

Mildura Rural City Council

Rural Residential Study  
Review – 2003

October 2003

Prepared by:



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## 1. Introduction

In early 2001, Mildura Rural City Council commissioned the preparation of a study to comprehensively assess and review the provision of rural residential lots within the municipality in order to determine if there is a need to rezone more land for low density / rural residential development. For the purpose of the study, rural residential lots were defined as those between 0.4 and 2.0 hectares that are primarily for residential use.

A key component of the study was a detailed supply and demand analysis in order to determine if additional land in the municipality was required for rural residential purposes. The need for the comprehensive analysis stems from Ministerial Direction No 6 in Section 12 (2) (a) of the Planning and Environment Act that states that:

*Any municipality must not provide for **rural residential** use or development of land which would increase supply of rural residential land to more than that required to meet a 10 year demand for rural residential lots (including vacant lots in the existing supply), based on annual building approvals over at least the past five years or other suitable basis.*

Further, Ministerial Direction No 6 requires that:

*Market demand must be estimated with adequate justification of in built assumptions. Reference must be made to the trend in building approvals for houses on rural residential lots over the past 5 years.*

A Draft Stage 1 Report was submitted to Council in March 2001 which documented the findings of the comprehensive demand and supply assessment. The Stage 1 report, which was founded on the assumption that small lot subdivision (less than 2 ha) from the rural zone would cease in line with Council's policy position of the day, found in relation to the provision of a ten-year supply of rural residential land, that there was a qualified projected short fall of approximately 214 rural residential lots in the municipality. In order to address the projected short fall in supply, the report indicated that there was justification to identify and rezone an additional 95 hectares of land in the municipality to the Low Density Residential Zone.

It is noted that these consultant recommendations were subsequently disregarded by Council. Council resolved at its Ordinary Council Meeting held on Thursday 22 November 2001 to rezone the following 137.5 hectares of land to the Low Density Residential zone:

- 35.7 ha at Sandilong Avenue Irymple

- 13.9 ha at Azolia Street Redcliffs
- 32.6 ha of land at McEdward Street, Merbein
- Approximately 54.12 hectares of land in the Nichols Point

In addition to this recommendation, Council also identified a number of consequential rezonings (eg Flora Ave to R1Z).

The preparation of the LDR amendment was put on hold in March 2002 pending the outcomes of Amendment C8 which sought to rezone land at Flora Avenue from LDRZ to R1. This action was required in order to protect the integrity of the Rural Residential Study, as the outcome of Amendment C8 would affect the supply projections contained in the Rural Residential study.

Council received a letter from the Minister for Planning on the 3<sup>rd</sup> April 2003 advising that she has abandoned Amendment C8 in line with the findings of the Independent Panel. Having resolved the issue of C8, Council was then in a position to finalise the Rural Residential Study, noting that due to the C8 Panel findings the pool of land that could be reasonably justified for LDR had notionally diminished. Due to this consequence and the significant time delay that had occurred since Stage 1 of the Rural Residential Study was considered by Council (over two years), Council resolved on the 22 May 2003 to commission a review / update the Stage 1 and 2 Reports.

This report documents the key findings of the review. In preparing the review, consideration has been given to the analysis and findings of the following concurrent planning studies / investigations being undertaken on behalf of the Rural City of Mildura:

- Rural Policy Review
- Residential Strategy for Mildura and Irymple Townships
- Industrial Land Strategy
- Retail Strategy

It is noted that this review document should be read in association with the 2001 Stage 1 and Stage 2 Rural Residential Study Reports.

## 2. DEMAND ANALYSIS (2003)

Ministerial Direction No 6 requires that demand for rural residential development must be quantified “based on annual building approvals over at least the past five years or other suitable basis” and that “market demand must be estimated with adequate justification of in built assumptions. Reference must be made to the trend in building approvals for houses on rural residential lots over the past 5 years.”

This section of the review documents the number of rural residential dwelling approvals and lots created for rural residential development dating back to 1996.

### 2.1 Dwelling Approvals Total MRCC (1996 – 2002)

Year	1996	1997	1998	1999	2000	2001	2002	TOTAL	Average Per Annum
LDRZ	9	17	15	20	11	7	5	84	12
Dwellings on lots less than 2ha (zoned rural)	15	22	16	32	38	29	13	165	23
<b>Total</b>	24	39	31	52	49	36	18	249	35

### 2.2 New Rural Living Housing Opportunities Created Through Subdivision (1996 – 2002)

	1996	1997	1998	1999	2000	2001	2002	TOTAL	Average Per Annum
New lots created in Low Density Residential Zone	6	10	15	3	2	8	44	88	13
New Housing Opportunities On Lots Created in the Rural Zone Less than 2 ha in size									Approx 23 per year <sup>1</sup>
<b>Total New Rural Residential Housing Opportunities Via Lot Creation</b>									<b>36</b>

Source: Mildura Rural City Council Planning Department Records

Note 1: Approximately 47 lots in the rural zone that are equal to or less than 2 ha in size are being created on average each year (Refer Below). An analysis of a random sample of 15 permits

*issued since 2000 indicates that approximately half of new small lots created via boundary realignments already have existing houses on them. Therefore vacant / new rural living housing opportunities that are being created in the rural zone via boundary realignments equates to a figure that is half of the new lots being created.*

	1996	1997	1998	1999	2000	2001	2002	<b>Total</b>	<i>Average Per Annum</i>
<i>Lots Certified in Rural Zone Equal to or less than 2ha in size</i>	32	51	67	54	14	85	28	<b>331</b>	47

### 2.3 Key Findings – Demand Analysis

- Since 1996, approximately 35 rural residential dwelling approvals are being issued per annum (12 on land zoned LDR; 23 on land zoned RUZ).
- Since 1996, approximately 36 new rural residential housing opportunities are being created per annum (13 on land zoned LDR; 23 on land zoned RUZ).
- The above figures indicate that nearly 100% of rural residential opportunities being created each year are being taken up.
- Discussions with L. Thompson and M. Freeman (Mildura Based Land Surveyors) on the 21<sup>st</sup> and 22<sup>nd</sup> October indicate that they believe Mildura's rate of rural residential dwelling approvals and subdivision activity has been suppressed over the last 5 years due to:
  - Delay in bringing on-line subdivisions on existing zoned LDR land, particularly Kings Billabong due to drainage issues and Flora Avenue due zoning uncertainty. (Note: Both surveyors indicate that subdivision activity at Kings Billabong is likely to proceed in the very near future. It is also noted that a planning permit has been lodged with Council for Flora Ave).
  - Limited actual opportunities for LDR development in the market place due to the limited availability of land parcels on the market.
  - Competing rural residential opportunities in Gol Gol. (Note: Indications are that the majority of rural residential development opportunities at Gol Gol have now been taken up which is likely to increase demand within Mildura).
  - Decreasing opportunities for small lot creation in the rural zone due to Council's more strict interpretation of its Rural Policy and the diminishing boundary realignment opportunities.

These findings indicate that supply of rural living opportunities has been restricted which in turn has influenced the take up rate / demand.

## 2.4 Ten Year Rural Residential Demand Forecasts

Ministerial Direction No 6 states that:

*Any municipality must not provide for **rural residential** use or development of land which would increase supply of rural residential land to more than that required to meet a 10 year demand for rural residential lots (including vacant lots in the existing supply).*

Based on the findings of the demand analysis documented above the following 2 10 year demand scenarios have been calculated.

### **Scenario 1: Conservation Projection**

If the average number of dwelling approvals that have been issued per annum since 1996 for rural residential dwellings is used as the sole indicator of future demand, approximately 350 lots would be required within in the municipality over the next 10 years (35 dwellings per year x 10 years = 350 lots). This estimate is considered conservative due to the issues highlighted in section 2.3 of this report.

### **Scenario 2: Likely / Ambitious Projection**

It could be reasonably argued that the historical dwelling approval figures in effect are an underestimation of actual market demand for the following reasons:

- Delay in bringing on-line subdivisions on existing zoned LDR land (particularly Kings Billabong due to drainage issues and Flora Avenue due zoning uncertainty). Note: Discussions with L. Thompson indicate that subdivision activity at Kings Billabong is likely to proceed in the very near future. It is also noted that a planning permit has been lodged with Council for Flora Ave.
- Limited actual opportunities for LDR development in the market place due to the limited availability of land parcels on the market.
- Competing rural residential opportunities in Gol Gol. Note: Indications are that the majority of rural residential development opportunities at Gol Gol have now been taken up which is likely to increase demand within Mildura.
- Decreasing opportunities for small lot creation in the rural zone due to Council's more strict interpretation of its Rural Policy and diminishing boundary realignment opportunities in the rural zone.

Given the above supply limitations, it is considered reasonable to assume that the take up rate for rural residential lots will increase substantially in the future should an available supply of low density residential development opportunities become available in the market.

While noting the above, it is difficult to quantify the rate of future rural living development that would occur in a market that is well endowed with LDR opportunities. Discussions with local land surveyors revealed that in most instances, commitments are given to purchase small lots in the rural zone prior to subdivision applications being lodged. Similarly new LDR lots are purchased off the plan. Also in recent years the significant demand for rural living allotments together with the limited supply in the market place has resulted in a significant increase in the price commanded for rural living lots.

While being acknowledged as some what unscientific, this second scenario assumes that future take up of rural living opportunities will increase to approximately 50 lots per annum resulting in the need for approximately 500 additional lots being systematically brought on line in the next 10 years. This in effect represents an additional 15 dwellings per year over the average experienced since 1996 (a 30% increase).

It is important to note that achievement of this rate of development is sought through the promotion and facilitation of rural living opportunities in planned LDR estates (this point is further addressed in Section 4 of this report.). This action is promoted in order to reduce small lot development pressure in the rural zone.

Both of these scenarios were discussed with L. Thompson and M. Freeman (land surveyors in Mildura). It was agreed by both the Scenario 2 (Demand for 500 lots at approximately 50 per year) represents a more accurate and valid planning scenario.

## **2.5 Conclusion – Demand Forecast**

For the purposes of this review it is recommended that Council adopt Scenario 2 as the forecast of rural residential demand for the next 10 years (50 lots per year = 500 lots).

### **3. SUPPLY ANALYSIS (2003)**

Rural residential demand in Mildura (dwellings on lots less than 2 ha in size) has historically been met through the subdivision and development of land within the Low Density Residential Zone as well through the creation of small lots in the Rural Zone. This section of the report reviews the available supply pool of rural residential development on land zoned LDR and land zoned Rural in order to determine if additional land is required to be rezoned to meet the forecast 10 year rural residential demand.

#### **3.1 Existing Supply - Land Currently Zoned LDRZ**

The table provided overleaf identifies that approximately 185 lots could be realised in the short to medium term on land currently zoned LDRZ.

The short to medium term supply yield of 185 lots within the Low Density Residential Zone is premised on the following key assumptions:

- Land that has been brought onto the market in the past 12 months will be substantially developed within the planning time frame of any subsequent LDR planning scheme amendment.
- Land zoned LDR that is planted with young vine indicates a clear owner intention not to subdivide the land for rural residential purposes in the short – medium term;
- Land zoned LDR that is also subject of College Lease is unlikely to be developed in the short to medium term;
- A rezoning from LDR to ERZ will be pursued for land at Woolong Ave which has an accompanying Local Policy requiring future subdivision at a density of 1.0 – 3.0 ha.
- Flora Avenue will remain in the Low Density Residential Zone.
- Storm water issues at Kings Billabong are being resolved and subdivision and development will occur in the near future.

As noted in the previous section of this report, subdivision activity on land zoned LDR has been significantly constrained over the last 5 years due to a number of servicing and planning issues in the larger LDR parcels (Kings Billabong – Stormwater; Flora Ave – R1Z rezoning request).

Status of Land Zoned LDRZ	Hectares	
Total area currently zoned for low-density residential development	<b>509.0 ha</b>	
Less area already developed for low-density residential development (Subdivided with Dwelling Constructed)	186.3 ha	<b>= 322.7 ha</b>
<p>Less area already subdivided at LDR density (but houses yet constructed) assuming that lots will be developed by mid to late 2004</p> <p>Area 2 – River Ave Merbein (10 ha)            Area 3 – Lake Hawthorn (10 ha)            Area 6 – Linden Close (8 ha)            Area 8 – Kings Billabong (1.2 ha)            Area 9 - 22<sup>nd</sup> Street Koorlong (10.4 ha)            Area 12 – Cocklin Ave (1 ha)</p>	40.6 ha	<b>= 282.1 ha</b>
<p>Less area unlikely to be developed in short / medium term (next 10 years) ha</p> <p>Area under young vine / horticultural production (21.5 ha)            - Area 3 – Lake Hawthorn (4.4 ha)            - Area 10 – Nursery Ridge (3.0 ha)            - Area 12 – Cocklin Ave (13.1 ha)</p> <p>Land Recommended for Rezoning or tied up in Chaffey Trust (165.4 ha)            - Area 3 – Lake Hawthorn (99.2 ha – College Lease)            - Area 11 – Woollong Ave (66.2 ha recommended to be rezoned to the Environmental Rural Zone)</p>	185.9 ha	<b>= 96.2 ha</b>
<b>Total Area Remaining in Short to Medium Term Supply Pool and Potential Lot Yield <sup>1</sup></b>	<b>96.2 ha / 185 lots <sup>1</sup></b>	
<p>Area 1 – Cemetery Road Merbein            Area 2 – River Ave Merbein            Area 4 – Flora Avenue            Area 8 – Kings Billabong</p>	<p>12.5 ha            9.1 ha            30.8 ha            43.8 ha  <b>96.2 ha</b></p>	<p>25 lots            15 lots            55 lots            90 lots  <b>185 lots</b></p>

Note 1: Discussions with L. Thompson (21<sup>st</sup> Oct) and M. Freeman (22<sup>nd</sup> Oct) confirmed figures and assumptions as being reasonable / accurate.

### 3.2 Rural Living Opportunities in the Rural Zone

In addition to the development of land zoned Low Density Residential, rural living opportunities have historically also been met through the creation and development of small lots (less than 2 ha) in the rural zones. These lots have been created through house lot excisions and more recently primarily through the approval of permits for boundary realignments. Council's Rural Policy provides direction in relation to such applications.

The future annual lot yield from small lot creation in the rural zone needs to be factored into the rural residential supply projections. The annual projected rate of rural residential development opportunities in the rural zone will be significantly influenced by the Policy position Council adopts relating to vacant small lot creation in this zone.

Three scenarios are documented for consideration.

**Scenario 1: Tightening of Rural Policy**

Council could adopt a very tight rural policy that strongly discourages the creation of any further vacant rural residential allotments in the rural zone (either through lot excisions or boundary realignments). If this position was adopted the future supply for Rural Living allotments would need to be met totally through the subdivision and development of land contained in the Low Density Residential Zone.

**Scenario 2: Adopting a Rural Policy position that discourages lot excisions on properties less than 10 ha in size but allows the creation some vacant small lots in the Rural Zone through boundary realignments as a trade off for farm consolidation.**

Council could adopt a policy position that discourages lot excisions from properties less than 10 ha in size but allows the creation of some small vacant lots in the rural zone via boundary realignments in some instances as a trade off for facilitating farm consolidation. This general position has resulted in the creation of approximately 23 vacant lots per year since 1996 that were less than 2 ha in size (refer table in section 2.2). It is noted that the opportunities for boundary realignments are finite as they are based on existing lot conditions and that Section 173 Agreements are placed on title stating that further small lot subdivision is prohibited. As a result as time progresses there will be a diminishing pool of such opportunities.

Based on the diminishing rate of such opportunity it is estimated that over the next 10 year period approximately 150 such lots could be reasonably be expected to be created (at approximately 15 per year).

### Scenario 3: Liberalisation of Council's Rural Policy

Small lot / rural living lot creation in the rural zone could dramatically increase if Council liberalises its Rural Policy allowing excisions from properties 4 ha in size. If this was to occur it is estimated that an additional **450 plus rural living lots** in the rural zone would be created over the next 10 years. (Note: For such a position to be implemented Council would need to satisfy an Independent Planning Panel of the merits associated with this course of action).

### 3.3 Summary of Estimated Rural Living Supply

Based on the findings of this review the supply projections of rural living opportunities in the municipality over the next ten years can be summarised as follows:

Source	Tightening of Rural Policy	Status Quo	Liberalisation of Rural Policy
Future Subdivision of Land Currently Zoned LDR	185 lots	185 lots	185 lots
Vacant Small Lot Creation in the Rural Zone (10 year projection)	Nil	150 lots	450 lots
<b>Total</b>	<b>185 lots</b>	<b>335 lots</b>	<b>635 lots</b>

#### **4. Assessment of Need for Additional Rural Living Lots to Satisfy 10 Year Demand Projections.**

This section of the report documents three scenarios regarding the need or otherwise of rezoning additional land to the Low Density Residential Zone to meet the projected 10 year demand for rural residential development in the municipality.

The three scenarios relate to possible positions Council could adopt regarding the creation of small lots in the rural zone.

- Scenario 1 is based on Council tightening its rural policy to prohibit any further small lot creation in the Rural Zone.
- Scenario 2 is based on Council adopting the position that discourages lot excisions on properties less than 10 ha in size in the Rural Zone but allows the creation of some vacant small lots as a trade off for farm consolidation.
- Scenario 3 is based on Council liberalising its Rural Policy position by allowing small lot creation in the Rural Zone through the excision of existing dwellings on farm properties that are 4 ha in size or greater.

Two LDR land area projections have been determined for each of these scenarios, one based on historical take up rates (35 lots developed per year), the other based on what is considered the likely rate of development in a market that is well supplied with available LDR opportunities (50 lots developed per year).

**Scenario 1: Tightening of Rural Policy**

Should Council adopt a policy position that actively discourages any further small lot creation in the rural zone, it is projected that the existing supply of rural residential opportunities in the municipality would be exhausted in approximately 3.7 years (185 lots divided by 50 lots per year = 3.7 years)

Under this scenario it is projected that approximately 156 ha of additional land would be required to be rezoned to LDRZ to meet the likely / ambitious 10 year rural residential demand in the municipality. This quantum of land would be required as the on-going creation of a supply of small rural residential lots in the rural zone would cease, therefore requiring that all future rural residential demand would need to be satisfied through the subdivision and development of land zoned low density residential.

It is noted that if Council adopts this position, it would also have the negative effect of diminishing the likelihood of achieving lot consolidation of horticultural farm units in the rural zone.

	<b>Conservative Projection</b> (35 lots per year)	<b>Likely / Ambitious Projection</b> (50 dwellings per year)
<b>10 Year Supply</b>		
Total Short / Medium LDRZ Lot Yield	185 lots	185 lots
Plus Forecast Supply Created through Small Lot Creation in Rural Zone (0 per year)	-	-
Total 10 forecast supply	185 lots	185 lots
10 Year Demand	350 lots	500 lots
<b>Additional lots Required to Satisfy 10 year demand</b>	<b>165 lots</b>	<b>315 lots</b>
<b>Additional land area required (Based on lot average lot size of 4500 sq metres and 10% of land budget being required for provision of services)</b>	<b>82 ha</b>	<b>156 ha</b>

**Scenario 2: Adopting a position that discourages lot excisions on properties less than 10 ha in size but allows the creation of some vacant small lots in the Rural Zone as a trade off for farm consolidation.**

Should Council adopt this policy position it is projected that the existing supply of rural residential opportunities in the municipality (inclusive of approximately 15 lots per year in the Rural Zone) would be exhausted in approximately 5 years.

Under this scenario it is projected that approximately 82 ha of land would be required to be rezoned to LDRZ to meet the likely / ambitious 10 year rural residential demand in the municipality.

This quantum of land would be required as the on-going creation of a supply of small rural residential lots in the rural zone would continue, therefore partly meeting the future demand for rural residential allotments. It is noted that if Council adopts this position, it would also have the positive effective of encouraging the consolidation of farm units in the rural zone.

	<b>Conservative Projection</b> (35 lots per year)	<b>Likely / Ambitious Projection</b> (50 lots per year)
<b>10 Year Supply</b>		
Total Short / Medium LDRZ Lot Yield	185 lots	185 lots
Plus Forecast Supply Created through Small Lot Creation in Rural Zone (15 per year)	150 lots	150 lots
Total 10 forecast supply	335 lots	335 lots
10 Year Demand	350 lots	500 lots
<b>Additional lots Required to Satisfy 10 year demand</b>	<b>15 lots</b>	<b>165 lots</b>
<b>Additional land area required (Based on lot average lot size of 4500 sq metres and 10% of land budget being required for provision of services)</b>	<b>7.4 ha</b>	<b>81.7 ha</b>

**Scenario 3: Liberalisation of Council's Rural Policy**

Should Council adopt this policy position no further LDR rezonings could be justified in the short – medium term as forecast rural residential supply will be in excess of projected demand (Refer table overleaf).

It is noted that if Council adopts this position, it would be:

- significantly jeopardising the future productive capacity of its horticultural sector;
- creating significant urban rural conflicts; and
- creating a situation where demand for urban services and facilities in the rural areas of the municipality would be significantly increased.

	<b>Conservative Projection</b> (35 lots per year)	<b>Likely / Ambitious Projection</b> (50 lots per year)
<b>10 Year Supply</b>		
Total Short / Medium LDRZ Lot Yield	185 lots	185 lots
Plus Forecast Supply Created through Small Lot Creation in Rural Zone (45 per year)	450 lots	450 lots
Total 10 forecast supply	635 lots	635 lots
10 Year Demand	350 lots	500 lots
<b>Additional lots Required to Satisfy 10 year demand</b>	<b>Nil</b> <b>(285 lot over supply)</b>	<b>Nil</b> <b>(135 lot oversupply)</b>

## **5. Conclusions – Demand / Supply Analysis**

Based on the findings documented in sections 2, 3 and 4 of this rural residential review it is recommended that Council:

1. Adopts a rural policy position that that discourages lot excisions on properties less than 10 ha in size but allows the creation of some vacant small lots in the Rural Zone as a trade off for farm consolidation.
2. Seek to rezone in the short term approximately 82 ha of land to the Low Density Residential Zone.

It is noted that the land area now being recommended for rezoning to LDR is approximately 13 ha less than that identified in the 2001 Rural Residential Study Stage 1 report (82 ha vs 97 ha identified in 2001). The reduction in land area requirements from the 2001 study is due mainly to this review acknowledging the maintenance of the capacity for small lot creation in the rural zone.

Section 6 of this report provides an overview and recommendations regarding the preferred locations for future LDR rezonings in the municipality based on a need for an additional 82 ha of LDR land within a 10 year planning horizon.

## 6. Review of Conclusions and Recommendations of 2001 Stage 2 Report

The previous sections of this report have identified that the existing supply of rural residential opportunities in the municipality will be exhausted within approximately 5 years and in order to meet the 10 year forecast demand an additional 82 ha of should be rezoned to the Low Density Residential Zone in the short term.

Ministerial Direction No 6 establishes a number of “key locational considerations” which must be taken into account when assessing any prospective areas for rural residential development. These considerations are:

- Rural residential development is inappropriate on land which is suitable and required for present or future residential use at normal urban density.
- Proposed rural residential land use must be compatible with the existing and likely land uses of the locality.
- An amendment must only provide for rural residential use or development of land which:
  - ⇒ Is identified as adjoining or closely associated with an existing township or urban settlement
  - ⇒ Is not within 500 m of a National Park, Reference Area, Wilderness, Marine Park or State Park
  - ⇒ Is not within 200 metres of other Crown Land including stream reserves
  - ⇒ Is not within 300 m of IN1 or IN3 zone or 1000 m of IN2 zone
  - ⇒ Is not within the 20 ANEF contour of an airport
  - ⇒ Is not an area with a fire hazard rating of high or greater
  - ⇒ Is not subject to flooding more frequently than 1:100
  - ⇒ Is not subject to soil salinisation requiring specialised management for growing plants
  - ⇒ Has not been contaminated
  - ⇒ Has a NRE land capability classification for rural residential subdivision of Class 1, 2 or 3.
  - ⇒ Can be connected to reticulated potable water
  - ⇒ Can accommodate on-site sewerage and sullage disposal
  - ⇒ Can be connected to or provided with an effective drainage scheme
  - ⇒ Can be connected to electricity, telephone
  - ⇒ Is accessible by properly formed roads
  - ⇒ Can be provided with weekly collection of domestic garbage
  - ⇒ Is reasonably accessible to existing social facilities and services

The Ministerial Direction also states that:

- An amendment to a Planning Scheme must not provide for rural residential use or development of land which:
  - ⇒ Is high quality productive agricultural land and has a present pattern of subdivision favourable for sustainable agricultural production
  - ⇒ Supports flora and fauna of international, national, state, regional or local significance unless site specific provisions can be introduced
  - ⇒ Supports native vegetation which would have to be cleared to enable development to take place

The above considerations were taken into account in determining the preferred locations for LDR development in the July 2001 Stage 2 report. Key recommendations of the 2001 report, taking into account these locational criteria are presented in the following sub-section of this report.

## 6.1 Conclusions of July 2001 Report

It is noted that the July 2001 Stage 2 Rural Residential Study identified a need for approximately 100 ha of additional LDR land. In order to meet the previously identified short fall in supply, the 2001 study concluded the following:

*The following three areas of land have been identified by the project team as being suitable and available land for LDR development in the short term. It is already estimated that there is approximately a 5-year supply of rural residential land in the municipality. The consultants appreciate that the recommended land supply marginally exceeds the sought after 100ha.*

**Table 7: Future Low Density Residential Areas (Short - Medium Term)**

<i>Location</i>	<i>Area</i>	<i>Comment</i>
<i>Lake Hawthorn – Mildura Feed Lots</i>	<i>29.2 ha</i>	<i>Highest priority rezoning given its location in an area which has proven to be attractive for low density development.</i>
<i>Nichols Point</i>	<i>72.7 ha</i>	<i>High priority with potential for the development of a discreet low density estate centred on a strong community focus separated from urban development by a green belt of horticulture.</i>
<i>Sandilong Ave, Irymple (1a)</i>	<i>35.7 ha</i>	<i>In an area with no remaining LDR, this site is preferred given its location close to commercial and community facilities as well as adjoining established LDR estate.</i>

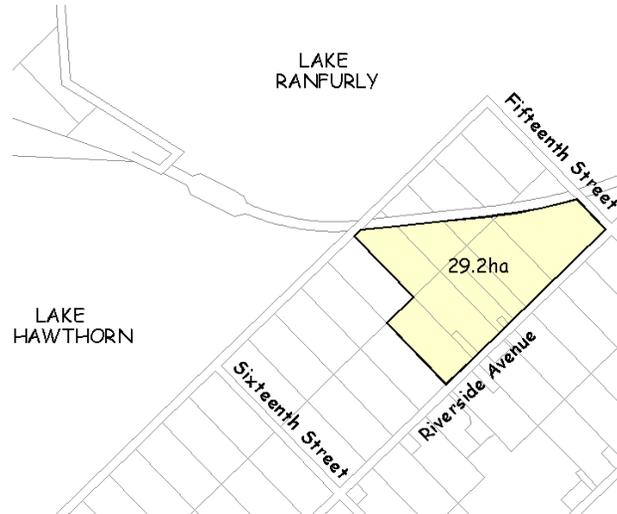
The 2001 assessment and conclusions reached for these three areas are presented re-evaluated in light of the findings of the 2003 review.

## 6.2 Review of 2001 Recommendations

### **AREA 3: LAKE HAWTHORN (Planning Scheme Map 28)**

**Current Zoning: Rural**

Area of Investigation: 29.2ha



### **Assessment(2001):**

- This area was suggested as a “high” priority option by the Industry Workshop and includes one individual submissions (Nos. N1)
- The land is currently used by the Mildura Feed Lots.
- The land adjoins an expanding residential area to the west.
- Compatability issues may soon emerge between the expanding residential uses and the existing “industrial” activity on the site.
- The land adjoins LDR land to the south which is affected by “College Lease” which may not be able to be redeveloped in the short term.
- Low Density estates have proven very popular around Lake Hawthorn.
- The site adjoins the township of Mildura and is unlikely to be required for urban development.
- The site provides the opportunity for a lower density “edge” to the town next to an environmental asset.
- The land can be provided with reticulated water.
- Effluent can be retained on site subject to DNRE assessment of environmental impacts.
- Lower Murray Water may require an agreement to connect all sites to sewer if it is ever provided to the area.

### **Conclusion (2001):**

- For the purposes of this analysis, it is considered that the undeveloped 29.2 hectares of the site be included as an area suitable for low density residential development in the short term.

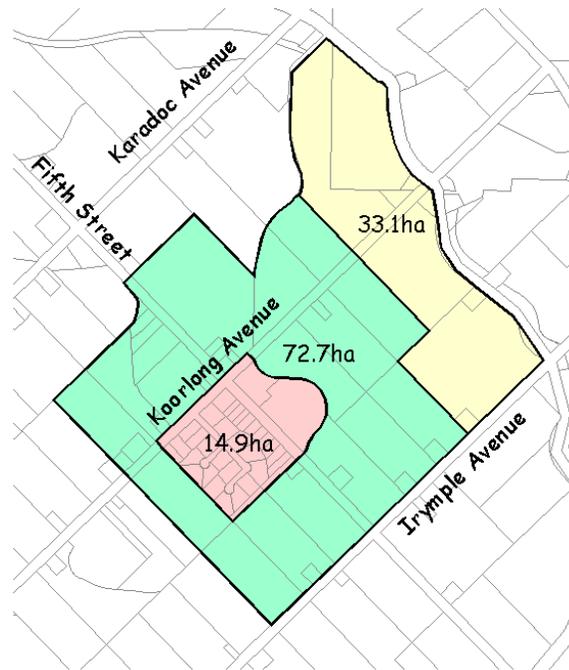
**Update / Assessment (2003):**

- Since the 2001 Stage 2 report was forwarded to Council, the 29.2 ha parcel of land abutting Lake Hawthorn has now been vacated and cleared by Mildura Feed Lots.
- According to representatives acting on behalf of Mildura Feedlots (Mr Bill Nichol, 22<sup>nd</sup> Oct), a contamination report has been prepared and the site has a clean bill of health. Mildura Feedlots are still keen to rezone and develop the land for low density development.
- Residential development at conventional lot densities has commenced opposite this site (South side of Riverside Ave).
- It is also noted that Developer Forum held in June 2001 identified this site as a **high priority** candidate for LDR zoning in the short term.
- Discussions with the CMA (Trent Wallis and Ian Ballentine) also indicate their preliminary assessments highlight that the development of site at LDR densities would not be constrained by flooding or salinity issues (subject to further detailed consideration).
- **Based on this review, the 29.2 ha Mildura Feedlot site remains the priority candidate for LDR rezoning in the short term.**

**AREA 6: NICHOLS POINT (Planning Scheme Map 32)**

**Current Zoning: Rural**

Area of Investigation:	6(a)	72.7 ha
	6(b)	33.1 ha



**Assessment (2001):**

- The combined areas 6(a) and 6(b) indicated in the plan was suggested as a “high” priority option by the Industry Workshop.
- The land generally encircles the village of Nichols Point and is bounded by a break of slope to the north (see Area No. 5) and by Irymple Avenue to the east.
- Nichols Point is a small self contained village containing a school, shop, community facilities and some established Residential 1 land.
- The area has the potential to be developed as a discreet LDR enclave close to, but separated from, the Mildura township and surrounded by horticultural land.
- The area can be serviced by reticulated water but sewerage is many years away. Consistent however with other LMW practices in similar areas, once connected to sewer in the future any existing or proposed lots could be linked into the system.
- So as to accommodate this eventuality, a Development Plan Overlay could be applied (on top of the zoning) giving landowners the option to site their houses so that they can take advantage of further subdivision opportunities in the future if sewerage is connected.

**Conclusion (2001):**

- For the purposes of this land supply analysis, it is considered that the undeveloped 72.7 hectares [identified as Area 6(a)] be included as an area suitable for low density residential development in the short term subject to the inclusion of a Development Plan Overlay. The remaining 33.1 ha [identified as Area 6(b)] should be considered as a long-term option pending the take up of the other LDR areas.

### Update / Assessment (2003):

- A re-evaluation of the suitability of Area 6 (a) for short term rezoning to LDR confirms its appropriateness. It is noted that the Developer Forum held in June 2001 identified this area as a **high priority** candidate for LDR zoning in the short term.
- Discussion with R. Ramson (LMW) on the 22<sup>nd</sup> October 2003 confirmed that there were no plans in the medium-long term to extend sewer to this area, however if / when reticulated sewer became available landowners would be expected to connect to same. In this regard, should LDR rezoning be pursued an accompanying Development Plan Overlay should be applied in order to give landowners the option to site their houses so that they can take advantage of further subdivision opportunities in the future if sewerage is connected.
- Discussion with M Freeman confirmed the desirability of the area as an LDR location indicating that he had a number of clients in the area that were awaiting the outcome of this review in order to proceed.
- Since the 2001 Stage 2 report was forwarded to Council, the Department of Education and Training has purchased the 3.95 ha parcel of land abutting the existing school.
- This area at Nichols Point is considered to be a more favourable candidate for LDR rezoning in the short term compared with Sandilong Avenue Irymple (refer following page). LDR development in this area will increase the range / choice of residential opportunities in the municipality and in comparison to Sandilong Avenue is less likely to compromise long term conventional residential housing opportunities / needs.
- Given that this review has identified the need for approximately 82 ha of LDR rezoning in the short term, it is considered appropriate to reduce the size of short term rezoning at Nichols Point as highlighted below:

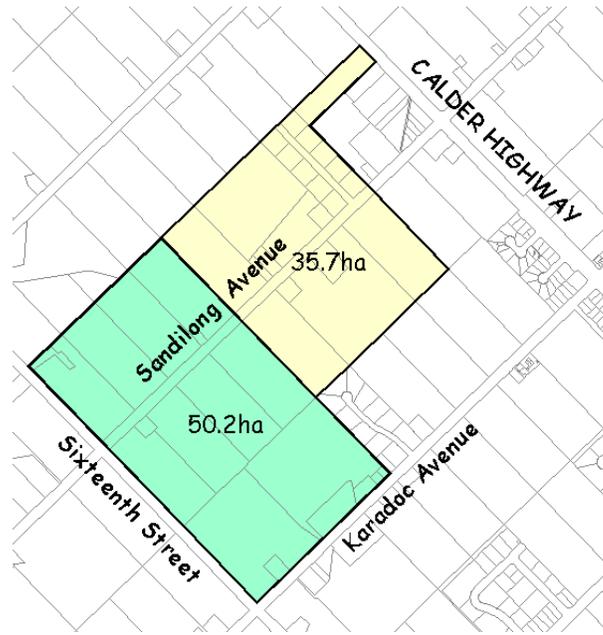


- **Based on this review, the 63.1 ha land area identified above is considered the 2<sup>nd</sup> priority candidate for LDR rezoning in the short term.**

**AREA 2: SANDILONG AVENUE IRYMPLE (Planning Scheme Maps 29 & 30)**

**Current Zoning: Rural**

Area of Investigation:           2(a) =   35.7 ha  
   2(b) =   50.2 ha



**Assessment (2001)**

- The Industry Workshop identified an area that generally accords with the combined areas 2(a) and 2(b) outlined above as a medium term priority. The total area also encompasses part of land submitted for consideration by an individual submitter (Nos. C29)
- The north eastern portion of the area [Area 2(a) = 35.7 ha] abuts or is very close to a variety of commercial and community facilities including the Irymple township, Irymple Primary School, and 15<sup>th</sup> Street retailing.
- The area is unlikely to be required for conventional residential as the focus for this expansion is to the north of 15<sup>th</sup> Street where there is a considerable amount of undeveloped land zoned Residential 1.
- An existing, and fully developed LDR estate adjoins the area (Highview Ct, off Karadoc Avenue).
- Both Areas 2(a) and 2(b) can be provided with reticulated water and are unlikely to be required to be sewerred.
- Irymple has no available LDR land at present..
- The southern portion of the area (Area 2(b) = 50.2 ha) is more remote from the town and presents as a longer term option.
- The western portion of the area (nearer Karadoc Street) is close to the Irymple Industrial estate.

**Conclusion(2001)**

- For the purposes of this analysis, it is considered that the area 2(a) should be classified as an area suitable for low density residential development in the short term.

### Update / Assessment (2003)

- It is noted that the Development Industry workshop of June 2001 highlighted this area as a medium term priority for LDR rezoning.
- As noted in the update assessment (2003) for Nichols Point area, this area is considered less attractive as a short term rezoning opportunity when compared to Mildura Feedlots and or Nichols Point. This area does increase the range of housing choice / location to the degree that rezoning at Nichols Point would. It also has more potential to compromise long term residential development opportunities at conventional housing densities when compared to Nichols Point.
- It is reiterated that this review recommends that 82 ha of LDR rezonings are required in the short term in order to meet a 10 year demand for rural residential development in the municipality. **Given that the Mildura Feedlot and Nichols Point proposed rezonings total an area that already exceeds this projection (29.2 ha plus 63.1 = 92.3 ha) rezoning of this area to LDR is not supported at this time.**

## 7. Conclusions and Recommendations (2003)

### 7.1 Conclusions

As a result of the analysis undertaken in this review it is estimated that the existing supply of rural residential opportunities in the municipality will be exhausted within approximately 5 years.

In order to meet the 10 year forecast demand it has been determined that an additional 82 ha is required to be rezoned to the Low Density Residential Zone in the short term.

Based on the need to identify an additional 82 ha of land (as opposed to the 97 ha identified in 2001) it is recommended that the following areas represent the short term priority areas for LDR rezoning within the municipality:

1. 29.2 ha abutting Lake Hawthorn - Mildura Feed lots (Refer Plan at Page 18)
2. 63.1 ha at Nichols Point (Refer Plan at Page 21)

It is acknowledged that these rezonings, which total 92.3 ha, would increase potential supply to approximately 11 years.

Should the above LDR rezonings occur in the short term, rural living opportunities in the municipality will be available to the current and future population of the municipality in the following locations:

- **Continued Limited Opportunities on Small Vacant Lots in the Rural Zone**
- **Current Opportunities (Expected to be fully developed by Mid 2004)**

River Ave Merbein (10 ha)	10 ha
Lake Hawthorn (10 ha)	10 ha
Linden Close / Cowra Avenue (8 ha)	8 ha
Kings Billabong (1.2 ha)	1.2 ha
22 <sup>nd</sup> Street Koorlong (10.4 ha)	10.4 ha
Cocklin Ave, Redcliffs (1 ha)	1 ha
<b>Total</b>	<b>42.6 ha</b>

- **Other Short-Medium Term Opportunities on Land Already Zoned LDR**

Cemetery Road Merbein	12.5 ha
River Ave Merbein	9.1 ha
Flora Avenue	30.8 ha
Kings Billabong	43.8 ha
<b>Total</b>	<b>96.2 ha</b>

- **LDR Opportunities Facilitated by New Rezoning:**

Lake Hawthorn (Mildura Feed Lots)	29.2 ha
Nichols Point	63.1 ha
<b>Total</b>	<b>92.3 ha</b>

It is considered the increased range of potential locations for rural living development will be welcomed by the market. The rezonings will also provide increased competition in the rural living market given that a number of development locations will be on the market at one time. This may also have the beneficial effect of triggering a readjustment in rural living land prices and more importantly a reduction in the pressure for small lot creation in the rural zone.

The justification for these rezonings is premised on Council adopting a Rural Policy position that discourages lot excisions on properties less than 10 ha in size but allows the creation of a limited number of vacant small lots in the Rural Zone as a trade off for farm consolidation.

If Council should resolve to tighten its rural policy position effectively prohibiting the creation of small lots in the rural zone an additional 74 ha of LDR rezonings could be justified in the short term. If this was to occur, the following areas should be considered for such rezoning:

- 35.5 ha at Sandiliong Avenue Irymple (Stage 1); and
- a further 40 ha at Nichols Point in line with Stage 2 recommendations of the July 2001 Rural Residential Study.

It is also noted that should Council resolve to liberalise its Rural Policy effectively enabling the excision of house blocks on rural properties 4 ha in size, no LDR rezonings can be justified in the short to medium term.

## 7.2 Recommendations

Based on the findings of this review it is recommended that Council adopt the following resolutions.

**That:**

1. In light of the findings of the 2003 Rural Residential Review, Council resolves to rescind the November 2001 resolution to rezone the following 137.5 hectares of land to Low Density Residential as follows:
  - 35.7 ha at Sandilong Avenue Irymple which is identified as Area 2 (a) in the Rural Residential Stage 2 Report
  - 13.9 ha at Azolia Street Redcliffs as identified in Attachment 1 to the Council Report
  - 32.6 ha of land at McEdward Street, Merbein as identified in Attachment 2 to the Council report
  - Approximately 54.12 hectares of land in the Nichols Point area as identified in Attachment 3 to the Council Report
  
2. In light of the findings of the 2003 Rural Living Study Review, in order to facilitate the planned and managed growth of rural residential opportunities in the municipality, Council resolves to rezone an additional 92.3 ha of land to Low Density Residential as follows:
  - 29.2 ha abutting Lake Hawthorn - Mildura Feed lots (as identified on plan contained at page 18 of the 2003 Rural Residential Review)
  - 63.1 ha at Nichols Point (as identified on plan contained at page 21 of the 2003 Rural Residential Review)
  
3. To facilitate the planned and managed growth rural residential development in the municipality, Council resolves to undertake the following consequential rezonings:
  - Rezoning of land from LDR to R1
    - Calder Highway Redcliffs (Big Lizzie Motel)
  - Rezoning of land from LDR to Environmental Rural
    - 97.8 ha of land at Woolong Avenue
  
4. To facilitate the planned and managed growth rural residential development in the municipality, Council resolves to undertake the following additional amendments to the Planning Scheme:

- Insertion of a Development Plan Overlay for Nichols Point including Schedule in line with the recommendation of the 2003 Rural Living Study Review
  - Insertion of a Schedule for Woollong Ave Environmental Rural Zone
  - Consequential changes to Town Structure Plans for Mildura
  - Consequential Text Changes to MSS
5. Council, in accordance with Part 3 of the Planning and Environment Act 1987 and the Planning and Environment Regulations 1998, prepares and gives notice of a Planning Scheme amendment in accordance with recommendations 2 and 3 above.

### **7.3 Further Actions Required**

In order to progress the rezonings as proposed in this review the following tasks still need to be undertaken:

1. Prepare Notice of Amendment
2. Prepare Explanatory Report outlining scope of Amendment in accordance with the 2003 Rural Residential Review and above Council resolutions including:
  - Rezoning of land from Rural to LDR
  - Rezoning of land from LDR to R1
  - Rezoning of land from LDR to Environmental Rural
  - Development Plan Overlay for Nichols Point including Schedule
  - Schedule for Woollong Ave Environmental Rural Zone
  - Amendment to Town Structure Plan for Mildura
  - Consequential Text Changes to MSS
3. Preparation of Draft Maps to include in the Amendment including:
  - Changes to Zone Maps
  - New Development Plan Overlay
  - Amendments to Plans at Clause 21
  - Amendments to Town Structure Plan for Mildura
4. Prepare Schedule for Nichols Point
5. Prepare Schedule for Woollong Ave Environmental Rural Zone (reflecting existing local policy relating to the area).
6. Prepare Consequential text changes to LPPF.
7. Complete amendment templates including Amendment List; and List of Changes to the Planning Scheme.