

*Planning and Environment Act 1987*

Panel Report

## Melton Planning Scheme Amendment C171

Front page

3 May 2017

*Planning and Environment Act 1987*

Panel Report pursuant to section 25 of the Act

Melton Planning Scheme Amendment C171

3 May 2017



Michael Kirsch, Chair

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**List of Abbreviations**

Avid	Avid Property Group
C1Z	Commercial 1 Zone
C2Z	Commercial 2 Zone
DDS	Discount Department Store
DELWP	Department of Environment, Land, Water and Planning
DPO	Development Plan Overlay
LPPF	Local Planning Policy Framework
MAH	Mount Atkinson Holdings Pty Ltd
MRACS	City of Melton Retail and Activity Centres Strategy, 2014
MSS	Municipal Strategic Statement
MUZ	Mixed Use Zone
Plan Melbourne	Plan Melbourne 2017 - 2050
PPN8	Planning Practice Note 8 Writing a Local Planning Policy
PPN13	Planning Practice Note 13 Incorporated and Reference Documents
PSP	Precinct Structure Plan
SPPF	State Planning Policy Framework
UDF	Urban Design Framework
VPA	Victorian Planning Authority
VPP	Victoria Planning Provisions

## Executive Summary

### (i) Summary

Melton Planning Scheme Amendment C171 (the Amendment) seeks to implement the City of Melton Retail and Activity Centres Strategy, 2014 (the MRACS) by introducing a new Clause 21.05 (Activity Centres and Retail Provision) and Clause 22.06 (Retailing Policy).

The Amendment was exhibited over August and September 2016, and attracted 12 submissions.

Following its consideration of submissions, Council undertook a process of revising the Amendment in consultation with submitters. This process resolved some of the issues raised in submissions and narrowed the focus of others.

At the Hearing, a key issue related to the respective roles of Caroline Springs and the Burnside Hub, particularly whether the Burnside Hub should be nominated as an Activity Centre.

Submissions also raised issues about the inclusion of detailed strategies and polices relating to the amount and mix of floor space for retail, restricted retail and non-retail uses.

The Panel is satisfied that the MRACS provides a sound basis for the Amendment and generally supports the revisions proposed by Council following its consideration of submissions.

In relation to the Burnside Hub, the Panel is satisfied that it should be designated as an Activity Centre. Having reviewed the MRACS, submissions and evidence, the Panel believes that this designation is strategically justified and reflects the centre's development potential under its current zoning.

In relation to the various floor space and land use provisions, the Panel is satisfied that they provide a sound framework for guiding and managing activity centre development, without being overly prescriptive.

Finally, the Panel commends Council for preparing the MRACS and Amendment C171, and acknowledges the pro-active role it took in understanding and resolving issues raised in submissions.

### (ii) Recommendations

Based on the reasons set out in this Report, the Panel recommends that Melton Planning Scheme Amendment C171 be adopted as exhibited, subject to the following:

- 1 Include Clauses 21.05 and 22.06 as shown at Appendices C and D in the Panel's report.**
- 2 Modify Figure 1 (City of Melton Existing, Planned and Proposed Activity Centre Hierarchy) in Clause 21.05 to apply the Bulky Goods Precinct (Existing and Planned) designation to the Hopkins Road Business Precinct.**

## 1 Introduction

### 1.1 The Amendment

Amendment C171 to the Melton Planning Scheme implements the recommendations of the City of Melton Retail and Activity Centres Strategy, March 2014 (the MRACS) by amending the Local Policy Planning Framework.

More specifically, the Amendment will:

- amend Clause 21.05 (Implementation and Review) to renumber it to 21.06
- insert a new Clause 21.05 (Activity Centres and Retail Provision) to implement the MRACS and introduce a hierarchy of activity centres
- delete Clause 22.06 and replace it with a new Clause 22.06 to reflect the MRACS.

### 1.2 Panel process

The Amendment was prepared by the City of Melton as Planning Authority.

The Amendment was authorised by the Department of Environment, Land, Water and Planning (DELWP) on 20 July 2016. The authorisation was not subject to conditions.

The Amendment was placed on public exhibition between 11 August and 8 September 2016, and attracted 12 submissions.

At its meeting of 6 February 2017, Council resolved to refer the submissions to a Panel. As a result, a Panel to consider the Amendment was appointed under delegation from the Minister for Planning on 13 February 2017 and comprised Mr Michael Kirsch (Chair).

A Directions Hearing was held on 1 March 2017, following which the Panel undertook unaccompanied inspections of various sites and areas referred to in submissions.

The Panel then met at the Council offices in Melton between Monday 27 March and Wednesday 29 March 2017 to hear submissions about the Amendment. Those in attendance at the Panel Hearing are listed in Table 1.

Table 1 Parties to the Panel Hearing

Submitter	Represented by
City of Melton	Natalie Luketic (Harwood Andrews) and Georgina Borg (Council) who called the following expert witness: - Tim Nott (economics)
Ranfurlie Developments Pty Ltd	Chris Canavan (counsel) and Carly Robertson (Minter Ellison Lawyers) who called the following expert witnesses: - John Kiriakidis (transport), GTA Consultants - Chris Aberly (economics), Deep End Services - David Crowder (planning), Ratio Consultants Pty Ltd - Tony Dimasi (economics), MacroPlan Dimasi
Coles Group	Jason Black (Insight Planning Consultants)

Lendlease	Jane Sharp (counsel) who called the following expert witness: - Gavin Duane (economics), Location IQ
Mt Atkinson Holdings	Rigby Cooke Lawyers

### 1.3 Revisions to the Amendment

Following the exhibition of the Amendment, Council officers proposed various changes to Clauses 21.05 and 22.06 (described as version 2), to address issues raised in submissions. The revised clauses were circulated to submitters for comment in December 2016.

In response, some submitters identified issues that remained unresolved while others withdrew their objections. Council officers then prepared further revisions to these clauses (described as version 3) and circulated them to submitters and the Panel in February 2017.

For the purposes of this report, the Panel refers to the exhibited version of these clauses as the 'exhibited Amendment' and version 3 of the clauses as Council's 'final Amendment'.

The Panel has reviewed Council's proposed changes to the exhibited Amendment and generally supports them, subject to the discussion and recommendations relating to specific submissions and issues included in chapter 4 of this report.

### 1.4 The Panel's approach

The Panel considered all written submissions made in response to the exhibition of the Amendment; as well as further submissions, evidence and other material presented to it during the Hearing, and observations from site visits.

The Panel has reviewed a large volume of material and has had to be selective in referring to the more relevant or determinative material in the report. All submissions and material have been considered by the Panel in reaching its conclusions, regardless of whether they are specifically mentioned in the report.

## 2 Background

The Amendment updates the retail and activity centre provisions in the Melton Planning Scheme, elements of which have remained largely unchanged since its introduction in July 1999.

Since that time, Melton has experienced significant population growth that will continue over the foreseeable future. Much of this growth is being managed through precinct structure plans that are progressively being 'rolled out' across the municipality.

A number of documents, amendments and processes informed the preparation of Amendment C171 and are relevant to the issues raised in submissions. These are discussed below.

### 2.1 Melton Planning Scheme Review, 2012

Council's most recent planning scheme review was completed in 2012. The review identified the need for a contemporary retail and activity centre policy and noted that Council's policy at Clause 22.06 *'is out of date and does not reflect new town centres in growth areas, or the terminology introduced by Melbourne 2030. It is based on retail patterns in the 1990's'*.

Council adopted the review report in July 2012 and forwarded it to the Minister for Planning.

### 2.2 Melton Planning Scheme Amendments C91 and C112

Council prepared and exhibited two 'retail' planning scheme amendments related to Caroline Springs and Burnside:

- Amendment C91 proposed increasing the 'as of right' floor area for the Caroline Springs Shopping Centre in the schedule to the Comprehensive Development Zone from 22,000 to 40,000 sqm, and amending the schedule to allow for 'shop' use above 40,000 sqm with a planning permit. It was exhibited between December 2010 and February 2011.
- Amendment C112 proposed the rezoning of land at the Burnside Hub to the Business 1 Zone, increasing the cap for 'shop' uses from 11,000 sqm (5,000 of which for restricted retail) to 36,000 sqm (5,000 of which to be retained for restricted retail), allow 50,000 sqm of office use and apply a new schedule to the Development Plan Overlay to the site. It was exhibited over November and December 2011.

The Amendments were the subject of a Panel report dated 21 September 2012.

In summary, the Panel recommended that:

- Amendment C91 be adopted, subject to some changes
- Amendment C112 be abandoned.

In relation to Amendment C112, the Panel found that the expansion of the Burnside centre:

*...would be a substantial departure from the current policy framework of the Scheme. The Amendment therefore proposes not only to alter the requirements relating to that centre but to change the local policy itself so as to provide a basis for the new controls. We have concluded that there is*



*insufficient strategic justification to do so and a net community benefit would not result.*

The Panel expressed concern that an expanded Burnside centre (including a Discount Department Store) might *'preclude or at least defer the expansion at Caroline Springs Town Centre'*.

The Panel report was prepared after an announcement about proposed changes to the commercial zones (11 July 2012) but before the changes were implemented through Amendment VC100 (approved in July 2013). Nevertheless, the Panel commented that if the anticipated inclusion of 'Shop' as an unconditional section 1 (as of right) use in the Commercial 1 Zone (with no ability to schedule in a floorspace cap) proceeded, then:

*... the present deliberations about the appropriate size and function for the centres which are the subject of these Amendments would indeed appear to have been a pointless exercise.*

Amendment C112 was approved in March 2015, following the approval of Amendment VC100. The explanatory report described the approved Amendment as follows:

*The amendment rezones land comprising the Burnside Hub Town Centre to more effectively facilitate an activity centre, and replaces Schedule 1 to the Development Plan Overlay with a new Schedule 17. The amendment also corrects mapping anomalies to align land use zones with property boundaries.*

The Amendment rearranged the allocation of zones across the site (without significantly changing the land areas subject to each zone) and applied a new Development Plan Overlay schedule intended to guide its design and development as an *'activity centre'*. These changes were consistent with draft Amendment C154 that had been sought by Dennis Family Corporation Pty Ltd (the then owners of the land) and supported by Council. Draft Amendment C154 was made redundant by Amendment C112 and did not proceed.

### **2.3 Amendment VC100**

Amendment VC100 was approved in July 2013 and introduced various changes to the Victoria Planning Provisions, including the introduction of new commercial zones. The new Commercial 1 Zone included 'Shop' and 'Retail premises' in section 1 of the table of uses and precluded the inclusion of maximum floor areas in the schedule, except on land outside of metropolitan Melbourne or on land subject to precinct structure plans.

The explanatory report noted:

*With respect to the commercial and industrial zones, the amendment will increase opportunities, open up competition, drive efficiency, provide greater planning certainty and maintain competitive advantages in a globally interconnected and changing world. The amendment responds to the recent Victorian Competition and Efficiency Commission (VCEC) Inquiry into Victoria's Regulatory Framework Final Report, March 2012 to assist in increasing competition and reducing the regulatory burden in Victoria. The amendment also addresses the Productivity Commission's Report on the Economic Structure and Performance of the Australian Retail Industry by reducing*

*planning and zoning regulations and complexity, excessive prescription and anti-competitive policies and provisions.*

## **2.4 City of Melton Retail and Activity Centres Strategy**

### **(i) Background**

In November 2012, Council commissioned the City of Melton Retail and Activity Centres Strategy (the MRACS). The project involved surveys, meetings and workshops that informed a preliminary report (Preliminary Consultation Results), released in August 2013. This was followed by a background report (Background Analysis and Discussion) and draft MRACS, released in November 2013.

Following a six week consultation period and the consideration of submissions, Council adopted the MRACS on April 1 2014 and noted the 'consultation' and 'background' reports. This led to the preparation of Amendment C171 that was authorised in July 2016 and exhibited over August and September 2016.

### **(ii) Content**

The MRACS provides:

- strategy context
- strategy principles
- a description of the proposed activity centre network and hierarchy, including the designation of Local Activity Centres, Neighbourhood Centres, Activity Centres, the Metropolitan Activity Centre at Toolern and the Bulky Goods Precinct at Melton
- a framework for decision making
- recommendations for individual centres
- indicative changes to the Municipal Strategic Statement to implement the strategy
- a monitoring and review program.

The MRACS includes 6 'Principles for the Retail and Activity Centres Strategy':

*Ensure **Equity** of access to services and jobs*

*Have services as close as possible to residents (ensuring that services are of a scale that is viable)*

*Ensure that present and future residents are catered for*

*Ensure access via a variety of transport options, including walking, cycling and public transport*

*Improve **Sustainability** of urban development*

*Cluster activities in centres to reduce resource use (including energy used for travel and infrastructure requirements)*

*Improve the resilience of the local economy by ensuring that the area is not dependent on one industry*

*Improve local **Employment** opportunities*

*Encourage strong growth in diverse employment opportunities at activity centres to meet the target of one job per household*

*Reduce the need for residents to commute long distances by providing local jobs in a variety of industries and skill requirements*

*Provide for **Community** focal points*

*Create focal points for informal socialising and community development, especially important in new suburbs*

*Ensure that centres are the focus of relevant public investment*

*Encourage the **Viability** of services*

*Ensure that activities cluster in centres to maximize demand*

*Encourage activities to locate in centres that have a market of an appropriate scale for viability*

*Improve the **Quality** of service*

*Encourage the provision of higher order goods and services in order to reduce travel requirements by residents*

*Encourage high quality, site responsive urban design that creates unique and valued places*

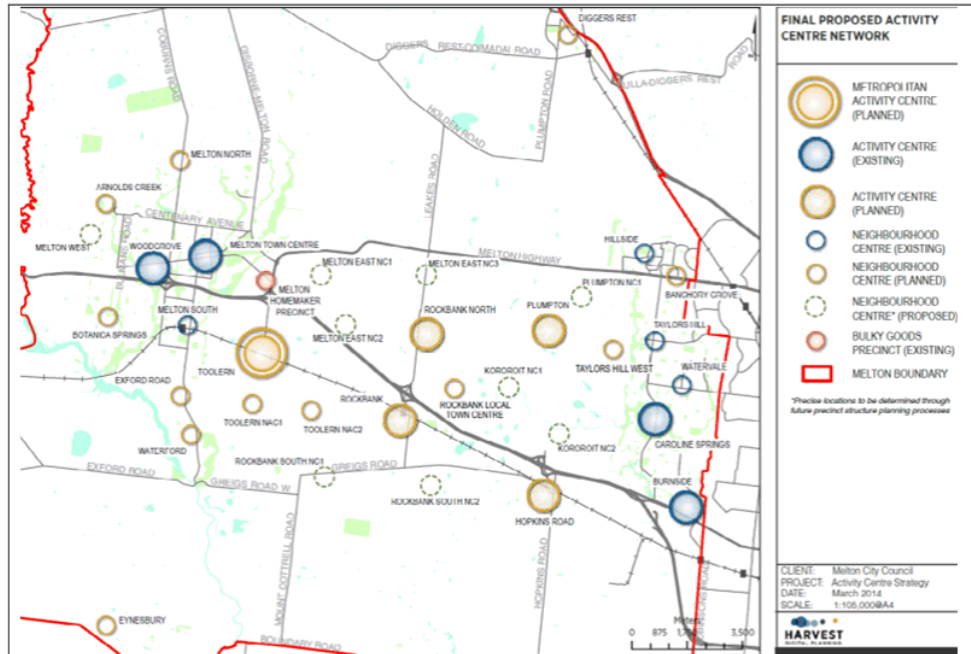
These principles underpin the MRACS and key elements of the Amendment, including the network of activity centres shown in Figure 1 on the following page.

The key elements of the proposed network are:

**Neighbourhood Centres** – focal points of the local community providing highly accessible day-to-day requirements such as food and groceries, pharmacy, newsagents, take-away food, hairdressing, childcare and local health and fitness services.

**Activity Centres** – substantial focal points for the Melton community providing a broad range of retail and service activity and jobs. In most cases, Activity Centres will have a sub-regional retail role providing a wide range of routine comparison goods (such as clothes, furniture and household items) as well as food and groceries. Many community services will be delivered from these centres.

**Metropolitan Activity Centre** – at Toolern, will eventually be the largest centre for the municipality providing higher order goods and services as well as providing all the goods and services found in other centres. Toolern will be strongly connected to the rest of the metropolitan area via public transport. It will contain job-rich service activities that generate income for the region.



**Figure 1 Melton Retail and Activity Centre Strategy, Final Proposed Activity Centre Network (MRACS)**

Most submitters and experts were broadly supportive of the MRACS and its implementation through Amendment C171, except for the specific issues discussed in chapter 4 of this report. Many of the issues raised in submissions have been addressed by Council’s proposed post exhibition changes to the Amendment, although some issues such as the designation of Burnside as an Activity Centre and some of the more detailed elements of the Amendment remained in contention.

The Panel supports the MRACS and is satisfied that it provides a sound, contemporary basis for guiding and managing activity centre development within the Municipality.

### 3 Planning context

Council provided a response to the Strategic Assessment Guidelines as part of the Explanatory Report and its Part A submission.

The Panel has reviewed Council's response and the policy context of the Amendment, and has made a brief appraisal of the relevant zone controls and other relevant planning strategies.

#### 3.1 Policy framework

##### (i) State Planning Policy Framework

Council submitted that the Amendment is supported by the State Planning Policy Framework (SPPF) and provided the following assessment in its Part A submission:

75. *Clause 11.01 (Activity centres) seeks to establish a well-connected network of activity centres that provide a variety of land uses such as retail, commercial, residential, leisure and community facilities. The hierarchy of centres identified in proposed Clause 21.05 provides for a connected network of centres with differing uses and roles to meet existing and future community needs.*
76. *Clause 11.02 (Urban growth) seeks to ensure that adequate land is available for a variety of land uses to support future growth and meet forecast demand. The hierarchy of centres identified in proposed Clause 21.05 provides adequate land within the municipality for these land uses based on a detailed analysis of future population growth and future retail and commercial demand for the municipality.*
77. *Clause 11.04 (Metropolitan Melbourne) aims to create healthy and active 20 minute neighbourhoods and plan for jobs closer to where people live. Proposed Clause 21.05 supports this objective through the implementation of a hierarchy of centres that promotes accessibility to all residents. The hierarchy of centres integrates with the existing and proposed transport network to provide residents access to goods and services and a range of local employment opportunities.*
78. *Clause 17.01 (Commercial) seeks to locate commercial development in existing or planned activity centres and discourages out of centre development. The strategies in proposed Clause 21.05 encourage commercial and retail development into identified existing, planned and proposed centres in the hierarchy. Proposed Clause 22.06 supports the inclusion of commercial development into new centres, and includes policy to assess the introduction of new centres not identified in the hierarchy on a 'needs only basis'.*
79. *Clause 19.02 (Community infrastructure) encourages health, education, social and cultural facilities to integrate in appropriate activity centres to achieve co-location opportunities. Proposed Clause*

*21.05 encourages a variety of uses in activity centres to provide higher order essential services to residents, including health, education, recreational and entertainment services.*

The Panel is satisfied that the Amendment is consistent with and implements the relevant elements of the SPPF. In particular, the MRACS and Amendment implement an appropriate hierarchy of activity centres and encourage the co-location of non-retail uses within them.

**(ii) Local Planning Policy Framework**

Council submitted that the Amendment is consistent with the Local Planning Policy Framework (LPPF) and relied on the Explanatory Report that accompanied the exhibition of the Amendment:

*Retailing and employment are identified in Clause 21.02 under 'Key Issues in the City.' The amendment addresses these issues through the establishment of an activity centre hierarchy, which identifies a designated network of current and future activity centres.*

*The amendment is also consistent with the relevant planning objectives for the City of Melton, set out in 21.03-2 which states the following:*

- *To create sustainable and livable communities that are attractive and desirable places in which to live;*
- *To create an environment conducive to economic growth and wealth generation; and*
- *To encourage the growth and development of vibrant and dynamic retail centres.*

*The amendment is consistent with the relevant objectives of the Employment Policy at Clause 22.05:*

- *To attract a range of new industry and employment generating uses to the municipality;*
- *To direct the majority of new employment growth to either the Melton Township, Toolern Precinct Structure Plan area or the Melton East Growth area;*
- *To coordinate the development and location of commercial centres, industrial areas and other employment opportunities in the municipality so that the length and frequency of vehicle trips is minimised; and*
- *To encourage the provision of a range of employment opportunities for a variety of skill levels and qualifications.*

*The amendment is also consistent with the current Retailing Policy at Clause 22.06. The amendment builds on the objectives of this policy and seeks to update the policy to implement the recommendations of the Melton Retail and Activity Centres Strategy, March 2014. In particular, the amendment is consistent with the current objective to 'provide a clear and concise hierarchy of retailing facilities across the municipality.'*

The Panel notes the finding of the 2012 Planning Scheme Review that Council's retail strategies and policies were outdated and needed review. The MRACS and Amendment C171 are the culmination of that review process and replace many of the 'retail' elements of the current LPPF. The Panel is satisfied that the Amendment is consistent with the general thrust of the existing retail strategies and policies, and the other elements of the LPPF (such as the Employment Policy at Clause 22.05) that continue to be relevant.

**(iii) Melton East Strategy Plan, June 1997**

Submissions and evidence reports referred to the Melton East Strategy Plan, 1997 (the MESP) in relation to the nomination of Burnside as an Activity Centre. It was also referred to in the Panel report for Amendments C91 and C112.

The MESP applies to an area that includes Caroline Springs and Burnside, and provides guidance for various land uses, including activity centres. The Panel accepts that it has been a highly useful planning tool for managing the development of this area, and notes that it is still referred to in various provisions, including the Development Plan Overlay Schedule 1 that is extensively applied in Melton East. However, in terms of managing activity centres, the Panel believes that it has been superseded by more recent planning strategies, particularly the MRACS.

While the MESP has provided useful background and context, the Panel has not attributed it significant weight when considering submissions about the activity centre hierarchy proposed in the MRACS and Amendment C171.

**(iv) Plan Melbourne 2017 – 2050 and Amendment VC134**

Plan Melbourne 2017 - 2050 (Plan Melbourne) was released on 11 March 2017 (prior to the commencement of the Hearing) and was referred to in various submissions and evidence.

Amendment VC134 was approved on 31 March 2017 and introduced updated policies and strategies from Plan Melbourne. It also removed and updated redundant metropolitan planning strategy content throughout the State Planning Policy Framework.

Council noted in its Part A submission that:

50. *Policy 1.2.1 notes that 'Activity centres have been part of Melbourne's pattern of development for decades'. It identifies metropolitan activity centres in particular as 'critical to growth across a regional catchment', but states that:*

*Metropolitan activity centres are supported by a network of major and neighbourhood activity centres of varying size, role and function. These can range in size and intensity of use from large shopping centres to small local strip-shopping centres.*

51. *Map 14 identifies the metropolitan and major activity centres, with an accompanying list. The list includes:*

*51.1. Toolern as a future metropolitan activity centre;*

*51.2. Caroline Springs, Melton, Melton-Woodgrove and Coburns Road as existing major activity centres; and*

*51.3. Hopkins Road, Plumpton, Rockbank and Rockbank North as future major activity centres.*

*52. Burnside is not specifically identified.*

*53. Direction 5.1 emphasises the importance of neighbourhood activity centres to the creation of 20-minute neighbourhoods.*

The Panel is satisfied that the Amendment is consistent with Plan Melbourne, although it notes that Burnside is not identified as a Major Activity Centre<sup>1</sup>. This is discussed in chapter 4.1 of this report.

### **3.2 Conclusion**

The Panel concludes that the Amendment (and Council's proposed changes) are supported by, and implement, the relevant sections of the State and Local Planning Policy Frameworks. The Amendment is well founded and strategically justified, and should proceed subject to addressing the more specific issues that are discussed in the chapter 4 of this report.

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<sup>1</sup> In relation to Major Activity Centres, Plan Melbourne notes that: *Each of these centres has different development potential and is subject to local strategic planning.*



## 4 Issues

### 4.1 Burnside

#### (i) The issue

The issue is whether the Burnside Hub (Burnside) should be designated as an Activity Centre (Existing), Activity Centre (Planned) or a Neighbourhood Activity Centre. Figure 2 shows the area's location, zoning and existing uses.

Burnside has an area of approximately 18.5 ha and comprises three parcels of land that are zoned part Commercial 1 Zone (C1Z), part Commercial 2 Zone (C2Z) and part Mixed Use Zone (MUZ). The site is subject to the site-specific Development Plan Overlay Schedule 17 (DPO17) – Burnside Activity Centre.

The site is currently developed with two supermarkets and various specialty shops, and functions as neighbourhood centre. It includes approximately 7.8 ha of vacant land zoned C1Z.

Mr Canavan (on behalf of the owner - Ranfurly Developments Pty Ltd) advised that a draft development plan (required under DPO17) has been prepared and discussed with Council, and that a development plan will be formally submitted to Council in 6 – 8 weeks. The Panel was also advised that the vacant C1Z land could support approximately 25,000 sqm of additional retail floor space.



Figure 2 Burnside zoning and uses  
(source: Aberly evidence report)

The exhibited Amendment proposes to identify Burnside as an Activity Centre (Existing) in Map 1 (City of Melton Activity Centre Hierarchy: Supportable network of activity centres at full development) in Clause 21.05-4.

The MRACS includes the following discussion of Burnside and the justification for elevating it from a Neighbourhood Activity Centre to an Activity Centre:

*The Burnside site on the corner of Westwood Drive and the Western Highway has 4.5 ha of vacant land zoned Commercial 1 (and a further 7 ha zoned Mixed Use) adjacent to the existing shopping centre.<sup>2</sup> Whilst the centre is presently designated a neighbourhood activity centre it does have surrounding uses that provide sub-regional services including two major hardware outlets and a growing bulky goods precinct.*

*A Panel hearing evidence on a previous attempt to expand Burnside rejected the proposal on the grounds that it was not justified by the economic evidence. However, the new zoning regime has done away with floorspace caps and the owners now do not need a permit for retail or office uses on the land (although permits for buildings and works are still required). The area of vacant Commercial land is sufficient to accommodate a DDS, a supermarket and further specialty shops.*

*Given this, it is prudent to nominate Burnside as an Activity Centre and for Council to influence the design to produce the best outcome for residents and centre users (including maximising non-retail employment uses, ensuring connectivity with surrounding parts of the centre, encouraging sensible location of any dwellings on the site, and developing a pedestrian friendly approach to internal circulation and external access).*

*At full development, Burnside and Caroline Springs would share a catchment of around 60,000 to 70,000 people. This would be sufficient to support small sub-regional retail facilities at each centre (that is, a single DDS, two full line supermarkets and specialty stores). Burnside could also host a more extensive bulky goods offering because of its location on the Western Highway; it could also accommodate specialist services for the adjoining industrial area to the south of the site. Caroline Springs would be likely to continue to host a strong business services sector since it is now an established office location.*

**(ii) Evidence and submissions**

Council supported the proposed elevation of Burnside to an Activity Centre, noting that this was consistent with the MRACS. Council advised, however, that Burnside had only been nominated as an Activity Centre in the 'final' report, following the approval of Amendment VC100, and in recognition of the significant area of vacant land zoned C1Z.

Council relied on the evidence of Mr Nott who advised:

95. *In formulating the Strategy, the decision to recommend elevation of Burnside to Activity Centre status was not an easy one. The reasons for deciding to elevate Burnside in the hierarchy were mainly practical planning considerations driven by changes at the State government*

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<sup>2</sup> The Panel assumes that this description relates to the distribution of zones before the approval of Amendment C112 in 2015.

*level through VC100 designed to make property development easier and to increase retail competition. The economic case for Burnside as a sub-regional centre could also be made, even though it has a relatively small catchment compared with other sub-regional centres in the municipality.*

Mr Nott estimated that the 'exclusive catchment' of Burnside is around 27,000 residents at full development 'which is at the lower end of the range required to support a sub-regional shopping centre but will, nevertheless, likely support a DDS supermarkets and other shops'.<sup>3</sup> He added that the catchment 'would likely support between 19,000sqm and 26,000sqm of sub-regional retailing'.

Mr Nott submitted that because of the large area of vacant zoned land at Burnside 'it would be prudent to recognise the potential of the site to accommodate a larger centre and for Council to work with the developer to influence the design of the centre, to encourage non-retail uses including housing, and to integrate the centre with the surrounding community'.

Mr Nott also submitted that the timing of development should be 'left to individual centre operators to provide flexibility and allow for innovation'. He added that although the further development of Burnside might be some years away, this 'did not disqualify it from being identified as an Activity Centre'. He also did not support 'interim' restrictions on centre development.

Ms Sharp (on behalf of Lend Lease) opposed the elevation of Burnside to an Activity Centre because:

- a) *The designation of an Activity Centre is a matter for resolution at State level;*
- b) *The designation will be inconsistent with State planning designation of activity centres;*
- c) *It cannot be justified on the basis of an economic assessment and will not meet a market gap;*
- d) *The independent panel in C112 did not support the expansion of Burnside SC; and*
- e) *Burnside SC is unlikely to contain a range of activities that reflect Council's expectations for an Activity Centre, noting their objection to the 40% non-retail 'soft-cap'.*

Ms Sharp noted that Plan Melbourne did not include Burnside as a 'Major Activity Centre' and that its Five-Year Implementation Plan included various 'actions'<sup>4</sup> relating to the future planning and review of activity centres. Ms Sharp submitted that it would be premature to

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<sup>3</sup> The MRACS does not include a Burnside catchment in 'Figure 3: residential catchments for the sub-regional retail centres in Melton'. Mr Nott advised that this Figure was prepared as part of the draft MRACS and was not updated for the final version that designated Burnside as an Activity Centre.

<sup>4</sup> Actions 9 (Planning for activity centres), 10 (Activity centre performance review) and 11 (Guidelines on new activity centres).

elevate Burnside in light of these 'actions' and the further analysis and guidance that they would provide.

Ms Sharp submitted that the MRACS did not provide '*economic justification*' for elevating Burnside and that it is '*lacking in substance and rigour*'. She noted that the MRACS did not include a '*residential catchment*' for Burnside and submitted that the current zoning and development potential of the centre did not '*equate to an economic need*'.

Ms Sharp also submitted that the elevation of Burnside would have potential economic disbenefits, particularly in relation to the provision of more than one additional discount department store (DDS):

80. *The Strategy at page 16 recognises that at full development, Burnside SC and Caroline Springs Town Centre would share a catchment, and that if both were to co-exist, only two small sub-regional shopping centres anchored by a single DDS each and two full-line supermarkets and speciality stores would be supportable.*
81. *This was recognised by the Panel in C112 and is agreed by all witnesses to this Panel that there is no economic demand for more than one additional DDS at Burnside SC or Caroline Springs.*
82. ...
83. *As presented to the C112 Panel, in Mr Duane's opinion, if a DDS established at Burnside SC, it is unlikely Caroline Springs would expand. This would be a missed opportunity for the community and the benefits of co-location would be lost.*

Ms Sharp relied on the evidence of Mr Duane who noted that an Activity Centre had not been identified at Burnside in planning documents prior to the MRACS and that '*the lack of need for an Activity Centre at Burnside, in my view, reflects that a catchment for the centre overlaps significantly with the already designated Activity Centre at Caroline Springs*'. Mr Duane also noted that the recently proposed sub-regional centre at Mount Atkinson (Hopkins Road) '*further reduces the need for an Activity Centre at Burnside*'.

Mr Duane noted the extent of the vacant C1Z land at Burnside and the potential for a '*double discount department store based centre*', concluding that:

- 6.5 *There is no need or demand for a centre of this size, reinforced by the view of the City of Melton Retail and Activity Centres Strategy that if Burnside and Caroline Springs were to co-exist, only two small sub-regional shopping centres anchored by single discount department stores, in centres typically less than 25,000 sq.m would be supportable.*

Mr Duane supported the continued development '*of an enlarged Activity Centre at Caroline Springs*' for the following reasons:

- i. *A growing population in close proximity to Caroline Springs Square.*

- ii. *Major regional shopping centres play fundamental roles in the economies of Australia's major metropolitan areas. The centres are built to meet consumer demand which reflects increasing time pressures on working families, new retail formats, shopping/entertainment locations and the demand of retailers. An expanded offer at the centre would include a number of tenants not represented in the immediate area.*
- iii. *The centre would introduce a number of new retailers both in the majors floorspace, but also in the specialty floorspace if it was to expand over time to provide a double discount department store centre and attracting new retailers to serve local residents.*
- iv. *The centre is well positioned to future population growth within the immediate area and also to longer term growth in the Melton – Caroline Springs Growth Corridor (Plumpton).*
- iv. *The centre is already designated as a Major Activity Centre.*
- v. *The centre would improve the range of retail facilities available to local residents.*
- vi. *The proposal would create substantial additional jobs.*

Mr Duane concluded that:

- 6.7 *...there is clearly not potential for the expansion of Caroline Springs Square to double discount department stores and Burnside Village to 36,000 sq.m or above, as it would result in impacts greater than normal competitive levels and, in my view, would most likely result in a large number of vacancies at each of Caroline Springs Square and Burnside Village. The market is not able to support a further 2 – 3 discount department stores across the two centres as well as the substantial amount of both mini-major and specialty shop space at each centre.*

Ms Sharp acknowledged the limitations of the C1Z in regulating retail floor space, but submitted that the Amendment should provide more guidance about the timing and land use mix within Burnside. She also submitted that Burnside's elevation to Activity Centre should not occur without 'consultation with DELWP and VPA, and consequent revision of State Planning Policy'.

Ms Sharp concluded that Burnside's elevation to Activity Centre would not achieve a 'net community benefit' and submitted that:

*If as a consequence of its current zoning and DPO17, the Panel considers that Burnside is a potential Activity Centre, then it should be nominated as an "Activity Centre (planned)".*

Mr Canavan (on behalf of Ranfurly Developments Pty Ltd) supported the MRACS and submitted that the Amendment and the elevation of Burnside to Activity Centre would deliver net community benefit.

Mr Canavan submitted that Burnside, in addition to its current zoning, has the following attributes that make it suitable as an Activity Centre:

- a) considerable residential development within Burnside and surrounding suburbs that may reasonably be expected to continue;*
- b) access to a large, established population base through the Melton East corridor and the outer suburbs of Brimbank;*
- c) a major highway location, with frontage both to the Western Highway, and to Westwood Drive (transport attributes of the Site are discussed further below);*
- d) Western Highway access to the West Growth Corridor Precinct Structure Plan areas;*
- e) proximity to the West Industrial Node, which extends north along Robinsons Road to Burnside;*
- f) particular proximity to the Ravenhall Employment Precinct which is currently undergoing development and has a full capacity employment level estimated to be 7,300 people;*
- g) its position as the closest Activity Centre to the new Caroline Springs railway station.*

Mr Canavan outlined the transport attributes of the site and relied on the evidence of Mr Kiriakidis who assessed the existing and proposed transport network, and identified several locational and network attributes in support of further development at Burnside. None of the parties challenged Mr Kiriakidis' evidence and the Panel accepts his assessment.

Mr Canavan submitted that future development of the site has the potential to:

- a) re-orient the centre from Westwood Drive towards the Western Highway;*
- b) increase the number of supermarkets serving the area;*
- c) improve choice and convenience for the local population;*
- d) provide a range of community services, such as medical services;*
- e) provide entertainment and recreation activities, including cafes and restaurants;*
- f) increase the level of local employment;*
- g) secure a major DDS tenant such as Kmart;*
- h) provide a relevant centre for the growing employment precinct through Ravenhall;*
- i) retain local expenditure leading to a reduction in the use of transport options; and*
- j) co-locate with the existing sub-regional retail offer to the south of the Western Highway.*

Mr Canavan relied on the economic evidence of Mr Dimasi and Mr Abery who both supported the Activity Centre designation. In terms of impacts, they generally agreed that the area could only support one additional DDS, either at Caroline Springs or Burnside, although that might change over the longer term.

Mr Abery assessed the proposed activity centre hierarchy and the locational and other advantages of the Burnside site and its future development as an Activity Centre. He also assessed the potential impacts of an expanded Burnside and concluded that, in light of Burnside's vacant zoned land, the practical effect of elevating it to an Activity Centre '*is relatively small on other centres in terms of impacts on committed or announced developments*'. In response to questions from Ms Sharp, Mr Abery agreed that there would be benefits in locating a second DDS at Caroline Springs but he did not believe that this should preclude a DDS at Burnside or that a second DDS at Caroline Springs should be preferred over a DDS at Burnside.

Mr Dimasi outlined various attributes of Burnside, including its highway location, future access to the planned Westwood Drive arterial, the size of the site, extensive adjoining facilities and its central location at the '*gateway*' to the western growth corridor.

Mr Dimasi also referred to a community survey his firm undertook in 2013, on behalf of the owner, which he submitted provided support for expanding Burnside, including additional food and non-food shopping alternatives and a DDS.

Mr Dimasi also assessed the '*economic benefits and disbenefits*' of expanding Burnside and found that it would increase choice, convenience and local employment, provide economic growth and reduce escape expenditure. Mr Dimasi did not believe that it would have any '*significant identifiable disbenefits*' and concluded:

*... the likely impacts of further expansion of Burnside Hub would be felt most keenly not by other centres located within the study area (e.g. Caroline Springs, which does not feature extensively as a non-food shopping destination for study area households) but rather by these major centres located outside the area. Those centres are in turn able to draw their business from very extensive and growing regions, and certainly their future is in no way under threat from any further expansion of Burnside Hub.*

Mr Canavan also relied on the planning evidence of Mr Crowder who supported Burnside's elevation to Activity Centre, noting that it has various characteristics and attributes that are make it suitable for Activity Centre status. Mr Crowder acknowledged that Plan Melbourne does not identify Burnside as an Activity Centre, but submitted that this is not a reason to retain its Neighbourhood Activity Centre designation, and that Plan Melbourne and the MRACS do not have to align. He submitted that the Plan Melbourne Implementation Actions 9 and 10 suggest that there will be ongoing review of the list of Activity Centres and that Amendment C171 is a process that can enable Plan Melbourne to '*catch up*' with the designation of Burnside as an Activity Centre. In relation to whether Burnside should be designated as an 'existing or planned centre', he believed that centres should be classified as 'existing' if the zoning was in place.

Mr Canavan concluded that failing to elevate Burnside to an Activity Centre in light of VC100 and its current zoning would *'hold the strategy (MRACS) up to be a laughing stock'* and that *'planning strategies should be coherent'*.

**(iii) Discussion**

Ms Sharp raised several issues that the Panel discusses below.

**State designation of Activity Centres**

Ms Sharp submitted that designating Activity Centres was a matter for the 'State' and that because Burnside was not identified as a Major Activity Centre in Plan Melbourne it should not be identified as an Activity Centre in the Melton Planning Scheme<sup>5</sup>.

Council did not share this view and noted that DELWP had not raised the status of Burnside as an issue in its authorisation of the Amendment. Council also noted that the VPA had not objected to or raised issues with this element of the Amendment.

Mr Canavan submitted that Council was entitled to designate an Activity Centre within its municipal hierarchy and that Plan Melbourne *'narrates the existing hierarchy'* rather than impose a hierarchy.

Mr Crowder submitted that Plan Melbourne and the MRACS did not have to align and that Burnside did not have to be identified as a Major Activity Centre in Plan Melbourne to be identified as an Activity Centre in the Melton hierarchy.

The Panel does not accept that the Activity Centre designation can only be applied by the State, or that planning schemes can only identify Activity Centres that are identified in Plan Melbourne (or some other State level document). The Panel believes that it is open to a planning authority to designate an Activity Centre, particularly where it is based on a comprehensive municipal activity centre strategy, such as the MRACS.

The Panel notes that neither DELWP nor the VPA raised the designation of Burnside as an issue and that there is nothing in Plan Melbourne that precludes a planning authority from designating an Activity Centre.

The Panel also believes that the approval of Amendment C112 by the then Minister also provides some 'State' imprimatur for designating Burnside as an Activity Centre, given the extent of vacant C1Z land that it provided.

Whether Plan Melbourne is modified to reflect Burnside's position in the Melton retail hierarchy is a matter for DELWP, although there would be merit in Council discussing this issue with DELWP once Amendment C171 is finalised.

**Whether the Activity Centre designation is justified**

Ms Sharp submitted that the designation of Burnside as an Activity Centre had not been justified on the basis of an economic assessment and will not meet a market gap.

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<sup>5</sup> Plan Melbourne's 'Major Activity Centre' designation is the equivalent of the 'Activity Centre' designation in Amendment C171.



There were detailed submissions and evidence about the extent of Burnside's catchment, how much floor space it could support and its place within the activity centre hierarchy. Without repeating this material, the Panel agrees that Burnside's catchment is at the lower range of what is typically expected to support a (sub-regional) Activity Centre, including a DDS. However, the Panel also notes the evidence of Mr Nott, Mr Dimasi and Mr Abery that Activity Centres vary in size and composition, and that although a fully developed Burnside might be at the lower end of the range, it could legitimately function as a small sub-regional centre.

Council, Mr Canavan and various experts also highlighted that the extent of vacant C1Z land at Burnside will enable it to develop into a sub-regional centre, regardless of its designation in the hierarchy. While the Panel agrees that this is a relevant consideration, it does not by itself, justify elevating Burnside. As Ms Sharp noted, development potential under the zoning does not necessarily equate to 'economic need'. If the Panel had concluded that applying the Activity Centre designation was strategically flawed and would have a net community 'disbenefit', it would be open to it to reject this element of the Amendment, regardless of the zoning.

Having reviewed submissions and evidence, the Panel is satisfied that there is adequate strategic justification for elevating Burnside and that its development as a small sub-regional centre will have several benefits for the local community.

#### **Impacts on Carline Springs**

Ms Sharp submitted that Burnside's development as a sub-regional centre would have negative impacts on the future development of Caroline Springs, resulting in a net community disbenefit.

The Panel agrees that if Burnside develops as a sub-regional centre, it will impact on Caroline Springs. The two centres share an overlapping catchment and it was generally agreed that at full development only one additional DDS is likely to be developed, either at Caroline Springs or Burnside. As discussed earlier, this situation already exists by virtue of the vacant C1Z land at Burnside and is not created by applying the Activity Centre designation.

The Panel agrees with Ms Sharp and Mr Duane that there would be broad community benefit in developing a second DDS at Caroline Springs and that it would reinforce and build on existing and future investment at that centre. However, it is also clear from the evidence of Mr Abery and Mr Dimasi that there would be benefits from an expanded Burnside (with a DDS), particularly in terms of accessibility and competition.

The Panel accepts that locating the second DDS at one of the centres will have implications for the other, but does not believe that there are compelling reasons to clearly favour a second DDS at one centre over the other. The Panel does not agree with Ms Sharp that locating the DDS at Burnside will have such an impact on Caroline Springs that there will necessarily be a net community disbenefit. In forming this view, the Panel is mindful of Amendment VC100 and the policy expectation that there will be greater competition between activity centres and less regulation.

Finally, Ms Sharp also relied on the Amendment C112 Panel report that raised various concerns about the expansion of Burnside and the implications for Caroline Springs. That

Panel concluded that Burnside's development as a sub-regional centre would not have a net community benefit.

Without repeating the detail of that report, the Panel notes that it was prepared prior to the approval of Amendment VC100 and without the benefit of the MRACS. VC100 and the MRACS have been significant factors in the content of Amendment C171 and the Panel's assessment of its merits.

#### **Guidance/timing for Burnside**

Ms Sharp submitted that if Burnside is to be designated an Activity Centre, the Amendment should provide more guidance about the timing of its development. In this context, she submitted that it should be designated a 'Planned' rather than an 'Existing' Activity Centre and drew a distinction between Caroline Springs, which has achieved Activity Centre status and Burnside which currently functions as a Neighbourhood Activity Centre.

The Panel does not believe there is any strategic reason for the Amendment to defer or delay Burnside's expansion, because its development as a sub-regional centre is justified and its current zoning allows it. The Panel also believes that delaying Burnside's development would be contrary to Amendment VC100 and its policy support for competition between centres.

In relation to its designation, the Panel agrees with Council and Mr Crowder that it should be designated as an 'Existing' rather than a 'Planned' centre because of the extent of existing development on the site and its commercial zoning that will potentially provide for a further 25,000 sqm of floor space.

#### **The mix of uses at Burnside**

Ms Sharp submitted that Burnside was '*unlikely*' to contain the range of land uses sought by Council if the '*40% non-retail 'soft-cap'*'<sup>6</sup> did not proceed. For this reason, it would not fulfil the Activity Centre role envisaged by Council.

As discussed in chapter 4.4 of this report, the Panel supports the retention of this strategy and notes that the need for a development plan under DPO17 provides a mechanism to implement it.

#### **(iv) Conclusions**

The Panel is satisfied that Burnside should be designated as an Activity Centre. Having reviewed the MRACS, submissions and evidence, the Panel believes that this designation is strategically justified and reflects the centre's development potential under the current zoning.

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<sup>6</sup> Ms Sharp referred to the Activity Centre strategy in Table 1 – City of Melton Activity Centre Hierarchy in Clause 21.05: "*As a target the non-retail floor space of a fully developed activity centre should be 40% of the total floor area*".

## 4.2 Caroline Springs Town Centre

### (i) The issue

The issue is whether the Caroline Springs Town Centre (Caroline Springs) should be the only 'Major Activity Centre' in East Melton.

Ms Sharp advised that Caroline Springs currently comprises 20,690 sqm of retail floor space, consisting of a 5,400 sqm discount department store (Target), two supermarkets with a combined floor area of 5,264 sqm (Coles and Aldi) and 5,400 sqm of speciality stores. It also includes offices, apartments, townhouses and various community facilities. Caroline Springs is not fully developed and has additional land available to provide a further 20,000 sqm of floor space.

### (ii) Evidence and submissions

Ms Sharp highlighted the attributes of Caroline Springs and the potential for further expansion, and noted that the Panel for Amendment C91 was supportive of the centre's expansion.

Ms Sharp submitted that *'the Strategy and Amendment documentation should clearly state that Caroline Springs has further capacity to grow to at least 40,000 sqm of retail floor area and that this growth is supported by Council'*. More specifically, Ms Sharp submitted that the MRACS and Amendment should *'recognise and encourage'*:

- a) *Caroline Springs as the only existing Major Activity Centre in East Melton;*
- b) *Caroline Springs is not fully developed;*
- c) *Aggregation of uses through expansion of Caroline Springs is encouraged;*  
*and*
- d) *That its expansion should be a priority over new Activity Centres that service the same catchment area.*

Council did not support this submission, and submitted that the Amendment and MRACS did not (and should not) differentiate between centres within the same hierarchical level or favour particular centres. Council submitted that this approach was based on the desire to maintain a degree of flexibility in how and when centres might develop.

Mr Nott did not support the use of Activity Centre 'levels' different to those in Plan Melbourne.

### (iii) Discussion and conclusions

The Panel is satisfied that the references to Caroline Springs in the MRACS and the Amendment appropriately reflect its role and development potential. The Panel does not believe that there is any basis for prioritising its development over other centres, including Burnside.

The Panel also notes that Caroline Springs' designation as a Major Activity Centre in Plan Melbourne will not be affected by the Amendment.

#### 4.3 Map 1 (City of Melton Activity Centre Hierarchy)

##### (i) The issue

The issue is whether the exhibited Map 1 (City of Melton Activity Centre Hierarchy)<sup>7</sup> in Clause 21.05 should be deleted or updated.

Map 1 is drawn from the MRACS (refer to figure 1) and identifies the existing, planned and proposed activity centre hierarchy.

##### (ii) Submissions

Citinova supported the proposed vision, objectives and strategies for activity centres but submitted that Map 1 should be deleted because:

- it is too detailed and prescriptive
- including the MRACS as a reference document provided adequate recognition of the hierarchy
- identifying specific sites (particularly for neighbourhood centres) is too restrictive
- there should be some flexibility in the siting of future neighbourhood centres.

Council submitted in its Part B submission that:

76. *Council maintains its view that Figure 1 of Clause 21.05-4 is not too detailed or prescriptive for inclusion in the Scheme. To the contrary, Council considers that the inclusion of Figure 1 is critical to ensuring that the strategic intent and integrity of the Strategy is maintained.*
77. *Council rejects the assertion that the Strategy is sufficient to guide the location of future activity centres such that it is not necessary to duplicate the maps contained in the Strategy in the Scheme. Assuming that the Amendment is ultimately approved, the Strategy will assume its rightful role as a 'reference document' in the Scheme. As a reference document it will provide policy guidance for decision-making. However, it is both desirable and appropriate from an orderly planning perspective for the policy intent contained in the Strategy to be comprehensively and effectively enshrined in the Scheme. This is, in large part, achieved via the inclusion of the hierarchy map in Figure 1 of Clause 21.05-4.*

Council also noted that:

- 73.1. *Figure 1 is intended to be indicative of activity centre locations as opposed to prescriptive (this is evident by the lack of detail shown in the diagram); and*
- 73.2. *Citinova's concern is alleviated by the Version 3 inclusion of a note in Figure 1: 'Please note, the precise locations for proposed*

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<sup>7</sup> The exhibited Map 1 is titled Figure 1 (City of Melton Existing, Planned and Proposed Activity Centre Hierarchy) in Council's final version of the Amendment included at Appendix C of this report.

*neighbourhood centres will be determined through future precinct structure planning processes’.*

The Victorian Planning Authority (VPA) submitted that Map 1 should be updated to reflect recently approved and exhibited Precinct Structure Plans (PSPs).

Council included various changes in its final version of Map 1 to reflect the relevant PSPs and also included the following note in the legend:

*Please note, the precise locations for planned and proposed activity and neighbourhood centres in the Urban Growth Zone are determined through precinct structure planning processes.<sup>8</sup>*

#### **4.3.2 Discussion and conclusions**

The Panel agrees with Council that Map 1 is a key element of the MRACS and that it should be included in the Planning Scheme as part of implementing the strategy. The proposition that including the MRACS as a ‘reference document’ would provide adequate recognition of the hierarchy overstates the role of reference documents. Planning Practice Note 13: Incorporated and Reference Documents (PPN13) describes the role that reference documents play in the planning system:

*Reference documents provide background information to assist in understanding the context within which a particular policy or provision has been framed.*

*Reference documents have only a limited role in decision-making as they are not part of the planning scheme.*

Contrary to Council’s submission, reference documents should not be used to ‘provide policy guidance for decision-making’ and in this context, it is entirely appropriate that Map 1 be included in Clause 21.05.

The Panel agrees that Map 1 should be updated to reflect recently approved and exhibited PSPs and notes that Council has done this in its final version of the Amendment.

The Panel also supports the ‘note’ included in the legend of the final version that highlights that the location of some centres is, at this stage, indicative.

#### **4.4 Mix of uses and indicative floor space areas**

##### **(i) The issue**

The issue is whether the mix of uses and indicative floor space areas in Clauses 21.05 and 21.06 should be removed or modified.

Table 1 in the exhibited Clause 21.05 includes ‘Land Use Strategies’ for each level in the activity centre hierarchy. Some of these strategies ‘encourage’ a mix of land uses and include floorspace areas for ‘retail’, ‘restricted retail’ and ‘non-retail’ uses.

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<sup>8</sup> This text is included in Council’s final version of the Amendment included at Appendix C of this report, but differs slightly from the text referred to in Council’s Part B Submission.

The exhibited Clause 22.06 includes similar floor space provisions for activity centres.

Following its consideration of submissions, Council proposed various changes to the strategies in Clause 21.05 and the policies in Clause 22.06. These changes satisfied some, but not all, of the relevant submissions. Council also proposed changes to Clause 22.06 to clarify that the policy only applies to 'new' activity centres that are not identified in the hierarchy.

**(ii) Evidence and submissions**

Mr Canavan (on behalf of Ranfurly Developments Pty Ltd and in relation to Burnside) submitted that using policy to *'impose a retail mix through the introduction of indicative floorspace allowances and percentages of non-retail floorspace is contrary to the purpose and objectives of VC100'*. He added that the provision of indicative floorspaces is also contrary to the site's current planning controls – none of which limit future retail or commercial development. He concluded that *'the floor space allocation should be determined by the configuration of the site and market forces'*.

Mr Canavan relied on the evidence of Mr Crowder who submitted that *'the introduction of soft caps on floor space is misguided in light of VC100 and the current construction of the commercial zones.'* He noted that the requirement for 40% non-retail uses in activity centres *'would be difficult to achieve in zones that allow Shop and Restricted retail sales as-of-right.'* He understood the intent of the requirement, but believed that the allocation of floor space *'should be performance based and determined by the ultimate configuration of the site (as determined by the zone controls and DPO17<sup>9</sup>) and market forces.'*

Mr Canavan also relied on the evidence of Mr Abery and Mr Dimasi who generally opposed the use of floor space caps.

Ms Sharp (on behalf of Lend Lease and in relation to Caroline Springs) opposed the 40% non-retail floor space allocation for Caroline Springs on the basis that it has already been achieved.

Geopac Pty Ltd submitted that some of the floor space provisions were too prescriptive and provided less flexibility than the source material in the MRACS.

Mount Atkinson Holdings Pty Ltd (MAH) submitted that the hierarchy should be amended to remove the provision relating to 40% of floor space in activity centres being non-retail (Clause 21.05) given that it might not be possible in the early stages of development. MAH subsequently advised Council that it supported the proposed changes in the final version of the Amendment, including the clarification that the provision only applied at full development.

Avid Property Group (Avid) raised concerns about providing a minimum 30% non-retail floor space in Neighbourhood Activity Centres (specifically in relation to the Bloomdale Estate in Diggers Rest). Avid also noted that the location of the centre in the exhibited Clause 21.05 was incorrect.

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<sup>9</sup> Development Plan Overlay Schedule 17 applies to Burnside.

The Victorian Planning Authority (VPA) supported the policy objective 'to ensure activity centres have a mix of retail and non-retail uses to maximise the number and diversity of local employment opportunities'. However, the VPA submitted that the exhibited floor space range of between 300 and 800 sqm for Local Activity Centres was too limiting and should be increased to 1,500 sqm for 'shop uses'. Council subsequently discussed this issue with the VPA and advised the Panel that they had agreed on various changes that are included in Council's final version of the Amendment.

Council submitted that the non-retail floor space allocations were drafted to reflect the MRACS finding<sup>10</sup> that:

*In order to generate a breadth of employment choices for the municipality it would be prudent to encourage the provision of at least 40% of non-retail space.*

In its Part B submission Council described the purpose of the allocations as follows:

27. *It has always been Council's intention for the overall centre floor spaces and non-retail floor space to be indicative only. The numbers are suggested as a target for Council and developers in considering the extent of land that may be required and to encourage a mix of retail and non-retail uses. They are intended to be discretionary and not to function as a cap.*
28. *Having considered the submissions in response to exhibition of the Amendment and upon further review of the exhibited clauses, Council agreed that it would be appropriate to soften the language regarding floor space in Clauses 21.05 and 22.06 and clarify that the numbers are cited as a target for centres at full development only.*
29. *Version 3 further clarifies that Clause 22.06 applies only to new activity centres not currently identified in the hierarchy.*
30. *The revised wording is shown in tracked changes in versions 2 and 3 of the clauses at Attachments B and C to Council's Part A submission, with version 3 showing the final wording supported by Council and all issues are now considered resolved.*
31. *Council has provided the Panel with the letter it received from Mount Atkinson Holdings dated 27 February 2017 confirming that it accepts all of the tracked changes shown in version 3 of proposed Clauses 21.05 and 22.06.*

Council also relied on the evidence of Mr Nott who supported the proposed changes in Council's final versions of these clauses. Mr Nott noted that 'the new wording provides flexibility, whilst still encouraging broader employment opportunities'.

In relation to the Avid submission, Council advised that the '30% floor space target' will not apply because the Diggers Rest Urban Design Framework has been approved. Council also

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<sup>10</sup> Section 6.4.2 of the Strategy (at page 14):

advised that the location of the centre had been corrected in the final version of Clause 21.05.

**(iii) Discussion and conclusions**

Council's final version of Table 1 in Clause 21.05 includes strategies for each level in the activity centre hierarchy. The strategies relating to non-retail and retail floor space for the relevant levels of the hierarchy are summarised in Table 2, below. Importantly, these outcomes are 'encouraged' rather than required, and are intended to provide broad guidance about Council's preferred outcomes, consistent with the MRACS. For these reasons, the Panel would not characterise them as 'caps' or 'requirements' as did some submissions and evidence.

Table 2 Summary of land use mix and floor space provision in Table 1 City of Melton Activity Centre Hierarchy (Council's final version)

Type of centre	% of non-retail floor space at full development	Retail floor space provision
Activity Centre	40%	Approximately 35,000 sqm retail and 20,000 sqm restricted retail based on a catchment of approximately 50,000 people
Neighbourhood Activity Centres	30%	Approximately 7,000 sqm of retail based on a catchment of approximately 10,000 people
Local Activity Centres	n/a	Generally between 300 and 800 sqm

Council's final version of Clause 22.06 includes:

- *Encourage new local activity centres to have a commercial floor area that is generally between 300sqm and 800sqm. Larger local activity centres may be considered where the local demand for services warrants and where this does not adversely affect the development of nearby larger centres.*

Notably, Council has softened the language in these clauses in response to submissions and they are now more 'flexible' than the exhibited versions.

At a strategic level, two recurring themes in the MRACS, Council's submission and Mr Nott's evidence were:

- the need to increase employment opportunities in the Municipality and the role that activity centres can play in addressing this issue
- the benefits of developing activity centres as community focal points that include a mix of uses.

The desirability of achieving these outcomes was not fundamentally contested in submissions or evidence and there was general support for the thrust of the MRACS. The Panel also supports the MRACS and Council's desire to influence the mix of land uses in



activity centres, and agrees that it is appropriate to include this type of material in the planning scheme. It will inform developers, the community and other stakeholders of Council's preferred land use mix and outcomes in activity centres.

While the construction of the Commercial 1 Zone might present practical difficulties in achieving Council's preferred mix of retail and non-retail uses in some activity centres, this is not a reason for the planning scheme to be silent on these issues. It is appropriate that the planning scheme reflect the MRACS and explain what Council wants to achieve in its activity centres. There will also be mechanisms, such as the preparation of development plans and precinct structure plans, where these strategies and policies will be applicable and influential.

In terms of specifying the preferred amount and mix of retail and restricted retail floor space (Clause 21.05), it is less clear what this will achieve and whether it is necessary. This is a different issue to seeking a mix of non-retail uses and is a matter that will arguably be determined more by market forces than the planning scheme. It is also possible, if not likely, that the preferred mix of retail and restricted retail will change over time as activity centres develop and approaches to retailing change. On balance however, the Panel is prepared to support the retention of this material because it is useful in explaining the hierarchy and Council's vision for the mix of retailing. However, the Panel believes that the proposed floor space levels should be expressed as a 'guide' rather than 'a target' (in relation to Activity Centres and Neighbourhood Activity Centres) and has included this change in the recommended Clause 21.05 at Appendix C.

#### **4.5 Economic justification**

##### **(i) The issue**

The issue is whether the requirements in Clauses 21.05-4 and 22.06 for 'economic justification' should be removed.

The exhibited Clause 21.05-4 includes the strategy:

- *Facilitate staged development of centres based on their catchment size and demand in order to sustain the viability of a centre in the short and longer term.*

In response to the submission from Mount Atkinson Holdings, Council proposed to insert 'justification' after the word 'demand'.

The exhibited Clause 22.06 includes 'Application requirements' for 'Applications for activity centres and neighbourhood activity centres'. In summary, an application that would vary the preferred mix of non-retail uses would need to be justified against four factors listed in the Clause.

In response to submissions, Council proposed to change the requirement so that it only applies to new Neighbourhood Activity Centres and Activity Centres, other than those identified in approved precinct structure plans.

**(ii) Evidence and submissions**

Mr Canavan (on behalf of Ranfurly Developments Pty Ltd and in relation to Burnside) submitted that the justification requirement<sup>11</sup> should be removed. He submitted that it *'is contrary to the objectives of VC100 and imposes an unnecessary financial burden on permit applicants'*.

Mr Canavan called evidence from Mr Crowder who submitted that there should not be a requirement for economic justification<sup>12</sup> in light of VC100 and the absence of floor space permit triggers in the commercial zones.

In relation to Clause 21.05-4, Council submitted that it supported various changes that would clarify and soften the language. However, it is not clear from Council's submissions or the submission from Mount Atkinson Holdings why Council included 'justification' in the Clause 21.05-4 strategy.

In relation to Clause 22.06, Council advised that the concerns raised by Mr Crowder are addressed by its proposed clarification that the requirement only applies when it is proposed to introduce a new activity centre that is not identified in the hierarchy. This change is included in Council's final version of Clause 22.06, included at Appendix D of this report.

**(iii) Discussion and conclusions**

In relation to the strategy in Clause 21.05-4, it is not clear why the word 'justification' has been added or what it is intended to achieve. It seems to be superfluous and the Panel has deleted it from the recommended Clause 21.05 at Appendix C.

In relation to Clause 22.06, the Panel is satisfied that Council's clarification and the nomination of Burnside as an Activity Centre (Existing) address the concerns raised by Mr Crowder.

**4.6 Mt Atkinson and Tarneit Plains Precinct Structure Plan****(i) The issue**

The issue is whether references relating to the Mt Atkinson and Tarneit Plains Precinct Structure Plan (PSP) should be updated.

**(ii) Evidence and submissions**

Mount Atkinson Holdings Pty Ltd (MAH) raised various issues relating to the identification and designation of activity centres in the Mt Atkinson and Tarneit Plains PSP area.

Council advised that the Mt Atkinson and Tarneit Plains PSP (Amendment C162) had not been exhibited at the time the MRACS was prepared and that there were some inconsistencies between the two. Since then, Amendment C162 has been the subject of a Panel report that is being considered by the Victorian Planning Authority. Council agreed that the hierarchy in Clause 21.05 needed to be revised to align with the PSP and that the necessary changes were included in its final version of the Amendment.

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<sup>11</sup> Mr Canavan referred to the second strategy under objective 1 in Council's final version of Clause 21.05-4.

<sup>12</sup> Mr Crowder referred to the application requirement in Clause 22.06.

MAH advised the Panel that these changes addressed its concerns.

Council also advised that it had identified an error in Map 1 in the exhibited Clause 21.05: *'the symbol used for the Hopkins Road Business Precinct (Planned) should have been the symbol for Bulky Goods Precinct (Existing and Planned) rather than Activity Centre (Planned)'*.

**(iii) Discussion and conclusions**

The Panel notes MAH's advice that Council's final version of the Amendment satisfies its concerns. The Panel supports the changes on the basis that they better reflect the Mt Atkinson and Tarneit Plains PSP and Amendment C162. Nevertheless, Council should review the relevant material in Clause 21.05 once Amendment C162 is finalised to identify any further changes that might be necessary to maintain consistency between the PSP and Amendment C171.

The Panel agrees that the designation of the Hopkins Road Business Precinct should be corrected.

**(iv) Recommendation**

The Panel recommends:

**Modify Figure 1 (City of Melton Existing, Planned and Proposed Activity Centre Hierarchy) in Clause 21.05 to apply the Bulky Goods Precinct (Existing and Planned) designation to the Hopkins Road Business Precinct.**

**4.7 Clause 22.06 Retailing Policy**

**4.7.1 The issue**

The issue is whether Clause 22.06 should be deleted or repositioned.

**4.7.2 Submissions**

Citinova supported the policy objectives in exhibited Clause 22.06 in principle, but submitted that it should be deleted because:

- the 'policy objectives' are 'strategies' not 'policies' and should be included in Clause 21.05
- Clause 21.06 partly duplicates Clause 21.05 and may give rise to conflicting interpretations.

In its Part B submission, Council submitted:

79. *On the basis that Clause 22.06 sets out the policy necessary to guide decision making in relation to new local centres, new neighbourhood activity centres and new activity centres (other than those identified in approved PSPs), Council submits that it fulfils a separate and distinct role from Clause 21.05.*

The Panel notes that Council's final version of Clause 22.06 deletes some content that is unnecessarily repetitive of material in Clause 21.05 and that this will reduce the potential for *'conflicting interpretations'*.

#### 4.7.3 Discussion and conclusions

The Panel is satisfied that the material in Clause 22.06 is justified and should proceed, subject to including the various changes proposed by Council.

On day 1 of the Hearing, the Panel queried whether Council had considered positioning this material in Clause 21.05. In its closing submission Council opposed this, commenting that it was not a matter that had been raised in submissions and that the Policy was consistent with Planning Practice Note 8 Writing a Local Planning Policy (September 2013) (PPN8).

The Panel raised this issue in the context of the Citinova submission which implied that the two clauses could or should be merged. The Panel also notes that the current version of PPN8 is dated June 2015 and includes:

*Guidance on how discretion in a zone or overlay will be exercised can also be expressed in the MSS as a Policy Guideline to avoid the need for an LPP.*

Although the Panel is satisfied that Clause 22.06 can proceed, Council should reconsider whether to merge it with Clause 21.05 as part of its next planning scheme review.

#### 4.8 Other issues

##### (i) Moremac Property Group

The Moremac Property Group raised issues relating to consistency between Amendments C171 and C147 (Kororoit Precinct Structure Plan) in relation to the Kororoit 2 Neighbourhood Activity Centre.

Council submitted that these issues did not fall within the scope of Amendment C171 and should be addressed as part of the Amendment C147 process. Council noted that Amendment C171 defers to the precinct structure planning process in providing detailed catchment analysis.

The Panel agrees with Council that Amendment C147 is the appropriate process for resolving these issues, given that it has been informed by a more localised and detailed analysis of catchment and floor space issues in the Kororoit PSP area. Amendment C171, on the other hand, provides a higher-level overview of these issues. Nevertheless, Council should review the outcome of the C147 process and whether any consequential changes to Amendment C171 might be appropriate.

##### (ii) Geopec Pty Ltd

Geopec Pty Ltd raised issues in relation to its site at 1-7 Caroline Springs Boulevard, Caroline Springs, noting that it was not specifically included in the proposed activity centre hierarchy. Geopec submitted that this was problematic because the site is suitable for a 'local activity centre' and that there should be greater flexibility in the policy framework in Amendment C171.

Council submitted that the Amendment will not constrain the consideration of the site for a local activity centre, subject to demonstrating adequate demand and that there are no adverse effects on nearby larger centres. Council also submitted that Clause 22.06 will

provide an appropriate framework for assessing an application for a local activity centre on this land.

The Panel agrees with Council that the Amendment does not preclude the development of this site and will provide an appropriate framework for assessing relevant development proposals, including a Local Activity Centre. For these reasons, no changes are warranted.

**(iii) Toolern Town Centre Urban Design Framework**

Mr Black (on behalf of Coles Group and in relation to Toolern) supported Amendment C171 - specifically the designation of Toolern as a Metropolitan Activity Centre, consistent with Plan Melbourne 2017 - 2050.

Mr Black provided background to the preparation of the Toolern Town Centre Urban Design Framework (UDF) in 2012 and a recent planning permit issued for the centre. He advised that Council's review of the UDF was expected to commence in the coming months and requested that this be referenced in Clause 21.05-6 Further Strategic Work. Council did not object to this and the Panel has included it in the recommended Clause 21.05 at Appendix C.

## Appendix A Submitters to the Amendment

No.	Submitter
1	Citinova Development Managers
2	Ecosse Property Holdings Pty Ltd
3	Ranfurlie Developments Pty Ltd
4	Geopec Pty Ltd
5	Moorabool Shire Council
6	Coles Group
7	Mount Atkinson Holdings Pty Ltd
8	Macedon Ranges Shire Council
9	Avid Property Group
10	Victorian Planning Authority
11	Moremac Pty Ltd
12	Lendlease

## Appendix B Document list

No.	Date	Description	Tabled by
1	20/03/2017	Part A submission	Council
2	27/03/2017	Hearing folder	Council
3	27/03/2017	Part B submission	Council
4	28/03/2017	Coles Group submission	J Black
5	28/03/2017	Amendment VC100 explanatory report	C Canavan
6	28/03/2017	Extract of the Productivity Commission Inquiry Report No 56, 4 November 2011	C Canavan
7	28/03/2017	Lend Lease submission	J Sharp
8	28/03/2017	Amendment C154 material	Council
9	28/03/2017	Ranfurlie Developments submission	C Canavan
10	29/03/2017	Amendment C112 material	Council
11	29/03/2017	Burnside Hub plan	C Canavan
12	29/03/2017	Extract of the Melton New Format Planning Scheme Panel and Advisory Committee Report June 1998	C Canavan
13	29/03/2017	Burnside zoning plan	C Canavan
14	29/03/2017	Strategic planning work program	Council
15	29/03/2017	Closing submission	Council

## Appendix C Recommended Clause 21.05

The recommended Clause 21.05 is based on Council's final version of the Clause provided at the Hearing. Additional changes recommended by the Panel are identified as follows:

[Tracked Added](#)

~~Tracked Deleted~~



**21.05 ACTIVITY CENTRES AND RETAIL PROVISION****21.05-1 Overview**

The *City of Melton Retail and Activity Centres Strategy, March 2014* provides a comprehensive plan to support the long term integrated land use planning and delivery of a hierarchy of retail and activity centres across the City of Melton.

**21.05-2 Key issues**

The City of Melton has experienced rapid population growth and will continue to be one of the major growth fronts for metropolitan Melbourne. As a result, there will be substantial growth in the number of residents seeking access to services such as well located shops, health and community facilities, education opportunities and all the other services that are typically provided in activity centres.

Existing residents of the municipality require a higher level of service from our activity centres that will reduce the need to travel to access goods and services from elsewhere. For some, this will be resolved as growth triggers new investment. In other parts of the municipality, some centres require assistance to gain the vibrant level of service that residents deserve.

Residents will also be looking for local job opportunities in a wide range of occupations and skill levels. Currently, there is one job for every four working residents in the municipality. Council's aim is to move towards a ratio of one job for every household with activity centres generating a substantial share of this growth.

Council has a role in shaping development to deliver a network of centres that individually and collectively meets the needs of residents, businesses and institutions. The *City of Melton Retail and Activity Centres Strategy, March 2014* is Council's response to the growth of services needed to provide for a rapidly growing population.

**21.05-3 Strategic vision**

Council recognises that, whilst jobs and services are at the core, activity centres have many roles and are places in which activities of similar 'reach' can be clustered together. The network of centres should provide highly accessible every day services. A small number of centres can act as higher order suburban service nodes, providing jobs and services that residents might otherwise have to travel into central Melbourne to access.

The *City of Melton Retail and Activity Centres Strategy, March 2014* provides a plan to guide retail development in the City of Melton through the establishment of a hierarchy of activity centres. The City of Melton Existing, Planned and Proposed Activity Centre Hierarchy is based on the metropolitan planning strategy, *Plan Melbourne's* hierarchy of activity centres, the Western Growth Corridor Plan, Precinct Structure Plans and strategic policy.

There is a strong expectation that retail and other appropriate commercial and community activities will be directed within one of the nominated centres in the hierarchy. This will improve the viability of individual activity centres and provide certainty for substantial investments by firms, householders and the community. The hierarchy will also provide fair and evenly distributed access to services for current and future residents and improve the sustainability of urban development. Development outside of the nominated centres is therefore discouraged.

*Plan Melbourne* identifies a metropolitan activity centre in Toolern that is strongly supported by Council. This centre will eventually be the largest centre for the municipality, providing higher order goods and services as well as providing all the goods and services found in other centres. The Toolern Metropolitan Activity Centre will be strongly connected to the rest of the metropolitan area via public transport, and will contain job-rich service activities that generate income for the region.

All residents in the municipality will be in reasonable proximity to one of the centres in the hierarchy. Urban residents should ideally be within walking distance of a food and grocery service at a neighbourhood or higher level centre. Some residents may be served by a local centre in areas

beyond a comfortable walk to a larger centre. In addition, the municipality will be served by a restricted retail area called the Melton Homemaker Precinct at the corner of Melton Highway and High Street and the Hopkins Road Business Precinct in the Mt Atkinson Precinct Structure Plan.

#### 21.05-4 Activity Centre Network

##### Objective 1

To identify and support a network and hierarchy of activity centres;

##### Strategies

- Direct retail development and investment into a network of activity centres defined within the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy in the *City of Melton Retail and Activity Centres Strategy March 2014 (As outlined in Table 1 and Figure 1)*.
- Facilitate staged development of centres based on their catchment size and demand **justification** in order to sustain the viability of a centre in the short and longer term.
- Encourage a mix of land uses such as retail, office, business, community (e.g. education, health and recreation), entertainment and residential to cluster in centres to maximise demand.
- Provide convenient access to all centres for residents through pedestrian and bicycle networks, road networks and public transport services.

##### Objective 2

To ensure centres develop as genuine mixed use areas;

##### Strategies

- Encourage a diverse range of land uses in centres such as retail, office, business, community (e.g. education, health and recreation), entertainment and residential uses.
- Encourage medium and higher density housing opportunities of an appropriate scale within and adjoining centres, ensuring that commercial uses dominate the ground level frontage.
- Encourage new activity centres to integrate residential land uses as part of any new activity centre development.

##### Objective 3

To ensure residents have access to a range of fresh food and convenience goods and services within a reasonable distance of their homes (and preferably within walking distance).

##### Strategies

- Facilitate retail development and investment within centres identified in the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy to ensure there is an even distribution of centres that services all residents.
- Ensure neighbourhood centres provide residents with a broad range of everyday goods and services and are easily accessible via pedestrian and cycling networks.
- Support the provision of retail or other opportunities which increase local access to fresh produce.
- Consider the introduction of a new centre where there is a demonstrated need to address a gap in the network, and where this will not adversely impact the role of other centres in the hierarchy.
- Ensure all centres are accessible for residents via a well connected road network, pedestrian and cycle network and public transport services.

**Objective 4**

To ensure appropriate provision of restricted retail opportunities.

**Strategies**

- Encourage restricted retail uses into the preferred locations of the existing Melton Homemaker Precinct, Hopkins Road Business Precinct and existing and planned activity centres.
- Ensure restricted retail uses provide connections between activity centres and surrounding neighbourhoods, positively contribute to the amenity of the pedestrian environment and integrate into the surrounding area.

**Objective 5**

To ensure centres have access to adequate land.

**Strategies**

- Monitor and review data such as population figures to ensure that commercial land availability responds to population growth.
- Encourage the development of centres on land within multiple parcels to encourage diversity.

**Objective 6**

To recognise other areas of economic importance.

**Strategies**

- Support minor retail provision associated with rural or tourism enterprises, where such provision amounts to no more than that of a local centre, and is ancillary to the tourism use.

**Table 1 - City of Melton Activity Centre Hierarchy**

Activity Centre	Land Use Strategies
Metropolitan Activity Centre	<p>Encourage:</p> <ul style="list-style-type: none"> <li>▪ Higher order activities that deliver services to the region such as major retailers, major health services, further and higher educational institutions, substantial recreation, entertainment venues and hotels and corporate and government regional headquarters.</li> <li>▪ A broad mix of integrated land uses such as retail, office, business, community (e.g. education, health and recreation), entertainment and residential.</li> <li>▪ Higher density housing in order to improve access to services for a wide variety of households (particularly small households).</li> <li>▪ Connection to the Principal Public Transport Network via the Toolern railway station.</li> <li>▪ Connection to regional and sub regional roads, pedestrian and cycling networks.</li> </ul>
Activity Centres	<p>Encourage:</p> <ul style="list-style-type: none"> <li>▪ A broad mix of integrated sub regional land uses such as retail (discount department store as well as supermarkets and speciality stores), office, business, community (e.g. education, health and recreation), entertainment and residential in order to generate a breadth of employment choices for the municipality. As a target the non-retail floor space of a fully developed activity centre should be 40% of the total floor area.</li> <li>▪ Residential development (usually above ground floor level) and medium and higher density residential housing in close proximity to provide access particularly to small households.</li> <li>▪ Accessibility via public transport including a public transport interchange and pedestrian and cycling networks.</li> <li>▪ Extensive public open space.</li> <li>▪ Approximately 35,000 square metres of conventional retail floor space and up to 20,000 square metres of restricted retail floor space as a <a href="#">target guide</a> for activity centres based on a catchment of approximately 50,000 people.</li> </ul>
Neighbourhood Activity Centres	<p>Encourage:</p> <ul style="list-style-type: none"> <li>▪ A mix of land uses including a full line supermarket, speciality retail, cafes, restaurants, local service providers and small offices to maximise the number and diversity of local employment opportunities. As a target the non-retail floor space of a fully developed neighbourhood centre should be at least 30% of the total floor area.</li> <li>▪ Office activities such as banks, real estate agents and wholesalers, and community activities such as child care and front line health services.</li> <li>▪ Walkable access via pedestrian and cycling networks.</li> <li>▪ Access via the public transport network.</li> <li>▪ Higher housing densities in appropriate locations around neighbourhood centres to improve the use and vibrancy of each centre and to increase the accessibility of its services.</li> <li>▪ Co-location with parks (open space), community hubs and schools.</li> <li>▪ Approximately 7,000 square metres of conventional retail floor space as a <a href="#">target guide</a> for neighbourhood centres based on a catchment of approximately 10,000 people.</li> </ul>
Restricted Retail	<p>Encourage:</p>

Activity Centre	Land Use Strategies
Precinct	<ul style="list-style-type: none"> <li>▪ Restricted retail development to be located within the Melton Homemaker Precinct at the corner of Melton Highway and High Street and the Hopkins Road Business Precinct.</li> <li>▪ Restricted retail development on the periphery of existing and planned activity centres (Burnside, Caroline Springs, Mt Atkinson, Melton Town Centre, Plumpton, Rockbank, Rockbank North and Woodgrove).</li> </ul>
Local Activity Centres	<p>Encourage:</p> <ul style="list-style-type: none"> <li>▪ Corner stores and small groups of shops that provide top up groceries and local services such as hairdressing.</li> <li>▪ Retail floor space to be generally between 300 and 800 square metres. Where the local demand for services warrants and where this does not adversely affect the development of nearby larger centres, a larger local activity centre may be considered.</li> <li>▪ Walkable access via pedestrian networks.</li> <li>▪ Development to be located on connector roads at the confluence of local pedestrian networks.</li> </ul>

**21.05-5 Activity Centre Design**

**Objective 7**

To ensure activity centres provide high quality urban environments.

**Strategies**

- Encourage appropriate urban design and built form outcomes to create centres that are distinct and reflect the identity of individual communities, therefore creating a ‘sense of place.’
- Encourage a well designed and permeable network of streets and civic spaces that promotes and facilitates social interaction and passive surveillance.
- Encourage active street frontages and permeable shopfronts in centres to maximise pedestrian flow and passive surveillance.
- Discourage blank walls that are visible to the public such as street frontages and civic spaces.
- Ensure all development adequately responds to the human scale at street level.
- Encourage sustainability in centres through environmentally sustainable design practices.
- Ensure restricted retail uses are located to the periphery of activity centres.
- Ensure restricted retail uses are designed to positively address primary and secondary road frontages and residential interfaces.
- Encourage parking in centres to be located underground, undercroft or to the side or rear of buildings.

**Objective 8**

To ensure activity centres are accessible to all.

**Strategies**

- Ensure residents have convenient access to centres via pedestrian and cycle infrastructure that connects to public transport services and wider pedestrian and cycle networks.
- Ensure residents can access centres via high quality public transport services, therefore reducing car dependency.

- Ensure a highly permeable road network within and around centres which gives priority to pedestrians and cyclists.

**21.05-6 Implementation**

The strategies will be implemented through the planning scheme by:

**Policy guidelines**

Apply the following policies when considering applications for retail use and development:

- Clause 22.05 (Employment Policy).
- Clause 22.06 (Retailing Policy).

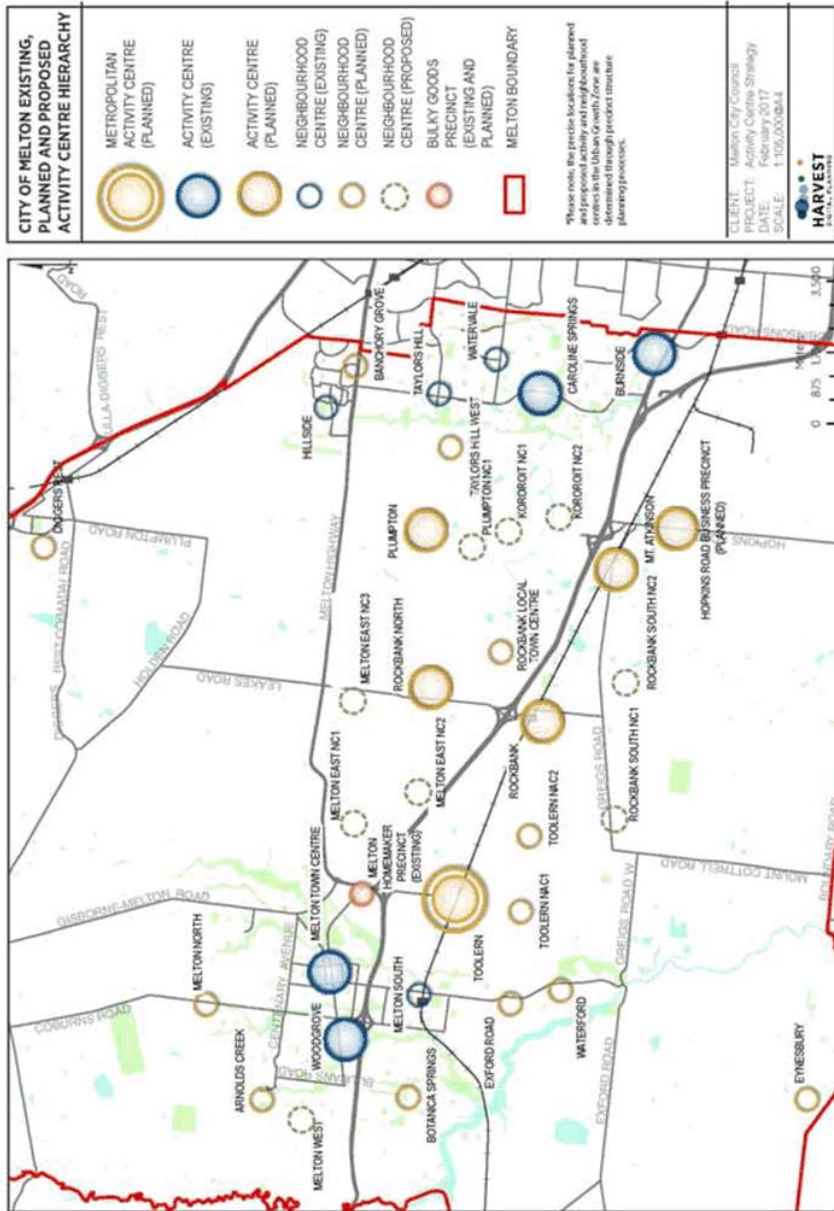
**Further strategic work**

- Undertake a review to consider the impact of commercial uses within the industrial zones and residential zones and provide guidance on determining applications of this nature.
- Monitor and review the zoning of land and population figures to ensure commercial land availability responds to population growth.
- Review and update relevant schedules to the Urban Growth Zone in line with the recommendations of the *City of Melton Retail and Activity Centres Strategy, March 2014*.
- Review the master plan for the Caroline Springs Town Centre and investigate opportunities at full development to rezone land from the Comprehensive Development Zone to a broader suite of commercial and other zones.
- Review and update the Woodgrove Structure Plan (2006).
- Review and update the High Street Town Centre Structure Plan (2007).
- [Review and update the Toolern Town Centre Urban Design Framework Plan \(2012\)](#)
- Prepare a Structure Plan for the Melton South Neighbourhood Centre.
- Advocate to the State Government for the construction of specific infrastructure that will benefit activity centres such as the upgrade of the rail line between Sunshine and Melton (including the development of Toolern train station), upgrade of the Western Highway to an urban freeway standard, upgrades to the existing Rockbank and Melton train stations, development of the Paynes Road and Mt Atkinson train stations, tertiary health care and education facilities.
- Investigate the role Council can play in the development of traders groups for centres as a means of creating effective input to capital works schemes and to improve the success of local businesses.

**21.05-7 Reference documents**

*City of Melton Retail and Activity Centres Strategy, March 2014*  
*Toolern Town Centre Urban Design Framework, 2012*

Figure 1 – City of Melton Existing, Planned and Proposed Activity Centre Hierarchy



## Appendix D Recommended Clause 22.06

The recommended Clause 22.06 is consistent with Council's final version of the Clause provided at the Hearing.



**22.06 NEW ACTIVITY CENTRES**

This policy applies to all land within the municipality, where it is proposed to introduce a new activity centre where it is not identified in the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy in Figure 1 of Clause 21.05.

**Policy basis**

This policy builds on the following Municipal Strategic Statement objectives:

- Clause 21.03-2 to encourage the growth and development of vibrant and dynamic retail centres.
- Clause 21.05-4 to identify and support a network and hierarchy of activity centres.

This policy is based on the *City of Melton Retail and Activity Centres Strategy, March 2014* which identifies a strong expectation that retail and other appropriate commercial and community activities will be directed within one of the nominated centres (centres) in the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy. The hierarchy identifies a network of existing, planned and proposed centres that will support the residents now and at full development. In urban growth areas, centre sizes and locations will be determined during the Precinct Structure Planning process.

**Policy objectives**

- To support a network of centres as defined within the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy unless otherwise provided for in this policy.
- To ensure that the introduction of new centres does not adversely impact on the role of centres identified in the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy.
- To ensure equitable and efficient access to goods and services for all residents.
- To encourage minor retail provision that will support rural or tourism enterprises.

**Policy**

It is policy to:

- Encourage the introduction of new local activity centres into areas if there is a gap in the network where the nearest neighbourhood centre or larger centre is beyond a reasonable walk (typically 800m).
- Encourage new local activity centres to have a commercial floor area that is generally between 300sqm and 800sqm. Larger local activity centres may be considered where the local demand for services warrants and where this does not adversely affect the development of nearby larger centres.
- Ensure new local activity centres are located on a connector road, preferably at the confluence of local pedestrian and cycle trails.
- Consider new activity centres and neighbourhood centres in areas where there has been higher than expected population growth or where the network needs to be adjusted in order to meet resident needs.
- To ensure centres have a mix of retail and non-retail uses to maximise the number and diversity of local employment opportunities.
- Ensure minor retail provision ancillary to rural or tourism enterprises amounts to no more than that of a local activity centre.

**Application requirements****Introduction of a new local activity centre other than those identified in approved Precinct Structure Plans**

In addition to the application requirements applicable to the relevant zone, an application for the introduction of a new local activity centre (other than those identified in approved Precinct Structure Plans) should provide justification of its demand to the satisfaction of the responsible authority.

Justification should include (but not be limited to):

- Identification of the proposed local activity centre and the catchment to be served.
- Demonstration that the proposed local activity centre meets a geographical gap in the City of Melton Activity Existing, Planned and Proposed Activity Centre Hierarchy where the nearest neighbourhood centre or larger centre is beyond a reasonable walk (typically 800m).
- Identification of the proposed land uses.
- Analysis of the proposed local activity centre's impact on nearby neighbourhood centres and larger surrounding centres.
- Analysis of access to the proposed local activity centre including pedestrian, cycle, public transport and road access as well as provision for car parking.

**Introduction of a new neighbourhood centre or activity centre other than those identified in approved Precinct Structure Plans**

Land for a new neighbourhood centre or activity centre would need to be rezoned (other than those where the zoning permits) and the proposal justified in detail. The proposal should contain an assessment of net community benefit comprising:

- Identification of the proposed catchment to be served and how this affects the catchment of surrounding centres
- Retail supply and demand analysis
- Assessment of economic impact on other centres identified in the City of Melton Activity Existing, Planned and Proposed Activity Centre Hierarchy and how this will affect their expected role
- Assessment of net social and employment benefits of the proposal
- Identification of the proposed mix of land uses that will maximise the number and diversity of local employment opportunities.

**Decision guidelines**

Before deciding on an application, in addition to the decision guidelines applicable to the relevant zone, the responsible authority should consider:

- The extent to which the use and development meets the objectives and requirements of this policy.
- Whether the proposal is consistent with the objectives of Clause 21.05 and the City of Melton Existing, Planned and Proposed Activity Centre Hierarchy identified at Figure 1 of Clause 21.05.

**Reference documents**

*City of Melton Retail and Activity Centres Strategy, March 2014*

*Toolern Town Centre Urban Design Framework, 2012*