being a key obstacle to overcome.

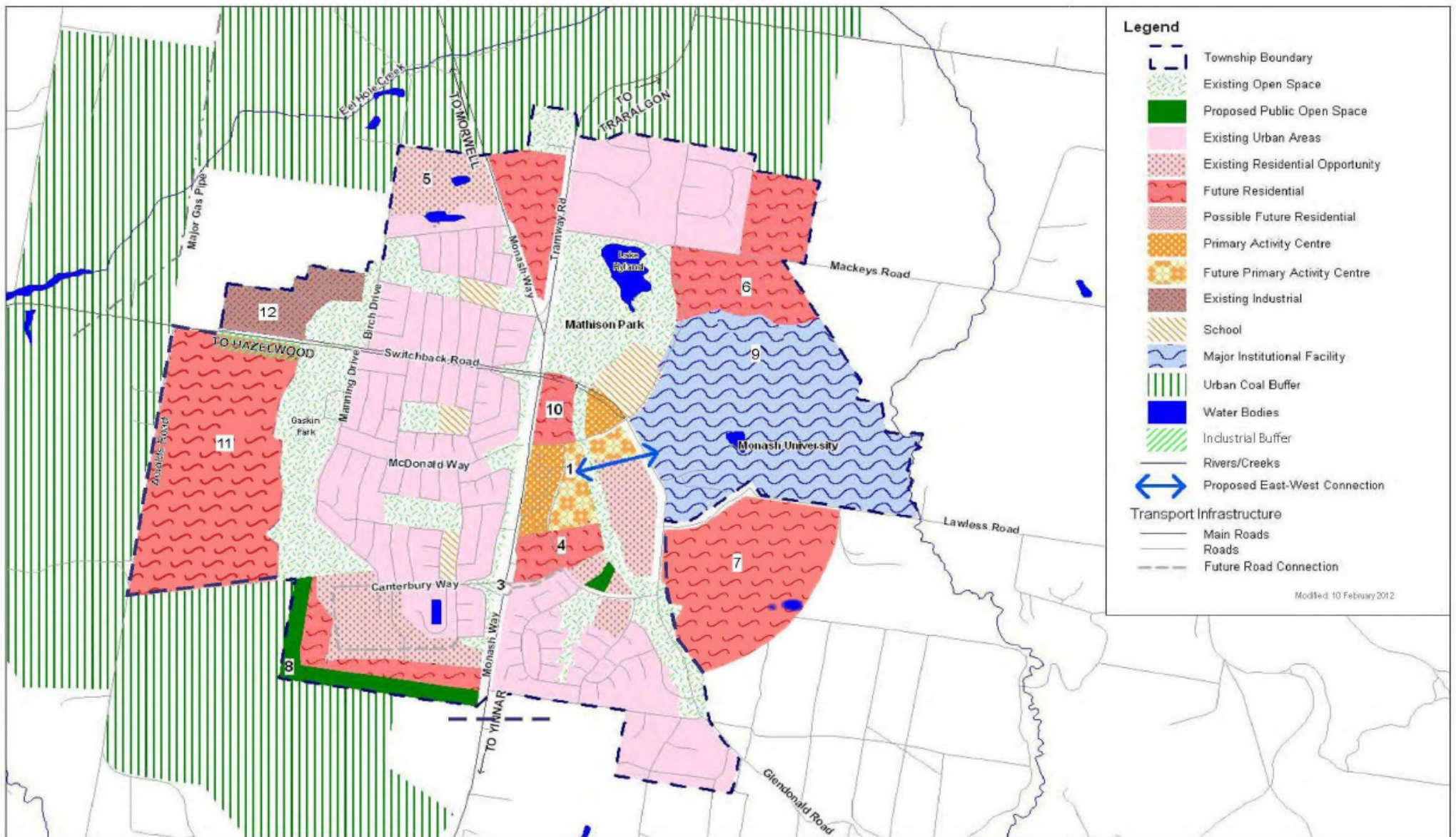


Figure 11: Churchill Structure Plan
 Source: Latrobe Planning Scheme

6.4 Traralgon

Settled in 1844 Traralgon is the largest town in Latrobe City, and the broader Gippsland region. With a population of approximately 26,038, Traralgon is home to the Latrobe Performing Arts Centre, the Latrobe Regional Airport, and a variety of shops and recreation opportunities.

A popular township, Traralgon has been identified as having a significant shortfall in residential land in relation to the other Latrobe City towns (*Latrobe City Council Residential & Rural Residential Land Assessment*). This work prompted the Traralgon Growth Area Review, which is discussed in further detail below. Growth is limited by a number of physical and land use constraints including:

- Power stations to the south
- Coal mine to the south
- Paper mill to the west
- Plantations to the west
- Major gas pipelines to the north
- Regional airport to the west
- Flood plains to the north and running north-south through the township
- The proposed Princes Highway realignment.

The GRGP acknowledges the importance of Traralgon and Morwell in terms of providing regional level catchments. The Traralgon Central Business District and Mid Valley Shopping Centre serve catchment populations estimated to be in excess of 160,000 people. These are the most significant higher order catchments in the Gippsland region by a significant magnitude. Although the long-term forecast population growth rates for both catchments are of the order of one per cent per annum over the period 2011 to 2031, this will be sufficient to take both catchments to over 200,000 people.

Latrobe City Council initiated the Residential and Rural Residential Review (2009) to review the supply of residential land available within Traralgon and surrounds to accommodate likely future development. A key factor for Council in undertaking this work was the State Government decision to nominate the northernmost alignment for the future Traralgon Bypass. This decision had 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 (now agreed) bypass alignment.

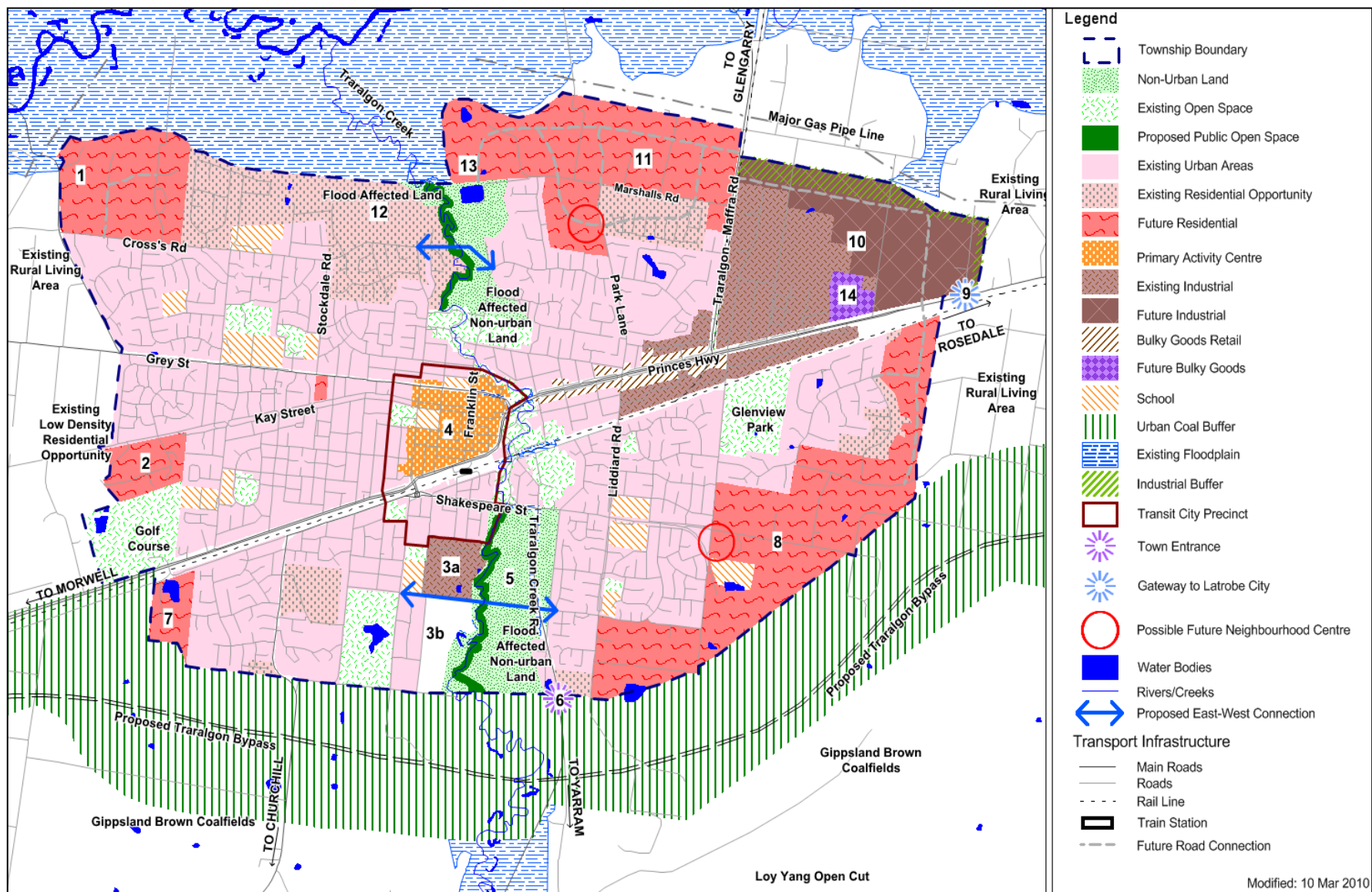


Figure 12: Traralgon Structure Plan

Source: Latrobe Planning Scheme

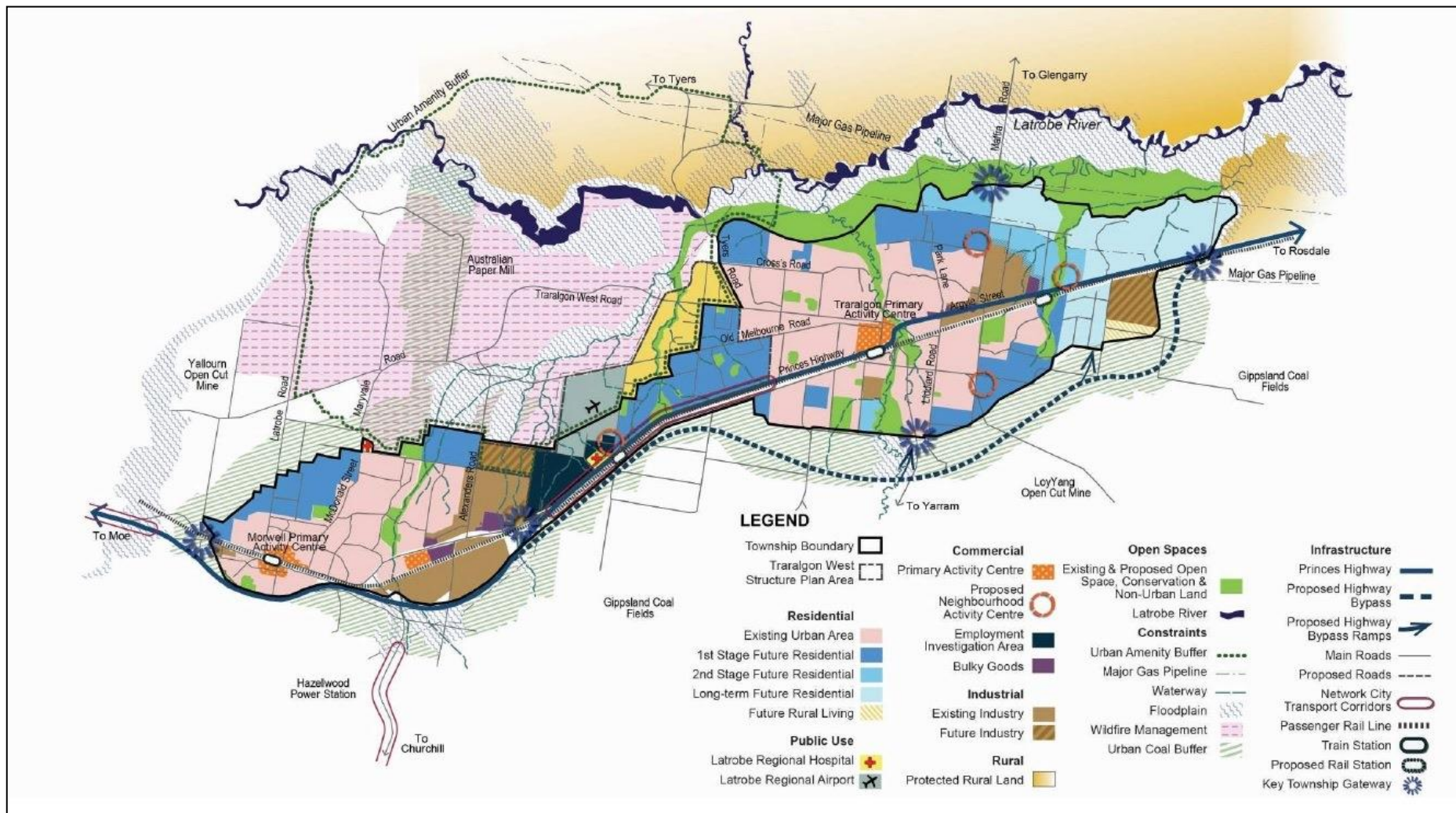


Figure 13: Traralgon Growth Area Framework Map

Source: Latrobe Planning Scheme

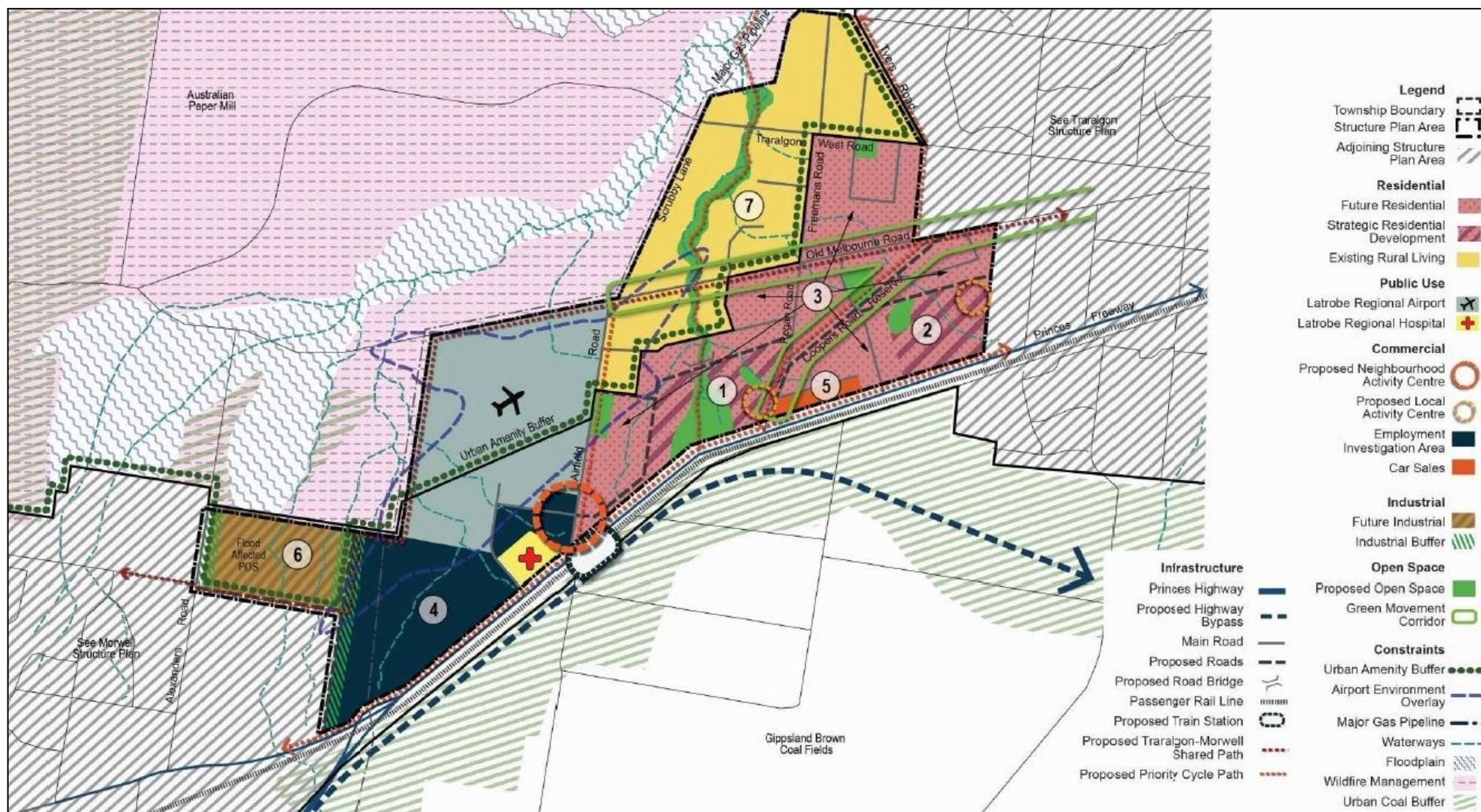


Figure 14: Traralgon West Structure Plan

Source: AmC87

More recently, work has been undertaken to produce the Traralgon Growth Areas Review 2013 (TGAR).

Adopted by Council on 28 April 2014, TGAR undertook a detailed analysis of the various constraints to growth for the town and sought to identify appropriate land which was appropriate to accommodate the expected future growth. TGAR seeks to provide a framework for growth until 2051, allowing strategic decisions to be made in a coordinated manner.

TGAR is proposed to be implemented into the Latrobe Planning Scheme through Planning Scheme Amendment C87. Amendment C87 was publicly exhibited and considered at Panel on 20-23 April 2015. The Panel Report was released on 23 June 2015. Latrobe City Council are now considering the recommendations of the Panel Report.

As part of their recommendations, the TGAR Panel noted the following:

- In relation to the coal mine, geotechnical evidence indicates significant ground instability associated with the Loy Yang coal mine beyond the one kilometre coal buffer area and that existing monitoring is inadequate to determine the extent of this activity.
- The Panel concludes that the precautionary principle should be applied by excluding land within two kilometres of the coal mine from future urban expansion on an interim basis until better defined geotechnical evidence is available.
- In relation to the paper mill, the Panel understands the concerns of both residents who supported the proposed urban amenity buffer and those who opposed it.
- The reality is a large proportion of Traralgon is located within the 5 Odour Unit contour. This contour would normally be applied as a buffer to restrict sensitive uses. However these circumstances do not exist because a significant level of sensitive land uses have encroached into the paper mill's buffer since it commenced operation in 1937.
- Taking into account this reality, the Panel recommends that urban amenity buffer be identified at the 10 Odour Unit contour in all strategic documentation and the Latrobe Planning Scheme. This buffer should not be open to any further negotiation because it reflects proven science and is already compromised.
- However, council may seek to have different land use responses within the buffer, depended on location. This will be considered by council as part of a future process to implement the Traralgon Growth Areas Plan.

The Traralgon West Structure Plan was undertaken as part of the TGAR project (refer Figure 14: Traralgon West Structure Plan). The Traralgon West Structure Plan seeks to shape the future development of a significant area of land strategically located between the Latrobe City towns of Morwell and Traralgon. Critically, the Structure Plan would result in Morwell and Traralgon being connected, without the rural land use separation which traditionally separated the two towns.

6.5 Small Towns

Latrobe City is unique in that there are a number of small townships and rural living settlement areas situated away from the main activity centres. As recognised in Council's MSS, the small towns of Latrobe City offer attractive lifestyle choice, providing rural living options nearby to the main towns of Latrobe City. The communities in Latrobe City are small but close, with residents often opting to utilise shops, schools and community facilities provided within the small towns.

While the Small Town Structure Plan was undertaken by NBA Group in 2010, looking at Tyers, Boolarra, and Glengarry, towns such as Toongabbie, Traralgon South, Yallourn North and Yinnar have limited guidance for future land use and development.

The attractiveness of the small townships within Latrobe City is an important consideration in forecasting future supply and demand for a range of housing and lifestyle opportunities and ultimately impacts upon the future growth and expansion of townships.

Toongabbie, Yinnar, Traralgon South and Yallourn North have limited guidance in relation to land use and development and significant further strategic work is required to provide a comprehensive approach to future development in these areas. Residents have also registered frustration with the lack of coordinated planning of these areas.

6.5.1 Glengarry

Glengarry township and the surrounding district have an estimated population of 1156 (Census 2011). Key community infrastructure includes preschool and maternal and child health centre, primary school, large recreation reserve (including football, cricket and netball facilities), skate park, rail trail and community hall. The town is also supported by a small retail area, including supermarket, food and beverage retailers, public bar and restaurant. The settlement pattern comprises single detached dwellings on large lots, with low density and rural living areas to the south of the township.

Given its close location to Traralgon, Glengarry could be designated to accommodate residential overflow from the larger town. It is not free from constraints however, with some land affected by flooding, particularly land adjoining the Eaglehawk Creek.

Gippsland Water indicated in 2010 that, 'the existing reticulated water and sewerage system capacity is able to provide for approximately 100 additional allotments without the need for significant infrastructure upgrade' (NBA Structure Plan). Areas 5 and 6 within Glengarry (see map overleaf) have recently been rezoned and may consume the sewer system capacity when developed.

TGAR identified that Glengarry is relatively unconstrained and development of Glengarry should take a more efficient 'urban form' (responsive to the rural township character) rather than low density residential, with the exception of specific land parcels identified within the Small Town Structure Plan and areas affected by flooding. TGAR identified that low density and rural residential development should be provided only in the identified area adjacent to Glengarry and in discrete locations which do not compromise the logical outward expansion of the town in the very long term.

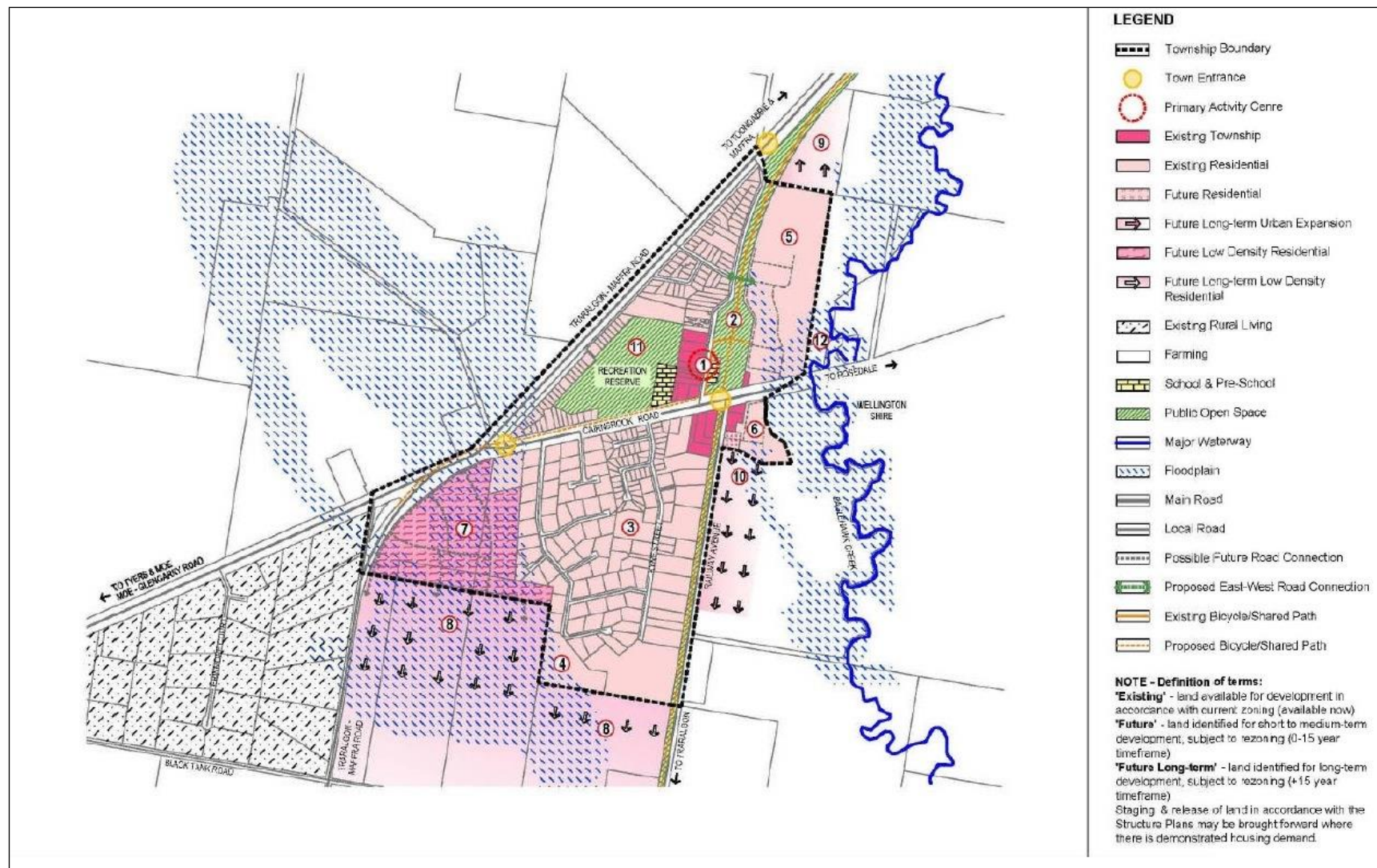


Figure 15: Glengarry Structure Plan

Source: Latrobe Planning Scheme

6.5.2 Tyers

Tyers and its surrounding rural living areas have an estimated population of 821 residents (census 2011). The community is serviced by a preschool, primary school, large recreation reserve (comprising soccer, football, tennis, netball facilities and club rooms), BMX track, and historic community hall. The town is supported by a service station and general store. The settlement pattern comprises houses on relatively small lots (which have resulted in wastewater treatment concerns); with large rural living areas to the north and east of the town centre. A large low density residential development opportunity has been identified on the town's Structure Plan, included within the Latrobe Planning Scheme.

The 2010 Structure Plan identified that Tyers provides accommodation opportunities for workers from Morwell and Traralgon, however supply of new residential land was limited. The most significant constraints for growth is the lack of reticulated sewerage for the town. Whilst Council is strongly supportive of reticulated sewer connection for Tyers, this is managed by Gippsland Water and is not expected to be provided in the near future (Small Town Structure Plans).

In terms of future growth of the township, in addition to a lack of reticulated sewer, there are other constraints affecting Tyers. These include topographical and environmental constraints, such as bushfire constraints and land use buffers, and particularly the proposed Australian Paper Urban Amenity buffer.

The TGAR review identified that Tyers has the potential to play a significant role for providing lower density lifestyle lots, particularly given the intensification of land south of the Latrobe River. TGAR recommended support for the ongoing expansion of Tyers for low density lifestyle developed within identified areas, subject to appropriate consideration of bushfire risk and appropriate management of other factors, most significantly the Australian Paper buffer requirements and appropriate onsite wastewater management.

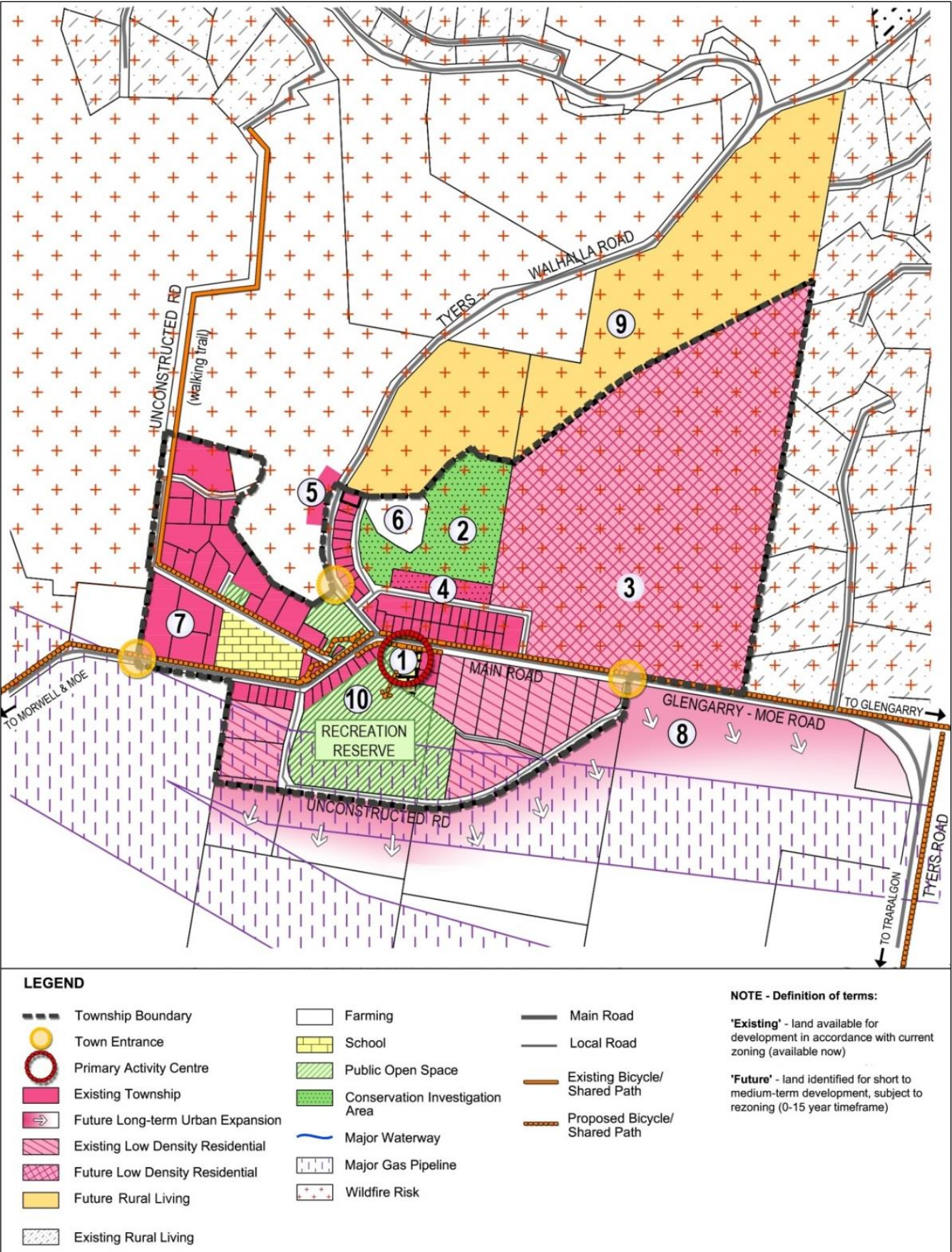


Figure 16: Tyres Structure Plan
 Source: Latrobe Planning Scheme

6.5.3 Boolarra

The Boolarra township and district have an estimated population of 1128 (census 2011). The town is located to the south of Latrobe River, at the foothills of the Strzelecki Ranges, with direct access to the Grand Ridge Road and Tarra Bulga National Park. Significant infrastructure within the township includes a preschool, primary school, large recreation reserve (comprising cricket, football, netball and tennis facilities), equestrian park, community hall and multi-purpose building, men’s shed and rail trail. There is also a general store and post office, with minor retail spaces, hotel, restaurant and public bar. The town comprises a range of township small lots, with single detached dwellings on larger residential lots to the south of the township centre. There is also extensive rural living areas surrounding the township boundary.

The town is serviced by reticulated water and sewer infrastructure, which presently has limited capacity for growth.

The Structure Plan work undertaken in 2010 identified no requirement to provide additional residential, low density residential or rural living zoned land over and above existing zoned land in Boolarra. Local policy supports infill development within the identified areas of the township of Boolarra.

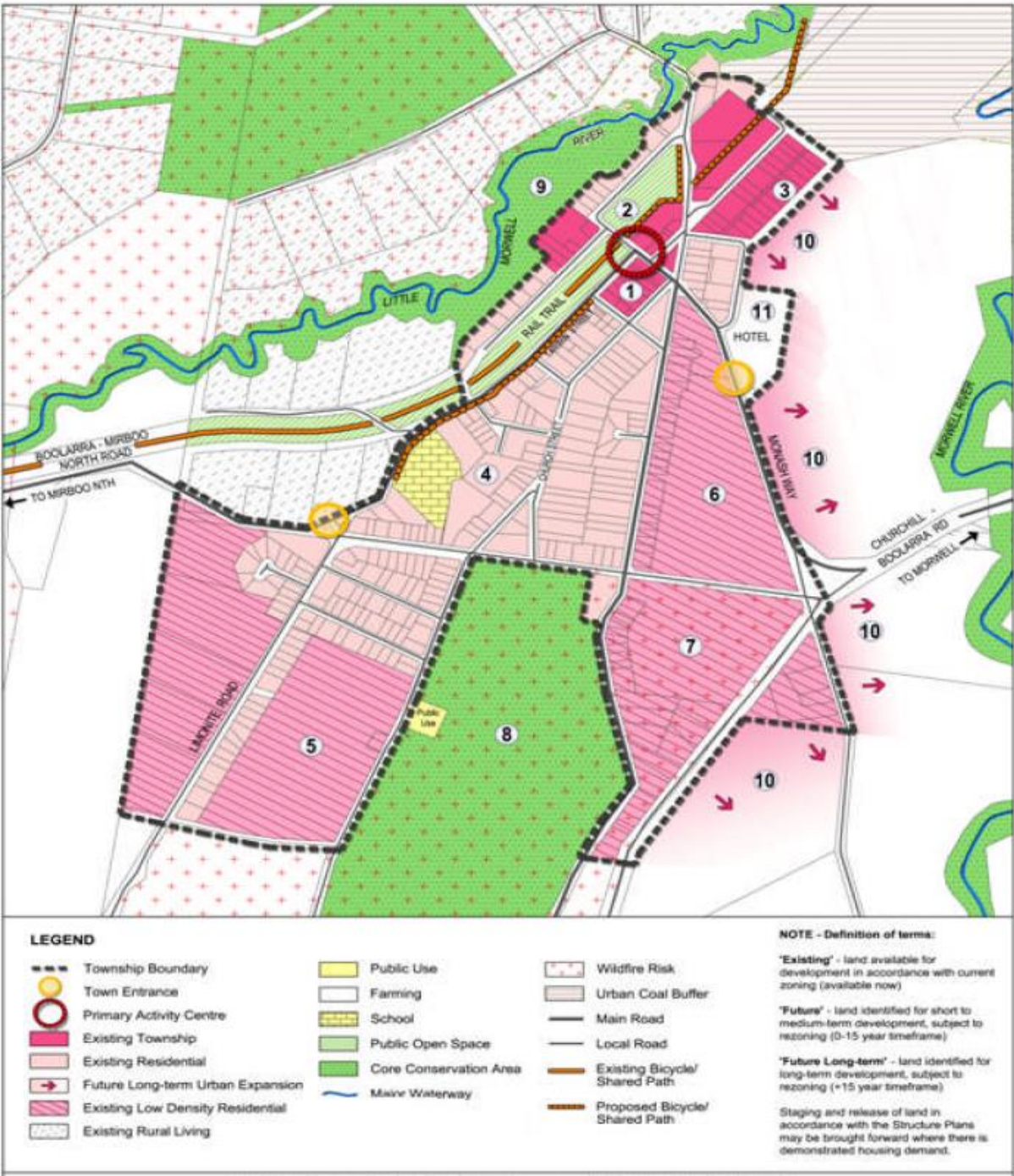


Figure 17: Boolarra Structure Plan

Source: Latrobe Planning Scheme

6.5.4 Toongabbie

Toongabbie is an historical town, first established in 1862 as a key stop-over point for travellers entering the Walhalla goldfields. Today the township and surrounding rural living areas supports an estimated population of 914 residents (census 2011). Key community infrastructure includes large recreation reserve (comprising cricket, football, tennis and netball facilities), equestrian park, skate park, golf course and is home to the locally renowned historical Mechanics Institute and cricket grandstand. The town is also supported by service station and general store.

The settlement pattern is made up of primarily single detached dwellings, on large lots with extensive rural living areas to north of the town. Toongabbie is serviced by reticulated water and sewer infrastructure, which presently has limited capacity to support additional growth.

Unlike Boolarra, Tyers and Glengarry, Toongabbie does not have an existing Structure Plan and there is limited policy guidance as to the preferred future of the township represented in the Latrobe Planning Scheme.

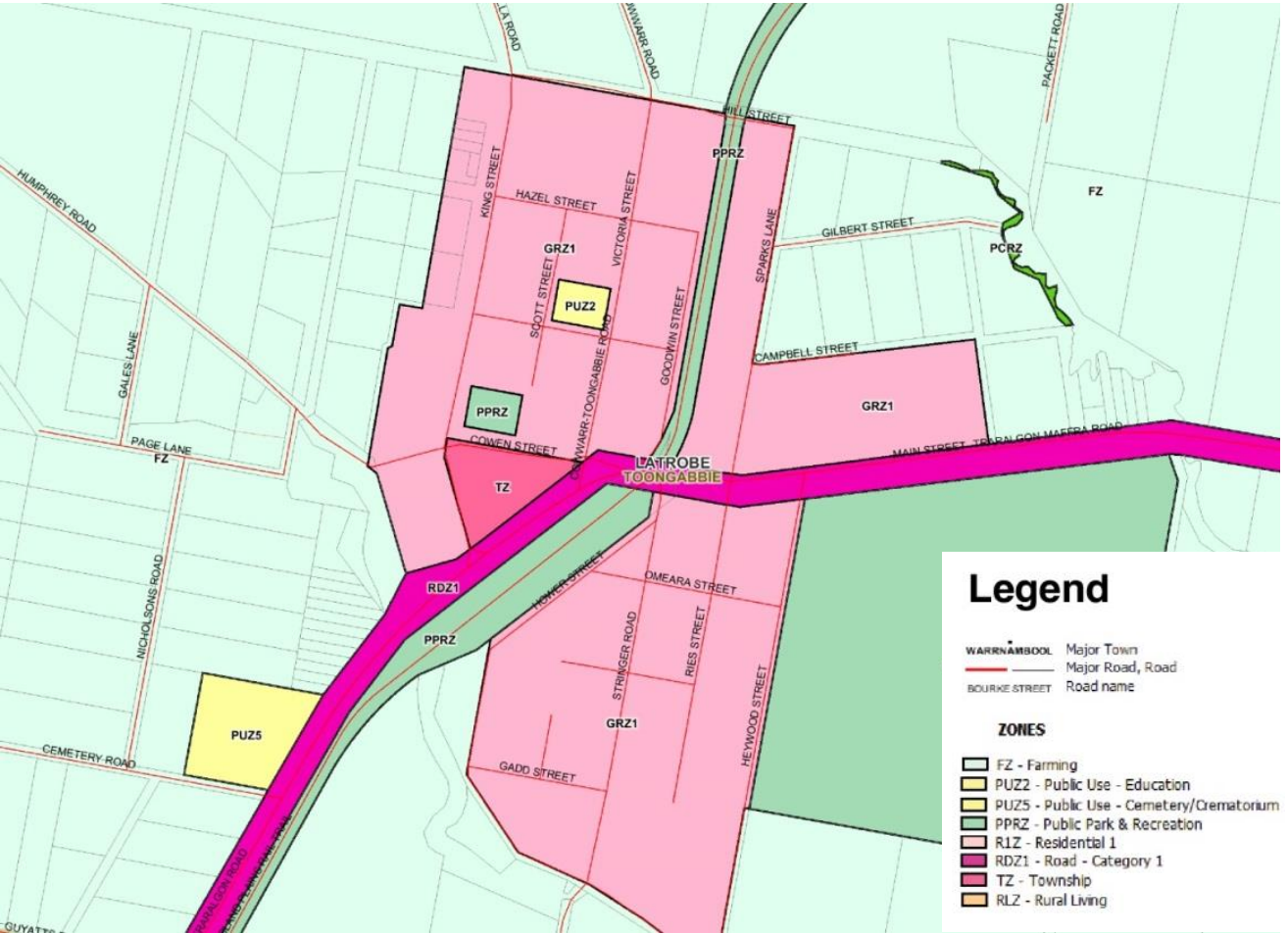


Figure 18: Toongabbie zoning map

Source: Latrobe Planning Scheme

6.5.5 Traralgon South

Traralgon South and the surrounding rural living district is home to a population of approximately 834 (census 2011). Key infrastructure within the town includes pre-school, primary school, large men’s shed, community hall, bushland reserves and trails, large recreation reserve (comprising cricket, football, badminton and tennis facilities) and general store.

As with Toongabbie, there is no existing Structure Plan for Traralgon South, and limited guidance in Local Policy. Latrobe City Council has prepared a draft Structure Plan for the township covering the residential areas and recreation reserve; however these have not been formally endorsed. The town is connected to reticulated water supply, although there is no wastewater infrastructure available, which has required the settlement pattern of single houses although on large lots to accommodate on-site wastewater treatment.

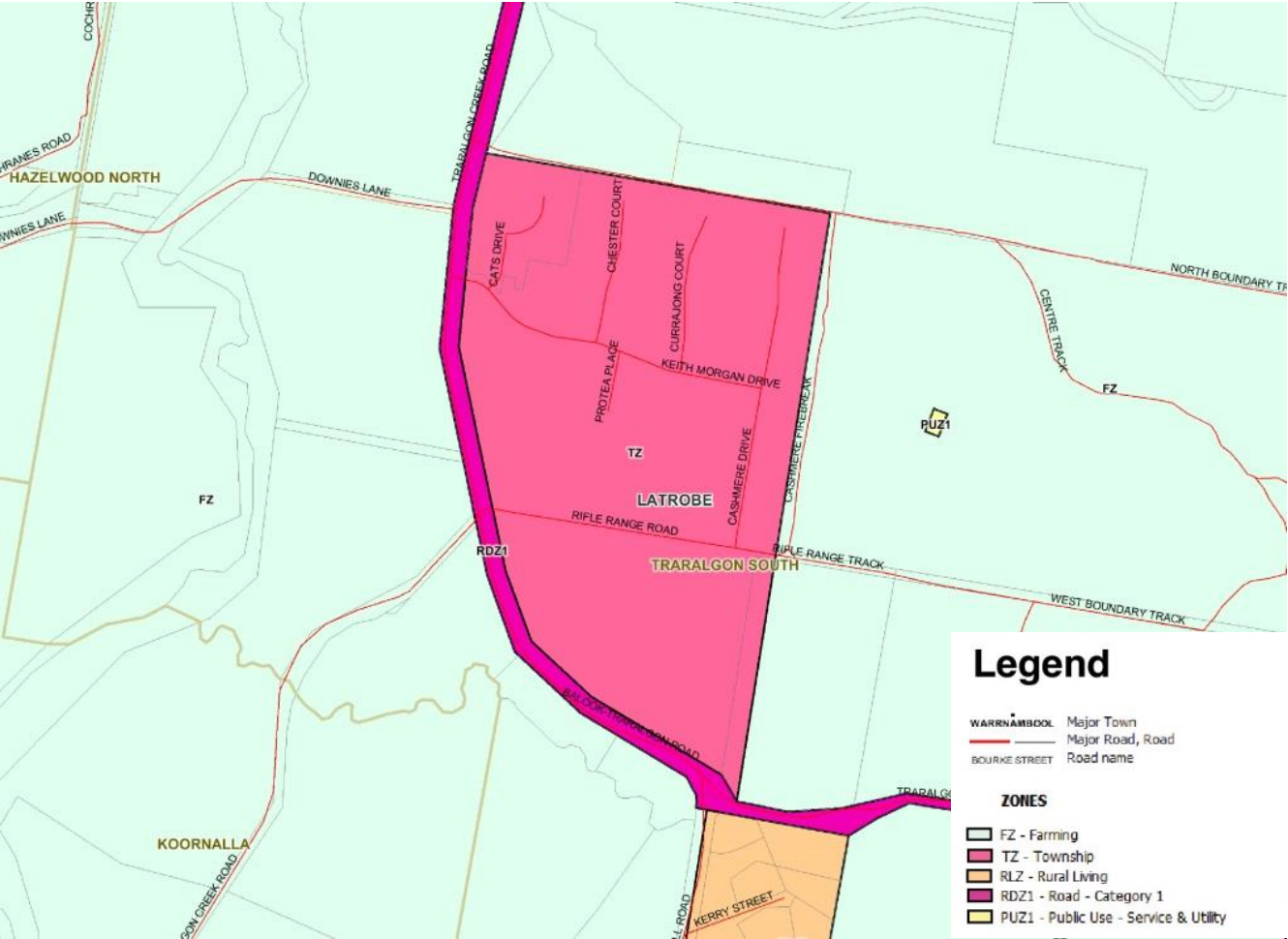


Figure 19: Traralgon South zoning map

Source: Latrobe Planning Scheme

6.5.6 Yallourn North

The Yallourn North township has a larger population than Latrobe City’s other small towns, with an estimated population of 1493 (census 2011). Key community infrastructure includes an outdoor swimming pool, community hall, two large recreation reserves, preschool, primary school, close proximity to Lake Narracan, Bowls Club, Old Brown Coal mine museum, skate park and BMX track. The town is also supported by a small retail precinct comprising supermarket, takeaways, public bar and restaurant. The settlement pattern comprises predominantly single detached dwellings on comparatively smaller lots, with rural living and low density areas to the north– west of the town. The town is serviced by both water and sewer infrastructure, with limited capacity to support new growth.

There is no existing Structure Plan for Yallourn North, and limited guidance is provided in Local Policy regarding new development opportunities.

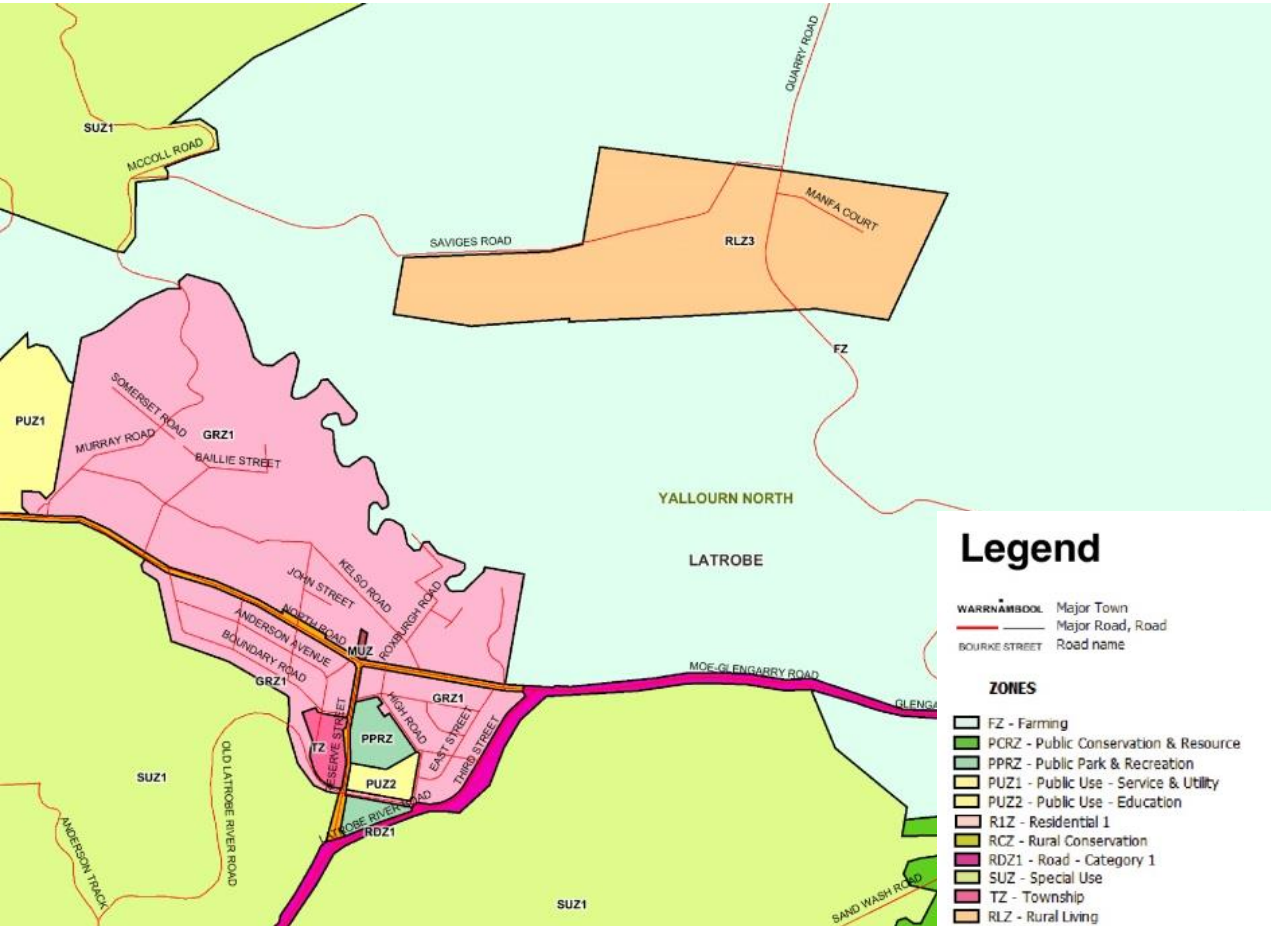


Figure 20: Yallourn North zoning map

Source: Latrobe Planning Scheme

6.5.7 Yinnar

The Yinnar township and rural living district is located south-east of Churchill with an estimated population of 1090 (census 2011). Key community infrastructure includes a maternal and child health centre, pre-school, primary school, large recreation reserve (comprising large grandstand, football, cricket, netball and tennis facilities), skate park, community gardens, Arts Resource Collective centre (located in the historical butter factory building), small shopping strip, public bar and restaurant. The settlement pattern comprises predominantly single detached dwellings, with a recent residential subdivision providing new/ modern housing developments. The town is serviced by both water and sewer infrastructure, with limited capacity for significant urban expansion.

There is no existing Structure Plan for Yinnar, and limited guidance in Local Policy.

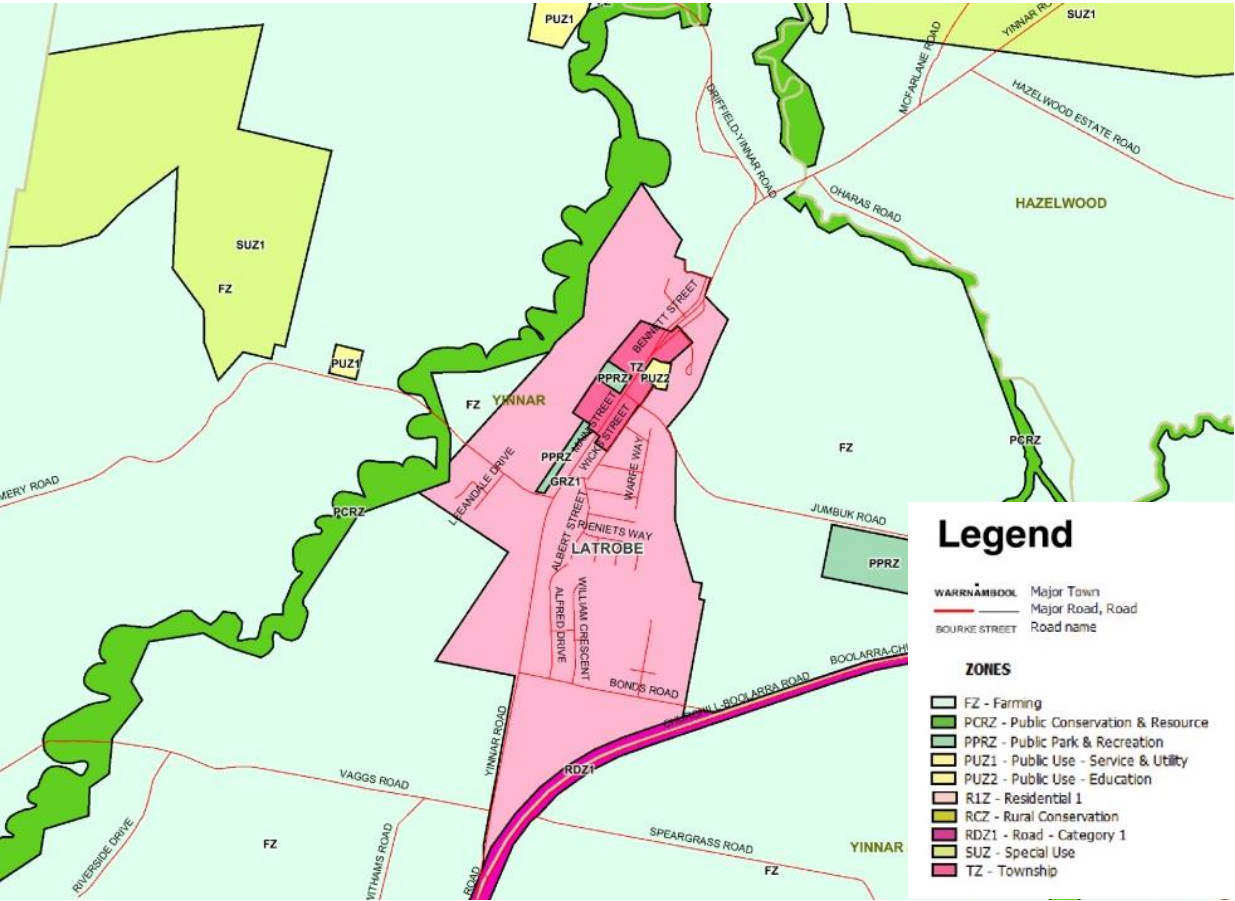


Figure 21: Yinnar zoning map
Source: Latrobe Planning Scheme

6.6 Other Settlement areas

In addition to the small towns recognised by the Latrobe Planning Scheme there are rural living areas.

Isolated subdivisions are another form of rural living found in the municipality. Some of these areas include:

- Hazelwood North (Rural Living Zone)
- Hazelwood South (Rural Living Zone)
- Jeeralang (Rural Living Zone)
- Jeeralang Junction (Rural Living Zone)
- Calignee (Farm Zone)

An emerging issue in the rural living area relates to amenity concerns associated with animal husbandry and other agricultural pursuits. Further discussion and assessment of rural residential land opportunities within Latrobe City is provided at Section 9.3.5 of this report.

7 Infrastructure

Infrastructure includes basic physical and organisational services and facilities to support populations in their everyday living and industries in their operations. It includes transport infrastructure such as roads, rail and airports; civil infrastructure such as electricity, water, sewer and communications; and community infrastructure such as parks, playgrounds, community and education centres, and sports and recreation places and spaces. All of these types of infrastructure require consideration when planning for communities, however, many of these infrastructure elements sit outside the direct responsibility of Local Government.

... there is a well-defined nexus between land use planning and the provision of infrastructure.

The types of infrastructure available to communities influences the way in which they can operate. For example, dwellings without access to sewer infrastructure need to manage waste water onsite, generally meaning they require larger lot sizes, and some types of industry require access to particular types of infrastructure services in order to operate effectively. It is well recognised that strong community facilities and services provide a sense of place and wellbeing for communities. Accessibility and connectivity to these services and facilities is important to ensure all people can participate and actively contribute to their community.

The Gippsland Regional Growth Plan acknowledges that 'historically, growth has occurred without adequate consideration of infrastructure needs which can frequently result in existing infrastructure being inadequate or undersized'. It further notes, 'the major constraints that appear common across most local government areas is the availability of funding for existing and new infrastructure'.

As articulated in the current Infrastructure Victoria 30 year plan, there is a well-defined nexus between land use planning and the provision of infrastructure. A clearer understanding of what Latrobe City's role at the Victorian, regional and local level will assist both infrastructure provisions and land use planning for the municipality. This will be an ongoing consideration for future work undertaken as part of *Live Work Latrobe*.

7.1 Water Supply and Sewer infrastructure

Latrobe City Council have advised that most of Latrobe City's towns have a reticulated water and sewerage network, with each of the main towns having capacity for growth. Smaller towns and rural settlement areas have limited capacity to expand existing water and sewer infrastructure; or are not connected to mains water or sewer at all. Instead, they rely on septic tanks or localised treatment plants to dispose of waste. The capacity for significant growth across the majority of smaller townships will therefore be reliant on the ability to appropriately address water and wastewater requirements.

Some parts of the municipality are within declared water supply districts, and without sewer, these locations are limited to for small lot growth.

Latrobe City Council have advised that the water supply systems that service Latrobe City urban areas and industry have significant raw water resource and infrastructure capacity to support growth; which may support significant investments in new industry requiring access to reliable water supplies. In addition, due to the existing heavy industry waste water treatment needs, the existing sewerage and wastewater treatment facilities may cater for new industry growth and expansion (depending on location).

Future work, particularly relating to additional growth or changing land use patterns will need to consult the relevant water management authorities and the EPA to ensure water, wastewater and sewer are appropriately considered.

7.2 Electricity supply

Electricity infrastructure is extensive in Latrobe, owing to the Latrobe Valley production of nearly 90% of Victoria's electricity. All towns are connected to mains electricity and many industrial areas are well located to access the significant electricity infrastructure. Community and stakeholder consultation identified the availability of reliable electricity as being a key opportunity for new industrial land uses.

It has been well publicised that the energy market is currently under transformation. This report does not provide detailed account of these issues, but acknowledges the work done to date by local, State and Federal Governments, most significantly Council's document *Positioning Latrobe City for a Low Carbon Emissions Future*. The future strategies will consider the role that land use planning can play in addressing these opportunities and threats which are faced by Latrobe City in relation to the future energy market.

7.3 Gas

Latrobe City Council advises that gas supplies are not readily available to all parts of Latrobe City. The Gippsland Regional Growth Plan identifies that the Moe-Newborough, Morwell, Traralgon and the Sale to Maffra transmission pipeline supply systems do not have the overall capacity to support the high population growth scenario, that is, the VIF 2012 projection plus an additional 20 per cent, using the infrastructure currently in place. While residential land uses are not dependent on reticulated gas, it may negatively impact the attractiveness of Latrobe City to industries.

A submission from APA Group to *Live Work Latrobe* included the map below, which shows two Transmission Gas Pipelines through the municipality of Latrobe City (shown in red). Gas Transmission Pipelines and their buffer areas require specific consideration as part of any rezoning or development.

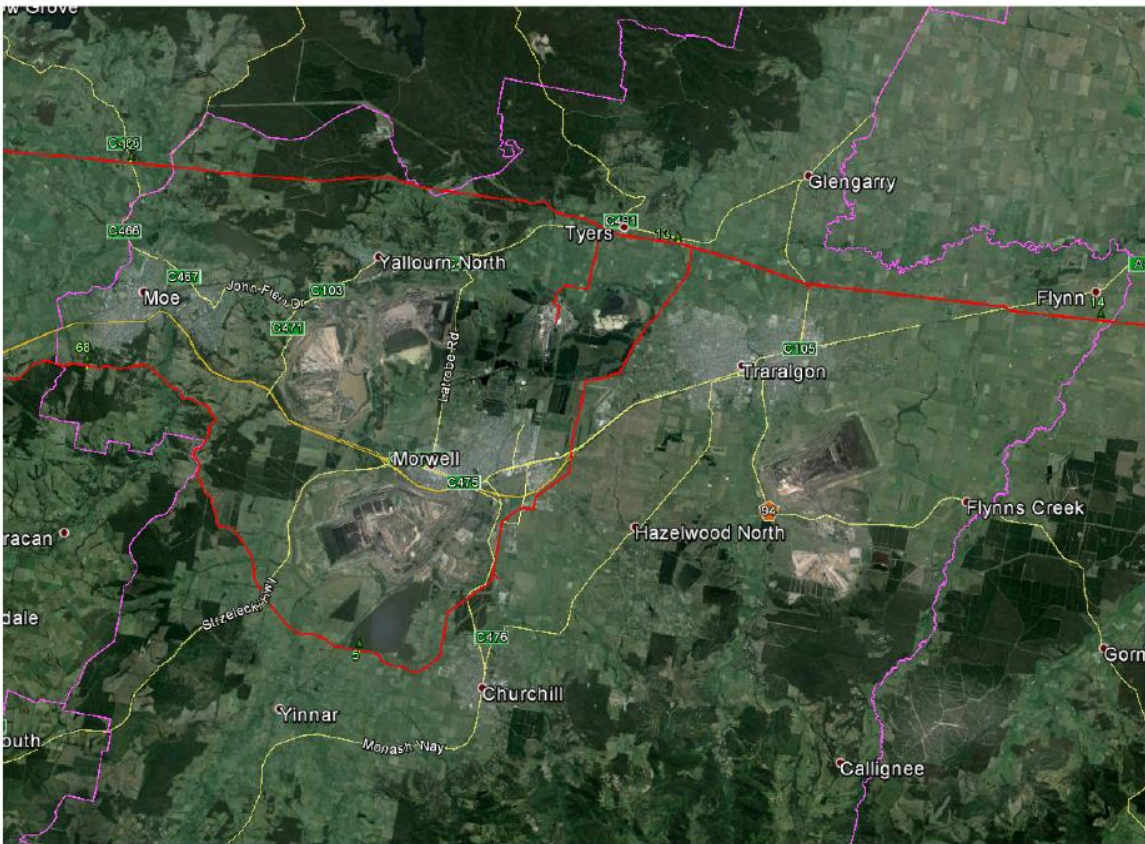


Figure 22: APA GasNet Transmission Gas Pipeline
Source: APA Group

7.4 Transport Infrastructure

Latrobe City has access to readily available transport infrastructure. The road and rail links are the region’s main connectors and provide efficient access to Melbourne, commercial ports and other states.

The Gippsland Regional Growth Plan notes “efficient transport connections are needed to provide access to services and employment across Gippsland as well as inter-regional destinations. As the region’s population continues to grow and change, it is important to plan transport infrastructure projects to promote enhanced connectivity, capitalise on economic opportunities and monitor the demand and the viability of providing additional public transport services.”

The Princes Highway and the V/Line train service provides east-west transportation link to Latrobe City and the region, connecting Melbourne to four of Gippsland’s local government areas and to settlements including Drouin, Warragul, Moe-Newborough, Morwell, Traralgon, Sale and Bairnsdale, as well as the Gippsland Lakes.

Public Transport

The V/Line train services are a key element of the public transport mix for Gippsland. V/Line data for Gippsland notes that there were 2,003,752 trips for the 2013/14 financial year, which was up from 1,893,156 in the previous year. There are already serious congestion and capacity issues on peak hour V/Line trains, and there is an urgent need for additional carriages, services and improved reliability. Many of the people moving into region are commuting to the city for work each day and this will exacerbate this need (Gippsland Regional Plan).

The V/Line connections between Moe/Newborough, Morwell and Traralgon offer support and reinforcement to the networked city approach, although improvements to services are required to realise this potential. In this regard, the work currently being undertaken as part of the Bendigo Metro Rail offer an interesting example of rail improvements which enhance Regional Cities within Victoria. While this is outside the control of Latrobe City Council, future work can support a basis for formally recognising these opportunities.

Latrobe Valley Bus Lines operate both inter-city and intra-city services between Traralgon, Moe, Morwell and Churchill, whilst also serving some of the smaller townships.

Gippsland Rail Line

The Gippsland rail line, between Melbourne and Bairnsdale, provides rail connection to and from Gippsland for freight (and passenger) services. The rail infrastructure has been substantially upgraded in recent years, enabling the expansion of passenger services on the corridor, with approximately 35 passenger train services operating each day between Traralgon and Melbourne.

A private siding east of Morwell Railway Station runs to the Australian Paper intermodal facility at Maryvale. Council advises that Australian Paper currently moves an estimated 2250,000 tonnes per annum of product by rail from its siding to Melbourne for domestic and export purposes. This is the biggest non grain freight commodity volume on the Victorian intrastate rail system.

The *Latrobe Valley and East Gippsland Rail Freight and Supply Chain Task Assessment* identified significant opportunities for bulk commodities from the region over the medium to longer-term, particularly coal derivatives and minerals (*Gippsland Freight Strategy 2013*). The Gippsland Logistics Precinct, as discussed within Section 5.4.4 of this report, seeks to establish a centre for movement of freight to and from Gippsland and support the operation of the Gippsland Intermodal Freight Terminal (GIFT).

Princes Freeway/Highway

The Princes Highway is the main transport 'spine' of Gippsland, supporting key regional industries and the major regional centre of Latrobe City, Warragul, Sale and Bairnsdale. Average traffic volumes on the Princes Highway, between Pakenham and Traralgon vary between 15,000 and 25,000 vehicles per day (vpd), with traffic volumes between Traralgon and Bairnsdale varying between 5,000 and 10,000 vpd (*Gippsland Freight Strategy 2013*).

The critical role that the Princes Highway plays in contributing to the national economy is recognised through its inclusion on the Commonwealth Government's National Network. The *Melbourne-Sale Corridor Strategy* is a reflection of the shared strategic priorities of the Commonwealth and Victorian Governments for the long term development (20-25 year) of this important corridor (*Gippsland Freight Strategy 2013*).

Land has been reserved for a future Traralgon bypass, with the Amendment C42 to the Latrobe Planning Scheme approved in June 2009.

Airports

Latrobe Regional Airport offers a range of employment and recreation opportunities and the MSS identifies the desire to protect the airport from the encroachment of development which will negatively impact its operation.

The Latrobe Regional Airport is owned and managed by Latrobe City Council, and hosts a significant Emergency Services facility with Helimed, DSE Fire Base and CFA all located on the site. Latrobe Regional Airport has 24/7 operational capability and is home to Gippsland Aeronautics (now Mahindra), which is Australia's only passenger aircraft manufacturer, employing over 150 staff.

Council have identified they would like to explore airfreight as an opportunity in the future, subject to commercial viability and future products generated from the region. High value time-sensitive horticultural and food products such as seafood, fresh vegetables and cut flowers are particular opportunities.

7.5 Developer Funded Infrastructure

The recent Latrobe Planning Scheme Review Report 2014 identified that there was unclear expectations for the infrastructure required in new developments or estates. It was noted infrastructure is currently being provided in an "ad-hoc" manner.

Overall there is an identified lack of a coordinated or strategic approach to the cost, long term maintenance and provision of new key shared infrastructure, particularly in identified urban growth fronts. The lack of overall drainage strategies for many of the main towns are a good example of this gap in strategic infrastructure planning. Often subdivisions are being developed with key shared pieces of infrastructure (i.e. community centres, convenience shops, drainage, bridges, roads and open space) being changed or even removed from subdivision plans because sufficient planning hasn't been carried out for an urban development front prior to subdivision plans being finalised.

In order to deal with these identified concerns, the Planning Scheme Review recommended that council:

Complete an infrastructure needs analysis including likely costing for future significant shared infrastructure provision across the municipality. This may also include any expected significant impact on existing infrastructure provision.

Some of the design impacts associated with this are also considered within Section 9.1.2 of this report.

7.6 Social and Community Infrastructure

Latrobe City is generally well serviced by social and community infrastructure, including regionally significant facilities such as Federation University, Federation Training, Latrobe Regional Hospital, Latrobe Regional Gallery and various recreational and sporting facilities.

Recognition of Latrobe City as a one of Victoria's four Major Regional Cities supports the opportunities to expand regionally significant social and community infrastructure investment. However, articulating how Latrobe City can fulfil the opportunities of its Major Regional City status by operating as a single urban system will directly influence how the provision of social and community infrastructure will best be provided in the future.

Federation University and Federation Training and other local training providers have been identified as opportunities for Latrobe City economy. A desire for a clear nexus between education opportunities, local innovation and technology and local employment opportunities was also articulated by the community; refer to Opportunities Identified for Latrobe City's Industrial Land Sector, page 92 for further discussion.

Aside from regionally significant social and community infrastructure, the municipality contains local social and community infrastructure which is recognised as an important asset to support liveability, health and wellbeing and amenity which services the local community and nearby rural communities.

The Implications of Population Growth on Infrastructure and Resources in Regional Cities 2012 undertaken by Essential Economics identified the need to ensure infrastructure updates (including community infrastructure) occur sequential with development. The report identified that strong population projections (under any of the growth scenarios), require significant additional infrastructure and resources in Regional Cities to support population expansion, business growth, employment and liveability.

These requirements include additional infrastructure and resources for: utilities (water, gas, electricity), public transport (rail, bus), land development (residential, industrial), communications (broadband), health (hospital beds, emergency services), education (schools, TAFE, university), social (kindergarten, childcare, aged care), community needs (libraries, arts, recreation) and waste services (kerbside collections).

8 Consultation and Engagement

In parallel with the preparation of this report, Council and the consultant team have undertaken comprehensive engagement with the Latrobe City community and key stakeholders. A separate Consultation Report has been prepared by Capire Consulting. Please refer to that report for a detailed understanding of the consultation process and feedback received during consultation.

It is noted that *Live Work Latrobe* has been positively received by community members during the engagement. The community want to see change in the region and they want to be a part of the change process. Many people believe *Live Work Latrobe* is an opportunity to address some of the current inequalities that relate to both housing choices and job opportunities experienced by communities in Latrobe City. They also believe it can re-establish the local role as a significant regional centre with a diverse economy underpinned by a range of sectors including knowledge, technology, health, energy and agriculture.

As part of the consultation the following was observed:

- More younger people chose to participate through interactive face to face channels in comparison to the community workshops or the online survey.
- There are really passionate community members who actively participated in the process through more than one channel.
- Locating the engagement activities in local neighbourhoods ensured the engagement process went beyond the usual suspects, to include community members who would not typically attend a community workshop or complete a survey online.
- There was a high level of capacity to participate in complex conversations about land use and development.
- There was a high level of empathy amongst community members to consider the need of other people during different stages of their lives in their communities.

Both the Background Report and the Consultation Report will inform the preparation of the Policy and Directions Report.

9 Analysis

Council has sought a single background report covering each of these themes with the view that each will progress into separate projects during Stage 2. Our analysis in this section is prepared accordingly. The purpose of undertaking background analysis in this manner is that many of the issues reach across each of the key themes (housing, industry and employment and rural land use).

9.1 Housing

9.1.1 Overview

This section provides background analysis of the relevant issues that will affect the development of a future Housing Strategy.

Latrobe City offers excellent rural and urban living opportunities, enhanced by the importance of Latrobe City as Gippsland's only Major Regional City. Currently there is a population of 74,000 in Latrobe City, and this is expected to grow marginally by 2031 (VIF 2015). Further, while Latrobe City has a young population with nearly 35% aged 25 years and below, the proportion of elderly persons living in Latrobe City is expected to increase significantly in this time (VIF 2015). The diversity of the cities and towns within the municipality mean there is a range of housing opportunities from rural living, rural lifestyle, low density and infill development. The way the future population is accommodated will shape the lifestyles offered and types of towns in the future.

Latrobe City offers excellent rural and urban living opportunities, enhanced by the importance of Latrobe City as Gippsland's only Major Regional City.

Policy should further direct development to locations where there is existing infrastructure and a good quality of life can be offered. Consistent with the existing LPPF and GRGP, opportunities for urban infill and use of existing infrastructure should be considered in the first instance, with smaller towns to form more distant options. Considering this, two distinct approaches to housing locations could be considered:

- Large towns – which focus on urban residential development, jobs, services and employment
- Small towns – which emphasise lifestyle opportunities

Much of the land within the municipality is constrained by natural features such as the Latrobe River, flood plains, bushfire and mountain ranges or through man made constraints such as major industry and mining amenity buffers, State Resource (coal) Overlay and Environmental Significance Overlay. Furthermore other less defined constraints exist including quality agricultural land, valuable landscapes and areas of strong or valuable character or heritage. Stage 2 of this project provides an opportunity to better identify these constraints which are widely known but poorly formally identified within the Latrobe Planning Scheme.

Consideration of the constraints to long term urban expansion need to be understood when thinking about how current land supply is best utilised. While there may be sufficient land available to meet the next 15 years housing requirements, consideration as to what will occur beyond that must be incorporated to protect long term growth opportunities within the municipality. While this is true for all aspects of *Live Work Latrobe*, it is particularly important for the provision of housing which may be provided in a dispersed form, occupying large areas of land; or alternatively provided in a condensed form to sustain growth and expansion opportunities in the long term.

Consideration of the constraints to long term urban expansion need to be understood when thinking about how current land supply is best utilised. While there may be sufficient land available to meet the next 15 years housing requirements, consideration of what will occur beyond that must be incorporated to protect long term growth...

While the main towns are generally well serviced by infrastructure, smaller towns are limited in their growth capacity by a lack of infrastructure, which provides an additional constraint. Finally, it should be recognised that some townships of the municipality are at risk of flood and bushfire (refer to Section 10 of this report for a more detailed commentary on the environmental constraints).

The municipality has large areas of aging housing stock and limited smaller housing. As a well-developed Major Regional City, Latrobe City provides opportunity for considering urban renewal areas which can accommodate mixed use development with higher densities. However, it is recognised such developments need to be carefully considered to ensure they do not detract from the overall character of the City. Further consideration of these will need to be undertaken at Stage 2.

Council has completed structure plans for the four main towns and three of the small towns in the municipality which are incorporated within the Latrobe Planning Scheme. More recently, Council has progressed the Traralgon Growth

Areas Review and the recently approved Lake Narracan Precinct Structure Plan (undertaken by MPA). The structure plans identify a number of opportunities for residential growth in the four main towns. The renewal of under-utilised and ageing industrial land is a common theme in most plans. The transition of industrial land to residential land needs to be supported by the future Industrial and Employment Land Use Strategy, as per the comments provided by the Panel under Planning Scheme Amendment C62 and the Latrobe Planning Scheme Review Report 2014.

9.1.2 The role of design in improving Latrobe's urban environments

The recent Latrobe Planning Scheme Review Report 2014 identified the need for additional urban design guidance to improve development outcomes. Anecdotally, it has been identified during community consultations that existing and emerging residential development design has not previously met community expectations. Based on a review of the relevant urban design background documentation recurring urban design themes have been identified. Through further analysis of these themes, we have also identified gaps which inhibit their implementation. The identified key themes are detailed below, with their implementation gaps noted underneath.

Housing Density, Diversity and Ageing in Place

- Intent to increase housing density and diversity across the region in response to poor land supply and an ageing population.
- Housing diversity is encouraged to provide greater choice and affordability and to meet the needs of an ageing demographic.
- Support for targeted infill that caters for changing population demographics.
- The use of strategic locations as catalysts for more intense development.
- Support urban consolidation and infill development before greenfield development.
- Regenerate disused industrial land close to town centres where possible.
- Encourage walkable neighbourhood clusters supported by increased density.

Implementation issue

- *Council's position on density (11 lots/ha) does not align with the Latrobe Planning Scheme and recent strategic work with regards to housing density and urban consolidation.*
- *There is an apparent lack of market acceptance of the housing density encouraged in the Latrobe Planning Scheme*
- *The Latrobe Planning Scheme provides limited urban design guidance on how to design at medium to higher densities. It only provides high-level urban design principles in Clause 15 of the SPPF.*
- *There is a general lack of direction on housing diversity and its application.*
- *The Latrobe Planning Scheme does not clearly identify strategic redevelopment sites for urban infill and renewal.*

Identity and Character

- Importance of identity and character within existing settlements.
- Create a unique sense of place for each town.
- Support more intense development within the town centres where possible.
- Maintain Morwell and Traralgon as 'separate' entities and identities

Implementation issue

- *There is limited policy and no implementation provisions in the Latrobe Planning Scheme regarding neighbourhood character.*
- *Any discussion in the Latrobe Planning Scheme regarding urban design refers to its importance and the need for the implementation of Urban Design Guidelines.*
- *There is a general lack of built form design guidance on how to achieve new character or respond to existing character relevant to each township.*

Connectivity and Accessibility

- Connect the Main Towns to form a 'networked city'.
- Improve the integration of town centres, both internally and with their surrounding areas, especially where residential development may abut industrial uses and/or other buffers.
- Improve connections for pedestrians and cyclists.
- Support a street hierarchy and grid layout, enhancing connectivity.

Implementation issue

- *The Latrobe Planning Scheme and other strategic documents place strong emphasis on connectivity and accessibility without providing guidance on implementation.*

Public Realm, Street and Subdivision Design

- Support for improved pedestrian amenity, walkability and cycling infrastructure.
- Improve visual amenity from built form.
- Leverage existing natural landscape for added amenity and public open spaces.
- Support for housing density and street design that increases walkable neighbourhoods and active lifestyles.
- Support for a flexible layout and subdivision pattern.
- Provide strong street edges and active frontages.
- Improve street activation and lighting.
- Orient development to provide active frontages and positive interfaces both locally and on a town centre scale.

Implementation issue

- *Apart from the IDM, Healthy By Design Guidelines and Clause 56, there is limited guidance on how to achieve great streets, a good public realm, sense of place, compact and walkable neighbourhoods.*
- *The lack of direction within the Latrobe Planning Scheme regarding public realm, street design and subdivision design is becoming evident in the development outcomes achieved.*
- *The Latrobe Planning Scheme has no direction within its MSS regarding good urban design in relation to built form. Any reference to active frontages or similar was found in supporting background documents rather than implemented into the Latrobe Planning Scheme itself.*

Growth, Sustainability and Liveability

- Importance and support for high level urban design initiatives in relation to liveability and identity.
- Support for equitable access to services.
- Ensure towns grow in their own right despite planning for a potential Latrobe City.
- Prioritise infill development and suitable growth over greenfield development.
- Maintain separation between towns and facilitate self-containment.

Implementation issue

- *There is a strong emphasis on self-containment, liveability and sustainable growth within the policies within the Latrobe Planning Scheme and relevant structure plans.*
- *There is limited direction however in relation to implementation.*

Amenity

- Support for responsive industrial development that is sensitive towards neighbouring interfaces and achieves a high level of amenity.
- Produce better built form outcomes.
- Respond to buffers to sensitive uses.

Implementation issue

- *Amenity is typically managed through Clause 55 in relation to residential development and Clause 56 in relation to residential subdivision.*

Given the above, broadly speaking, there are gaps within Council's approach to Urban Design for housing, and there is an opportunity to address this through future work.

9.1.3 Urban Historical Housing trends

Approximately 4,500 approvals were issued for all new dwellings in the Latrobe City over the period between 2004-2015 at an average of 411 approvals pa. The mix of approvals comprises 89% for new standard houses and 11% for other residential dwellings (units, townhouses, apartments etc.).

While the composition of new dwellings has varied across the period, approvals for higher density dwellings have generally accounted for 10%-15% of total new dwellings on an annual basis.

The Figure below shows the number and value of approvals in Latrobe between 2004-2015.

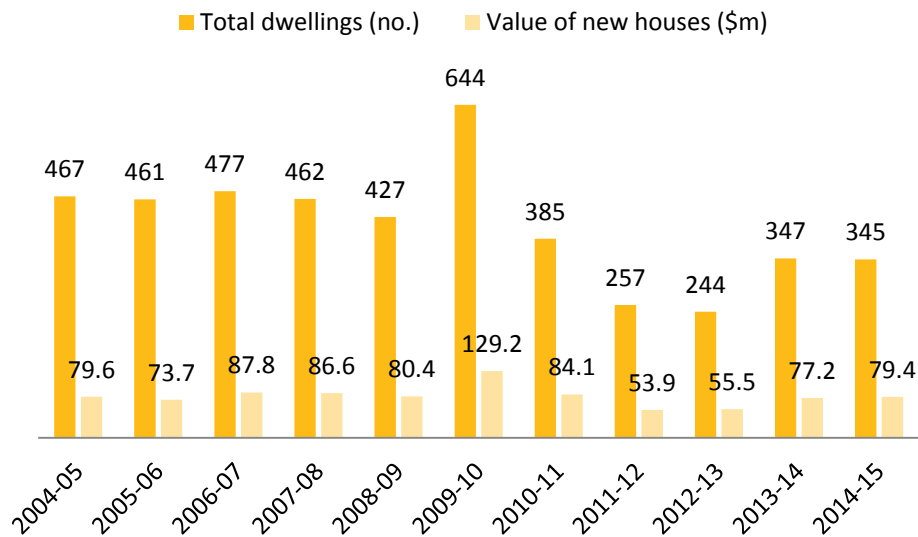


Figure 23: Latrobe City - New dwelling Approvals and Value

Source: ABS Building Approvals, Australia (various)

In terms of types of housing, the following figures show types of new residential building approvals in Latrobe Townships. As demonstrated most new housing is standard housing (meaning traditional stand-alone multi-bedroom dwelling), with Traralgon and Moe-Newborough having some smaller forms of housing.

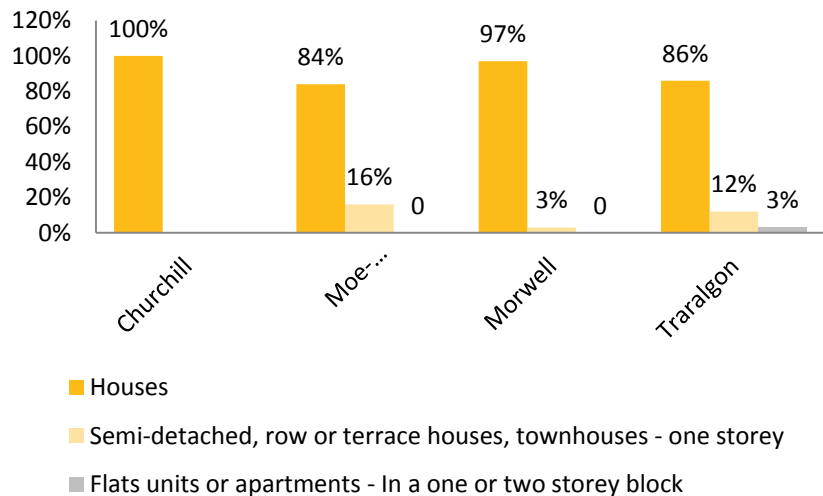


Figure 24: Share of New Building Approvals by Housing Type – Latrobe Townships, July 2012 to January 2015

Source: ABS Building Approvals, Australia (various)

Property and land price trends show the Latrobe City has experienced slightly higher price growth over the past decade compared to regional Victoria. For example, over the period 2004-2014 median house price in the Latrobe City increased by +5.2% pa compared to +4.6% for regional Victoria, while vacant land prices grew by 7.4% pa in the Latrobe City compared to 6.0% for regional Victoria. Despite this growth, property values in the Latrobe City remain significantly below regional averages (by approximately 25% to 30%); however, average vacant land values are now very similar to those in regional Victoria.

A review of residential sales data over the 2004-2014 periods shows a general decline in transaction activity in recent years. For example, total sales (including vacant lots) have averaged 1,350 sales over the period; however, sales have been below this average for each of the past five years (2010-2014), with only 1,130 sales recorded in 2014. The average number of vacant lot sales over the period is 390 sales, however, over the past four years (2011 to 2014) an average of 230 lot sales has been recorded, with just 216 lots sales transactions taking place in 2014. The tables overleaf demonstrate the housing price trends for the municipality, Regional Victoria, Melbourne and Victoria

Table 2: Median House Price Trends – Selected Locations, 2004-2014

Year	Latrobe City	Regional Victoria	Metropolitan Melbourne	Victoria
2004	\$131,000	\$191,000	\$308,100	\$270,000
2014	\$218,000	\$299,310	\$550,000	\$460,000
Change 2004-2014	+\$87,000	+\$108,310	+\$241,900	+\$190,000
AAGR 2004-2014	+5.2%	+4.6%	+6.0%	+5.5%

Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

Note: AAGR – Average Annual Growth Rate

Table 3: Unit/Apartment Price Trends – Selected Locations, 2004-2014

Year	Latrobe City	Regional Victoria	Metropolitan Melbourne	Victoria
2004	\$115,000	\$175,000	\$275,000	\$261,000
2014	\$179,500	\$241,390	\$455,000	\$432,500
Change 2004-2014	+\$131,000	+\$189,090	+\$391,000	+\$370,500
AAGR 2004-2014	+4.6%	+3.3%	+5.2%	+5.2%

Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

Note: AAGR – Average Annual Growth Rate

Table 4: Vacant House Block Price Trends – Selected Locations, 2004-2014

Year	Latrobe City	Regional Victoria	Metropolitan Melbourne	Victoria
2004	\$65,000	\$75,000	\$135,000	\$113,500
2014	\$132,400	\$134,000	\$210,000	\$183,000
Change 2004-2014	+\$67,400	+\$59,000	+\$75,000	+\$69,500
AAGR 2004-2014	+7.4%	+6.0%	+4.5%	+4.9%

Source: A Guide to Property Values, Department of Environment, Land, Water & Planning 2015

Note: AAGR – Average Annual Growth Rate

9.1.4 Urban Residential Demand

The key difference between regional Victoria and metropolitan Melbourne is the proportions of household types as at 2011. Between 2001 and 2011 regional Victoria's older population had already reached a stage where 'single person' and 'couple only' households made up the majority of households in many locations, resulting in the demand for new housing exceeding population increases.

This pattern is expected to continue in regional areas, with the number of 'single person' and 'couple only' households, expected to become a much larger proportion of the population and to nearly double by 2051.

The type and density of dwellings that result from urban renewal, broadhectare and residential infill are generally different and tend to appeal to different housing markets (*Residential Zones: State of Play*). A description of housing supply characteristics in relation to land use zoning, built form outcomes and location are:

- *Urban renewal*: the redevelopment and renewal of existing commercial, mixed use and former industrial land for new housing
- *Broadhectare development*: housing development on former rural land
- *Residential infill*: the demolition and redevelopment of existing residential land for units and townhouses in established residential streets.

Whilst urban renewal provides a source of new housing and is an efficient use of existing land, higher density developments have generated concerns about liveability, amenity and the quality of built outcomes; as they shape new urban lifestyles. Alternatively, community consultations undertaken as part of this project revealed that residents also expressed a need for greater housing choice.

The development of the Latrobe City Housing Strategy, coupled with the 2016 Victorian government review of the new residential zones, will assist Council in finding the right balance between provision of affordable and diverse housing choice, whilst preserving the character of existing townships. The Housing Strategy will also provide the platform for establishing connections between the community's desire for housing choice within the Latrobe Planning Scheme.

9.1.5 Households and Dwelling Projections

Approximately 5,000 new dwellings will be required in the Latrobe City over the period 2016-2031, according to VIF 2015 projections. This represents an average of approximately 330 new dwellings per year which is below the long-term trend (approximately 410 new dwelling approvals) and reflects modest population growth projected in the municipality over the coming 15 years.

The VIF 2015 data indicates the following:

- 54% of new dwellings will be required in VIFSA Traralgon
- 19% of new dwellings will be required in VIFSA Moe
- 14% of new dwellings will be required in VIFSA Churchill District
- 9% of new dwellings will be required in VIFSA Morwell
- 5% of new dwellings will be required in VIFSA Glengarry North-Tyers District

More detailed considerations of how smaller towns and rural areas are projected to grow will need to be undertaken in the future strategy, noting existing work places emphasis on urban growth in Latrobe City.

Table 5: Households and Dwelling Projections – Selected Locations 2016-2031

	Estimated Resident Population (ERP)	Persons in Non-Private Dwellings (PNPD)	Persons in Occupied Private Dwellings (POPD)	Occupied Private Dwellings (OPD)*	Average Household Size	Structural Private Dwellings (SPD)	Occupancy Rate
2016							
VIFSA Churchill District	11,665	302	11,363	4,543	2.50	4,884	93%
VIFSA Glengarry North-Tyers District	4,650	2	4,648	1,915	2.43	1,992	96%
VIFSA Moe Town	16,498	287	16,211	7,424	2.18	8,160	91%
VIFSA Morwell Town	14,096	267	13,829	6,299	2.20	6,919	91%
VIFSA Traralgon Town	26,994	334	26,659	11,305	2.36	11,916	95%
Latrobe (C)	73,903	1,192	72,710	31,485	2.31	33,870	93%
Victoria	6,053,352	93,105	5,960,247	2,380,634	2.50	2,563,303	93%
2031							
VIFSA Churchill District	12,914	333	12,581	5,186	2.43	5,564	93%
VIFSA Glengarry North-Tyers District	4,733	3	4,730	2,134	2.22	2,227	96%
VIFSA Moe Town	17,688	419	17,269	8,261	2.09	9,091	91%
VIFSA Morwell Town	14,946	339	14,608	6,764	2.16	7,346	92%
VIFSA Traralgon Town	32,173	573	31,600	13,922	2.27	14,625	95%
Latrobe (C)	82,455	1,667	80,788	36,267	2.23	38,854	93%
Victoria	7,701,109	139,519	7,561,590	3,079,819	2.46	3,299,023	93%
Change 2016-2031							
VIFSA Churchill District	+1,250	+31	+1,218	+643	-0.08	+681	0%
VIFSA Glengarry North-Tyers District	+83	+1	+82	+219	-0.21	+235	0%
VIFSA Moe Town	+1,190	+132	+1,058	+838	-0.09	+932	0%
VIFSA Morwell Town	+850	+72	+778	+464	-0.04	+427	+1%
VIFSA Traralgon Town	+5,180	+238	+4,941	+2,618	-0.09	+2,709	0%
Latrobe (C)	+8,552	+475	+8,078	+4,782	-0.08	+4,984	0%
Victoria	+1,647,757	+46,413	+1,601,343	+699,185	-0.05	+735,720	0%

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

When future dwelling type requirements are considered to accommodate Latrobe City's population growth, VIF 2015 household formation data (refer above) shows a significant shift towards lone person and couples without children households, which is consistent with an ageing population.

These two groupings represent approximately 76% of all new household growth over the period 2016-2031, and indicate a growing demand for smaller properties (and other arrangements such as retirement villages) in future years; noting family/group household formation represents just 13% of new households over the coming 15 years.

A summary of household composition by township/district is included overleaf.

Table 6: Households by Household Type Projections – Selected Locations 2016-2031

	Couple family with children	Couple family without children	One- parent family	Other family	Group household	Lone person	All Household Types
2016							
VIFSA Churchill District	1,413	1,490	509	38	126	967	4,543
VIFSA Glengarry North-Tyers District	621	632	175	10	39	438	1,915
VIFSA Moe Town	1,615	1,931	1,004	78	169	2,627	7,424
VIFSA Morwell Town	1,262	1,589	951	80	240	2,177	6,299
VIFSA Traralgon Town	3,216	3,195	1,273	88	325	3,208	11,305
Latrobe (C)	8,126 25%	8,837 28%	3,911 12%	295 0.9%	899 2.8%	9,418 29%	31,485 100%
Victoria	753,969 31%	630,014 26%	253,218 10%	33,502 1%	107,207 4.5%	602,725 25%	2,380,634 100%
2031							
VIFSA Churchill District	1,504	1,681	588	46	131	1,236	5,186
VIFSA Glengarry North-Tyers District	557	732	187	19	41	597	2,134
VIFSA Moe Town	1,635	2,221	1,059	80	180	3,087	8,261
VIFSA Morwell Town	1,325	1,727	990	87	246	2,388	6,764
VIFSA Traralgon Town	3,657	4,036	1,532	109	381	4,207	13,922
Latrobe (C)	8,678 23%	10,399 28%	4,356 12%	341 0.9%	980 3%	11,514 31%	36,267 100%
Victoria	936,381 30%	829,171 26%	332,052 10%	39,647 1%	120,871 4%	821,696 26%	3,079,819 100%
2016-2031							
VIFSA Churchill District	+91	+192	+79	+8	+5	+268	+643
VIFSA Glengarry North-Tyers District	-64	+101	+13	+9	+2	+158	+219
VIFSA Moe Town	+20	+290	+55	+2	+11	+459	+838
VIFSA Morwell Town	+63	+138	+40	+6	+6	+211	+464
VIFSA Traralgon Town	+441	+842	+258	+21	+56	+999	+2,618
Latrobe (C)	+552 11%	+1,562 32%	+445 9%	+47 0.9%	+81 1.6%	+2,096 43%	+4,782
Victoria	+182,412 26%	+199,157 28%	+78,834 11%	+6,145 0.8%	+13,665 1.9%	+218,971 31%	+699,185 100%

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning

9.1.6 Urban Supply Analysis

Existing Supply

A high-level analysis using aerial mapping indicates there are approximately 794ha of zoned vacant residential land available in the Latrobe City Council's main urban areas. This figure relates to greenfield areas and other identifiable undeveloped land parcels, but excludes potential infill sites.

Identified vacant zoned land supply is distributed as follows:

- Traralgon 266ha
- Moe-Newborough 208ha
- Morwell 90ha
- Churchill 230ha

Potential Supply

When potential supply is considered, that is existing occupied land with the ability to be further subdivided in the future under the General, Neighbourhood or Low Density Residential Zones (GRZ, NRZ, LDRZ), a further 327ha of zoned residential land may become available in the Latrobe City's main urban areas in the future. The recently approved Lake Narracan Precinct Structure Plan adds an additional 338ha of residential land, within the Urban Growth Zone (UGZ).

Excluding infill potential, identified zoned land supply is distributed as follows:

- Traralgon 196ha
- Moe-Newborough 20ha (plus 338ha in UGZ)
- Morwell 109ha
- Churchill 2ha

Table 7: Estimated Existing and Potential Residential Land Supply (Zoned) – Latrobe City Main Urban Areas

	Traralgon	Moe Newborough	- Morwell	Churchill	Latrobe City Urban Areas
Existing Supply					
GRZ Vacant Parcels	39ha	5ha	9ha	22ha	75ha
GRZ Vacant Greenfields	155ha	145ha	81ha	178ha	559ha
NRZ1 Vacant Parcels	0ha	4ha	0ha	0ha	4ha
NRZ1 Vacant Greenfields	0ha	54ha	0ha	0ha	54ha
LDRZ Vacant Parcels	18ha	0ha	0ha	0ha	18ha
LDRZ Vacant Greenfields	54ha	0ha	0ha	30ha	84ha
Total Existing Supply	266ha	208ha	90ha	230ha	794ha
Potential Supply					
GRZ Occupied with Development Potential	186ha	16ha	109ha	2ha	313ha
NRZ1 Occupied with Development Potential	2ha	4ha	0ha	0ha	6ha
LDRZ Occupied with Development Potential	8ha	0ha	0ha	0ha	8ha
Total Potential Supply	196ha	20ha	109ha	2ha	327ha
Urban Growth Zone	-	338ha	-	-	338ha
Total Existing and Potential Supply	462ha	566ha	199ha	232ha	1,459ha

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning; Essential Economics Pty Ltd

Approximately 5,000 new dwellings will be required across the Latrobe City Council over the coming 15-year period 2016 to 2031.

The amount of additional land required to accommodate this dwelling growth ranges from between +330ha (at 15 dwellings per ha) to +450ha (at 11 dwellings per ha). However, factors such as infill development, re-use of existing sites, and transition of non-residential land (eg agricultural, industrial) for residential purposes would reduce the amount of additional residential-zoned land required.

Table 8: Estimated Residential Land Requirements – Selected Locations, 2016-2031

	Estimated Dwellings Required	New 11 Dwellings Per ha	15 Dwellings Per ha
Change 2016-2031			
VIFSA Churchill District	+680	+62ha	+45ha
VIFSA Glengarry North-Tyers District	+235	+21ha	+16ha
VIFSA Moe Town	+930	+85ha	+62ha
VIFSA Morwell Town	+430	+39ha	+29ha
VIFSA Traralgon Town	+2,710	+246ha	+181ha
Latrobe (C)	+4,985	+453ha	+333ha

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning; Essential Economics Pty Ltd

Note: Figures rounded

Based on the residential land supply analysis, there appears to be sufficient land supply (vacant and potential) to cater for the next 15 years of residential urban growth.

However, when considering the adequacy of residential land stocks other factors need to be considered including:

- Demand for housing might exceed projections
- Township specific constraints or issues with land development
- Quality of land supply – what proportion of identified land stocks are realistically developable
- Landowner choice – how much land will eventuate to the market, as some landowners will hold onto land / choose not to develop
- Size of land parcels – do the mix of land parcels meet future demand trends, especially with regard to the ageing population and implications for smaller properties
- Access and serviceability of land stocks – are the costs of developing sites prohibitive
- Conflicts with surrounding uses – are sites/land constrained by surrounding non-residential uses

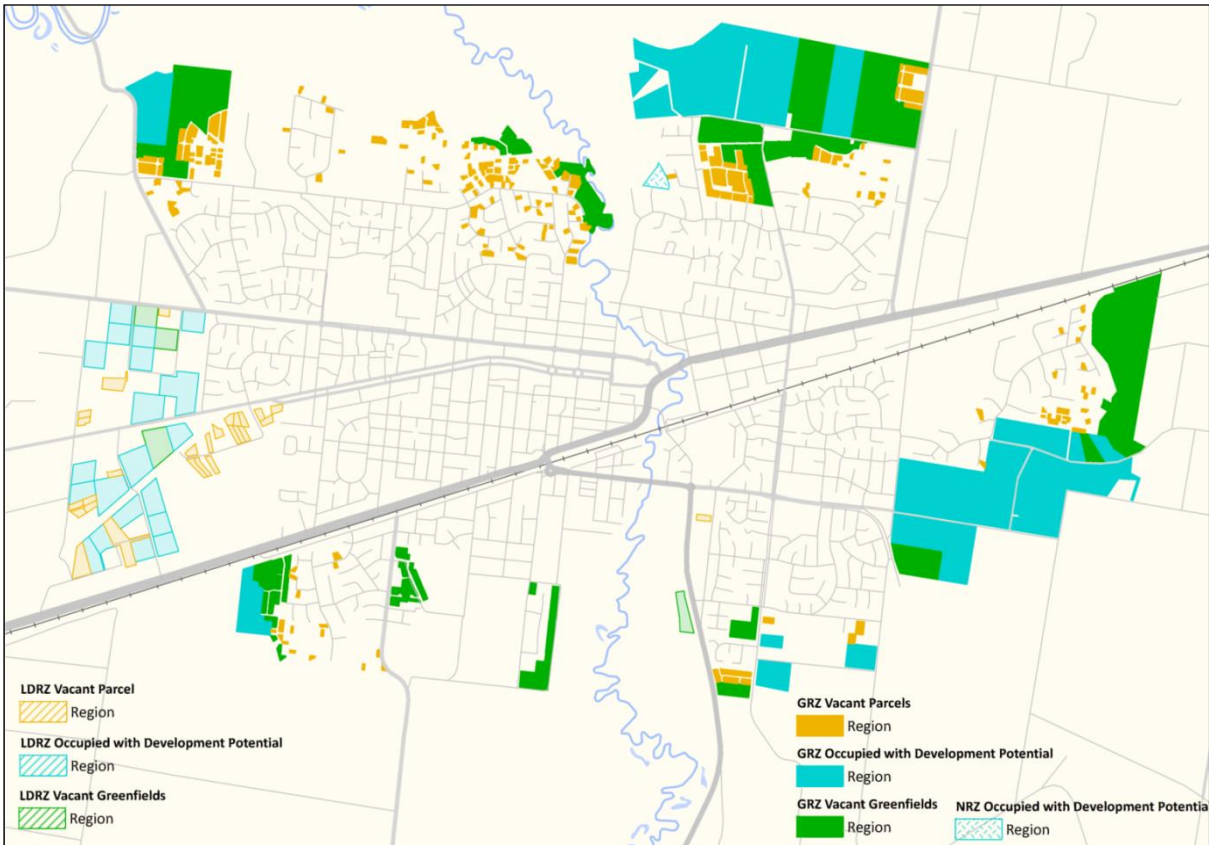


Figure 25: Traralgon – Vacant and Potential Zoned Residential Land Supply

Source: Essential Economics Pty Ltd

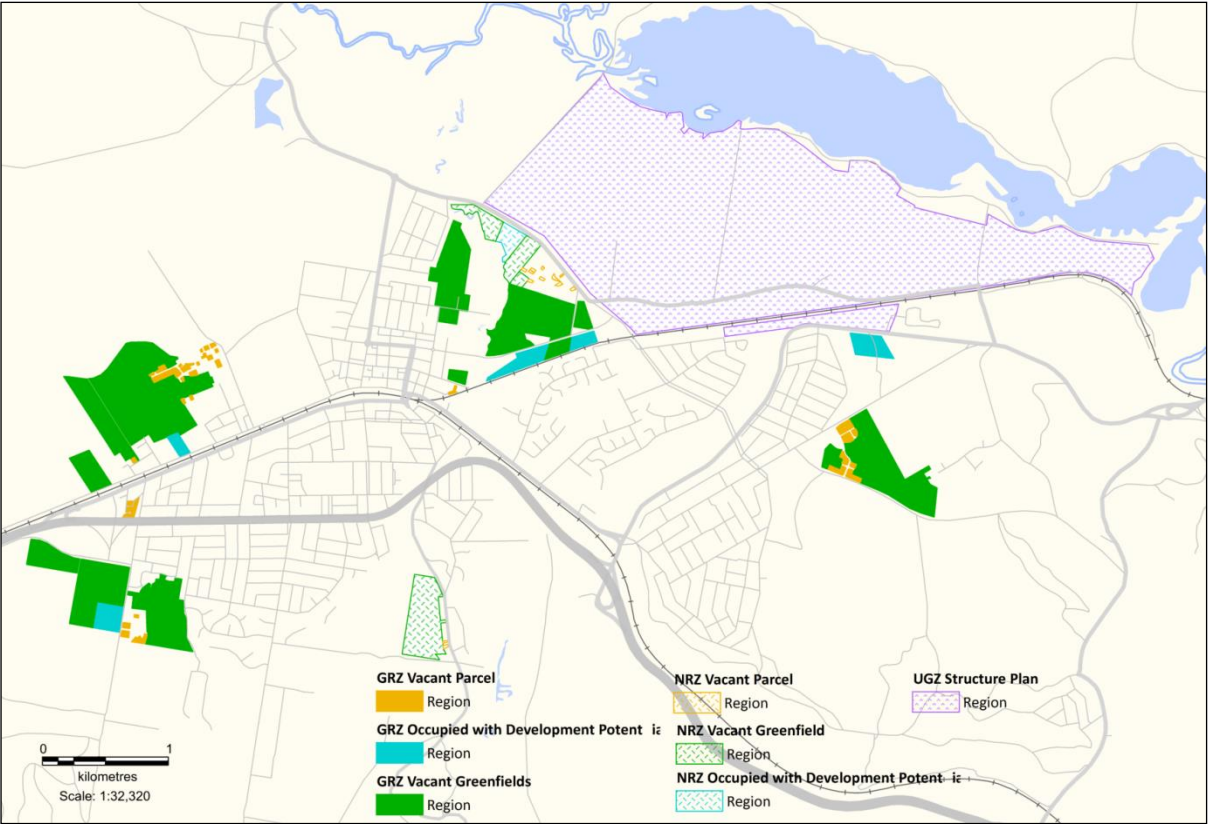


Figure 26: Moe – Vacant and Potential Zoned Residential Land Supply
Source: Essential Economics Pty Ltd

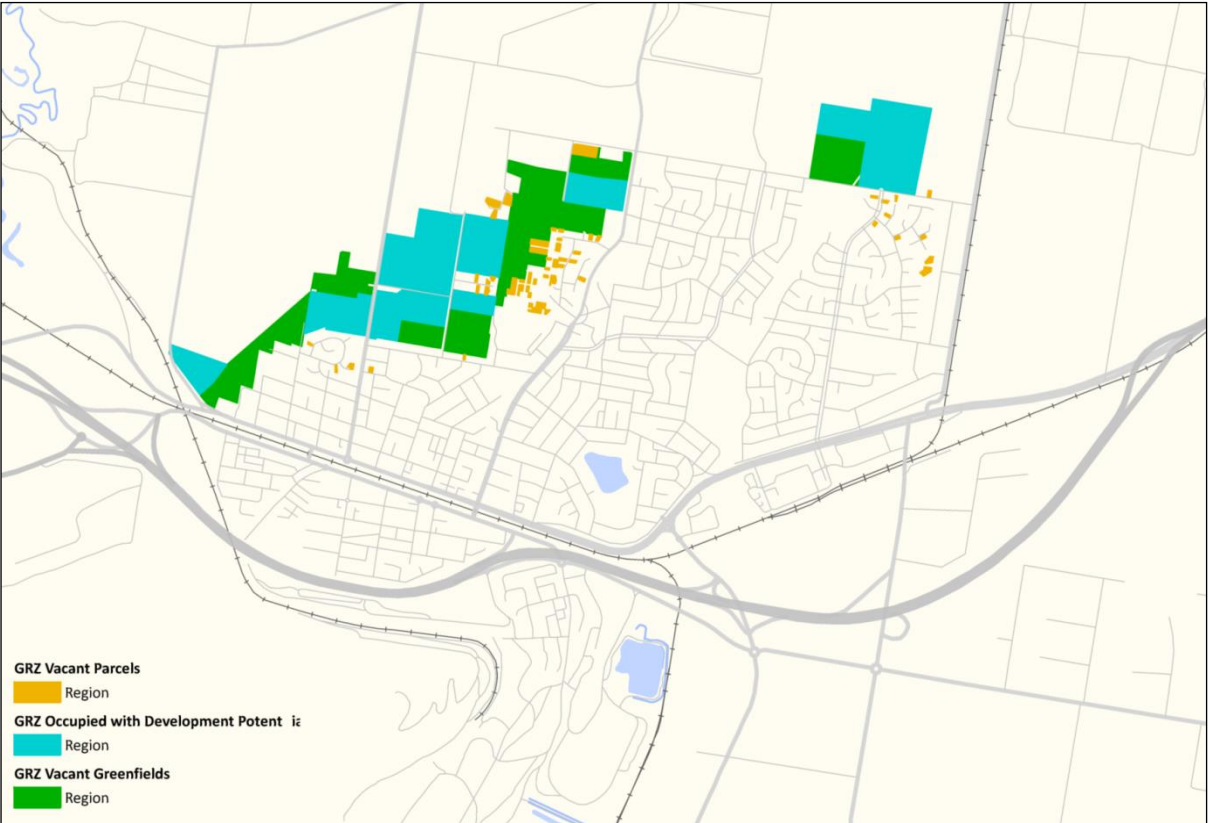


Figure 27: Morwell – Vacant and Potential Zoned Residential Land Supply
Source: Essential Economics Pty Ltd

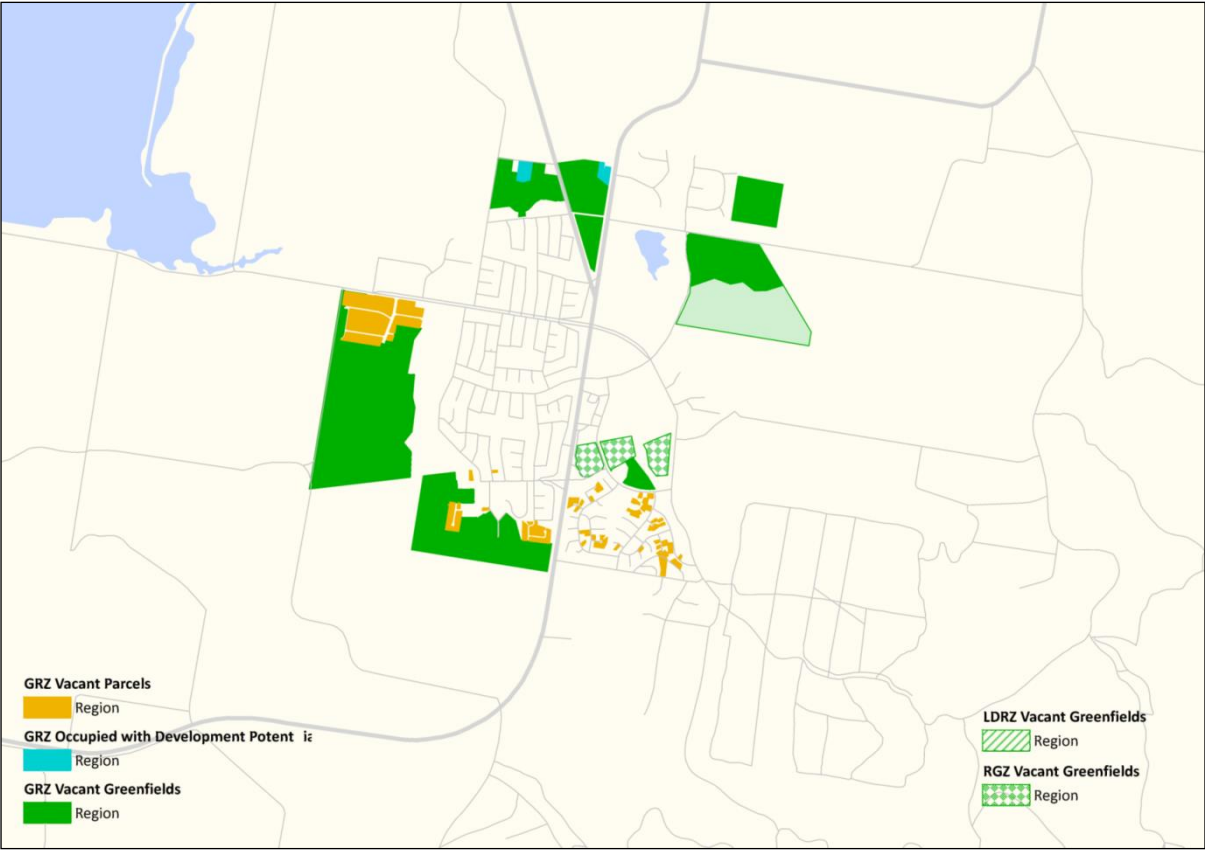


Figure 28: Churchill – Vacant and Potential Zoned Residential Land Supply
Source: Essential Economics Pty Ltd

9.1.7 Small Town Existing Supply

A high-level analysis indicates there are approximately 243ha of zoned vacant rural residential land available in Latrobe City’s small townships. It is important to note that the figures below include land within the General Residential Zone, the Low Density Residential Zone and the Township Zone. Land within the Rural Living Zone is considered within the Rural section, refer to Section 9.3.

Identified vacant zoned land supply in is distributed as follows:

- Yinnar – 86ha
- Boolarra – 50ha
- Tyers – 45ha
- Glengarry – 28ha
- Toongabbie – 20ha
- Yallourn North – 12ha
- Traralgon South – 2ha

9.1.8 Small Town Potential Supply

When potential supply is considered, that is existing occupied land with the ability to be further subdivided in the future under the GRZ or LDRZ, a further 35ha of zoned residential land may become available in the small town areas in the future. Identified potential zoned land supply is distributed as follows:

- Yallourn North – 18ha
- Glengarry – 8ha
- Toongabbie– 6ha
- Traralgon South – 2ha
- Tyers – 1ha

Table 9 (overleaf) provides a summary of existing and potential residential supply for Latrobe’s rural areas.

Table 9: Estimated Existing and Potential Residential Land Supply (Zoned) – Latrobe City Small Towns Locations

	Yallourn North	Tyers	Glengarry	Toongabbie	Traralgon South	Yinnar	Boolarra	Total Rural
Existing Supply								
GRZ Vacant Parcels	12ha	0ha	3ha	11ha	0ha	5ha	3ha	34ha
GRZ Vacant Greenfields	0ha	0ha	25ha	8ha	0ha	80ha	0ha	113ha
LDRZ Vacant Parcels	0ha	2ha	0ha	0ha	0ha	0ha	15ha	17ha
LDRZ Vacant Greenfields	0ha	38ha	0ha	0ha	0ha	0ha	30ha	68ha
Township Zone Vacant Parcels	0ha	3ha	0ha	1ha	2ha	1ha	2ha	9ha
Township Zone Vacant Greenfields	0ha	2ha	0ha	0ha	0ha	0ha		2ha
Total Existing Supply	12ha	45ha	28ha	20ha	2ha	86ha	50ha	243ha
GRZ Occupied with Development Potential	18ha	0ha	8ha	6ha	0ha	0ha	0ha	32ha
LDRZ Occupied with Development Potential	0ha	1ha	0ha	0ha	0ha	0ha	0ha	1ha
Total Potential Supply	18ha	1ha	8ha	6ha	2ha	0ha	0ha	35ha
Total Existing and Potential Supply	30ha	46ha	36ha	26ha	2ha	86ha	50ha	278ha

Source: Victoria in Future 2015, Department of Environment, Land, Water and Planning; Essential Economics Pty Ltd

9.2 Industry Land Use and Employment

9.2.1 Overview

Traditionally recognised as the heart of Victoria's electricity industry, today a range of other sectors contribute to the Latrobe City's economy. These sectors include forestry, food production, agriculture, manufacturing and health. The success of these industries is strengthened by an established network of electricity infrastructure, accessible rail and road links to Melbourne, as well as larger freight networks across the State and Australia.

However, the diversity of industries in Latrobe City can be overstated by statistics, which don't necessarily capture the full picture. Employment generated by the power generation industry directly results in employment in other parts of the Latrobe City economy. Regional modeling suggests that each job in Latrobe City's energy sector generates an additional four to five local jobs in the broader regional economy. As such, the power generation and associated industries should be

... the diversity of industries in Latrobe City can be overstated by statistics, which don't necessarily capture the full picture. Employment generated by the power generation industry directly results in employment in other parts of the Latrobe City economy.

recognised as a significant industry within Latrobe City and express the need to support continued diversification of Latrobe City's industry to support primary employment, as these industries face challenges in the future, relating to environmental concerns. This is discussed in further detail below.

Latrobe City Council is currently undertaking an Economic Development Strategy and this will feed into *Live Work Latrobe*. Together, the two documents will help council and the community develop a long term plan to support the existing industries operating in Latrobe City and support new opportunities to leverage and diversify these industries. Equally it will be essential to provide space and opportunities to grow new and innovative technologies in the future. For instance, growth in the Education and Training sector offers opportunities for collaboration with the other sectors; and will require planning to enable new staff and students to be absorbed into the community.

9.2.2 Local Strategic Directions for Industrial Land

The Latrobe City Planning Scheme Review Report 2014, articulates the lack of strategic and policy guidance for understanding and protecting industrially zoned land in the municipality. This has also been noted at Victorian Planning Panels, most specifically in the hearing relating to Planning Scheme Amendment C62. The need for an Employment and Industrial Land Review to respond to this strategic gap was articulated in the 2014 report, and *Live Work Latrobe* includes work to fill this strategic gap.

9.2.3 Key Industries Overview

A broad overview of key industries is undertaken below. Some industries, particularly agriculture and forestry, are discussed in more detail by this report within the analysis of rural land use.

A quick overview of opportunities are also included where they have been identified. It should be noted that these opportunities will be better articulated through Latrobe's Economic Development Strategy, which is currently underway, and which will be further clarified in terms of land use planning through the future strategies.

Power generation and associated industries

Latrobe City is Victoria's centre for power generation and allied mining and manufacturing industries. With 85 % of the state's power generation occurring in the region, brown coal electricity generation accounts for around 20% of Latrobe City's Gross Regional Product. Some estimates suggest that approximately 20% of all jobs are directly or indirectly tied to the electricity sector (*Positioning Latrobe City for a Low Carbon Emission Future*), while other modeling suggests that each job in the Latrobe Valley's energy sector generates an additional four to five local jobs in the broader regional economy (*Latrobe Valley Industry and Employment Roadmap*).

There are five main generators which form the basis of the power generation industry. The power generator sector workers live across the Latrobe Valley (Latrobe 63%, Wellington 26% and Baw Baw 11%). They are predominately mature age and male, many are parents and their family's main income earner. Many workers have certificate level engineering qualifications (77%) and they have significant experience and capabilities attained through on-site training in power stations (Victoria Government, 2012).

The power generation and associated coal mining sectors also contribute directly to employment in other parts of the Latrobe City economy.

As identified within the Latrobe Valley Industry and Employment Roadmap 2012, it is therefore important to recognise the potential restructure of the power generation and mining sectors and prepare for a transition to a lower carbon economy, given the significance of these industries to the prosperity of the region and connections with other major employers.

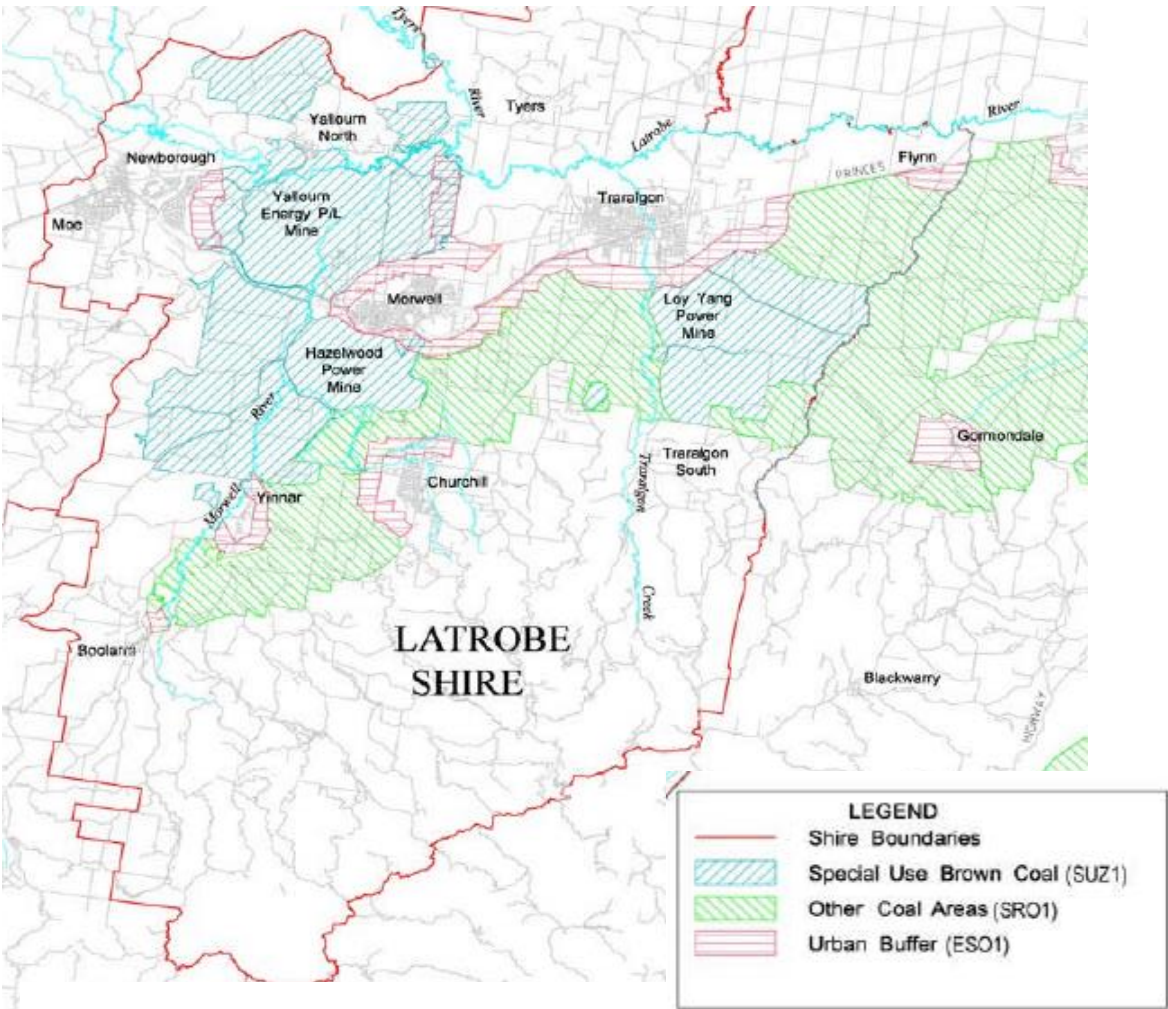


Figure 29: Gippsland Coalfields
Source: Latrobe Planning Scheme

Latrobe City Council supports the sustainable use of brown coal as an energy source and will continue to support generators, clean coal researchers and government agencies to develop clean coal energy pilot plants and associated research facilities in Latrobe City.

The long history of the power generation industry has also resulted in remarkable energy infrastructure, which is an identified opportunity for the establishment of new energy suppliers and other industries within the city, particularly those that require significant energy sources to build upon.

Resource Extraction

The significant coal (lignite) resources within Latrobe City have formed the basis of its emergence as Victoria’s energy capital, as above. However, coal is certainly not the only resource available for extraction within the municipality

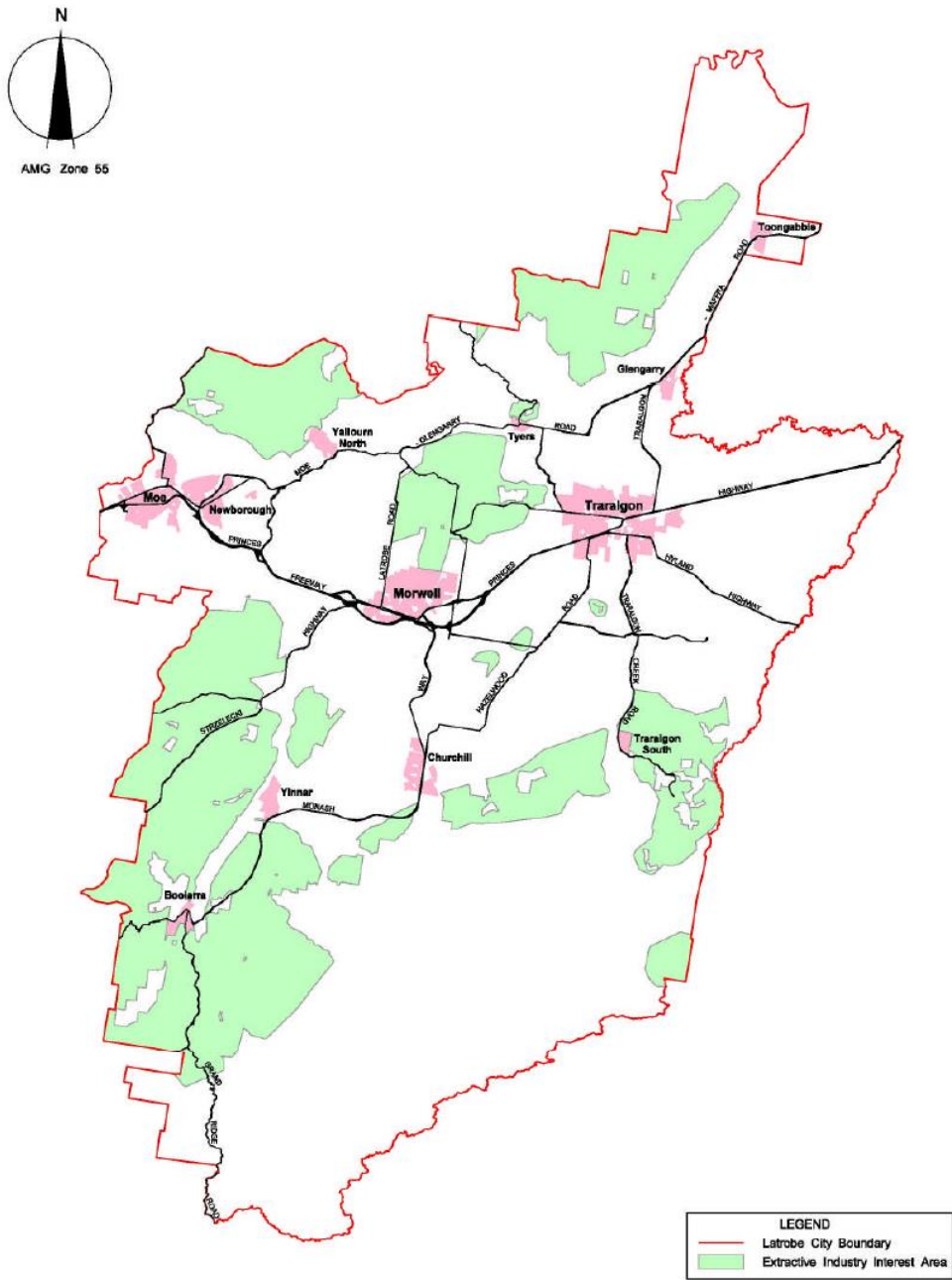


Figure 30: Extractive Industry Interest Area in Latrobe

Source: Latrobe Planning Scheme

The Extractive Industry Interest Area identifies that there are various resources within Latrobe City which are likely suitable for extraction. These largely fall into the category of sand/gravel and basalt.

Clause 21.07 of the Latrobe Planning Scheme identifies that stone resources should be protected to allow for future extraction and indicates a location for these resources.

Forestry and timber processing

Latrobe City's large source of natural resource supports a productive timber and forestry industry providing softwood, value-added hardwood, and paper products for domestic and export markets. There are currently two major industrial plantation growers and approximately 180 private growers in the region. The large areas of land suitable for commercial plantations in the municipality and established timber processing facilities combine as a substantial industry sector. Latrobe City Council actively supports environmentally sustainable timber productions (MSS).

Australian Paper is the largest paper manufacturing facilities in the southern hemisphere. The Maryvale complex leads in the manufacture of high performance packaging supplies and office paper. The Maryvale Paper Mill provides a good example of how land use planning can impact business operation. The odour buffer required for this operation was recently considered as part of TGAR.

A further intensification of uses for agriculture such as forestry within proximity to coal mines is discouraged by the recent Hazelwood Mine Fire Inquiry Report, which sought a review of the Latrobe Planning Scheme, in particular preparation of an amendment to 'ensure, so far as is reasonably practicable, that the risk of embers from external rural fires (in particular from timber plantations) entering open cut coal mines in the Latrobe Valley, is minimised.' (Hazelwood Mine Fire Inquiry, 2014)

Agriculture and food processing (excluding forestry and dairy)

The Latrobe Valley region is the source for much of Victoria's fresh produce and meat commodities. With a mild climate and higher rainfall than many other parts of the State, Gippsland supports a strong agriculture industry (Gippsland Regional Plan). Council advises that their recent regional economic studies have identified lucrative value-adding opportunities leveraging from the agricultural sector across Gippsland and southern New South Wales. These opportunities are likely to grow in the coming years as primary industry in the region intensifies due to the favourable growing conditions.

The Latrobe Valley, with its fertile soils and relatively high rainfall supports the local and regional agricultural industry, which in turn supports local food processing businesses and opportunities. The main agricultural land use (aside from forestry) is grazing, with over 66,000 ha of land in the municipality used for some form of grazing (ABS Census 2001).

Opportunities for leveraging additional food processing opportunities were often highlighted during the community consultation process, and referenced in the Latrobe Valley Industry and Employment Roadmap 2012. Lion (formally National Foods), one of Australia's largest food and beverage producers has established a state of the art dairy processing plant in Latrobe City.

Refer to Section 9.3 of this report for a detailed review of rural industries in Latrobe City.

Aviation

Latrobe City is home to Mahindra Aerospace (formally GippsAero) the only commercial aircraft manufacturing facility in Australia.

The Latrobe Regional Airport is currently producing a Masterplan, which once completed, may result in changes to the planning controls surrounding the airport. This can be further considered within Stage 2 once the Masterplan is complete, as appropriate.

The development and expansion of the Latrobe Regional Airport has created further opportunities for aviation-related businesses to establish on allotments with taxiway access to the main runway. The expansion provides opportunities for aerospace and aviation related industries to expand or establish their operations at the airport.

Planning should consider how airport operations can be protected through land use planning, and how future opportunities can be leveraged in this area.

Education and training

Latrobe City contains numerous opportunities for education, with Federation University, Federation Training, TAFE and Apprenticeships Group Australia all being located within the municipality.

These education opportunities not only support local employment, community wellness and further education, but provide a base for innovation and research, which is of direct relevance to other industry sectors, particularly as Latrobe City industries work towards a low carbon future.

There is an opportunity for these education providers to work closely with local industry to meet industry demands for a skilled workforce, with providers offering a variety of courses ranging from apprenticeships in trades, transport and logistics, to tertiary qualifications in business, engineering, mechatronics and environmental science. Matching local education opportunities with local employment opportunities provides the potential for a beneficial nexus which, while outside the scope of land use planning, should be encouraged. The evolution of the Latrobe City's coal and energy generation

industries and the emergence of new manufacturing, engineering and processing opportunities would be enhanced by the continued collaboration of education providers and local industry and provide new and existing workers with newly emerging and desirable skill sets.

Planning should consider the availability of complementary land uses within proximity to education facilities, in particular Federation University and Federation Training.

Health

As the centre for health services to the broader Gippsland region, Latrobe City is served by some of the best medical facilities, services and health related professionals in regional Victoria. Facilities include Latrobe Regional Hospital, Maryvale Private Hospital, Latrobe Community Health Services and numerous medical providers. In 2016, Latrobe Regional Hospital is undergoing further expansion, whilst a new dental venture is beginning at Churchill, in conjunction with Latrobe Community Health Service and Federation University.

The region has an extensive range of specialist services including pathology, aged care, palliative care, community health, cancer support, immunisation, disability services, home care, physiotherapy, parenting, paediatric, child and adolescent services.

Across the broader region, the health sector presently generates the largest number of jobs in Gippsland. The 'Residential Care and Social Assistance Services' sector – which includes aged care services - contributes more than 4,700 of the health sector jobs and has grown from 2,600 jobs since 2001 or by 180% (Census 2011). As the region's population grows, the demand for health services will increase, as too will health related employment. Further, the aging population may provide emerging opportunities for health, as well as aged care facilities to meet the future needs of the Gippsland region.

Latrobe City's major health facilities will need to continue to expand, to meet an increasing demand which would see further increases in health related employment as well as a number of jobs during construction.

The location of such services and facilities should be considered within land use planning ensuring these occur in appropriate locations and meet the future needs of residents. The Traralgon Growth Areas Review (TGAR) identifies opportunities for a future employment precinct within proximity to the regional hospital (and airport). Opportunities within health align with other strengths of Latrobe City such as manufacturing, and a connection to the airport also warrant further investigation.

Retail

Latrobe City is the retail centre for Gippsland and is home to MidValley Shopping Centre in Morwell and Stockland Plaza in Traralgon. These centres host a range of major retail chains, speciality stores and produce outlets. Arcades and plazas are found in the main commercial centres of all major towns in Latrobe City. The retail sector provides the highest employment of any sector in Latrobe City providing close to 4,000 jobs. The sector contributes \$330 million to the local economy annually. It is likely that the strength of the retail industry is largely related to other primary sources of employment such as the power generation industry and the primary retail and service centre function Latrobe City plays within the broader Gippsland region.

Tourism

Gippsland plays host to a significant tourism industry hosting natural attractions that bring large number of international and interstate visitors. The tourism industry is worth \$2.8 billion direct and indirect expenditure (Gippsland Economic Impact of Tourism 2012). Destination Gippsland estimates that more than 10.8 million domestic and international visitors per annum are attracted to the region's significant nature-based experiences including the Gippsland Lakes, Ninety Mile Beach, Wilson's Promontory, Phillip Island Nature Parks and the Mt Baw Baw, Alpine areas, Croajingalong, and Tarra Bulga National Parks.

The current level of visitation to the region supports 3,000 businesses and generates more than 15,000 direct and indirect jobs. Destination Gippsland estimates that a 9% increase in the current 5.45 million overnight stays would generate a total of \$2.85 billion in economic expenditure and more than 20,000 direct and indirect jobs.

Latrobe City Council has identified that opportunities exist to create Indigenous cultural experiences including performance, storytelling, art, guiding and other activities that will grow people's understanding of Aboriginal culture and grow employment and business opportunities for the region's Aboriginal community.

The Latrobe City Council Tourism Audit 2011 (Tourism Audit) identified various opportunities to leverage from regional tourism, whilst promoting events, conferences and business travellers at a local level. The Tourism Audit referred to the Tourism Research Australia, Tourism Profiles for Local Government Areas in Regional Australia 2008 report which identified 1,554 tourism businesses in Latrobe City, of which 75% are either non-employing business or have up to 4 employees. It has been estimated that tourism accounts for approximately 6% of Latrobe's employment.

Sand, Stone and Mineral Extraction

The Gippsland region has a long history of mining for both precious and base minerals. The *Melbourne Supply Area – Extractive Industry: Interest Areas Review* (2003) identifies that the extraction and processing of sand, clay, gravel, crushed rock and stone for use in the construction of domestic, commercial and civil infrastructure is the Gippsland region's single largest freight transport task, with approximately 2.5 million tonnes of bulk quarry materials extracted from the Gippsland region every year.

More specifically to Latrobe City, the deposits at Haunted Hills and Maryvale are an important source of granite and basalt. High-quality limestone is sourced from Buchan and Nowa Nowa in East Gippsland and used in the production of quicklime, flux, stockfeed, paper manufacture and other agricultural purposes processed at the Sibilco Lime plant in Traralgon.

Whist sand and stone is transported by road, rail has previously been used to transport sand from Lang Lang to Spotswood for use in glass manufacture. The rail sector has the capacity to transport product to Melbourne from locations close to rail infrastructure, principally in the Morwell area.

The Gippsland region is expected to continue to be major source of material for the Melbourne construction industry. The prospect of large scale mining operations in the region would also require construction materials, service equipment and ongoing supplies to be transported into the region via the road network.

Manufacturing

Latrobe City has a large manufacturing base, established from the electricity generation sector. Latrobe City is home to a variety of engineering firms and design and manufacturing specialists. Companies such as Safetech, Keil Industries and Fishers are based in Latrobe City supplying local, state, national and international markets.

Manufacturing, especially advanced manufacturing is seen as an opportunity, owing to the infrastructure and skills base. Outside of food processing, Gippsland's other major manufacturing activity is paper manufacturing, which is facing considerable competitive challenges. Allied to this industry is a significant level of plantation forestry in the region and related transport services. Australian Paper has invested \$90 million in de-inking technology and plant that will remove 80,000 tonnes of wastepaper from landfill, saving up to 200,000 tonnes of carbon emissions every year - the equivalent to taking more than 70,000 cars off Australia's roads.

9.2.4 Industry Structure

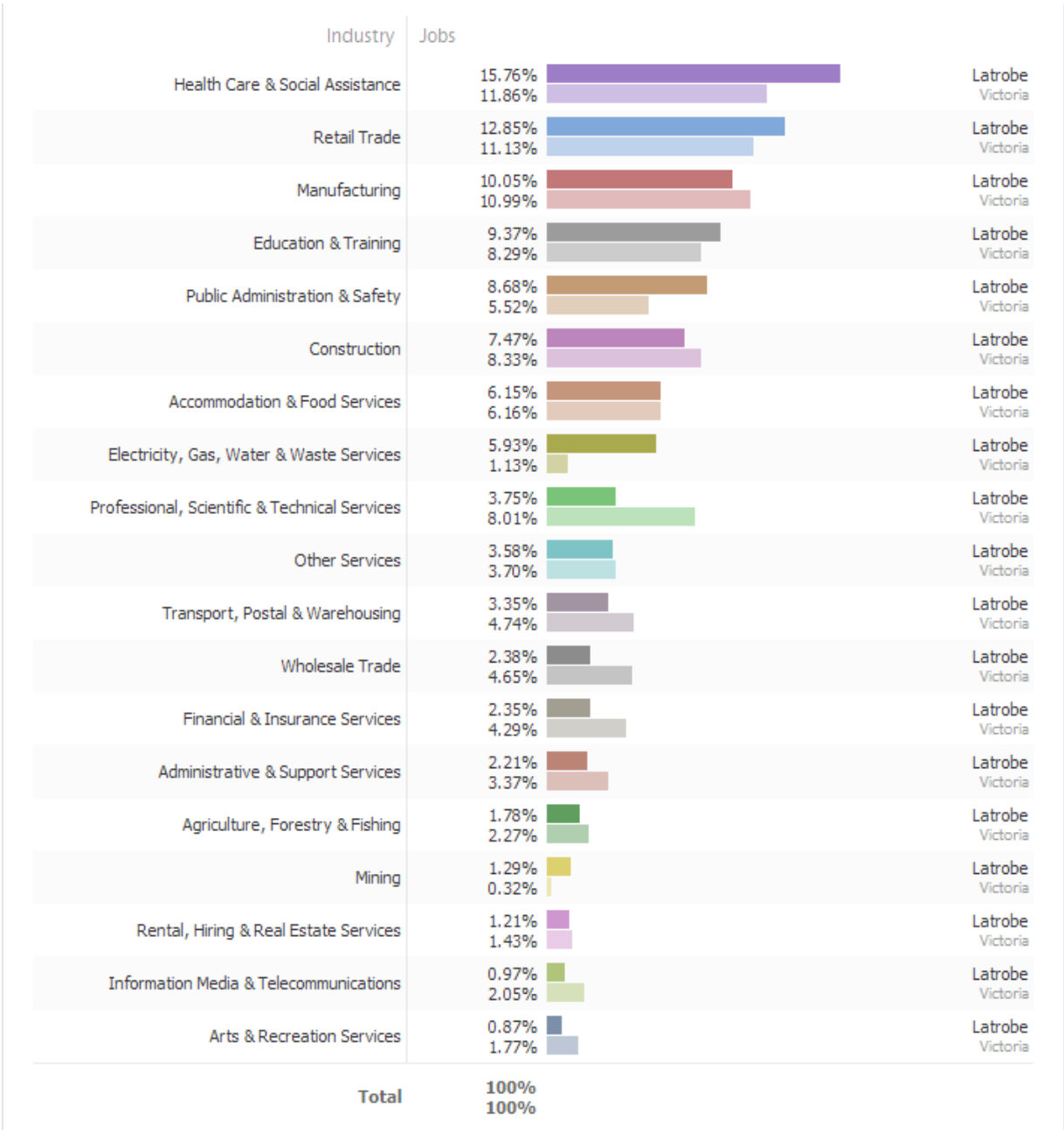
Composition of Jobs Located in Latrobe

Latrobe City's industry structure, which is presented in Table 10 overleaf shows that compared to State averages the municipality has a higher proportion of jobs in the service sector such as health care & social assistance, retail trade, education and training and public administration and safety.

With the exception of electricity, gas, water and waste services and mining, Latrobe City has a slightly below average representation of jobs generally associated with industrial land consumption such as manufacturing, construction, transport, postal and warehousing and wholesale trade.

Compared to state averages, Latrobe City has significantly lower proportions of jobs in 'white collar' services such as professional, scientific and technical services, financial and insurance services, and information, medical and telecommunications.

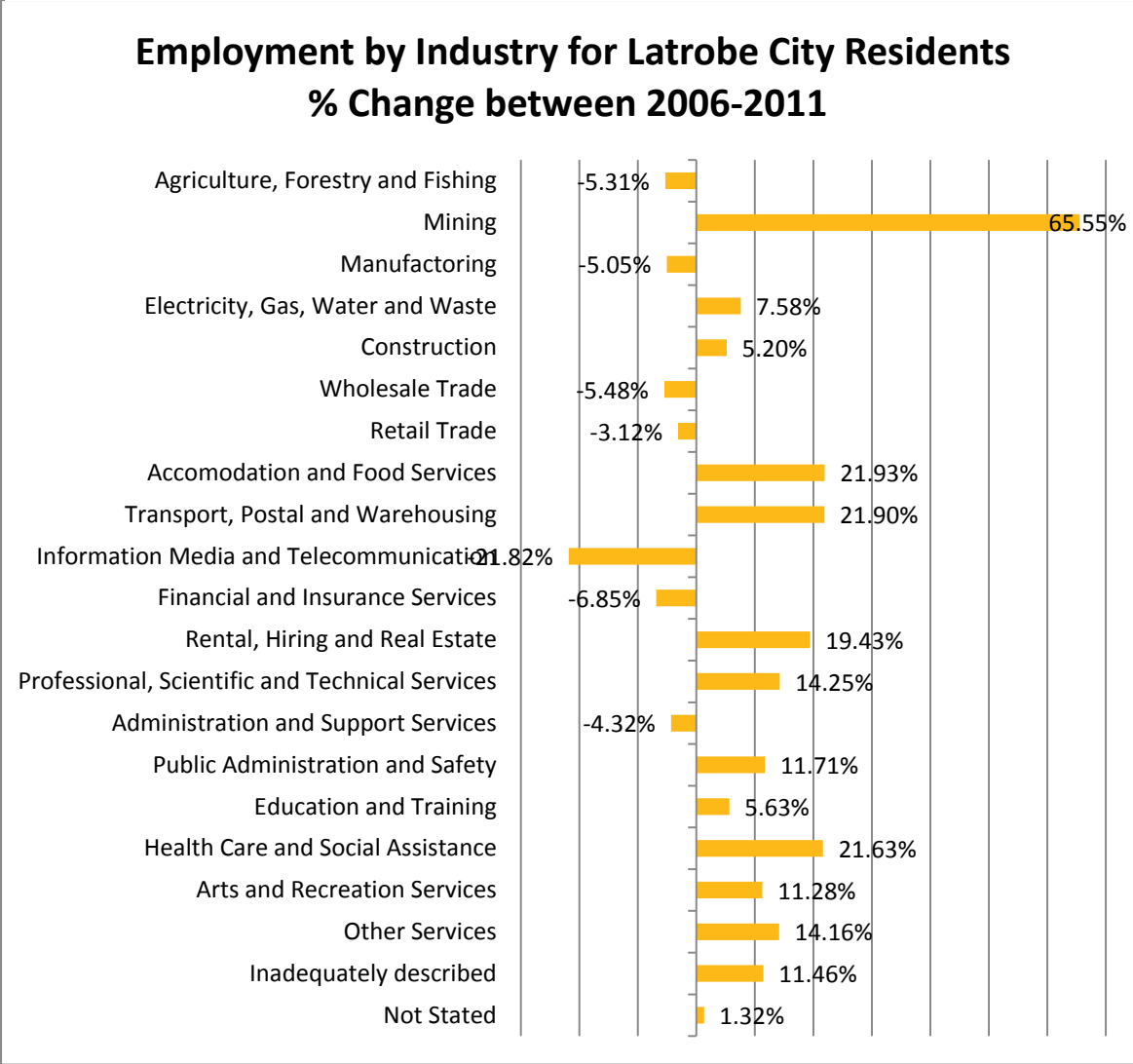
Table 10: Comparison of Latrobe (C) and State Industry Structure, 2011



Source: Essential Economics and REMPLAN

The industry structure of Latrobe City broadly follows its job provision profile. Industry structure refers to the industry in which residents are employed and this could include locations outside the Latrobe City. Table 11 presents the trend between 2006 and 2011 for industries in which Latrobe City residents work. The trend shows strong growth in service sector employment such as health care and social assistance (+22%), accommodation and food services (+22%), and rental, hiring and real estate (+20%). When industrial sectors are considered mining (+69%) and transport, postal and warehouse services (+22%) have experienced strong growth in resident workers. However, some industrial sectors have experienced a decline in the resident workforce such as manufacturing (-5%) and wholesale trade (-5%).

Table 11: Employment by Industry for Latrobe City Residents



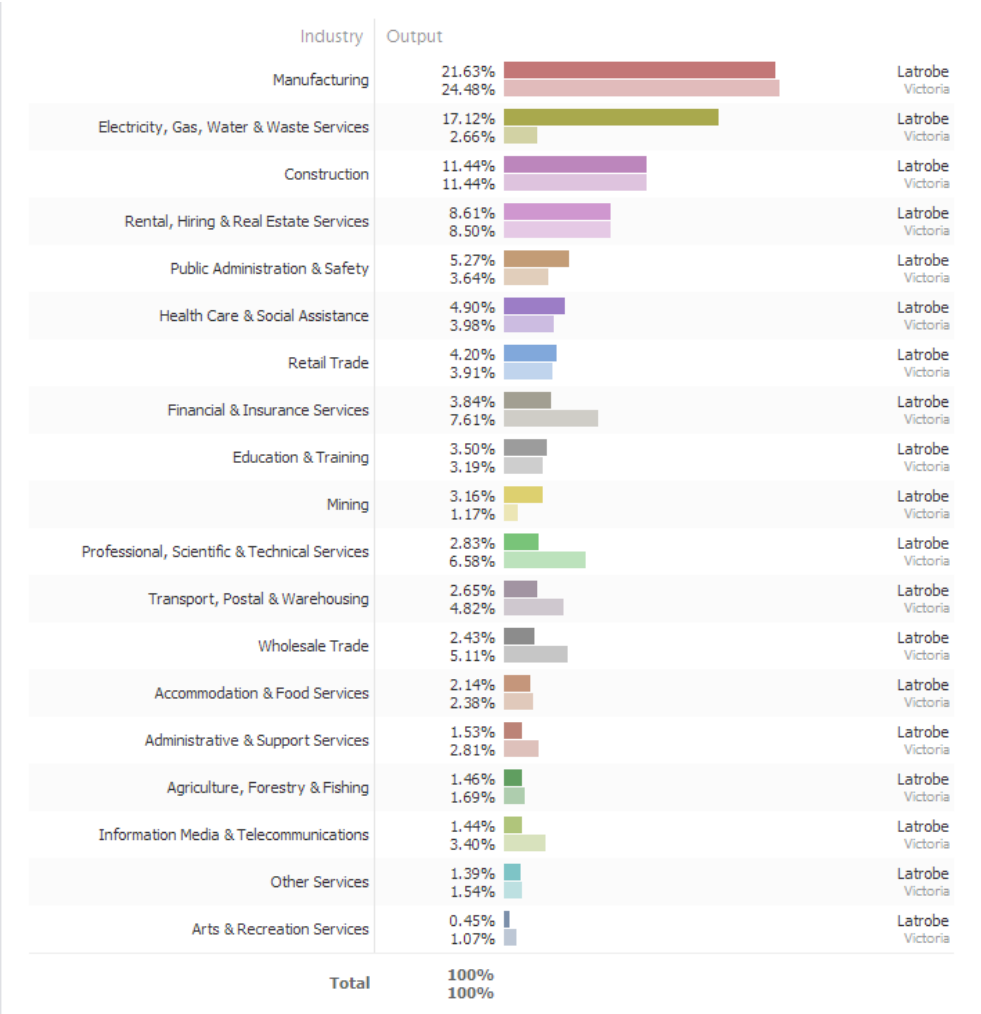
Source: Essential Economics, REMPLAN and Meinhardt

Output by Industry

In terms of economic output (2012-2013), Latrobe City’s industrial-related activities are of significant importance with manufacturing, electricity, gas, water and waste services and construction representing 50% of total annual output for the municipality (or \$4.25 billion out of \$8.47 billion).

The output figures presented overleaf in Table 12, demonstrate the economic significance of some industrial sectors in Latrobe City. However, it is noted that data can only tell some of the story, with additional research suggesting that the broader implications of certain industries (such as energy generation, mining and paper manufacturing) provide economic and social support to other sectors. This has been highlighted through investigative research earlier in this report, refer to Section 4.

Table 12: Latrobe City Industry Output



Source: Essential Economics and REMPLAN

9.2.5 Industrial Building Permit Trends

Over the period 2004-2014, 112 permits were approved for new industrial buildings in Latrobe City which had a combined value of approximately \$47 million. On average, this represents 10 new building approvals per annum with an annual value of \$4.3 million.

However, there has been a noticeable decline in the number and value of new industrial building approvals since 2008 (or post-GFC period, which includes the introduction of the carbon tax). For example, in the period 2004-2009, an average of 12 permits with value of \$5.5 million were issued pa, and this contrasts with an average of 9 permits with a value of \$3.3 million over the 2009-2014 period.

Table 13: Industrial Building Permits (No.) and Value (\$m), Latrobe City 2004-2014

Year	Permits (no.)	Value of Building Work
2004	16	\$2.0 million
2005	15	\$5.6 million
2006	9	\$2.8 million
2007	3	\$9.5 million
2008	18	\$7.7 million
2009	10	\$4.1 million
2010	5	\$2.5 million
2011	9	\$3.1 million
2012	13	\$5.8 million
2013	8	\$2.8 million
2014	6	\$1.4 million
Total 2004-2014	112	\$47.3 million
Average 2004-2014	10	\$4.3 million
Change 2004-2014	-10	-\$0.6 million
AAGR 2004-2014	-9%	-4%

Source: Victorian Building Authority (unpublished)

9.2.6 Industrial Sales Trends

A review of industrial sales data over the past decade (2005-2014) shows a general decline in transaction activity in recent years. For example total sales (including factories, warehouses, vacant lots etc.) have averaged 35 sales over the period, with only 29 sales recorded in 2014.

The average number of vacant lot sales over the period is six sales per annum, but only four and two sales were recorded in 2013 and 2014 respectively. When land consumption is considered an average of 6.3ha of land was purchased per annum between 2005-2014, but over the period 2010-2014, an average of 3.0ha per annum in vacant land transactions was recorded.

9.2.7 Industrial Land Consumption Trends

According to the Urban Development Program, Industrial land consumption in Latrobe City averaged 5.7ha per annum over the period 2006 to 2009.

While the Urban Development Program has not been updated since 2009, estimates prepared by Essential Economics based on aerial photography of Latrobe City's industrial areas between January 2012 and June 2015 indicate land consumption over this more recent period was approximately 7.7ha pa, comprising approximately 20ha of land across the municipality.

Over the past 2-3 years industrial land consumption has principally occurred in the following locations:

- Morwell: 15.4ha (or 77% of consumption)
- Traralgon: 3.7ha (or 19% of consumption)
- Moe-Newborough: 0.4ha (or 2% of consumption)
- Churchill: 0.4ha (or 2% of consumption)

9.2.8 Industrial Land Demand Analysis

The industry structure and historical building trend data indicates only modest growth in industrial land consumption can be expected over the coming 15 years. Demand factors include:

- Demographic projections which show a decline in the size of Latrobe City's working aged population, which will have implications for the amount additional employment land required
- Transition within Latrobe City's energy sector which may result in less demand for large scale industrial activity in the sector and in supporting industries
- Contraction in traditional manufacturing and a transition to higher-value manufacturing activities which generally requires less land area due to the use of advanced technologies
- Ongoing growth in the transport and storage sector

- Continuing trend of Latrobe City becoming more service sector focused (e.g. retail, health, education, community services) and less reliant on traditional industry sectors to provide employment

When assessing future demand projections a range of other non-trend factors need to be considered such as:

- Need for existing businesses to upgrade, modernise and/or expand their footprint
- Ensuring sufficient and well located land is available to capture large investment projects or ‘one off’ major projects
- Location specific issues (township needs, conflicts with surrounding uses, buffers etc.)
- Improved and sustained macroeconomic / market conditions
- Improved competitiveness of Latrobe City in terms of attracting a larger share of regional industrial investment

Industrial land consumption forecasts under differing scenarios which reflect the above factors are shown below. For example, continuation of the long-term consumption trend (which aligns with modest growth) would generate demand for approximately 190ha of industrial land over 15 years, at an average consumption rate of 12.8ha per annum over the period. However, a more ambitious scenario which provides for consumption at 25% above the trend scenario would generate demand for approximately 240ha over 15 years, at an average consumption rate of 15.9ha over the period.

Table 14: Industrial Land Consumption Scenarios – Latrobe City, 20016-2031

	2016	2021	2026	2031	Total	Average
Trend Consumption (2006-2015)	8.1 ha	10.3 ha	13.2 ha	16.8 ha	191.3 ha	12.8 ha
Trend Consumption +10% pa	8.9 ha	11.4 ha	14.5 ha	18.5 ha	210.4 ha	14.0 ha
Trend Consumption +20% pa	9.7 ha	12.4 ha	15.8 ha	20.2 ha	229.5 ha	15.3 ha
Trend Consumption +25% pa	10.1 ha	12.9 ha	16.5 ha	21.0 ha	239.1 ha	15.9 ha

Source: Urban Development Program Essential Economics Pty Ltd

9.2.9 Industrial Land Supply Analysis

As of 2015, 1,685ha of industrial zoned land is located across Latrobe City, of which approximately 770ha are occupied and 915ha are vacant. This equates to a vacancy rate of 54% across the municipality.

Supply by township is distributed as follows:

- Traralgon: 40ha
- Moe-Newborough: 55ha
- Morwell: 625ha¹
- Churchill: 10ha

A large area of industrial land north of Morwell and east of Traralgon is also vacant and this includes approximately 185 ha of land. This land is owned by Australian Paper.

¹ With regard to Morwell, large stocks of vacant industrial land are located in the Morwell Specialised Industrial Area. The majority of this land is subject to various overlays and easements and the land is mainly reserved for existing uses. Refer maps for each of the four towns overleaf.

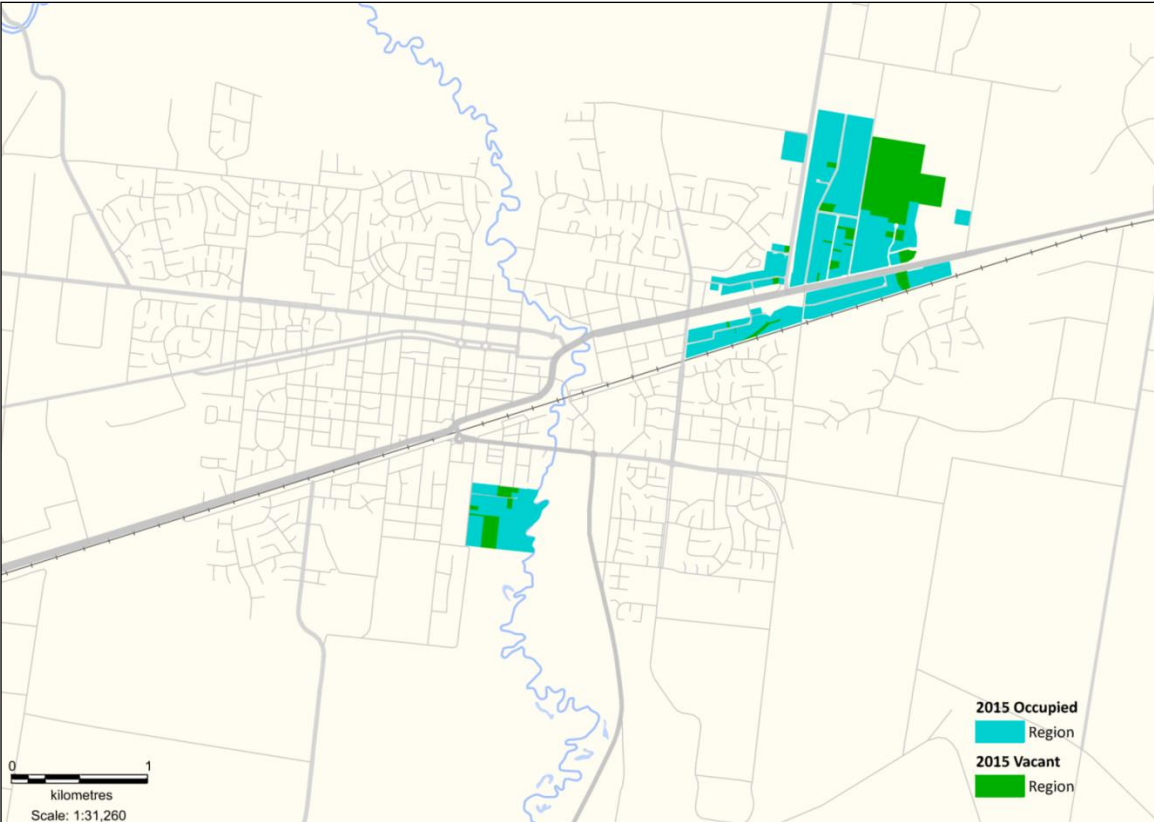


Figure 31: Traralgon – Occupied and Vacant Industrial Land Supply
Source: Urban Development Program Essential Economics Pty Ltd

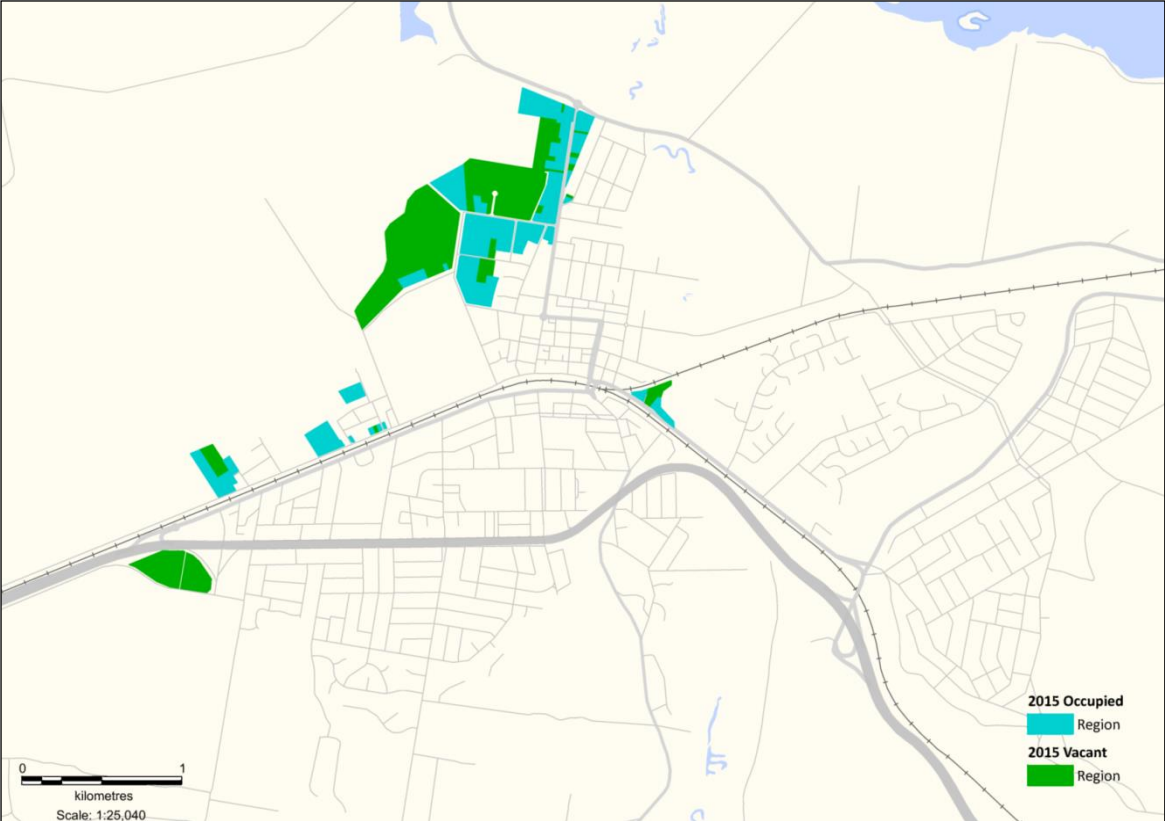


Figure 32: Moe- Newborough – Occupied and Vacant Industrial Land Supply
Source: Urban Development Program Essential Economics Pty Ltd

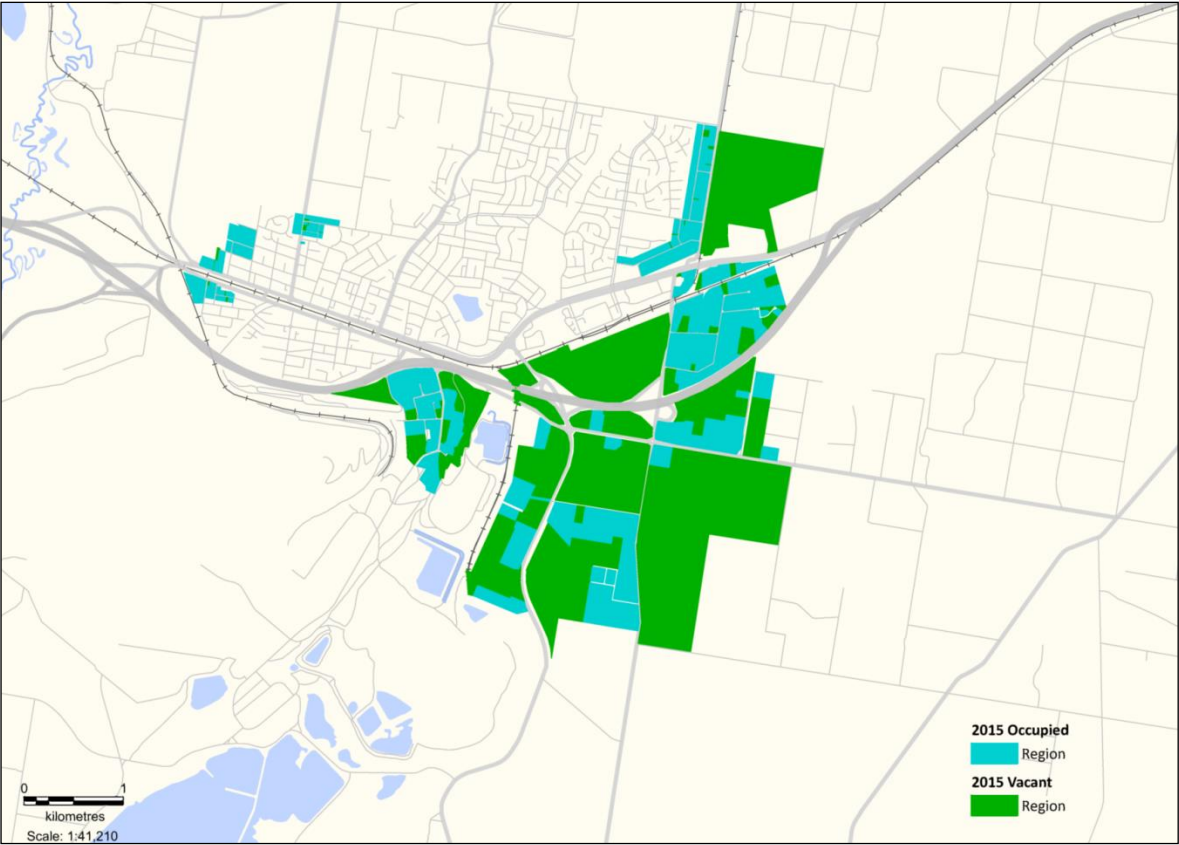


Figure 33: Morwell – Occupied and Vacant Industrial Land Supply
Source: Urban Development Program Essential Economics Pty Ltd

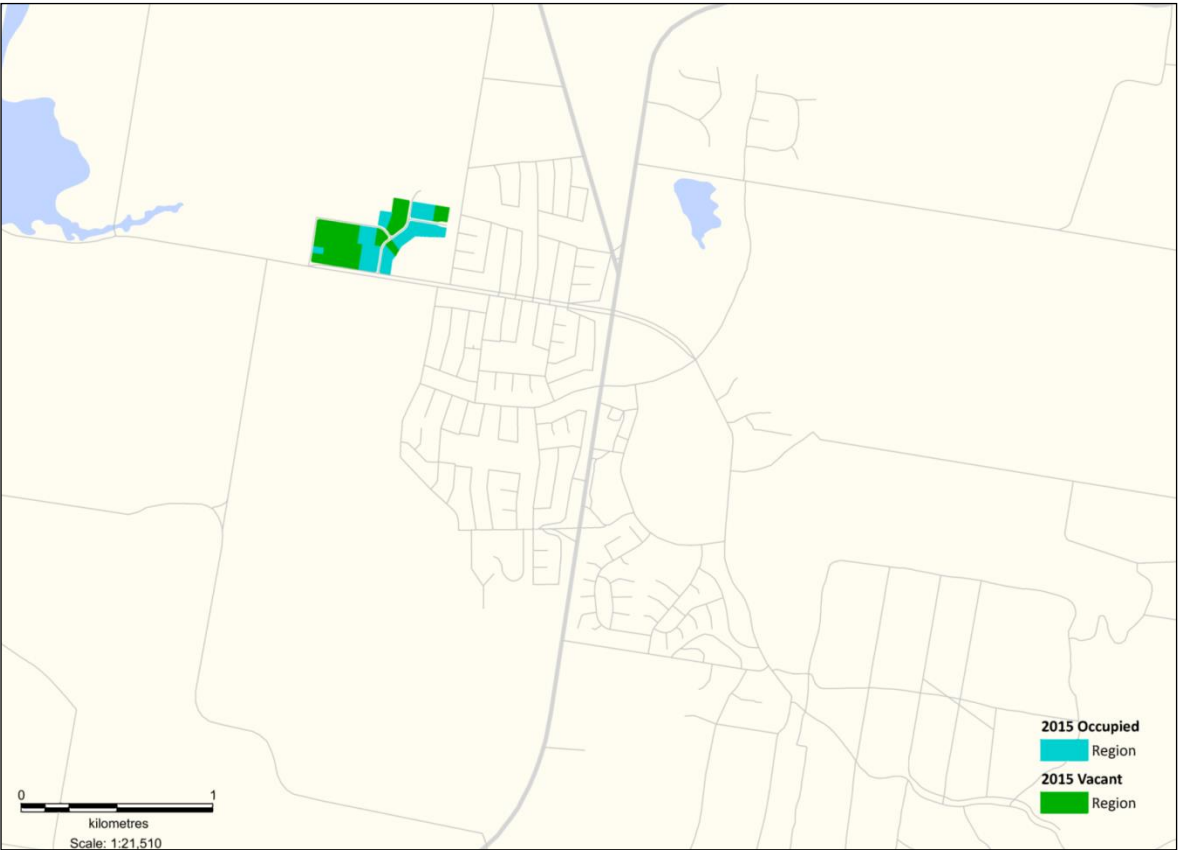


Figure 34: Churchill – Occupied and Vacant Industrial Land Supply
Source: Urban Development Program Essential Economics Pty Ltd

9.2.10 Adequacy of Industrial Land Supply

At a municipal level there appears to be sufficient stocks of industrial land to meet future industry needs over the next 15 years. Even allowing for a continual uplift in average land consumption – as shown in the Trend Consumption +25%per annum scenario (an average of 16ha pa) – then 240ha would be required over this time period which is well within the 915ha of vacant land identified (even excluding the Morwell Specialised Industrial Area land).

However, much of the existing industrial zoned land has low amenity and is heavily constrained by planning scheme overlays, easements, and the presence of coal in the vicinity and is commonly more suited to 'heavy industry' uses. It is therefore important to recognise that this apparent abundance of Industrial 1 Zone land does not mean that this land is ready and available for new industry wishing to locate in Latrobe City.

When considering the adequacy of industrial land supply, several other factors need to be considered including:

- Adequacy of industrial land in key precincts to support Latrobe's energy sector and other major industries
- Location and supply of industrial land in each township or desired locations
- The quality and serviceability of industrial land stocks limiting development potential (i.e. access to key infrastructure including roads suited to heavy vehicles, gas, waste treatment, prohibitive infrastructure costs etc.)
- Size of land parcels available to meet industry demand/consumption trends
- Development potential of industrial areas may be impacted by on non-industrial uses in the surrounding community
- Inability to achieve buffer requirements for new industrial developments
- The Environmental Significance Overlay (ESO1) covers significant portions of the industrial zoned land
- Industrial zoned land encumbered with easements, particularly power line easements running to and from power stations.
- Limited opportunities for industries to purchase and develop lots. Many of the undeveloped areas of land are part of existing business/industrial lots or are not available for sale.

It is highly likely that these factors have contributed to lack of demand for these sites and have resulted in this land remaining undeveloped.

Opportunities identified for Latrobe City's Industrial Land Sector

The State Government through its *Future Industry Fund* has identified the following priority sectors for investment and job creation into the future:

- Food and Fibre - Growing Victoria's market capability through rapid adoption of technologies
- International Education – Expanding Victoria's largest services export industry
- Medical Technologies and Pharmaceuticals – Research and development, manufacturing, clinical trials and exports in our health sector
- New Energy Technology – Clean Energy Generation, Transforming Energy Supply, New Energy Services, New Energy Products
- Professional Services – Growing the state's professional service workforce and knowledge hubs
- Defence Technology - Building on Victoria's established capability across air, land and sea
- Construction Technologies – expansion of construction materials and technologies industries
- Transport Technologies – Building on established strengths in manufacturing, engineering and technical service.

Many of the identified sectors are of relevance to the Latrobe City's future economy, and in this regard appropriate economic development and land-use responses will need to be considered to leverage these types of opportunities for the region.

The Latrobe Valley Industry and Employment Roadmap (Victorian Government, 2012), identifies the following opportunities for growth and diversification across the Latrobe Valley.

- Coal To Energy
- Agriculture To Food (Food Processing)
- Timber and Forestry
- Health and Aged Care
- Tourism
- Advanced Manufacturing
- Aviation and Defense
- Business Services and Public Administration
- Higher Education

The *Draft Latrobe Economic Development Strategy 2016-2020* identifies a future focus for Latrobe as the Engineering Capital of Australia.

As the *Draft Latrobe Economic Development Strategy 2016-2020* continues to be finalised, the directions of this document will be incorporated into *Live Work Latrobe* and the future strategies. It will be important that any land use or development related policies which result from the Economic Development Strategy are incorporated into the future strategies and that they are also expressed through the Latrobe Planning Scheme (as appropriate).

9.3 Rural Land Use

9.3.1 Overview

Latrobe City's rural industry primarily consists of grazing, forestry plantations and dairy. Rural areas also offer niche rural industry opportunities, more traditional agricultural land uses and rural lifestyle living. Latrobe City Council have expressed a desire to further explore more intensive rural industries and intensive agricultural land uses, as a response to the desire to diversify their economy. Latrobe City Council have also identified some opportunities for Rural Tourism.

Latrobe City's rural and agricultural land is a key strength, providing economic and lifestyle benefits to the local community. The agricultural industry in Latrobe City is worth about \$57 million a year and is based primarily on dairy farming (45% of the value of Latrobe City's agricultural production) and livestock (a further 36% of the value) (Proposed Municipal Strategic Statement, Latrobe City 2015).

Competition for agricultural land is a significant issue in Latrobe City, with pressure, particularly from those with farming land adjoining small towns, or areas of existing small allotments used for rural living purposes. A lack of clear policy directions in relation to rural land contributes to the frustrations for land owners, and has resulted in the potential for inconsistent decision making. Latrobe City Council has had a number of planning permit decisions recently overturned by the Victorian Civil and Administrative Tribunal (VCAT) related to the use and development of land for a dwelling in association with an agricultural use on the land. The refusals have largely been based on the question whether a dwelling is genuinely required for the agricultural use of the land and ensuring that a new dwelling would not compromise the future agricultural use of the land, as directed by the purpose of the Farming Zone.

Latrobe City's local approach to the protection of agricultural land will need to be further considered in Stage 2, both through the Rural Land Use Strategy and the Industrial and Employment Strategy, recognising the overlapping nature of the two strategies.

9.3.2 Rural Industry Overview

Today agriculture (particularly grazing) and forestry are significant rural land uses, accounting for approximately 36% and 29% of land use across Latrobe City respectively.

Short to medium trends indicate strong demand for Gippsland's food and timber both domestically and internationally. Gippsland will need to make a significant contribution to the State Government's aim of doubling food and fibre production in Victoria by 2030 (Draft GRPG Background Report), presenting significant opportunities for Latrobe City in terms of logistics, transport and establishment of new processing industries.

Approximately 350 businesses are associated with activities undertaken on agricultural land in Latrobe City with 190 of these businesses (or 55% of the total), located in the Churchill area, 77 businesses (or 22% of the total) located in the Yallourn-North-Glengarry area, 47 businesses (or 14% of the total) located in the Traralgon area, 24 businesses (or 7% of the total) located in the Moe-Newborough area and 11 businesses (or 3% of the total) located in the Morwell area.

Rural Based Tourism

Rural tourism is a key industry within Gippsland, which is linked to the environmental assets of the region and its cultural landscapes. As identified within the GRGP, some key tourism assets include the Gippsland Lakes, Phillip Island, Wilsons Promontory, Far East Gippsland and the alpine country. Latrobe City is centrally located to many of Gippsland's tourism destinations, and attracts a lower level of recreational tourism visitation than other areas of Gippsland.

Clause 21.07-9 of the Latrobe Planning Scheme outlines that there are identified tourism opportunities within Moe-Newborough, Lake Narracan and Hazelwood Pondage and for conferences and major events. The 2011 Tourism Audit identified agri-tourism and nature-based tourism as opportunities for increased tourism in Latrobe City's rural areas.

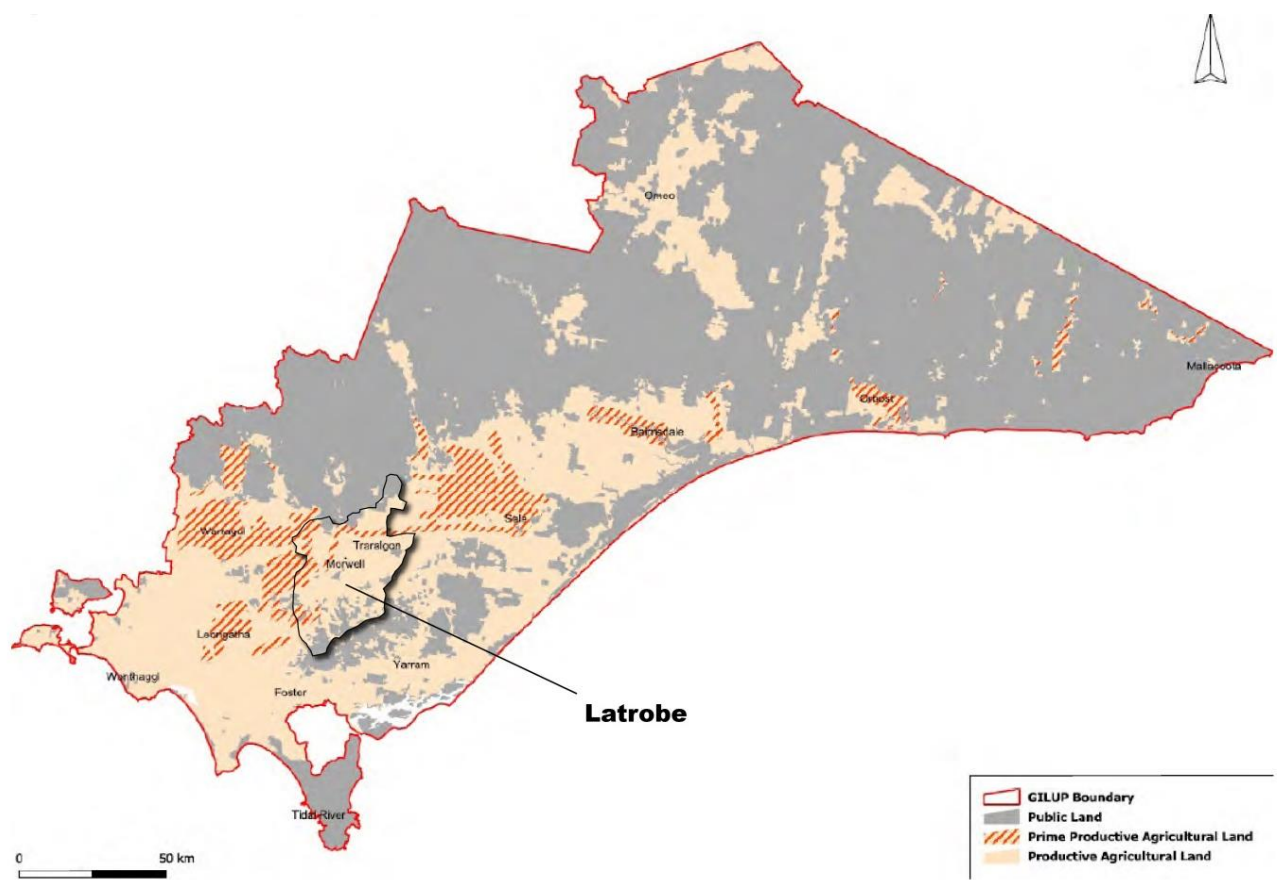
As part of the research undertaken for this project, rural tourism opportunities have been identified and were supported during community consultation. The Gippsland Plains Rail Trail, farm gate opportunities and leveraging areas of landscape values have been identified to date, and further consideration of these opportunities should continue.

Agriculture

The municipality has many areas of higher quality agricultural land, demonstrated in Figure 35. It is however noted that the quality of the land alone is not an indicator of economic viability and lower classes of agricultural land can still support viable agricultural businesses.

In terms of land consumption the Churchill area (46%), Traralgon area (26%) and Yallourn North-Glengarry area (18%) are the main centres of agricultural activity, with only a small proportion of total agricultural land consumption associated with the Moe-Newborough area (6%) and the Morwell area (3%). Land consumption for each area (areas based on the Census information sources) is as follows:

- Churchill – 18,410ha
- Traralgon – 10,440ha
- Yallourn North-Glengarry – 7,260ha
- Moe-Newborough – 2,340ha
- Morwell – 1,305ha



Source: RMCG, 2013

Figure 35: Productive and prime productive agricultural land in Gippsland

Source: Regional Growth Plan Background Report

Refer to Section 9.3.3 of this Report for a discussion on the need to protect agricultural land.

Dairy

Latrobe City's farm dairy industry is not significant when compared to its neighbours however the close access to surrounding dairy farms supports dairy processors. The Gippsland region produces 32% of Victoria's total dairy output or 2.1 billion litres of raw milk, and accounts for about a third of Victoria's total dairy revenue. There is a large dairy-processing sector within the region producing fresh pasteurised milk, milk powder, butter, cheese and other products for domestic and significant export markets. Specialty dairy processing businesses that exist in Latrobe City produce a wide range of high quality cheeses, yoghurt and other value added dairy products.

Products from these dairy processing plants is transported by heavy vehicle either to other facilities outside the region (e.g. distribution centres in the Melbourne metropolitan area) or to the Port of Melbourne for export.

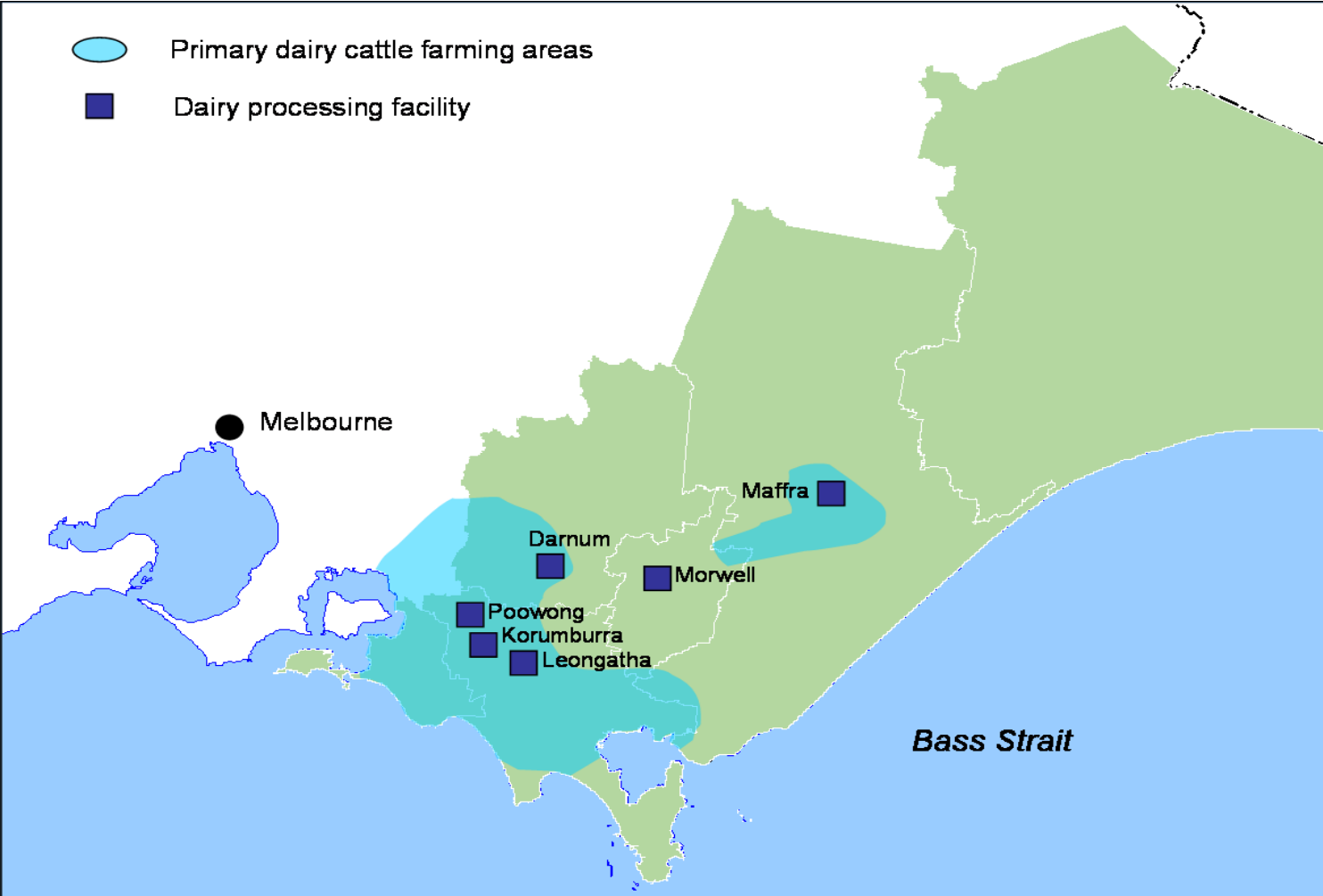


Figure 36: Gippsland Dairy Industry – Key Production and Processing Locations

Source: Gippsland Freight Strategy

Livestock

Gippsland has a significant grazing industry based predominantly on beef and prime lamb production. A significant proportion of the high value grass-fed beef and lamb produced in Gippsland is transported from saleyards to export-focused meat processing plants at Moe, Poowong, Warragul and Wonthaggi. Facilities within the Melbourne metropolitan area at Cranbourne, Dandenong and Pakenham also serve the Gippsland market. The emerging organic industry is quickly developing in Gippsland, with Radfords of Warragul recognised as Victoria’s only certified organic abattoir (Gippsland Regional Plan).

Gippsland is a major supplier of cattle for the live dairy export market. Approximately 30% (or more than 19,000 head of cattle) of the total live cattle exports are sourced from Gippsland. The trade is expected to continue in the short to medium term with strong export demand from China. Gippsland is also a major source of sheep for live export. An estimated 300,000 sheep are moved by road annually from Gippsland to Portland. A further 150,000 sheep are moved through Gippsland from the Eden-Monaro area in New South Wales (Gippsland Freight Strategy).

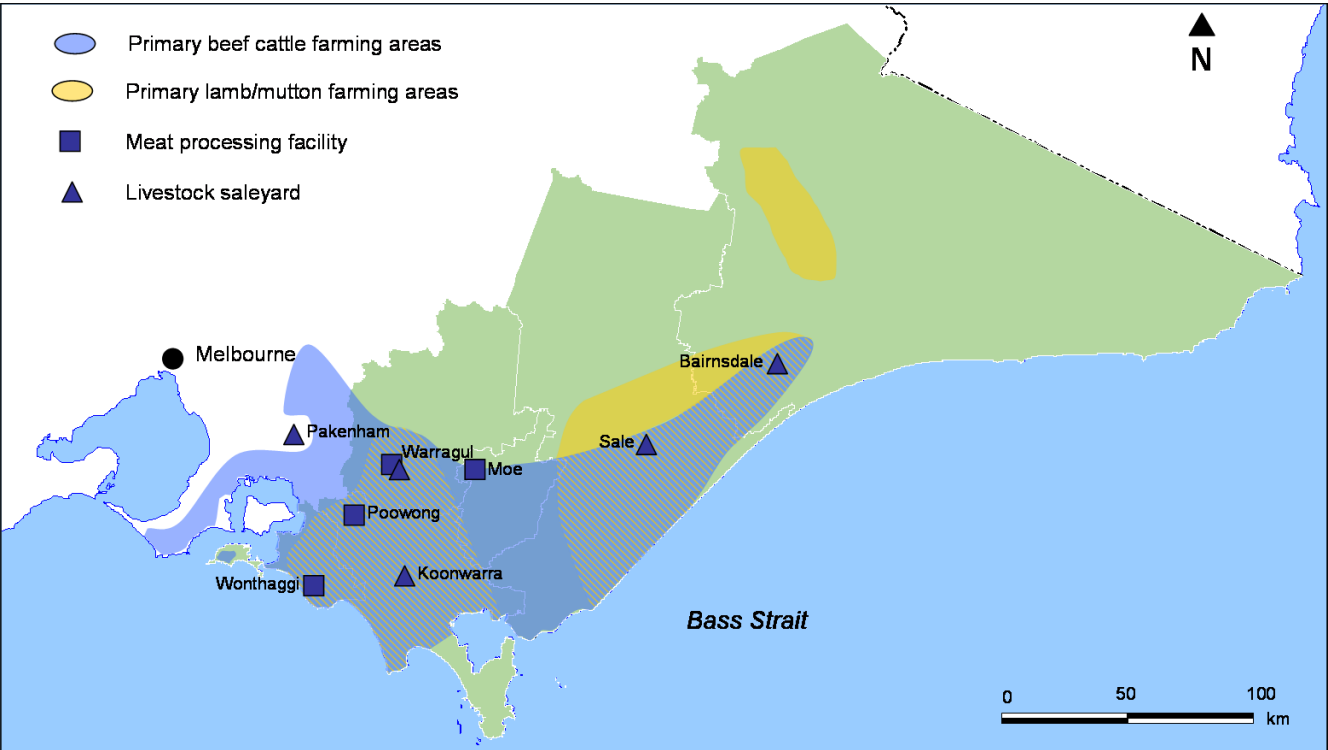


Figure 37: Gippsland Livestock Industry - Key Production and Processing Locations

Source: Gippsland Freight Strategy

Horticulture

Whilst not significant within Latrobe City, the horticultural industry in Gippsland produces more than 16% (by weight) of Victoria’s total vegetables, including more than 85% of Victoria’s beans, snow peas and sweet corn (Census 2011). Although some regional manufacturers have established value-adding techniques such as cleaning and packaging to meet ‘consumer ready’ markets, the majority of product is supplied fresh to both the Melbourne and interstate domestic markets.

Food products are commonly time sensitive and extremely reliant on good linkages out of the region to ensure competitiveness, presenting future opportunities in distribution and processing.

As with other industries, climate change is expected to have a significant impact on future horticulture production. East Gippsland’s milder winters (compared to other Victorian regions) have already encouraged the cultivation of crops that would be more difficult to grow elsewhere in the State.

Future consideration of the impacts of climate change (as well as other considerations) will assist in understanding the opportunities which may exist within this industry for Latrobe City.

Forestry

Forestry and related industries are of high significance for Latrobe City.

With softwood and hardwood plantations spread throughout Gippsland, Council advises the forestry and forest products industry operates the region’s most complex supply chain, with approximately 3.0 million cubic metres of logs harvested each year from plantations and native forests.

Council advises the biggest single consumer of the harvested product is the Australian Paper Pulp and Paper Mill within Latrobe City, which converts 1.4 million cubic metres of log and sawmill chip sourced from with Latrobe City and surrounds into 1 million tonnes of pulp and paper products each year. Over the next decade, council expect the timber sector will continue to be a major contributor to employment and investment for Latrobe City.

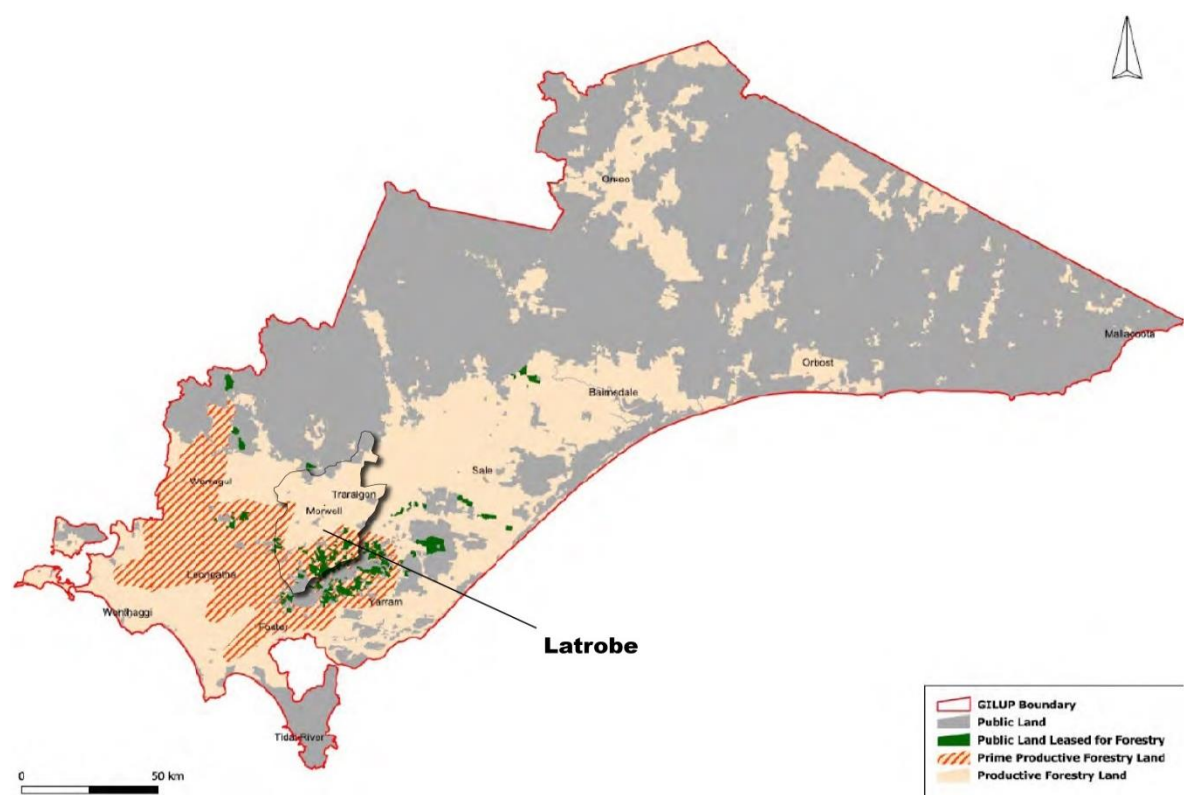


Figure 38: Productive and prime productive land for forestry
 Source: Regional Growth Plan Background Report

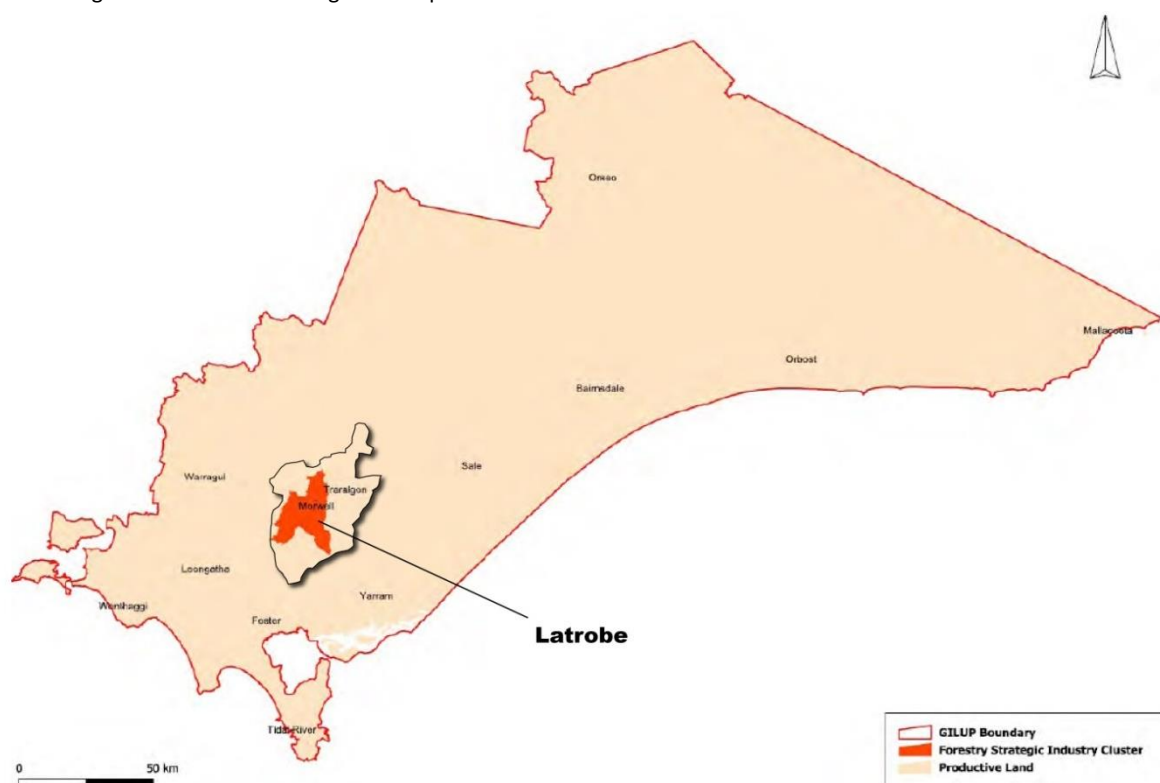


Figure 39: Forestry Industry Cluster
 Source: Regional Growth Plan Background Report

9.3.3 Protection of agricultural land

The desire to protect agricultural land is identified within the State Planning Policy Framework and reinforced through the purpose of the Farming Zone. At a local level, due to the comparatively low economic contribution of traditional agricultural enterprises within Latrobe City to other major industries, the protection of rural land for agriculture has not previously been a primary concern for Latrobe City Council, as acknowledged by the Strategic Planning for Gippsland Rural Areas Study (Municipal Association of Victoria, 2007). The preservation of rural areas is therefore expected to have resulted more often from the need to retain buffer areas from heavy industry (coal mines and the Australian Paper Mill), the preservation of coal reserves the limited development potential of the floodplain areas and steep topography of the foothills.

More recently however, council advised that the protection of the agricultural land base has been recognised amid the need to diversify the local economy and the recognition of opportunities intensive agricultural enterprises may provide. Furthermore, short to medium trends identified within the GRGP indicate strong demand for Gippsland's food, both domestically and internationally. The Australian Government's National Food Plan Green Paper and State Government research and development programs demonstrate a strong commitment to capturing a share of global food demand.

The desire to protect agricultural land is identified within the State Planning Policy Framework and reinforced through the purpose of the Farming Zone.

At local level, it appears the protection of rural land for agriculture has not previously been a primary concern for Latrobe City Council.

In addition to exploring the need to protect agricultural land, the Farming Zone specifies a minimum lot size, in order to protect the size of allotments and in turn the ongoing viability of farming the land. In this regard, the GRGP confirms more recent research undertaken by Essential Economics relating to agricultural land, and also spoken about by the community during consultation, in that agriculture in Latrobe City is trending toward fewer and larger farms in terms of both physical and economic size and more intensive farming and closer integration in the agri-food chain. Extensive rural enterprises are usually based on large areas of land, and land with a low agricultural rating can still be a base for an important agricultural industry (Framework for the Future). The opposite of this trend is the opportunity for smaller farming land to support boutique, 'niche' businesses, small scale farms, focusing on the production of high quality products for specific markets. Hobby farms can be as technically efficient as commercial farms, and may introduce alternative enterprises and usually provides extra business for the supporting infrastructure. Intensive agriculture, aquaculture, hydroponics and the like have all been identified by the community as opportunities for Latrobe City. These uses tend to operate on smaller parcels of land, and in this regard meet with the smaller land use patterns identified for Latrobe City.

Work undertaken for the GRGP identifies that Latrobe City has a significant number of rural lots under 40ha, as shown below (Draft GRGP Background Report):

- *No. lots in the rural zones: 6528*
- *No. rural lots under 4 ha: 3976*
- *No. rural lots between 4 and 40 ha: 1828*
- *Total no. of small lots in the rural zones: 5804*

The GRGP Draft Background Report clearly articulates some of the challenges faced for agricultural land, and ways in which land use planning can overcome these challenges. It is considered that these establish a strong basis for understanding what impacts agricultural land, including:

Competition for agricultural land from non-primary producers is emerging as a significant issue in Gippsland. Competition comes from:

- *Demand for rural lifestyle*
- *Demand for expansion of urban settlements, particularly along major transport routes to accommodate an increasing population.*
- *Demand for coal and other natural resources for the power and construction industry.*

In terms of land use planning, the needs of the primary production sector are therefore:

- *A supply of land, unencumbered by non-agricultural related dwellings and in productive sizes to enable flexibility to respond to financial and market trends and adoption of new technology.*
- *Separation from sensitive land uses to secure the ability of primary producers to operate machinery and undertake farm and plantation management activities without impediment.*
- *Certainty for the industry to make long-term business and investment decisions that accommodate trends and change, and minimise speculation in the land market.*
- *Require infrastructure, such as transport, energy and water (quality and volume), to ensure the industry can adopt new technology and remain globally competitive.*
- *Planning policy guidance where land use conflict or competition may occur.*

It has been identified through the work undertaken through the AIT-G Project that climate change is likely to impact the agriculture sector in the future, with shorter winters, longer summers and less winter/spring rainfall with the magnitude and frequency of extreme weather events likely to increase. The work identifies that some industries or types of commodities would be possible in Latrobe City, while others may become unviable. Furthermore, the patterns of agricultural suitability are likely to change. Refer to Section 10.2.1 of this report for a more detailed review of Climate Change.

Latrobe City Council and the community have identified a desire to explore allowing more intensive agricultural land uses within identified buffer areas or for land over coal, such as broiler farms, intensive agriculture and animal industries, as it presents an opportunity to ensure the “highest and best use” for the land.

Finally, Latrobe City Council and the community have identified a desire to explore allowing more intensive agricultural land uses within identified buffer areas or for land over coal, such as broiler farms, intensive agriculture and animal industries, as it may present an opportunity to ensure the ‘highest and best use’ for the land (until such time the mining of coal commences). Such intense land uses do not necessarily need to be located on high quality agricultural land. However this would need to be considered in more detail as part of the future Rural Land Use Strategy, noting the complexity of constraints on this land (refer to Section 10 of this Background report, in particular Section 10.1).

9.3.4 Rural Landscapes

Many parts of Latrobe City are located within a picturesque rural setting, with views to the Baw Baw Plateau to the north and the Strzelecki Ranges to the south adding to the local views and vistas. Land use and development can impact upon landscape and natural environmental values. There is no local policy guidance within the Latrobe Planning Scheme which identifies views and vistas. Consideration of how landscape values contribute to the rural areas of Latrobe City will be included within the future Rural Land Use Strategy.

9.3.5 Rural Living

Rural living occurs across the municipality and provides a valuable and sought after lifestyle choice. The relative affordability of rural lifestyle areas as opposed to metropolitan Melbourne has attracted many seeking an alternative lifestyle where quality of housing is a key factor.

The Rural Living Zone is the primary zone which is used for rural living. The Residential and Rural Residential Land Assessment 2009 reviewed the areas of Rural Living within Latrobe City. This study identified that it was likely the availability of land within these areas would be exhausted within the next 8 years or so, and that council at the time had no plans to review the zoning of these areas.

Rural living also occurs within the Farming Zone, and zones within the suite of rural zones. This is particularly the case for small lots with existing dwellings and small vacant lots. There are many small rural lots that may need to be investigated for their suitability for rezoning to a more appropriate zone.

While recognising that rural lifestyle dwellings provide an attractive option for housing, this should be considered on balance, noting rural living areas require large areas of land can introduce amenity expectations and can remove land from primary production opportunities.

Community consultation identified tensions for those who owned properties within the Farming Zone, particularly those on smaller lots, and who wanted to build a dwelling on the land. A lack of clear policy direction in relation to rural land contributes to the frustrations for land owners, and has resulted in the potential for inconsistent decision making. As previously acknowledged by this report, council has had a number of planning permit decisions overturned by VCAT where approval has been given for the use and development of a dwelling associated with an agricultural use on land located within the Farming Zone.

The Rural Land Use Strategy will provide an opportunity for Council to develop clear policy directions as to where and how much Rural Living Land it wishes to support. It will also provide an opportunity to clearly articulate its expectations for Rural Living Land, clearly differentiating its role from other urban residential zones.

Rural Living - Adequacy of Supply

No primary research into the supply of rural living (or other rural uses) has been undertaken as part of the Background Report, due to the complexities of rural land use patterns within the municipality, and an absence of existing strategic work to outline the vision for rural land within the municipality.

The Residential and Rural Residential Land Assessment 2009 was conducted to assess the demand and supply of residential zoned land to meet the future residential and rural residential land requirements of certain precincts within Latrobe City. An analysis of eleven townships and two rural living precincts as projected throughout the period 2008-2023 formed the basis of the assessment. The Land Assessment identified that it was likely the availability of land to be used for rural living within Latrobe City would be exhausted within the next 8 years or so, and that Council at the time had no plans to review the zoning of these areas.

This assessment anticipates that the majority of residential activity over the period 2008-2023 will continue to occur in the towns of Traralgon, Moe-Newborough, Morwell and Churchill. Standard residential development within these precincts will continue to be the primary form of residential development. There is potential for increased demand for larger rural living allotments, indicated by the level of development activity on land rezoned in Hazelwood North (as identified within the Assessment). Opportunities to accommodate an increasing share of residential growth within the smaller towns and rural areas will be dependent on improvements to infrastructure and residential land supply.

Broader trends occurring in peri-urban parts of Melbourne (including the neighbouring Baw Baw Shire) suggest ongoing demand for rural lifestyle, which may be an opportunity for growth within the municipality. However, specific constraints affect rural land and its ability and the desirability to accommodate additional rural living. These constraints include the desire to preserve productive land uses, particularly on high class agricultural land, environmental constraints, bushfire, flood and the ability for land to be serviced, particularly the availability of sewer. Balancing opportunities for rural living with the need to protect rural land operations will require more detailed considerations in the future strategy.

10 Other key issues

The section provides a high level discussion of key issues considered to be relevant to the preparation of the three key strategies to be delivered as part of Stage 2 of this project.

10.1 Coal Resources, Energy Policy and Directions

The Latrobe Valley hosts one of the world's largest deposits of lignite (brown coal); representing hundreds of years of supply. Coal was first mined for large scale electricity production in the 1920s and remains the major use of the resource today.

Coal resource planning direction is strategically important for Latrobe City as has been demonstrated through council's participation in the Supplementary Inquiry into the Traralgon Bypass, State Government *Coal Planning Provisions Review Project* (since deferred), Council's position on the LV2100 report, numerous planning panels and Latrobe City's policy *Positioning Latrobe for a Low Carbon Emissions Future* (2010).

This Background Report was prepared in an environment of uncertainty surrounding future coal mining and energy sectors; with council awaiting clear direction from the Victorian State Government regarding future coal developments and associated land use planning policy, the Hazelwood Mine fire inquiry and the consideration of a AGL's submission to Amendment C87 Traralgon Growth Areas Review (which highlighted landslip and subsidence concerns resulting from open cut mining to both future and existing urban areas).

The research undertaken as part The Latrobe Valley Industry and Employment Roadmap and the policy *Positioning Latrobe for a Low Carbon Emissions Future* articulates the significance of the direct and indirect employment provided by the electricity and coal sector in Latrobe City (and the broader Latrobe Valley region). As such, the significance of this industry to the local economy is paramount and cannot be overstated.

While the broader community understands the economic importance of the coal resource, council advises there is a degree of sensitivity about existing and future land use conflicts and the associated community health and safety concerns resulting from coal mining operations. This is emphasised by recent events including mine collapses and the Hazelwood mine fire.

State policy for the future of coal mining and utilisation will therefore significantly influence the sustainability and liveability of the Latrobe City community and region, requiring careful management of range of matters including:

- water resources,
- erosion and land stability,
- air emissions and community health risks,
- proximity to sensitive land uses,
- landscape rehabilitation and remediation,
- social impacts,
- natural environment
- infrastructure access
- fire and general land management.

With changes in the utilisation of coal resources likely to be experienced during the life of these strategies (i.e. next 15 years), there remains a need for well-defined government policy and clear direction regarding the future utilisation of the region's brown coal resources. This will greatly assist council, community, investors and the broader Gippsland region to understand the State Government's preferred future, allowing all stakeholders to plan accordingly.

Latrobe City Council holds the strong view that the consideration of the coal resource policy and planning should not occur without appropriate engagement with the Latrobe City community.

Land Over Coal and Buffer Area Study (1988)

This project fulfilled one of many tasks required to implement the policies contained in the Latrobe Region Framework for the Future Report (1987). While this document is reasonably old, it continues to be a reference document within the SPPF (Clause 14.03 Resource exploration and extraction), and it provides state level direction as to land uses for land on or around identified coal resources.

It is relevant to note that coal resources within the Latrobe Valley have been protected since 1978 by the introduction of the Brown Coal Interim Development Order by the State Government. The order restricted land use and development on land which identified deposits of economically winnable brown coal. These controls were translated into planning controls in 1980.

Essentially, the document seeks to protect the ability for coal within the identified area to be won with minimal impacts from the previous land use or from surrounding land uses. It also seeks for the land within buffers to be used in a manner which will both protect the process of winning coal and also protect the urban areas from detrimental amenity impacts caused by the coal activities.

Anecdotal evidence suggests that finding uses which meet the requirements of this document has been a challenge for land owners and the community. This is particularly the case for land owners who are located on land within the identified coal resource areas, but who have limited certainty as to the timing of extraction. Meeting these requirements continues to be a challenge for the municipality, noting the protection of the coal resources is managed at a State level rather than a local level.

Finally, it is noted that other attempts by the State Government to rationalise the coal policy and zoning have been initiated, although none are formally adopted into the Latrobe Planning Scheme.

Latrobe Valley 2100 Coal Resources Project

The Latrobe Valley 2100 Coal Resources Project (LV2100) identifies possible coal requirements to 2100 and provides a strategy to guide land use planning and sustainable mine development practices for brown coal in the Latrobe Valley.

LV2100 examines, identifies and evaluates the following:

- The likely sequence and extent of development of brown coal.
- Infrastructure requirements for the optimum development of the brown coal resource.
- Likely infrastructure requirements for service industries and the community to support development of the brown coal resource.
- Options, strategies, guidelines and recommendations within a planning framework to optimise the placement of new and existing infrastructure.
- Potential conflicts, constraints and barriers between the environment, infrastructure or land use in coal resource and associated development.
- Existing principles in the Latrobe and Wellington Planning Schemes and recommends amendments in relation to brown coal mining and mining infrastructure.
- Likely impacts of mine, industry, urban growth and infrastructure on the natural environment.

LV2100 has no statutory status particularly in relation to statutory planning controls and the associated zone and overlay boundaries. Further, the State Government has previously advised (during the Traralgon By-Pass Supplementary Advisory Committee), that it should not be relied upon.

Developing the Latrobe Valley Resources Future - Coal Resources Planning Provisions Review (2007)

Whilst not formally adopted by the State Government, work undertaken as part of *Coal Planning Provisions Review Project* provides a comprehensive overview of the current regulatory and planning framework which applies to coal mining and to the potential impacts of mining.

The draft report identifies and summarises key regulatory and policy documents that underpin the State Planning Policy Framework (SPPF) and the other policies relevant to coal mining in the Latrobe Valley. The report identifies gaps, discrepancies or outdated approaches in policy and recommends a process to develop a new planning reference document for Clause 17.08 of the SPPF Mineral resources.

Traralgon Bypass Decision

The *Traralgon Bypass Supplementary Inquiry Traralgon-Morwell Southern Corridor Advisory Committee Report* (July 2007) was released on 11 January 2008.

The principal recommendation of the report was the adoption of the northern most alignment for the Traralgon Highly Bypass. The decision of the Minister to subsequently implement the committee's recommendations to the Latrobe Planning Scheme, removed the future development potential of approximately 508 hectares of land which had previously been forecast for urban expansion.

The change in direction was justified on the basis that the previously approved highway alignment may impact on the potential to access commercially valuable coal reserves.

The 2007 Supplementary Advisory Committee decision represented a significant shift in planning direction and challenges for Latrobe City. While the decision not only removed the opportunity for an additional 10,000 homes, the decision highlighted the importance given to securing coal interests, whilst highlighting that State Government participation and support in the preparation of long term urban planning strategies would be essential to providing certainty to community, industry and potential investors.

While council recognises the growth potential of other townships for future urban development, council's position remains that long term sustainable growth requires the use of the Traralgon-Morwell Corridor.

Advances in Coal resource technology

Broadly, Latrobe City Council supports the balanced use of brown coal and has continued to work with researchers and government agencies to support low emissions coal technology research efforts and has encouraged the development of pilot plants and research facilities in Latrobe City.

Latrobe City Council expects that future opportunities for brown coal will be largely dependent on projects that are technically sound, commercially viable and socially acceptable. Commercial interest has been expressed in potential large-scale multi-billion dollar investments which would develop coal into a wide range of value-added products for both domestic and export markets, including: fertilisers, briquettes, methanol, synthetic diesel fuel, ethanol and dried brown coal. Concerns over the high carbon dioxide (CO₂) emissions that are produced through burning brown coal have also stimulated investment interest in new technologies globally.

Although many of the proposals are still only at concept or pilot phase, the potential development of the brown coal resource would promote a sizeable expansion of the region's manufacturing sector as well as present major opportunities for the construction, engineering and transport sectors. The infrastructure requirements which may result from a successful proposal would be of national significance and require the support from all levels of government.

Should a coal derivatives export industry be developed, the consequent increase in employment opportunities would be expected to stimulate significant population growth within Latrobe City.

State Government Coal Review Announcement – November 2015

On the 18th November 2015, the State Government announced its commitment to the completion of review of previous coal development programs and policy to provide greater certainty to the community and industry going forward. As part of the announcement the Government stated that the review of coal development programs will include targeted consultation with industry, environmental groups and the community. Further it would develop a framework for decision making and consideration of future coal projects. The findings of this review will also feed into the Government's new coal policy, which will consider the economics, social and environmental factors. The new coal policy will be released in 2016 and will incorporate findings from the Government's climate change review and the Hazelwood Mine Fire Inquiry recommendations.

Hazelwood Mine Fire Inquiry

When fire broke out in the disused northern batter of the Hazelwood open cut coal mine, the resulting coal smoke impacted Morwell and surrounding towns. The following six weeks became a daily challenge for the community, businesses and the agencies and volunteers who were called to respond to what unfolded as an unprecedented event.

The local communities' experience with the recent Hazelwood mine fire has heightened concern regarding how rehabilitation of the disused areas of mines can be better managed to mitigate against fire risk.

The Hazelwood Mine Fire Inquiry was reopened on 26 May 2015 with a new Terms of Reference that establish the parameters of any investigation. Under its new terms of reference the Board is examining:

- Whether there were any increases in the rates of death in the Latrobe Valley as a result of the Hazelwood Mine Fire, comparing data from 2009-2014
- What measures are available to improve the health of the Latrobe Valley communities in relation to any health impacts identified by the Board as being associated with the Hazelwood Coal Mine Fire
- Mine rehabilitation options for the three Latrobe Valley coal mines; and
- Whether the rehabilitation liability assessments are adequate and whether the current rehabilitation bond system is effective.

The Board's report into mine rehabilitation in Latrobe City are expected to be delivered to the Governor during March 2016.

Latrobe City Council highlighted the need for improved information sharing and collaborative planning in their submission to the Hazelwood Mine Fire Inquiry, stating that:

"As reflected in the Municipal Strategic Statement of the Latrobe Planning Scheme...there is a need for cooperation between all levels of government, the private sector and the community with regard to the development of the coal resource [...] Council requires greater clarity and involvement in coal allocation and mine planning to ensure Council can plan for orderly and safe development of the municipality both now, and in the future as the mines are rehabilitated." (Latrobe City Council, 2015)

The planning system does not provide an obvious link to the consideration of fire risk associated with coal mines. The inquiries to the recent Hazelwood mine fire (Hazelwood Mine Inquiry 2015-2016 and Hazelwood Mine Enquiry 2014) illustrated that buffer distances established for mining operations are not effective in managing impacts on the community associated with fire in these circumstances (Hazelwood Mine Fire Inquiry, 2014 and Hazelwood Mine Fire Inquiry, 2015).

These issues and associated implications will need to be considered and addressed by each of the three strategies to be completed as part of Stage 2; whilst acknowledging the significance of coal resources to the Latrobe City economy and extensive opportunities for the exploration, development and investment in new and cleaner coal resource technologies in the future.

Coal Mine Rehabilitation

For the last 60 years the Latrobe Valley has known expanding operational coal mines that provide local employment and electricity for a growing Victoria. More recently, the local communities experience with the recent Hazelwood mine fire has heightened concern regarding how rehabilitation of the disused areas of the existing coal mines can be achieved to better mitigate the present fire risk.

The future however appears to be very different, with the three coal fired energy generators potentially ceasing operations in relatively close succession from 2032 (Yallourn 2032, Hazelwood 2033 and Loy Yan 2048). As identified within the report produced by Jacobs in support of the Hazelwood Mine Fire Inquiries (*Review and Analysis of potential coordination and planning models for the Latrobe Valley brown coal mines*), effective solutions to the rehabilitation of the associated coal mining operations will be required, with each mine presenting unique rehabilitation and transition challenges.

Market demand and the advancement of clean coal technologies will also be a key determinant for the on-going viability of the mines and will be heavily influenced by the pace of change in the composition of Victoria's energy mix. Monitoring of the factors that may lead to one or more of the coal mines choosing to bring forward or delay ceasing of mining operations will be essential to achieving the desired community safety, economic, environmental and community outcomes in a manner acceptable to all key stakeholders (community, mine operators, governments etc.).

Current coal mining operations are a significant user of surface water and groundwater. The current planned "pit water body" landform proposed as part of the possible long term rehabilitation will require significant, on-going, access to Gippsland's highly sought after water resources, noting no licences have been granted for this water. Consequently a better understanding will be required of the relationship between water use and impacts across the Gippsland region to inform any future request for on-going water allocations required as part of possible mine rehabilitation.

10.1.1 Protection of Significant Resources

State Planning Policy requires the protection of State resources. A number of controls exist within the Latrobe Planning Scheme which restricts land use and development within vicinity of mines, airports, and industry. These include:

- Special Use Zones (SUZ)
- State Resource Overlay (SRO)
- Environmental Significance Overlay Schedule 1 – Land Use Buffer (ESO1)
- Design and Development Overlays (DDO)

Of particular significance for Latrobe City are the controls relating to the protection of coal resources. These controls are significant due to the constraints they place over the land and also the extent to which they apply.

Protection of coal resources have long been recognised as significant for Victoria. Along with policies, much of the identified coal resources are afforded recognition in the Planning Scheme through the State Resource Overlay 1 (SRO1). Land already assigned for coal uses is identified within the Special Use Zone 1 (SUZ1)

The purpose of the SRO is as follows:

To protect areas of mineral, stone and other resources, which have been identified as being of State significance, from development that would prejudice the current or future productive use of the resource.

The local Statement of Resource Significance states:

The Gippsland Coalfields provide a secure long term energy source for base load power generation in Victoria, as well as providing an unique opportunity for other related significant developments.

The local management objective is:

In order to ensure the medium to long term extraction and use of the coal resource for power generation, building, works and subdivision of land over the resource should be of a type that will not inhibit, by way of community significance or cost of removal, the eventual productive use of that resource.

There is also a recognised need to protect the urban areas from amenity and adverse impacts associated with the coal industry. This is formally recognised in the Latrobe Planning Scheme through the Environmental Significance Overlay 1 (ESO1).

The purpose of the ESO1 is as follows:

The coal industry is of national and State importance due to its use as the primary energy source for the electricity generating industry in Victoria. The impact on the environment is radical. Buffers protect those elements of the Coal Buffers Policy Area such as urban settlements from the impact of the radical change to the environment from the coal industry.

These planning controls establish significant constraints on the availability of land within Latrobe City, as land uses within these areas need to meet a range of criteria.

It should be recognised that the State Government (who are responsible for policy directions relation to the SRO and ESO) have undertaken work to review the coal policy and zoning on a number of occasions. However to date there have not been meaningful changes that alter the current coal policies across the Gippsland area Planning Schemes.

Some community members identified an opportunity to seek complementary and beneficial land uses for land currently within buffer areas and land over coal to allow for the better utilisation of land. Significantly, the State Government are responsible for the policy directions of the SRO and the *Land Over Coal and Buffer Area Study*. These policies generally discourage more intensive uses of this land, to reduce future hindrances to extraction of the underlying coal resource. This is also relevant for land within the ESO1.

Further consideration of the possibility to allow for short term, intensive agricultural land uses within these areas may be warranted, given their strategic location and anecdotal feedback that much of this land is presently under-utilised. Any such considerations would preferably be tied to a conversation relating to the timing and release of land for extractive licences, to provide certainty and clear agreement as to the expected timeframe of any such opportunities.

The land use constraints remain a significant issue for Latrobe City and have dominated discussions relating to Housing, Rural and Industrial land use. Better utilisation of this land is recognised as a real opportunity for the Latrobe City community.

There is a need through the progression of the *Live Work Latrobe* project to investigate opportunities to better utilise buffers and land over coal for certain types of land use and development. Discussion and agreement between Government, landowners, operators, and council will be critical to realising any such outcomes.

Finally, it is important to note the location and extent of these constraints. Figure 40 (below) represents the extent of existing coal related planning controls presently included within the Latrobe Planning Scheme.

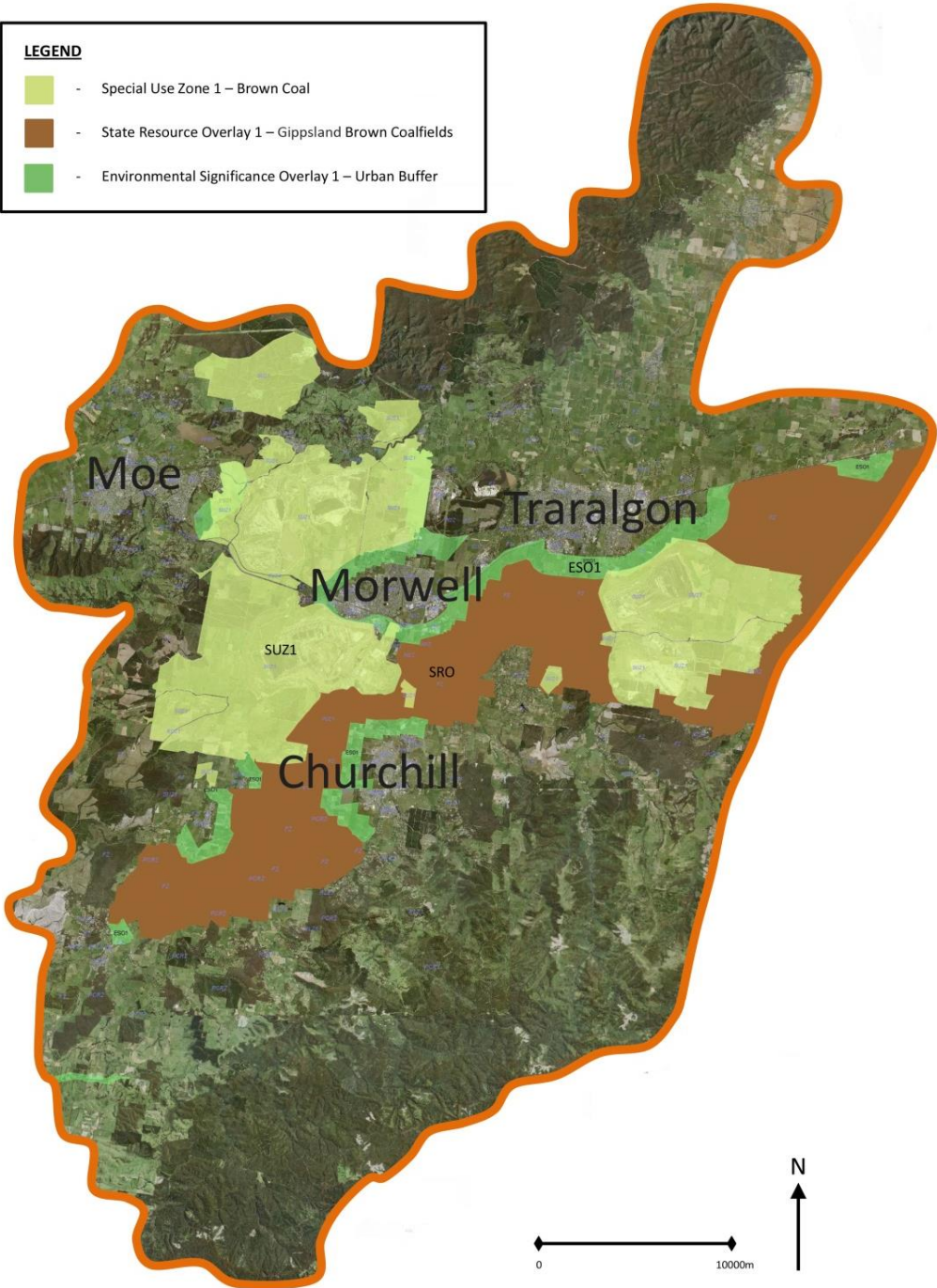


Figure 40: Coal Resources Map

Source: Latrobe City Council

10.2 Environment

10.2.1 Climate Change

Latrobe City formally acknowledges that climate change is real and impacts the community. As the home of 90% of Victoria's power generation, Latrobe City faces particular challenges associated with structural changes to the energy and coal mining sectors. The economic and social impacts faced by Latrobe City in relation to climate change are well recognised. Council's *Positioning Latrobe City for a Low Carbon Emissions Future* provides a local framework for future action and this policy will continue to be relevant in the development of the future strategies.

There is research underway to better understand the potential risks and opportunities arising from climate change in Gippsland, including impacts to agriculture and tourism. In terms of supporting the region's resilience, key considerations for the region include:

- *As commodities shift over time, impacted by climate change and potential economic shifts, what effect might this have on the supporting industries and freight within the region?*
- *What land use implications might these changes have?*
- *What implications might these potential changes have on the settlements in the region?* (Draft Gippsland Regional Growth Plan- Background Report).

The GRGP provides the following implications of climate change on the local economy:

- *implications for water supply and reliability, within and outside the region, due to reduced rainfall and increased bushfire frequency and intensity*
- *increased water demand*
- *shorter drier winters impacting alpine environments and reducing snow cover*
- *damage to infrastructure, industries and agriculture from severe weather events and environmental hazards*
- *potential increase in erosion and reduction in water quality*
- *pressures on natural ecosystems*
- *implications for communities, such as human health, energy use, housing needs and service provision* (Draft Gippsland Regional Growth Plan- Background Report)

Planning for climate change and building in a climate change resilience approach will assist Latrobe City and others to mitigate climate change impacts, particularly the impacts of more extreme weather.

Changes associated with climate change suggest that Latrobe City in the future will be hotter and drier, with an increased bushfire risk and intensity of heavy rainfall, which could lead to increased flooding.

Economic diversification may also occur to include other commodities and industries, including those related to national action to reduce greenhouse gas emissions, such as carbon farming, renewable energy production or other new industries.

While recognising the significant changes and challenges faced by climate change, as above, climate change in Latrobe City may present positive opportunities for agriculture.

Agriculture Industry Transformation project (AIT-G Project), undertaken by the Gippsland Local Government Network, the Department of Primary Industries and Melbourne University has developed mathematical models for 20 agricultural and forestry commodities and looked at likely yields under climate change scenarios.

The resulting maps indicated that certain farming systems would face challenges to continue with a 'business as usual approach' in a warmer and drier climate. But, there were plenty of new commodities that would either be unaffected or would perform better in the future, with excellent prospects for agricultural development across Gippsland (Regional Development Australia).

Latrobe City contains areas of identified valuable or high class agricultural land. When considering high value agricultural land, early recognition and protection of land which will be productive in the future may assist in mitigating climate change impacts. Therefore protecting land which is currently considered agriculturally productive, but for which the research suggests will be less productive in the future, may provide less long term benefits than protecting land which is of medium productivity now, but will be of higher productive value in the future.

10.2.2 Potable Water Supply Catchments

Water is one of Latrobe City's most valuable resources, boasting a more secure water supply than other Victorian regions. Open, potable (drinkable) water supply catchments are areas where water is drawn from a waterway for the purpose of domestic use, including human consumption. An open catchment is a catchment area that includes both public and private land to which access is unrestricted. Water supply catchments are proclaimed (approved) by the State Government who require councils to protect these within their Planning Schemes to ensure land use and/or development does not compromise drinking water supplies.

The importance of water quality and preservation of water catchments to maintain supply is specifically addressed in *Clauses 14.02 and 19.03 of the State Planning Policy Framework* and in *Clause 21.03 of the Local Planning Policy Framework* within the Latrobe Planning Scheme. Latrobe City has six proclaimed catchment areas; however, only two are currently identified within the Planning Scheme. Latrobe City Council and Gippsland Water are currently preparing a planning scheme amendment to apply the appropriate protection to all water supply catchments.

The Planning Scheme control that relates to these areas is the Environmental Significance Overlay Schedule 2 – Water Catchments (ESO2). The objective of the ESO2 is: “*To protect and sustain the environmental attributes which ensure high quality water availability.*”

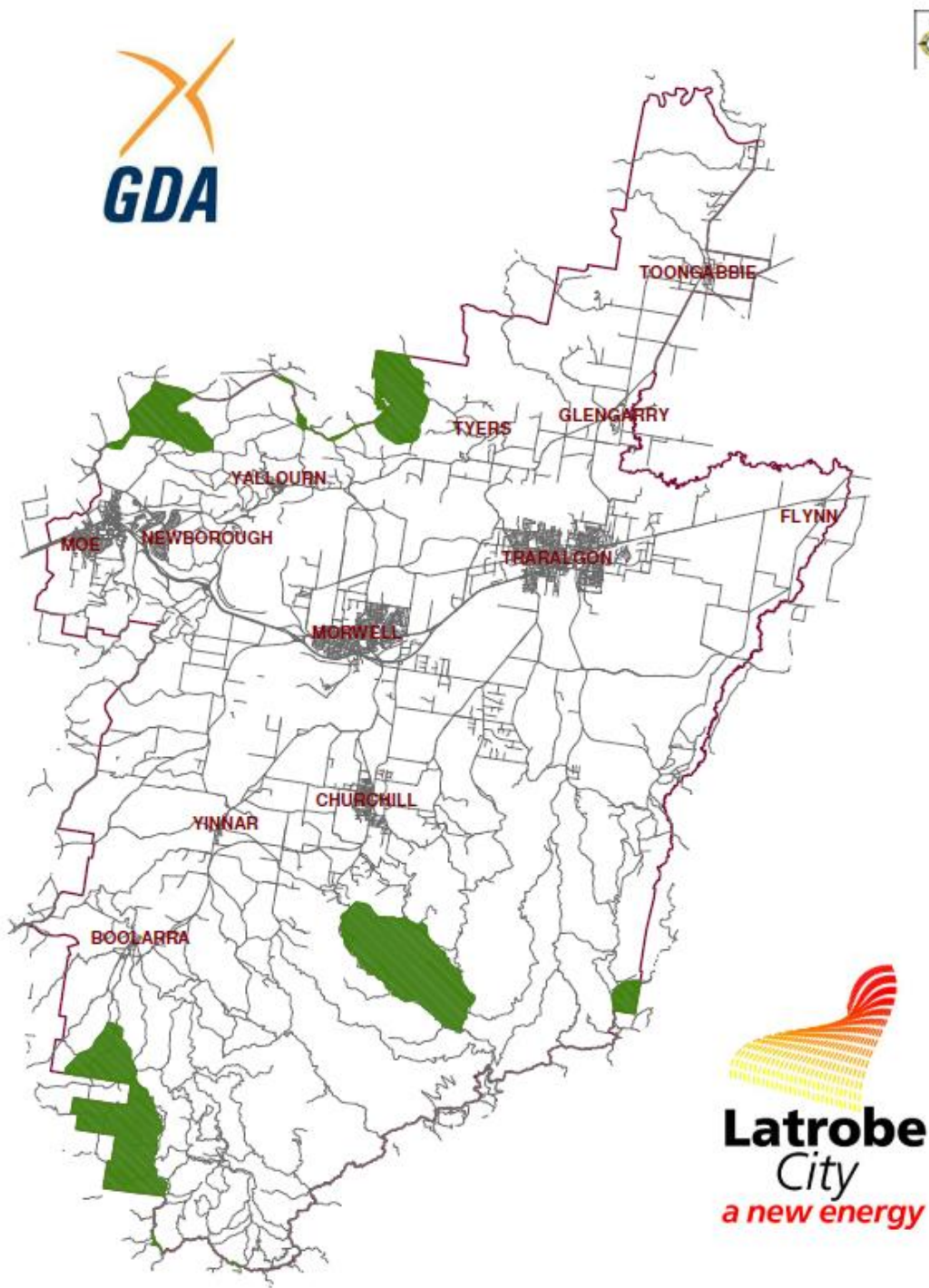


Figure 41: Latrobe City Water supply catchments

Source: Latrobe City Council

10.2.3 Non-potable water resources

Latrobe City’s non-potable water is supplied from reliable and interlinked sources, which directly support major industry and energy sectors. These include Blue Rock Dam (located in the adjoining Baw Baw Shire Council municipality), Hazelwood Pondage, Lake Narracan and Latrobe River, each of which are critical for the provision of water to the power and paper industries. Lake Narracan harvests water from the Latrobe River from where it is pumped directly to the power stations from Yallourn Weir (just below Lake Narracan). Water stored in Blue Rock Lake is released downstream to Lake Narracan when flows in the Latrobe River recede over summer months.

Smaller river systems across the municipality also support on-farm enterprises, including provision of water to stock and small scale irrigation. The availability of new water licensing for these users will continue to be reliant on in-stream flows, broader environmental considerations and possible reductions in water use by other users.

It is noted that the recent closure of Energy Brix in Morwell has resulted in a significant amount of unallocated water now being available for other industry and commercial uses. This demonstrates the interdependencies and opportunities which may result from changes in energy production and coal sector technologies and associated adjustments to existing resource allocations, such as water and associated opportunities for new industry to utilise this resource if made available.

Considering forecast climatic changes and predicted growth for Latrobe City, the sustainable management of water resources, catchments and waterways for both environmental and economic reasons will be key consideration in the preparation of strategies during Stage 2 of this project.

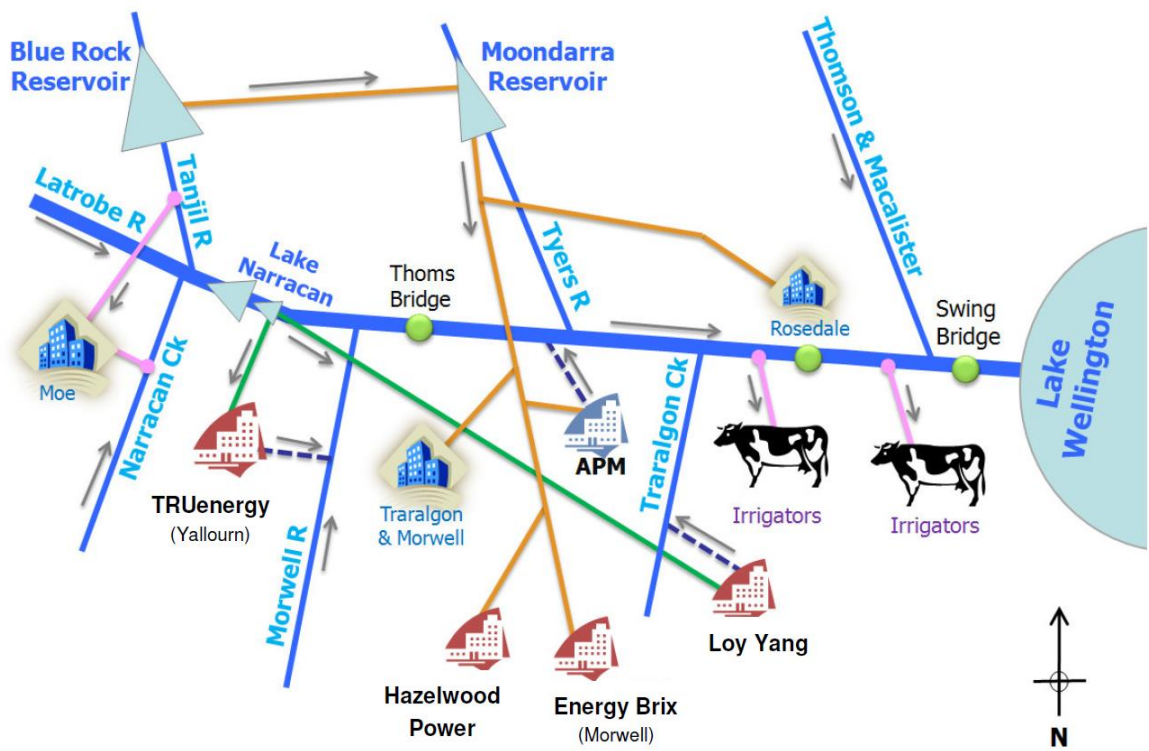


Figure 42: Basics of the Latrobe River water supply system

Source: Gippsland Region Sustainable Water Strategy - Background Report 1: Options for Blue Rock Unallocated Water 2010

10.2.4 Biodiversity

Latrobe City is located within the Gippsland Plains bioregion.

Bio-links support biodiversity throughout the municipality. Some threatened and vulnerable species exist within the municipality, and of particular note is the Strzelecki Koala, which is a genetically unique koala native to the local region, as well as the Gippsland Red Gum. Latrobe City Council is involved in protecting and improving habitat for identified species.

There are a number of Ecological Vegetation Classes (EVC) which exist within the municipality, as shown below in Figure 43:

Flooding Riparian Flats

- Swamp Scrub (EVC 53)
- Wetland Formation (EVC 74)
- Riverine Escarpment (EVC 82)
- Swampy Riparian Woodland (EVC 83)
- Swampy Riparian Complex (EVC 126)
- Riparian Scrub (EVC 191)

Dry Foothill Forest

- Lowland Forest (EVC 16)
- Shrubby Dry Forest (EVC 21)
- Grassy Dry Forest (EVC 22)
- Herb-rich Foothill Forest (EVC 23)
- Shrubby Foothill Forest (EVC 45)
- Heathy Woodland (EVC 48)
- Valley Heathy Forest (EVC 127)
- Dry Valley Forest (EVC 169)

Plains Grassy Woodland

- Plains Grassy Woodland (EVC 55)
- Floodplain Riparian Woodland (EVC 56)
- Box Ironbark Forest (EVC 61)
- Plains Grassy Forest (EVC 151)
- Gippsland Plains Grassy Woodland/ Gilgai Wetland Mosaic (EVC 689)

Damp Forest

- Riparian Forest (EVC 18)
- Damp Forest (EVC 29)
- Wet Forest (EVC 30)
- Cool Temperate Rainforest (EVC 31)
- Warm Temperate Rainforest (EVC 32)



Figure 43: Ecological Vegetation Classes within Latrobe

Source: Natural Environment Strategy Snapshot Report 2013

Latrobe City contains areas of native vegetation and habitat, as demonstrated in the NaturePrint mapping. Areas to the north and to the south generally contain higher contribution of natural values, as shown in Figure 44 (overleaf).

Recognition of the biodiversity values within Latrobe City will be an important and overarching consideration for future work, to ensure existing biodiversity values are afforded necessary protection.

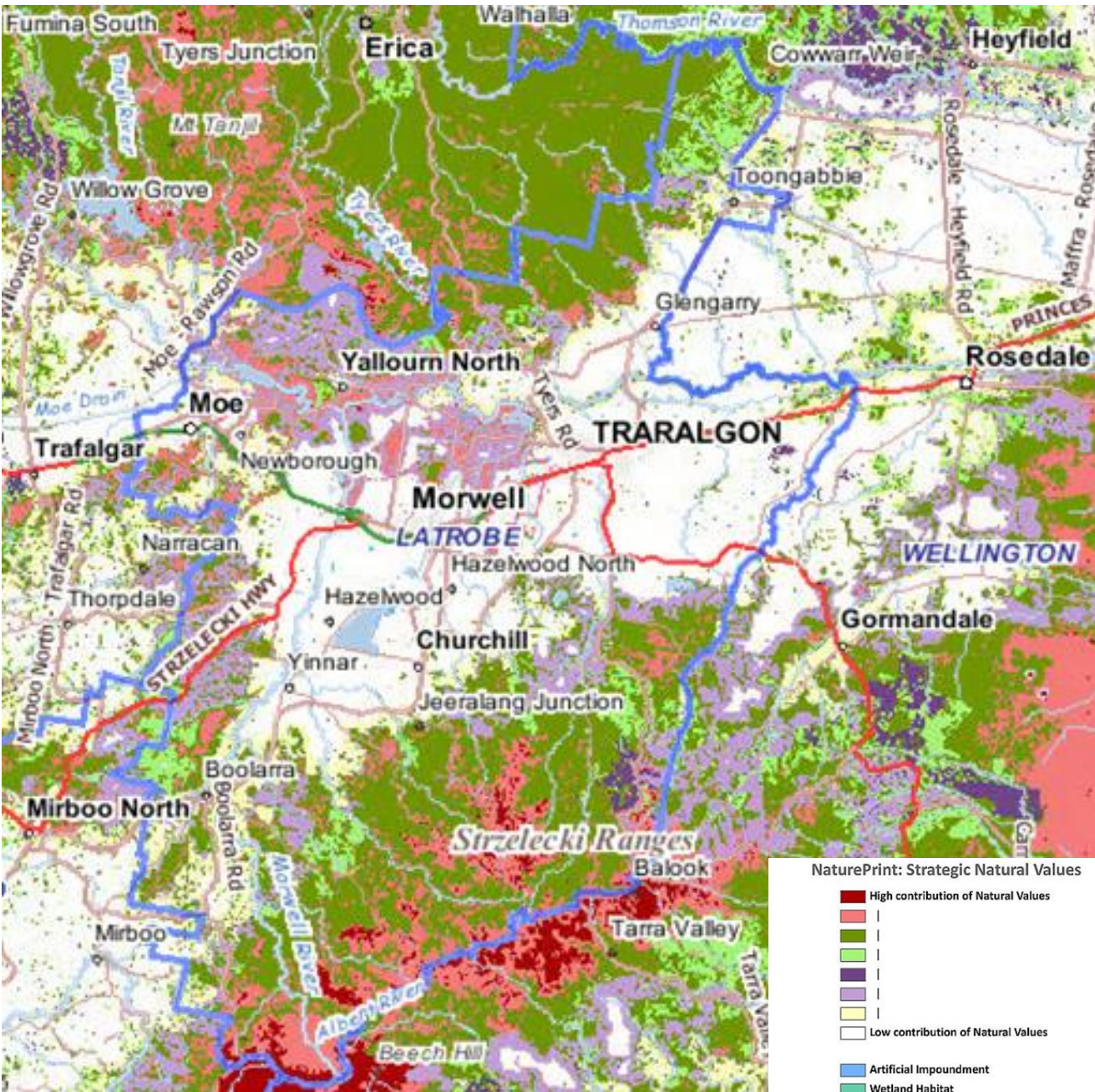


Figure 44: NaturePrint Map of Latrobe

Source: NaturePrint v2.0

10.2.5 Floodplain Management

The Latrobe Valley sits within the Latrobe River Catchment Ecosystem. Rivers throughout the area are considered to be in moderate health however the health in the Latrobe River fluctuates in different areas. The continued protection and enhancement of river health, water quality and environmental flows and wetland habitats are imperative for the responsible management and long-term sustainability of water resources in the region (Regional Catchment Strategy).

In discussions with the West Gippsland Catchment Management Authority, it has been indicated that land use and management of floodplains, and response to flooding, could be improved by addressing inappropriate development and land use, among other factors. There is a significant opportunity to address these issues at a strategic level and reduce the need to address issues relating to flooding on a site by site basis.

Land use planning is considered to be an effective means of reducing future risks and damages from flooding (Latrobe Valley Industry and Employment Roadmap). The GRGP considers the implications of flooding on growth, particularly settlement growth. The plan considers and maps where flood issues must be considered in more detailed settlement growth planning. It provides growth frameworks for key regional centres, with indicative flood risk based on current flood overlays. A more detailed assessment of flooding will occur as part of the development of each of the strategies.

At a municipal level, hazards are mapped through the Latrobe Planning Scheme in the form of:

- Urban Floodway Zone
- Floodway Overlay
- Land Subject to Inundation Overlay
- Environmental Significance Overlay 2 – Water Catchment (currently being revised)



Figure 45: Floodways in Latrobe City

Source: Department of Environment Land Water and Planning

10.2.6 Geology

As previously articulated, the Latrobe region contains Australia's largest reserves of brown coal with most of Victoria's electricity generation facilities located here. Power generation resources and facilities are frequent features within the local landscape and impact the surrounding geology of the region. In addition to existing facilities, large areas of rural land have been set aside to protect the ongoing coal extraction activities with potential for future expansion.

To the south of Traralgon is the Loy Yang Power Complex and open-cut coal mine. Geotechnical evidence (through expert witness statements via Planning Scheme Amendment C87) has indicated the presence of ground instability associated with the mine beyond the designated one kilometre coal buffer. Potential for further geotechnical impacts exist as mines continue to develop and increase in area, location and depth. In considering the proposed Traralgon Growth Areas Plan and Planning Scheme Amendment C87, the Planning Panel concluded that the precautionary principle should be applied to future urban development south of Traralgon by excluding land within two kilometres of the coal mine, until better defined geotechnical evidence could be established to ensure the continuation of viable residential development within proximity of the mine. Latrobe City Council are currently considering the recommendations of the Panel Report.

The future strategies should recognise and consider potential of geological impacts, particularly those associated with ground instability on land within close proximity to mining activities.

10.2.7 Bushfire

Latrobe City, like much of Victoria and many parts of Australia plans for the risk of bushfire. Based on an historical analysis major bushfires have occurred over the past 11 years at least every 3-4 years (Latrobe City, 2013).

Figure 46 (overleaf) provides a map of bushfire history in the area since 1970.

The Latrobe City Fire Management Plan 2013 identifies the following priorities or values for Latrobe City as they relate to fire:

- *Protection and preservation of life is paramount*
- *Protection of critical infrastructure and community assets that support community resilience*
- *Protection of residential property as a place of primary residence*
- *Protection of assets supporting individual livelihoods and economic production that supports individual and community financial sustainability*
- *Protection of environmental and conservation values that consider the cultural, biodiversity, and social values of the environment.*

Victorian land use planning plays a role in managing bushfire risk. The events of Black Saturday and the subsequent Bushfire Royal Commission identified a number of ways in which land use planning, building control, emergency management, and infrastructure planning can play a role in reducing bushfire risk.

Bushfire hazards are currently identified at State, Regional, Municipal, and Local levels to varying degrees with planning for bushfire occurring across each level. Key plans include:

- Regional settlement planning (Gippsland Regional Strategic Fire Management Plan, Gippsland Regional Growth Plan)
- Municipal Fire Prevention Plan – Latrobe City Fire Management Plan.
- Bushfire Management Overlay (BMO) applies to much of the northern and southern areas of Latrobe. Planning Application triggered under the BMO require specific consideration to ensure development only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.
- Victoria's building system also identifies a significant proportion of the State, including the Latrobe City as within a bushfire prone environment.

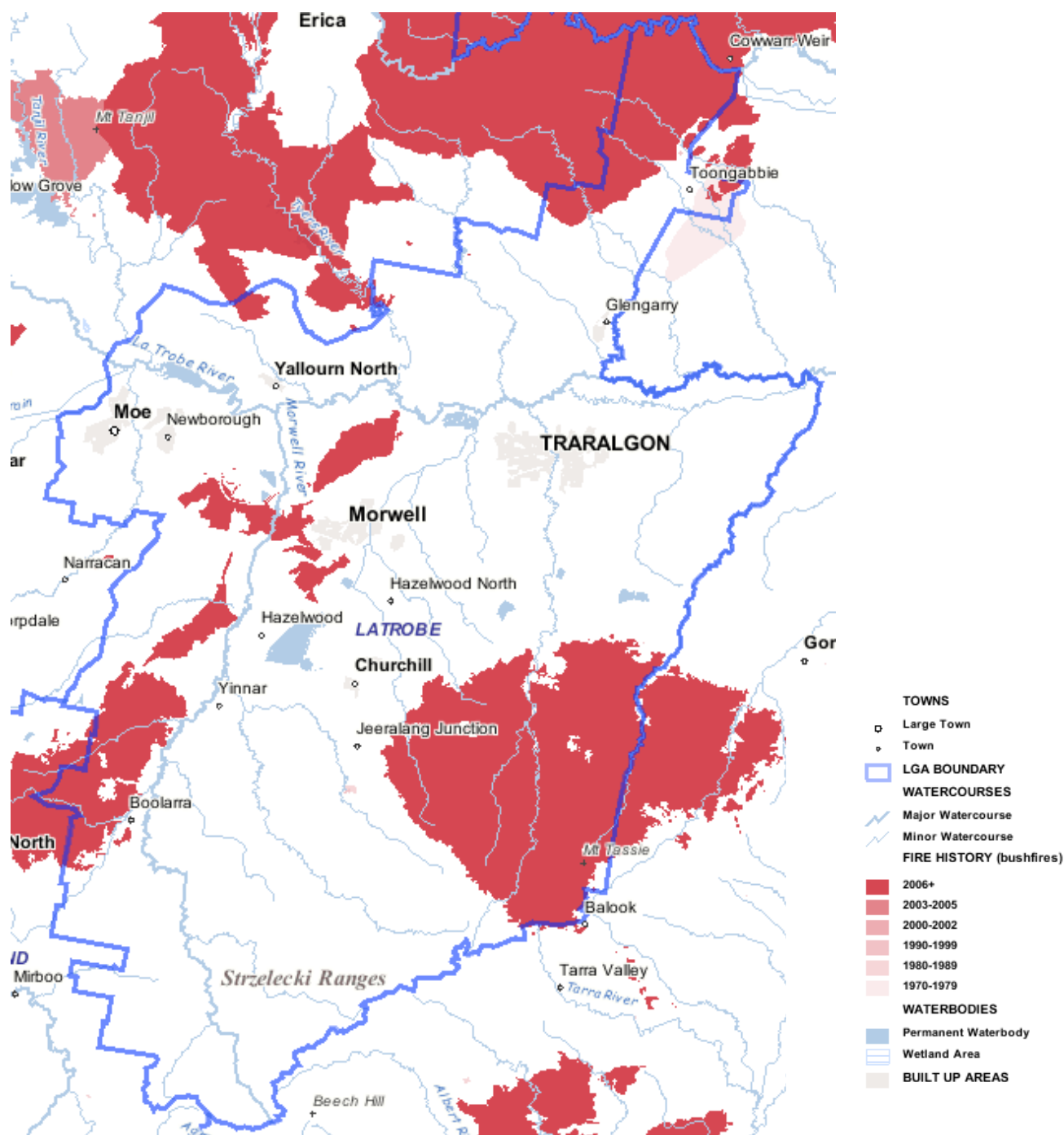


Figure 46: Bushfire History

Source: Department of Environment Land Water and Planning

There is a significant opportunity to address these issues at a strategic level and reduce the need to address issues relating to bushfire on a site by site basis. Integrated fire management planning was an outcome of the Report of the Inquiry into the 2002–2003 Victorian Bushfires, chaired by the then Emergency Services Commissioner, Mr Bruce Esplin (Victorian Bushfires Royal Commission). The 2009 Victorian Bushfires Royal Commission concluded that integrated fire management planning could improve planning for fire prevention. Integrated fire management planning requires the involvement of the community, public and private land owners, utility providers, the State, councils, and industry. By involving these parties, the characteristics of a given community can be understood and the fire risks identified can then be managed (Victorian Bushfires Royal Commission).

10.2.8 Land Use Separation Buffers

Many industrial (and other) land uses require appropriate separation distances (commonly referred to as land use buffers) to protect non-compatible uses, typically industrial and residential, from being located too close to one another.

Latrobe City has numerous land uses which require separation distances (paper mill, wastewater treatment facilities, coal mines), and in many cases, these separation distances are not achieved, owing to historical land use patterns.

Land use buffers are expressed within the Latrobe Planning Scheme via Clause 52.10 Uses with Adverse Amenity Potential, or through other particular provisions. It has been identified that required separation distances are not always captured within the Planning Scheme or mapped appropriately (i.e. wastewater treatment facilities).

The recent TGAR Panel Review and the considerations of the Australian Paper Mill odour impacts provide a recent example of how separation distances are considered within planning. The map below shows the extent of buffer distances which can may be required, noting that separation distances can be reduced where considered appropriate.

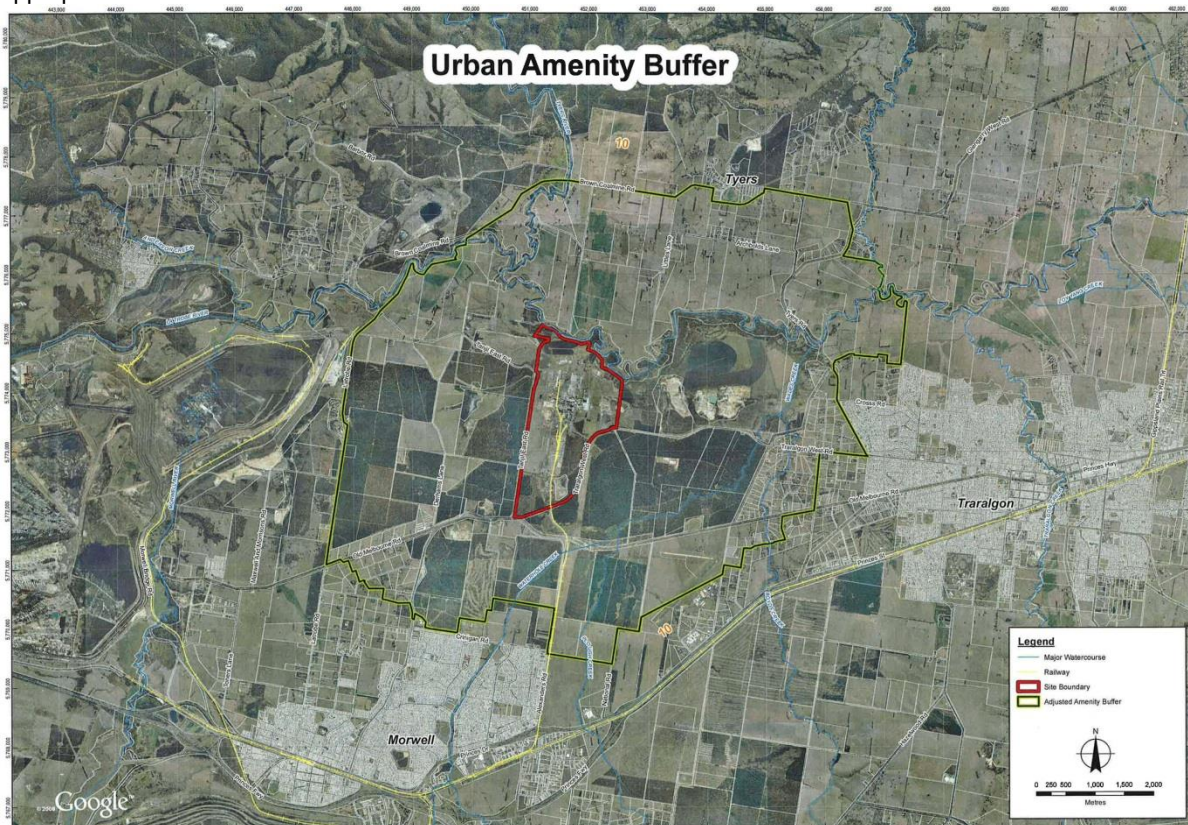


Figure 47: Australian Paper Mill Odour Controls and adjusted Urban Amenity Buffer (proposed)

Source: Latrobe City Council

Any changes to the planning scheme which would encourage new residential uses or denser residential development within recommended buffer areas need to be carefully considered, to ensure new residential uses would not detrimentally impact existing industry or negatively impact the amenity or health of residents.

One of the challenges associated with separation distances is identifying land uses which can occur within 'buffer' areas, to ensure each parcel of land is able to realise its best and highest use and is not constrained by a land use located elsewhere. This is a particular issue for Latrobe City, given the degree of uses that require separation distances, the significant constraint on land caused by the coal resource requirements and coal mining activities.

While this is a challenge, it is also an opportunity for the co-location of heavy industries to occur within Latrobe City, which may not be appropriate elsewhere. This is particularly relevant for Latrobe City's Industrial 2 Zone areas, of which there is limited supply within Victoria. This matter requires further consideration within the future Industrial Land Use Strategy.

11 Summary of Analysis

This Background Report has been prepared to underpin the Latrobe City's "*Live Work Latrobe*" project. It is intended that *Live Work Latrobe* will provide strategic direction for future housing, jobs and investment within Latrobe City Council.

The Background Report is a starting point. It contains up to date research, data and analysis to inform the *Live Work Latrobe* project. The project is being undertaken in two stages:

- *Stage 1* - Considers the three themes of the project (Housing, Industry and Employment and Rural Land Use) as well as broader issues which intersect with all three themes. Stage 1 culminates in the preparation of a Background Report (this document), Consultation Report, and Policy Directions Paper. Council will consider the Policy Directions arising from Stage 1 before proceeding to Stage 2.
- *Stage 2* – Will consider the policy directions arising from stage 1 in developing three separate strategies:
 - Housing Strategy
 - Industrial and Employment Strategy
 - Rural Land Use Strategy

It is intended that each strategy will be implemented through policy and future amendments to the Latrobe Planning Scheme. The project will also inform advocacy positions for matters outside of council's direct control.

A diversified economy is a strong focus for Latrobe City, and land use planning should consider opportunities for supporting this.

In commencing Stage 1 of the *Live Work Latrobe* Project, council undertook extensive consultation prior to the preparation of key directions. This approach has been beneficial in providing insight into the needs of the local community as a whole, as well as individual towns and settlements. While local communities have contributed to the project from the outset, it is recognised that more needs to be done during subsequent stages of the project to target the views of both government and industry. Working with Government and industry will be critical to the successful implementation of project directions.

Overall, *Live Work Latrobe* has found that Latrobe City faces a number of land use opportunities and challenges. The opportunity to consider three strategies holistically has assisted in understanding the multifaceted nature of the land use challenges for Latrobe City.

Shifts in world energy markets and changing environmental standards are impacting the region. The GRGP and work undertaken as part of this project have identified that the region has aspirations to diversify from a coal region to a region that produces low emissions energy resources and technology; and from an agricultural commodities region to a region that increasingly value-adds to its commodities for domestic and export markets. In particular, the region wants to grow its food production capacity.

A diversified economy is therefore a strong focus for Latrobe City, and land use planning should consider opportunities for supporting this. This includes ensuring there is sufficient and appropriate land available for industries and new economic opportunities. While there appears to be sufficient industrial land supply, this can be further tested in combination with the Economic Development Strategy which council is currently undertaking. The almost completion of the Industrial and Employment Strategy is expected to complement council's Economic Development Strategy (once adopted) which will provide a comprehensive understanding of the current status and future vision of industrial land in the municipality. This is similar for the Rural Land Use Strategy, which will benefit from understanding the economic inputs provided by the rural land of the municipality, and support future land use decisions.

Latrobe City's association with coal mining has delivered economic benefit, but has also constrained the way in which land can now be used and developed. The Latrobe Planning Scheme contains restrictions including resource protection and buffer protection areas which have been established to protect coal resources and support energy production. In combination with other constraints including; biodiversity, bushfire, flood, land capability and serviceability – constraints to growth within the municipality are significant. Each of these factors impacts the way in which the Latrobe City Council can plan for future growth. These constraints will impact all three land use strategies to be undertaken by council through Stage 2.

The local community have reinforced the extent to which land use constraints impact Latrobe City. It has been identified however, that further consideration of land affected by coal resource, heavy industry and mining related planning controls (including the State Resource Overlay, Environmental Significance Overlay and the proposed Urban Amenity Buffer) could support opportunities for new and more intensive land uses in these areas. Given the extent of land impacted by buffers and other constraints, effective land use planning is seen as a significant

opportunity for Latrobe City. Participation by Latrobe City Council, the Victorian State Government, major industries and the local community will be required to assist the development of effective policy and strategy responses.

Overall, Latrobe City has sufficient zoned land for 15 years supply. However, critically, this does not take account of constrained land, or a number of significant other economic, social, and environmental factors identified in this report. There is also a need to consider longer-term opportunities beyond this timeframe. Stage 2 of *the Live Work Latrobe* project will be critical in providing council and the Latrobe City community with land use strategies which address current and emerging issues discussed in this report. A summary of key findings from this report is provided overleaf. A Policy Directions Paper will be prepared separately.

12 Key findings

Based on research and consultation undertaken through Stage 1, we summarise our key findings as follows:

12.1 Overarching

1. The towns of Moe-Newborough Morwell, Traralgon and Churchill form a collective urban system or 'networked city', which is recognised as one of Victoria's four Major Regional Cities. Better articulation and broader recognition of the Major Regional City status will support future strategic work and assist council in leveraging opportunities such as improved infrastructure and investment.
2. Regional Policy recognises Latrobe City (Major Regional City) as a focal point for growth. It has been identified that in order to support this growth, investment in higher order regional infrastructure will be required, as will greater housing diversity and cultural and recreational opportunities to attract population growth and retention, which will also drive demand for business and employment.
3. Changes to the local economy as part of the transition to a lower carbon future are a challenge for the municipality. In response to this, Latrobe City has identified a need to diversify the local economy and facilitate this transition. Land use planning can contribute to this, and opportunities to provide land use support to council through this transition should be incorporated into future work where possible.
4. Latrobe City is generally well serviced by infrastructure, particularly when considered in comparison to Regional Victoria.
5. The municipality's rural living areas offer an attractive lifestyle choice nearby to the main towns of Latrobe City, however rural living needs to be considered in balance with opportunities for productive land use and the need to protect agricultural land.
6. Some parts of Latrobe are recognised as being disadvantaged. Latrobe City ranked as the 7th most disadvantaged community across the state and the most disadvantaged Regional City.
7. The State Resource Overlay, Environmental Significance Overlay, proposed Urban Amenity Buffer and land use separation distances limit opportunities for the use and development of land across significant areas of Latrobe City. If new appropriate industrial, agricultural and other employment opportunities were enabled within these locations this would 'open up' a significant opportunities for Latrobe City.
8. Decisions relating to land use and development need to be cognisant of constraints, including:
 - a) Biodiversity
 - b) Environmental Risks and extreme weather events (including flooding, bushfire)
 - c) Geology
 - d) Land Capability
 - e) Serviceability
 - f) State Resource Overlay, Environmental Significance Overlay and proposed Urban Amenity Buffer
 - g) Land Use Separation Buffers

12.2 Housing

1. Latest State Government forecasting suggests that Latrobe City is expected to grow at a rate of 0.7%pa, from a population of approximately 74,000 to approximately 83,000 in 2031.
2. Official population projections identify approximately 60% of the projected growth is expected to be focused in Traralgon, however new urban expansion opportunities adjoining Churchill, Morwell and the Lake Narracan precinct may attract a greater proportion of forecast growth.
3. In terms of dwellings required to meet residential growth and housing requirements, projections suggest that an additional 5,000 new dwellings across the municipality are required between 2016-2031 (or an average of 330 new dwellings pa). Official projections identify Traralgon being projected to require approximately 2,620 of these new dwellings.
4. There is likely to be an adequate supply of residential zoned land for the next 15 years, however, when considering the adequacy of residential land stocks other factors need to be considered including:
 - a) Demand for housing might exceed projections

- b) Township specific constraints or issues with land development
 - c) Quality of land supply – what proportion of identified land stocks are realistically developable
 - d) Landowner choice – how much land will eventuate to the market, as some landowners will hold onto land / choose not to develop
 - e) Size of land parcels – do the mix of land parcels meet future demand trends, especially with regard to the ageing population and implications for smaller properties
 - f) Access and serviceability of land stocks – are the costs of developing sites prohibitive
 - g) Conflicts with surrounding uses – are sites/land constrained by surrounding non-residential uses
 - h) Long term land constraints affect the municipality and there is a need to consider qualitative influences on land uses and the long term future possibilities for growth. As such, while there may be opportunities for expansion to meet 15 years land supply, longer term thinking beyond 15 years should also be a consideration.
5. There are limited amounts of medium – higher density forms of housing in Latrobe City. Standard housing comprises 85-90% of all new dwellings approved within the last decade, despite policy support for housing diversity in Latrobe City.
 6. There is a strong shift towards lone households and couples without children, with these two household types accounting for over 75% of all household growth projected between 2016-2031.
 7. Latrobe City's population is predicted to age significantly, with growth of seniors (70-84 years) and elderly aged (85+ years) being the age group with the highest projected growth.
 8. Based on our research, recurring urban design themes have been identified which can assist in creating sustainable and liveable places in Latrobe City in future. These are:
 - a) Housing Density, Diversity and Ageing in Place;
 - b) Identity and Character;
 - c) Connectivity and Accessibility;
 - d) Public Realm, Street and Subdivision Design;
 - e) Growth, Sustainability and Liveability; and
 - f) Amenity.
 9. A number of housing density and urban design related issues have been identified, including:
 - a) Council's position on density (11 lots/ha) does not align with the Latrobe Planning Scheme with regards to housing density and urban consolidation.
 - b) There is an apparent lack of acceptance of the housing density encouraged in the Latrobe Planning Scheme.
 - c) There is a general lack of direction on housing diversity and its application and the Latrobe Planning Scheme provides limited urban design guidance on how to design at medium to higher densities
 - d) The Latrobe Planning Scheme does not clearly identify strategic redevelopment sites for urban infill and renewal.
 - e) There is limited policy and no implementation provisions in the Latrobe Planning Scheme regarding neighbourhood character and urban design
 - f) There is a general lack of built form design guidance on how to achieve new character or respond to existing character relevant to each township.
 - g) The Latrobe Planning Scheme and other strategic documents place strong emphasis on connectivity and accessibility without providing guidance on implementation.
 - h) There is a strong emphasis on self-containment, liveability and sustainable growth within the policies within the Latrobe Planning Scheme and relevant structure plans, however there is a lack of direction within the Latrobe Planning Scheme regarding public realm, street design and subdivision design.
 10. Latrobe City has prepared Structure Plans for each of its major towns. There is a varying levels of guidance for Latrobe's smaller towns. There is a lack of a clear overarching approach to Housing in the municipality. Future work will address this.

12.3 Industrial and Employment

1. Compared to State averages, the Latrobe City has a higher representation of jobs associated with electricity, gas, water & waste services and mining.

2. The core industrial-related activities of electricity, gas, water & waste services, manufacturing and construction, are critical to Latrobe's economic output with these three sectors accounting for 50% of the municipality's Gross Regional Product although representing only 24% of Latrobe's jobs.
3. The Latrobe Valley's electricity generation sector is significant to overall regional employment, with every job in the sector supporting an additional four to five local jobs in the economy through supply chain linkages and flow-on spending effects.
4. Other major contributors to Latrobe City's economy include forestry, pulp and paper, food production, agriculture, manufacturing, retail and health services. The success of these industries is strengthened by an established network of electricity infrastructure, accessible rail and road links to Melbourne, as well as larger freight networks across the State and Australia.
5. Building on Latrobe's identified strengths, position with the region, and changing demographics, opportunities to diversify Latrobe's economy should be pursued. This should be built on identified local opportunities, which are currently being explored through council's Economic Development Strategy.
6. Over the past decade an average of 10 permits for new industrial buildings have been issued, however, the number and value of these permits has declined over the past 5 years. Industrial land sales data also shows a decline in transactions in recent years.
7. While the municipality appears to have sufficient long-term industrial land stocks, even when increased demand is factored in, additional considerations as to the appropriateness of the land in relation to location, serviceability and types of land use should be undertaken to understand if the land stocks are suitable to accommodate traditional and emerging industries.
8. There is an existing lack of strategic understanding of industrial land, including the role, function and future of industrial land in Latrobe City, owing to the lack of an Industrial Land Use Strategy. This may be negatively impacting land use decisions not only relating to industrial land, but also rezoning to other zones, specifically housing.

12.4 Rural

1. Latrobe contains areas of valuable or high class agricultural land. The protection of agricultural land needs to be considered in light of current and future needs.
2. Gippsland contributes significantly to Victoria's overall food production. The Gippsland Regional Growth Plan has identified that the region has aspirations to diversify from a coal region to a region that produces low emissions energy resources and technology; and from an agricultural commodities region to a region that increasingly value-adds to its commodities for domestic and export markets. In particular, the region wants to grow its food production capacity.
3. Rural living occurs across the municipality (both within the Rural Living Zone and Farm Zone). Rural Living provides a valuable and sought after lifestyle choice and can support niche or hobby farms on small allotments. However, there are challenges associated with Rural Living which require further consideration. The use of land for rural living can remove productive land from the Farm Zone. Consideration as to where council will or will not allow Rural Living is required.
4. Consideration is required as to the types of infrastructure and services which will be provided to support rural living settlements. Latrobe City Council may articulate and distinguish between the types of infrastructure and services that will commonly be provided within the rural context from that of an urban area.
5. Some of Latrobe City's rural areas contain high landscape and biodiversity values, which are not formally recognised through the Latrobe Planning Scheme.
6. Some rural areas in Latrobe City function primarily as buffers or coal reserves and there is a concern that this land is not being used to its full potential. Opportunities for the short term and longer term use of this land need to be further explored in discussion with key stakeholders.

12.5 Next steps

Both the Background Report and the Consultation and Engagement Report will inform the preparation of the Policy Directions Report.

13 REFERENCES

This project included a background review and analysis of Latrobe City's strategies, policies and plans, to ensure the considerable strategic work previously undertaken was captured where relevant and included to inform the policy and directions paper. The documents specifically referred to in the Background Report are listed below.

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