



# Amendment C118 Greater Shepparton Planning Scheme

David Barnes

Expert Town Planning Statement

Hansen Partnership  
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# 1 Introduction

1. My name is David Barnes. I am the Managing Director of Hansen Partnership Pty Ltd, which is located at Level 4, 136 Exhibition Street, Melbourne.
2. I hold the following qualifications:
  - Bachelor of Town and Regional Planning (Hons), University of Melbourne, 1980.
  - Master of Business Administration, Royal Melbourne Institute of Technology, 1993.
3. I have practiced as a town planner for over 35 years, working in the public as well as the private sectors. I have also worked overseas in Vietnam on a variety of statutory planning, strategic planning, institutional strengthening and tourism projects.
4. I am both a statutory and a strategic planner. My planning experience covers many aspects of the planning approvals process on a range of projects including residential, industrial, retail, mixed use and rural developments. I regularly appear before VCAT and Planning Panels Victoria. I have been involved in a broad range of strategic planning projects including the preparation of industrial land use strategies, residential development strategies, integrated municipal strategies, township strategies, town centre strategies, structure plans and urban design frameworks for activity centres and transit cities, and rural land use strategies.
5. I have been instructed by Minter Ellison on behalf of Shepparton Pty Ltd, which has signed a contract of sale to purchase land located at 177-193 Numurkah Road, Shepparton North. That land is currently occupied by an IGA supermarket (the IGA land). The land is designated as part of the Shepparton North Sub-regional Activity Centre in the planning scheme. A planning permit has recently been issued at the via a consent order from VCAT to redevelop the IGA land for a development comprising two full-line supermarkets and ancillary retail and community uses, with a total retail floor area of just under 14,000 sqm. Amendment C118 proposes to locate a local activity centre approximately 1km to the east of IGA land. I have been instructed to review those aspects of the amendment that relate to the proposed local activity centre and its potential impacts on the Shepparton North Sub-regional Centre.
6. I have previously provided evidence on behalf of the owners of the IGA store (Metcash) to the Panel that heard submissions to Amendment C192 and C193. As far as relevant to Amendment C118:
  - Amendment C192 introduced the *Shepparton Commercial Activity Centres Strategy* into the planning scheme. That amendment has been approved and incorporated into the scheme.
  - Amendment C193 was a combined planning scheme amendment and planning permit application, that proposed to rezone land on the south-east corner of Numurkah Road and Ford Road to a Commercial 1 Zone. The rezoning was to allow a permit to be issued for a full-line supermarket and associated retail and community uses. That part of the amendment that proposed to rezone the land has not been approved. A planning permit has not been issued for that development.
7. Key documents I have reviewed in preparing this statement include:
  - Greater Shepparton Planning Scheme.
  - Amendment documentation associated with Amendment C118, as exhibited.
  - Schedule 1 to the Urban Growth Zone (post-exhibition version).
  - Shepparton North East Precinct Structure Plan, prepared by Victoria Planning Authority (VPA), dated February 2018 (exhibition version) and July 2018 (post-exhibition version).
  - *Shepparton Commercial Activity Centres Strategy*, prepared by Essential Economics, dated November 2015.
  - Documentation relating to Planning Scheme Amendment C192 to the Greater Shepparton Planning Scheme.

- Combined Planning Scheme Amendment and permit application documentation for 221-229 Numurkah Road, Shepparton North, relating to Amendment C193 to the planning scheme.
8. A summary of my findings in relation to the amendment are as follows:
- I support the amendment and those aspects of the PSP that seek to establish a local convenience centre within the PSP area, subject to some minor modifications to the wording of the schedule to the Urban Growth Zone and the PSP document.
  - I support the establishment of a small convenience centre in the Shepparton North East PSP area, potentially comprising a small limited-line supermarket, with a total retail floor area of around 1,600 sqm.
  - My sole concern regarding Amendment C148 is to ensure that an appropriate mechanism is included in the amendment, to ensure that no opportunity is provided for a full-line supermarket to establish in the proposed local centre, or to enable the centre to expand to a size that would prejudice the realisation of the potential of the Shepparton North Sub-regional Centre (which includes the IGA site) from developing as envisaged in the *Commercial Activity Centres Strategy*.
  - I support the modified wording proposed to be included in the preamble to Section 3.2 of the post-exhibition version of the PSP.
  - The additional wording should be included as a “requirement” in the table following Section 3.2 of the PSP:
    - The centre:*
    - a. *Be a small local centre consistent with the Commercial Activities Centres Strategy.*
    - b. *Have a maximum retail floorspace of 1,600 sqm.*
    - c. *Not include a full-line supermarket.*
  - I support ‘shop’ being a Section 1 use in the Schedule to the Urban Growth Zone, but believe that the adjacent condition should be modified to trigger a planning permit for the use if the total retail floor area is greater than 1,600 sqm, not great than 2,000 sqm, as identified in the post-exhibition version of the schedule.
  - Clause 5.0 of the schedule should be modified to provide that a notification is required, and third party review rights exist, for any planning permit application for the use ‘shop’ that exceeds a total retail floor area of 1600 sqm.
9. This statement has been prepared in accordance with Planning Panels Victoria Guidelines to Expert Evidence.
10. I have made all the inquiries that I believe are desirable and appropriate and no matters of significance which I regard as relevant have to my knowledge been withheld from the Panel.
11. I have been assisted by Claire Romaszko from my office in the preparation of this report.

## 2 IGA site

12. Relevant details of the IGA site as are follows:

- The site comprises the core parcel of Commercial 1 zoned land within the Shepparton North Sub-regional Activity Centre.
- The schedule to the Commercial 1 Zone specifies a maximum retail floor area of 8,000 sqm for the site.
- The site is presently occupied by a large IGA supermarket 3,800 sqm with an associated café, warehouse and office. (See Figure 1)
- The land area of the site is approximately 4.4 hectares.
- The land area sufficient in size to accommodate 14,000 sqm retail floorspace, including two full-line supermarkets, which is the retail potential identified for the Shepparton North Activity Centre in the *Commercial Activity Centres Strategy*.
- A planning permit has recently been granted to redevelop the site to include two full-line supermarkets and associated retail and community uses, with a total retail floorspace of just under 14,000 sqm.

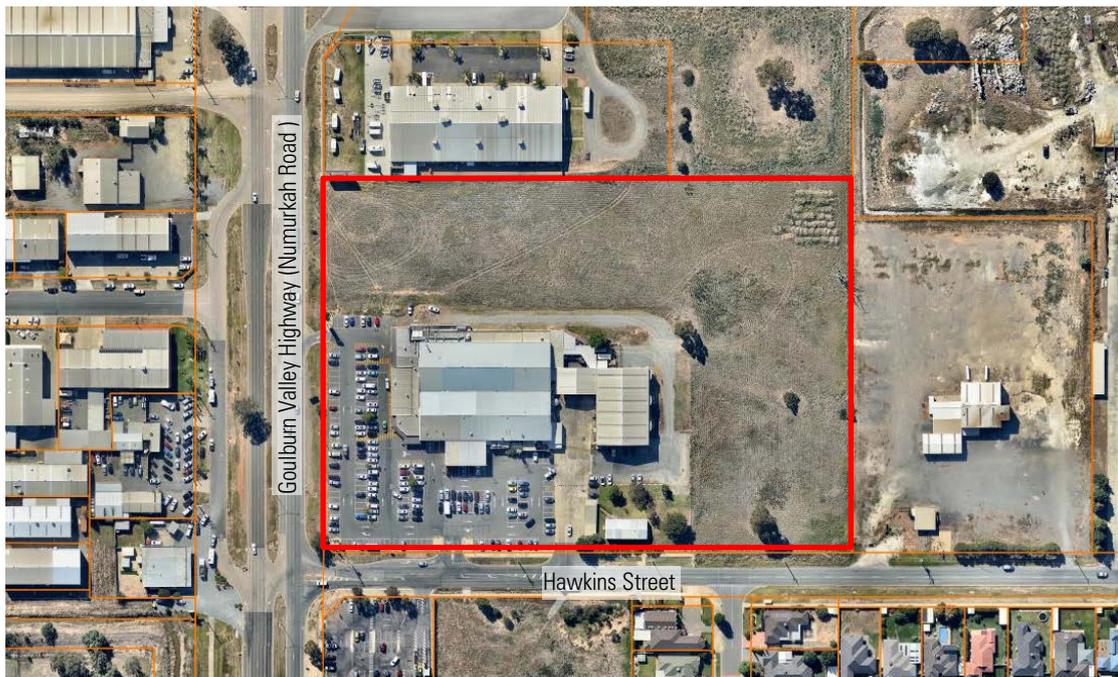


Figure 1 - Aerial view of existing development on the IGA site

### 3 Amendment C118

#### 3.1 Exhibited amendment

13. Amendment C118 has been prepared by the VPA and seeks to implement the *Shepparton North East Precinct Structure Plan, February 2018* (PSP).
14. The precinct is approximately 177 hectares in area. It is anticipated to provide for up to 1,300 homes and accommodate a population of more than 3,400. The location of the PSP area in relation to the IGA site is shown in Figure 2.

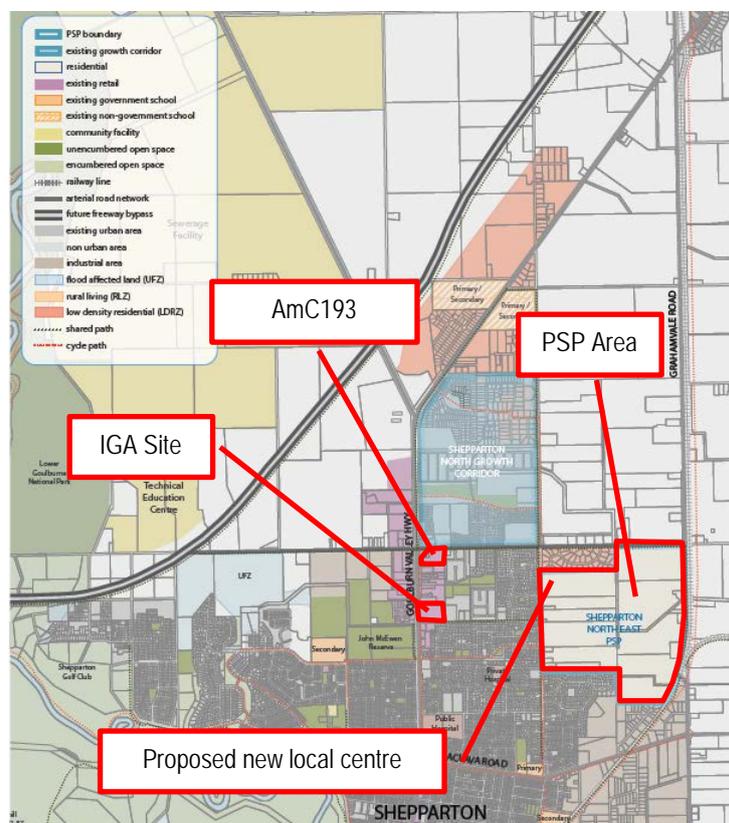


Figure 1 - Location of Shepparton North East PSP Area

15. As far as relevant to the proposed local convenience centre, the amendment proposes to:
  - Rezone land from a Farming Zone 1 and a Public Use Zone 1, to an Urban Growth Zone 1.
  - Insert Schedule 1 into Clause 37.07 Urban Growth Zone. The schedule:
    - Contains a plan that identifies the location of a local convenience centre by way of an asterisk.
    - 'Applies' the Commercial 1 Zone to the local convenience centre.
    - Identifies 'shop' as a Section 2 use subject to the following condition:
 

*A permit is required to use land for a Shop where the applied zone is Commercial 1 Zone if the combined leasable floor area of all shops exceeds*

*1,600m<sup>2</sup> in the local convenience centre in the Shepparton North East Precinct Structure Plan.*

- Amends Clause 81.01 to incorporate the *Shepparton North East Precinct Structure Plan* into the planning scheme.

16. The Precinct Structure Plan:
  - Identifies the need for a local convenience centre on the site as part of the vision and overall objectives of the plan (p9, Objective 4).
  - Includes a Concept Plan for the centre (p14).
  - In Section 3.2 includes a preamble, requirements and guidelines for the centre.
  - In Appendix C provides key design principles for the centre.
17. The PSP does not identify the retail composition or retail floor space of the proposed local centre.
18. The *Shepparton North East Background Report (October 2017)*, which is not part of the amendment, includes a brief summary of a retail analysis undertaken by CPG Australia Pty Ltd (Section 3.6, p13). That summary identifies a preferred location for the centre on Verney Road and identifies the following retail potential:
  - A supermarket of 1,044 sqm.
  - An additional 522 sqm of comparison shops.
  - A site of approximately 3,756 sqm.

### 3.2 Post-exhibition changes

19. A post exhibition version of the PSP was prepared (July 2018). That version included the following additional text to be inserted in the introduction to Section 3.2. The text provides a policy context for the local convenience centre:

*The Shepparton Central Business District (CBD) is classified as a Central Activities District (CAD) in the Commercial Activity Centres Strategy (Essential Economics, 2015). The Shepparton CBD is the primary focus for public and private investment in retail, commercial, administrative and community facilities. As a result, other commercial centres within Shepparton are used to complement the services provided by the Shepparton CBD rather than compete with it.*

*The Shepparton North activity centre is located to the west of the precinct and is classified as a Sub-Regional Centre which comprises an IGA and a small number of shops. The current retail floorspace is well-below the allowable shop floorspace in the planning scheme and it's anticipated this centre will grow. This centre occupies a prominent position as a 'gateway' location to the northern edge of the Shepparton urban area.*

*The proposed convenience centre within the PSP is considered a 'local centre' in the Commercial Activity Centres Strategy (Essential Economics, 2015) and is intended to meet local convenience needs only. The convenience centre will not include uses such as a full-line supermarket that would be more appropriately located in the Shepparton North activity centre. A local centre is defined as a small activity centre that serves a localised convenience role to a surrounding urban locality. The need for this local centre is generated by the forecasted population in the area and will provide a walkable convenience retail offering for the new community.*

20. A post exhibition version of Schedule 1 to the Urban Growth Zone has been prepared. That version of the schedule:
- Changes 'shop' from a Section 2 use to a Section 1 use, subject to the following condition:  
*The combined leasable floor area of all shops must not exceed 2000 square metres.*
  - Introduces a new application requirement:  
*Supermarket use*  
  
*An application to use land for a supermarket must be accompanied by an assessment of any likely impact on existing or proposed activity centres and a response to the other criteria at Appendix A of the Greater Shepparton Commercial Activity Centres Strategy, November, 2015.*
  - Modified the concept plan to change the orientation of the centre and increase the land area of the centre.

## 4 Planning Policy Framework

### 4.1 Planning Policy Framework

21. I note that at the time of writing this statement Amendment VC148 had been gazetted. The policies listed below reflect the revised version of the Greater Shepparton Planning Scheme.
22. Within the Planning Policy Framework, I find the following clauses to be relevant to my evidence:
- Clause 11.01-1R – Hume
  - Clause 11.03-1S – Activity Centres
  - Clause 11.03-2S – Growth Areas
  - Clause 11.03-6S – Regional and Local Places
  - Clause 15 – Built Environment and Heritage
  - Clause 16 – Housing
  - Clause 17.01-1S – Business
  - Clause 18 – Transport.
  - Clause 21.01 – Municipal Profile
  - Clause 21.04 – Settlement
  - Clause 21.06-5 – Commercial / Activity Centres
23. Whilst there are general policies relating to activity centres contained throughout the State and local sections of the planning scheme, I find the local policies contained in Clause 21.6-5 of the scheme to be most relevant to issues concerning the proposed local convenience centre.

### 4.2 What the planning scheme says (Clause 21.6-5 Commercial / Activity Centres)

24. The commercial and activity centre policies contained in the Clause 21.6-5 of the planning scheme:
- Clearly support the IGA site being part of the Shepparton North Sub-Regional Activity Centre.
  - Provide a policy framework that supports a new local centre being establish in newly developing areas such as the Shepparton North East PSP area.
25. Planning scheme policies specifically refer to supporting the hierarchy of retail centres in Shepparton, as identified in the *Commercial Activity Centres Strategy, November 2015*. That strategy identifies a potential centre in the Shepparton North East area, being a “small local centre”.
26. Relevant policies include:

*Support a hierarchy of retail centres that promotes the primacy of the Shepparton CBD as a multi-function centre complemented by local centres for convenience shopping, as identified in the Commercial Activity Centres Strategy November 2015.*

*Support the growth of existing centres and the development of new centres to meet urban growth in line the Commercial Activity Centres Strategy November 2015.*

*Facilitate and support the expansion and concentration of additional retail and commercial facilities for the Shepparton North activity centre, between Ford Road and Hawkins Street on the eastern side of Numurkah Road, to reflect the designated sub-regional role and function of the centre.*

### 4.3 What the Commercial Activity Centres Strategy says

27. In relation to the Shepparton North Centre, the Commercial and Activity Centre Strategy:
- Defines Shepparton North as a Sub-regional Centre. (p116)
  - Supports an increase in the retail floor space of the existing centre from 8,000 sqm (the current limit in the Schedule to the Commercial 1 Zone) to a total of 14,000 sqm.
  - Identifies the potential for two full-line supermarkets and ancillary retail uses within the centre. (p117)
28. In relation to a potential new centre in the Shepparton North East PSP Area, the Strategy identifies the need for a “small local centre”, for “convenience needs only”, that “does not include a full-line supermarket”, and which has a total floorspace of “2,000 sqm to 3,000 sqm which includes non-retail components”.

*Action 6.2 Support the creation of new local activity centres at the Shepparton North-East and South-East growth areas to meet the basic convenience needs of new residents. Allow for approximately 0.8 hectares of land in the Commercial 1 Zone at each location in order to accommodate centres with a total floorspace in the order of 2,000m<sup>2</sup> to 3,000m<sup>2</sup> (including all retail and non-retail components). Recognise the role of other existing centres in meeting additional demand generated by population growth in these locations. (page 92)*

**Shepp. North Action 6:** *Allow for the development of a small local centre in association with the new North-East residential growth area. This centre will meet local convenience needs only, and will not include uses (such as a full-line supermarket) that would be more appropriately located in the Shepparton North centre. (p118)*

## 5 Opportunity for a full-line supermarket to be avoided

29. Shepparton Pty Ltd, has recently been through a lengthy process of planning scheme amendments, planning permit applications, Planning Panel Victoria hearings and VCAT proceedings:
- To confirm the role of the Shepparton North Activity Centre as a sub-regional activity centre.
  - To confirm the planning logic of the existing IGA site being the central and consolidated retail core of the Shepparton North Activity Centre, with the potential for two supermarkets and ancillary retail floor space consistent with *Commercial Activity Centres Strategy*.
  - To oppose the rezoning of an alternative site to the north, at the corner of Numurka Road and Ford Road, to provide for a freestanding supermarket based centre, physically separated from the existing IGA site. (Amendment C193)
  - To obtain a planning permit to redevelop the existing IGA site to incorporate two full-line supermarkets and ancillary retail and community uses, as envisaged for the Centre in the *Commercial Activity Centres Strategy*.
30. The process has been highly contested.
31. From a planning perspective, my concern is that Amendment C118 includes an appropriate mechanism to ensure that no opportunity is provided for a full-line supermarket to be located in the proposed local centre on the PSP site. Such an outcome:
- Would be inconsistent with local planning policy and the *Commercial Activity Centres Strategy*.
  - Could prejudice the development of a second full-line supermarket in the Shepparton North Activity Centre.
  - Could undermine the ongoing operation of two supermarkets in the Shepparton North Centre, once established.
32. In response to this issue I believe that it is necessary to ensure that:
- The retail composition and the size of the proposed local centre, and its place in the activity centre hierarchy in the northern part of Shepparton, is appropriately described in the PSP.
  - Permit triggers are included in Schedule 1 to the Urban Growth Zone to:
    - Facilitate the development of an appropriately size local centre.
    - Ensure that any application for a full-line supermarket or expansion of retail floor space in beyond that of a local centre, is subject to a full planning and economic impact assessment.
  - That any planning permit application that may be lodged in the future to establish a full-line supermarket on the site, is subject to notification and third party review rights.

### 5.1 Wording of the PSP

33. I support the modified wording proposed to be included in the preamble to Section 3.2 in the post exhibition version of the PSP. (See page 5 of this report)
34. However, I believe that the wording of Section 3.2 should be modified by including the following additional wording as a 'requirement' in the Table to Section 3.2:

*The centre:*

- *Be a small local centre consistent with the Commercial Activities Centres Strategy.*
- *Have a maximum retail floorspace of 1,600 sqm.*

- *Not include a full-line supermarket.*

35. I believe that these changes are consistent with the existing local planning policy framework, and are necessary to ensure that the hierarchy of activity centres in the Shepparton North / North East area evolve as envisaged in the *Commercial Activity Centres Strategy*.

## 5.2 Permit triggers

36. I have no issue with moving 'shop' from Section 2 to Section 1 of the Schedule to the Urban Growth Zone, as proposed by the post-exhibition version of the schedule to the Urban Growth Zone.

37. I support the general wording of the condition in Colum 2 opposite shop in the schedule to the zone:

*The combined leasable floor area of all shops must not exceed 2,000 square metres.*

38. However, I believe the total retail floor area referred to in that condition should remain at 1,600 sqm, as specified in the exhibited version of the schedule, and should not be increased to 2,000 sqm, as stated in the post-exhibition version of the schedule.

39. The reason for the change in floor area was noted as being to provide consistency with the floor area identified for a 'local centre' in the *Commercial Activity Centres Strategy*. In my opinion the strategy has been misread.

40. The Strategy refers to a local centre having a total floorspace in the order of 2,000 sqm to 3,000 sqm (Action 6.2, p 92). It refers to that floorspace including for both retail and non-retail uses. The Strategy does not suggest 2,000 sqm of retail floor space.

*Action 6.2 Support the creation of new local activity centres at the Shepparton North-East and South-East growth areas to meet the basic convenience needs of new residents. Allow for approximately 0.8 hectares of land in the Commercial 1 Zone at each location in order to accommodate centres with a total floorspace in the order of 2,000m<sup>2</sup> to 3,000m<sup>2</sup> (including all retail and non-retail components). Recognise the role of other existing centres in meeting additional demand generated by population growth in these locations. (page 92)*

41. The only economic justification provided about the size of retail components in the proposed local centre is contained in the PSP Background Report (p 13). It refers to:

- A small supermarket of 1,044 sqm.
- Additional shops of 522 sqm.

42. That assessment does not provide strategic justification to increase the retail floor area of the local centre from 1,600 sqm to 2,000 sqm.

43. The *Commercial Activity Centres Strategy* goes on to specifically state in relation to the Shepparton North East centre, that:

- It should be a "small local centre".
- It should not include a "full-line supermarket that would be more appropriately be locate in the Shepparton North Centre".

44. Given the above, in my opinion there is no strategic justification for changing the total retail floorspace referred to in the condition opposite 'shop', from 1,600 sqm to 2,000 sqm. If the Panel sees fit to increase the retail floor area trigger to 2,000 sqm, I my opinion it would be appropriate to include an additional element to the condition that triggers the need for a planning permit for a supermarket of more 1,300 square metres or thereabouts.

### 5.3 Notification and third party review rights

45. Pursuant to the parent provisions of the Urban Growth Zone, a planning permit application that is generally in accordance with a precinct structure plan is exempt from notice requirements and third party review, unless otherwise specified in the schedule to the zone. (Clause 37.07-13)
46. Neither the exhibition of post-exhibition versions of the schedule included any specified to the contrary.
47. Given the planning history of the Shepparton North area, in my opinion it is appropriate to require notification and allow review rights, for a planning permit application for the use 'shop', where the total floor area exceeds 1,600 sqm.
48. I recommend that the following wording be included in Clause 5.0 of Schedule 1:  

*"Application for a shop."*
49. I believe this action is appropriate:
  - Given the policy weight supporting the retail hierarchy set out in the *Commercial Activity Centres Strategy*.
  - Given the potential for a full-line supermarket or a larger retail floorspace in the Shepparton North East that envisaged for a local centre, to adversely impact on the Shepparton North Activity Centre.
  - Given history of planning reviews, decisions and appeals in the Shepparton North area.
50. In my opinion, the owners of the main retail site in the Shepparton North Activity Centre, should have the opportunity to be involved in any planning permit application lodged to expand the retail floorspace of the Shepparton North East Centre. The development of a shopping centre of up to 1,600 sqm at Shepparton North East would be as-of-right and no opportunity would exist for third party involvement in the planning decision. The requirement for notification would only become available if a full-line supermarket or large retail floorspace was proposed.

## 6 Conclusion

51. Having considered the consistency of Amendment C118 with planning policies regarding the development of activity centres in Shepparton, and potential implications on the Shepparton North Sub-regional Activity Centre, in my opinion it is appropriate for Amendment C118 and the Shepparton North East PSP to provide for the establishment of a small local centre, provided that a number of refinements are made to the wording of the PSP report and the Schedule to the Urban Growth Zone, to provide an appropriate mechanism within the amendment to ensure that no opportunity is provided to establish a full-line supermarket on the site, at least without further detailed planning and economic impact assessment, and without notification and the opportunity for third party review.



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