

IN PLANNING PANELS VICTORIA

'PART A' SUBMISSION
ON BEHALF OF THE PLANNING AUTHORITY

**AMENDMENT C70MOYN TO THE MOYNE PLANNING
SCHEME**

5 September 2022



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INTRODUCTION

1. Moyne Shire City Council (**Council**) is the Planning Authority for Amendment C70moyn (**Amendment**) to Moyne Planning Scheme (**Scheme**). Council has prepared, and is the proponent of, the Amendment.
2. This 'Part A' submission is made in accordance with the Panel's Directions dated 10 August 2022 (**Directions**).
3. This submission addresses the following matters in accordance with direction 7 of the Directions:
 - a) background to the Amendment including chronology of events;
 - b) strategic context and assessment;
 - c) in relation to post-exhibition changes:
 - (i) the strategic justification for the changes;
 - (ii) the views of any relevant service authorities, or public authority;
 - d) issues identified in submissions, including:
 - (i) matters raised in agency submissions from DELWP (particularly Crown land), Wannon Water (particularly waste water issues), Dept of Transport (particularly setback of road reserve in Port Fairy) and Warrnambool City Council
 - e) any suggested changes to the Amendment in response to submissions.
4. It is respectfully noted by Council that at the meeting in May of 2022 at which Council resolved to request the Minister for Planning to appoint a Panel to consider submissions received in response to the exhibition of the Amendment, Council did not make a decision to formally change the Amendment¹.
5. Rather, Council resolved that, in response to some of the submissions received following exhibition of the Amendment, Council would present to the Panel a position on the Amendment that is preferred by Council.
6. The preferred position in some respects reflects a different form of the Amendment from the exhibition form of the Amendment. It reflects, for the most part, the recommendations of Council's officers in the report received by Council in May 2022, save for certain specific matters set out in Council's resolution. Council understands the reference in the Panel's direction 7(c) to 'post-exhibition changes' to be a reference to Council's preferred position on the Amendment.
7. In addition to this submission, at the hearing listed to start on 19 September 2022, Council will:
 - 7.1 present its 'Part B' submissions; and

¹ Such as could be within the power of a planning authority noting section 23(1)(a) of the P&E Act



- 7.2 rely on expert evidence provided by Damien Drew, Strategic Planner of Moyne Shire Council.

AMENDMENT AS EXHIBITED

8. The Amendment seeks to implement the settlement, housing and land use recommendations of strategic work, most relevantly the Moyne Warrnambool Rural Housing and Settlement Strategy reports (**RHSS**), to provide an improved strategic framework and planning controls, which will guide the use and development of agricultural land, rural living development, and the growth and development of the Shire's smaller settlements.
9. The Amendment applies to designated rural (non-urban) land and small settlements across the whole of the municipality.
10. The purpose of the Amendment is to:
- 10.1 provide an improved strategic framework and suite of statutory controls to guide the use and development of agricultural land within the municipality;
 - 10.2 support the provision of diversity in housing stock in the municipality;
 - 10.3 improve the management of residential and rural residential development with the municipality's smaller settlements; and
 - 10.4 formalise within the Scheme the existing areas used for rural living purposes, as identified in the RHSS.
11. In summary, the exhibited form of the Amendment proposes to:
- 11.1 rezone land from the Farming Zone to the Rural Living Zone at Grassmere, Hawkesdale, Koroit (west and south-west), Crossley, Illowa, Killarney, Southern Cross, Tower Hill and Woolsthorpe;
 - 11.2 rezone land from the Rural Living Zone to the Farming Zone at Caramut and parts of Nullawarre;
 - 11.3 rezone land from Farming Zone to the Township Zone at Garvoc, Purnim and parts of Nullawarre;
 - 11.4 rezone land from the Farming Zone to the Rural Conservation Zone in proximity to the Budj Bim National Park;
 - 11.5 reduce the minimum lot size for dwellings and subdivision in the Farming Zone to 15 hectares in the designated 'lifestyle farming' area around Bushfield, Grassmere and Wangoom;
 - 11.6 reduce the minimum lot size for dwellings to 10 hectares in the Farming Zone in the designated 'lifestyle farming' area around Koroit, Kirkstall, Crossley and Tower Hill; and



- 11.7 increase the minimum lot size for dwellings and subdivision from 10 hectares to 40 hectares in the Farming Zone within a designated area south of the Princes Highway, between Rocks Road and to the east of Gormans Road, at Killarney and Tower Hill.
12. More specifically, the Amendment proposes the following changes to policy:
- Local Policy
- 12.1 amend Clause 21.05 (Settlement and Housing) to introduce clear guidance in relation to the anticipated role and growth expectations for the municipalities smaller settlements and to provide improved guidance and direction for rural/residential and rural living developments;
- 12.2 amend Clause 21.07 (Economic Development) to introduce improved guidance and direction for the anticipated use and development of agricultural land;
- 12.3 amend Clause 21.09 (Local Areas) to introduce new, settlement specific policy outlining the anticipated settlement role and growth expectations for the settlements of Caramut, Cudgee, Ellerslie, Framlingham, Garvoc, Grassmere, Hawkesdale, Hexham, Illowa West, Kirkstall, Koroit, Macarthur, Nullawarre, Orford, Panmure, Purnim, Southern Cross, Towilla Way, Winslow, Woolsthorpe, Woorndoo and Yambuk;
- 12.4 amend Clause 21.11 (Reference Documents) to introduce the following as Reference Documents to the Scheme;
- (i) *Moyne Shire Land Capability and Biodiversity Studies Project, 2009* (EnPlan Partners with Ecology Partners);
 - (ii) *Moyne Warrnambool Rural Housing and Settlement Strategy – Context Report, 2010* (CPG Australia);
 - (iii) *Moyne Warrnambool Rural Housing and Settlement Strategy – Rural Housing and Settlement Strategy Report, 2010* (CPG Australia); and
 - (iv) *Moyne Shire Council Rural Housing and Settlement Strategy – Addendum Report, 2015* (Moyne Shire Council);
- 12.5 amend Clause 22.01 (Settlement) by deleting Clause 22.01-5 (Koroit), Clause 22.01-6 (Macarthur) and Clause 22.01-7 (Smaller Townships and Settlements), with settlement specific policy for these townships to be included within the amended Clause 21.09 Local Areas;
- 12.6 amend Clause 22.03 (Economic Development) by:
- (i) deleting Clause 22.03-4 (Agricultural Production), Clause 22.03-5 (Housing on Lots of Less than the Minimum Area) and Clause 22.03-6 (Excisions of Dwellings in the Farming Zone), with guidance and direction for the anticipated use and development of agricultural land to be detailed within the amended Clause 21.07 (Economic Development); and
 - (ii) introducing a new Clause 22.03-4 (Lifestyle Farming Policy) to set out expectations for, and to provide a framework to guide decision making for



dwellings on rural lots of less than 15 hectares in area between Koroit and Kirkstall and at Bushfield and Wangoom.

12.7 The exhibited Amendment proposes the following changes to the Scheme controls:

Zoning

- 12.8 amend the schedule to Clause 35.03 (Rural Living Zone) to rename it to Schedule 1 and delete the 4 hectare minimum lot size requirements for land generally to the north of Princes Highway at Port Fairy and on the eastern and western sides of Mailors Flat, with the requirements for land at Port Fairy and Mailors Flat to be transferred to a new Schedule 3 to Clause 35.03 (Rural Living Zone);
- 12.9 insert a new Schedule 2 to Clause 35.03 (Rural Living Zone) to specify minimum subdivision areas and minimum areas for which no permit is required to use land for a dwelling on land to be rezoned at Crossley, Illowa, Koroit, Southern Cross and Tower Hill;
- 12.10 insert a new Schedule 3 to Clause 35.03 (Rural Living Zone) to replicate the existing minimum subdivision areas and minimum areas for which no permit is required to use land for a dwelling on land, which is generally to the north of the Hamilton-Port Fairy Road at Port Fairy and on the eastern and western sides of Mailors Flat;
- 12.11 insert a new Schedule 2 to Clause 35.06 (Rural Conservation Zone) to specify minimum subdivision areas on land to be rezoned in proximity to the Budj Bim National Park;
- 12.12 amend the schedule to Clause 35.07 (Farming Zone) to rename it to Schedule 1, delete the minimum lot size requirements for 'high quality agricultural land which is included in Schedule 5 to the Significant Landscape Overlay' to increase the minimum lot size from 10 hectares to 40 hectares in the area bounded by Rocks Road to the east of Gormans Road and reduce the setbacks to a Road Zone, Category 1 which trigger a permit for buildings and works, with the minimum lot size requirements for the balance of the 'high quality agricultural land' transferred to a new Schedule 2 to Clause 35.07 (Farming Zone);
- 12.13 insert a new Schedule 2 to Clause 35.07 (Farming Zone) to replicate the existing minimum subdivision areas and minimum areas for which planning approval is not required to use land for a dwelling in the area of 'high quality agricultural land which is included in Schedule 5 to the Significant Landscape Overlay' to the south of the Princes Highway at Rosebrook, Killarney, Tower Hill, Illowa and Dennington, with the exception of the area bounded by Rocks Road to the east of Gormans Road;
- 12.14 insert a new Schedule 3 to Clause 35.07 (Farming Zone) to specify new minimum subdivision areas and minimum areas for which no permit is required to use land for a dwelling on land between Koroit and Kirkstall;
- 12.15 insert a new Schedule 4 to Clause 35.07 (Farming Zone) to specify new minimum subdivision areas and minimum areas for which no permit is required to use land for a dwelling on land at Bushfield and Wangoom;



Maps

- 12.16 amend Maps 4, 8, 10, 12, 22, 23, 24, 25, 28, 29, 33, 37, 39, 40, 41, and 42, to re-zone public land within the municipality to either Public Use Zone (PUZ), Public Conservation and Resource Zone (PCRZ) or Public Park and Recreation Zone (PPRZ) to reflect its status as public land;
- 12.17 amend Maps 7, 8, 15, 16, 23, 25, 26, 29, 34, 35, 37, 40, 42, and 45, to re-zone land throughout the municipality from the Rural Living Zone (RLZ) to Rural Living Zone, Schedule 1 (RLZ1) and Rural Living Zone, Schedule 3 (RLZ3), which reflect the provisions of the existing schedule applying to the land;
- 12.18 amend Maps 6, 18 and 19 to rezone private land adjacent to the Budj Bim National Park from Farming Zone (FZ) to Rural Conservation Zone, Schedule 2 (RCZ2);
- 12.19 amend Map 10 to rezone land at Hawkesdale from Farming Zone (FZ) to Rural Living Zone, Schedule 1 (RLZ1) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.20 amend Map 12 to rezone land at Caramut from Rural Living Zone (RLZ) to Farming Zone (FZ) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.21 amend Map 23 to re-zone land at Grassmere from Farming Zone (FZ) to Rural Living Zone, Schedule 1 (RLZ1) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.22 amend Map 24 to rezone land at Woolsthorpe from Farming Zone (FZ) to Rural Living Zone, Schedule 1 (RLZ1) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.23 amend Map 29 to re-zone land at Purnim as shown on the attached map from Farming Zone (FZ) to Township Zone to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.24 amend Maps 34 and 37 to re-zone land to the south of the Princes Highway at Rosebrook, Killarney, Tower Hill, Illowa and Dennington from Farming Zone (FZ) to Farming Zone, Schedule 2 (FZ2) to reflect the minimum subdivision areas and minimum areas for which planning approval is not required to use land for a dwelling in the area of 'High quality agricultural land which is included in Schedule 5 to the Significant Landscape Overlay' and improve the transparency of the planning controls for the area;



- 12.25 amend Map 37 to re-zone land at Southern Cross from Farming Zone (FZ) to Rural Living Zone, Schedule 2 (RLZ2) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.26 amend Map 37 to re-zone land at Illowa West and Tower Hill from Farming Zone (FZ) to Rural Living Zone, Schedule 2 (RLZ2) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.27 amend Map 37 to re-zone land at Survey Lane and Towilla Way, Killarney from Farming Zone (FZ) to Rural Living Zone, Schedule 1 (RLZ1) to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas);
- 12.28 amend Maps 37 and 39 to re-zone land at Bushfield, Grassmere and Wangoom from Farming Zone (FZ) to Farming Zone, Schedule 4 (FZ4);
- 12.29 amend Maps 21, 22, 34, 37 and 38 to re-zone land at Koroit – Kirkstall, Crossley and Tower Hill from Farming Zone (FZ) to Farming Zone, Schedule 3 (FZ3) and from Farming Zone (FZ) to Rural Living Zone, Schedule 2 (RLZ2);
- 12.30 amend Map 41 to re-zone land at Garvoc from Farming Zone (FZ) to Township Zone (TZ), to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas); and
- 12.31 amend Maps 40 and 45 to rezone land at Nullawarre from Rural Living Zone (RLZ) to Farming Zone (FZ), and to re-zone land from Rural Living Zone (RLZ) and Farming Zone (FZ) to Township Zone (TZ), to complement the settlement-specific policy proposed to be introduced at Clause 21.09 (Local Areas).

BACKGROUND TO AMENDMENT

- 13. A detailed item-by-item chronology of key events relevant to the Amendment and to the primary strategic inputs to the Amendment forms **Attachment A** to Council's Part A submission.
- 14. At a high level, the background to the Amendment reflects that it has a long history including that:
 - 14.1 it is underpinned by extensive strategic work that commenced with the preparation of the *Moyne Shire Land Capability and Biodiversity Studies Project* and the *Moyne Warrnambool Rural Housing and Settlement Strategy* in 2007 and 2008 respectively;
 - 14.2 it was subject to extensive pre-exhibition consultation in the form of community engagement workshops that were undertaken across the municipality during April and May 2010, which resulted in 45 submissions and the convening of a submitters meeting;



- 14.3 an earlier strategic planning process, Amendment C44, took place in June 2011 to implement the 2007 and 2008 adopted strategies;
 - 14.4 it was subject to refreshed strategic work in the form of the *Moyne Shire Council Rural Housing and Settlement Strategy – Addendum Report*, prepared by Council in 2015²; and
 - 14.5 it now comprises Amendment C70moyn following the introduction of the Amendment Tracking System.
15. There is considerable community interest in the municipality for progressing with agricultural land use policy and rural housing reform.

ADOPTION OF STRATEGIC DOCUMENTS AND FORMATION OF AMENDMENT

16. In part as a consequence of the lengthy history of the Amendment, there are several Council resolutions that inform or relate to the Amendment.
17. At its ordinary meeting on 23 February 2010, Council resolved:
- 1. *That Council agree to a public exhibition period of three months from mid March to mid June 2010, of the following:*
 - i. *Land Capability and Biodiversity Strategy;*
 - ii. *Rural Housing and Settlement Strategy;*
 - iii. *Tower Hill Design guidelines;**to seek public comment*
 - 2. *That Council pursuant to Section 9 of the Planning and Environment Act 1987 seek authorisation from the Minister for Planning to exhibit an Amendment to the Moyne Planning Scheme to incorporate the following:*
 - i. *Land Capability and Biodiversity Strategy;*
 - ii. *Rural Housing and Settlement Strategy;*
 - iii. *Tower Hill Design guidelines.*
18. At its ordinary meeting on 23 November 2010, Council resolved:
- 1. *That Council receive and adopt the Land Capability and Biodiversity Study, the Rural Housing and Settlement Strategy and the Tower Hill Design Guidelines, subject to minor changes as detailed in this report.*
 - 2. *That Council proceeds to prepare an amendment to the Moyne Planning Scheme to implement the recommendations of the strategies into the Planning Scheme.*
19. At its ordinary meeting on 22 September 2015, Council resolved:
- 1. *That Council adopt the Addendum Report 2015 in addition to the existing adopted Rural Housing and Settlement Strategy and Land Capability and Biodiversity Strategy in accordance with the amendments outlined in the Addendum Report 2015.*

² Noting that the Addendum Report was not subject to any separate, dedicated community consultation.



2. *That Council commence preparation of a planning scheme amendment to implement the recommendations of the Strategies and Addendum Report.*
20. At its ordinary meeting on 26 April 2017, Council resolved:
1. *That Council split the Amendment into two parts:*
 - a. *Amendment C44 - Rural Housing and Settlement Strategy and Land Capability and Biodiversity Strategy and the Addendum report items other than outcomes recommended for environmental protection; and*
 - b. *Prepare a further Amendment to implement environmental overlays at the conclusion of Amendment C44.*
 2. *That Council seek Ministerial Authorisation from the Minister for Planning to prepare Amendment C44 to the Moyne Planning Scheme and exhibit the amendment for a period of 60 days.*
21. At its ordinary meeting on 28 August 2018, Council resolved:
1. *That Moyne Shire Council write to the Minister for Planning and GPG (Wind Farm proponent) requesting an increase in the buffer distance between the wind towers and the township of Hawkesdale³.*
22. Amendment C44 is progressed as Amendment C70 (the renumbering was a consequence of the introduction of the amendment tracking system in late 2019).

MINISTERIAL AUTHORISATION

23. In-line with the above Council resolutions, Council officers wrote to Department of Environment, Land, Water and Planning (**DELWP**) to request authorisation to prepare the Amendment on 29 January 2020.
24. Between this request and the grant of authorisation, a review was undertaken by DELWP and detailed correspondence passed between Council and DELWP.
25. On 12 April 2021, authorisation was granted for the preparation and exhibition of the Amendment subject to the following conditions:
 - 25.1 Remove the proposed Rural Living Zone at Bushfield/Wangoom, Illowa East and Yarpurk. The proposed RLZ3 at Bushfield/Wangoom may be replaced by the proposed FZ4.
 - 25.2 Reduce the extent of the proposed Rural Living Zone at Hawkesdale, Koroit West, Southern Cross and Woolsthorpe. Land removed from the proposed RLZ2 at Koroit West should be replaced by the proposed FZ3.
 - 25.3 Increase the minimum lot size at Southern Cross to 2 hectares.
 - 25.4 Remove the area currently within the SLO6 from the proposed FZ2 and retain as FZ.
 - 25.5 Amend the zoning map for Nullawarre to correct minor errors and inconsistencies.

³ The implication of this resolution on the Amendment was a change to the Framework Plan for Hawkesdale to change the settlement boundary to remove the land to the south-east of the township from the proposed rezoning to the Rural Living Zone.



- 25.6 Renumber the existing RLZ schedule to RLZ1 consistent with the Ministerial Direction on the Form and Content of Planning Schemes and update the planning scheme maps accordingly.
- 25.7 Consider rezoning RLZ land in Port Fairy and Mailors Flat where a 4 hectare minimum lot size applies to RLZ3 to ensure the areas are more clearly identified in the Scheme, and for consistency with the approach taken by C70moyn to apply different schedules to areas with different minimum lot sizes.
- 25.8 Redraft the proposed Local Planning Policy to take into consideration the Local Planning Policy Framework (LPPF) translation which is currently being undertaken by DELWP as part of the Smart Planning program. The council should ensure that the proposed local policy content is consistent with the rules in Section 4 and writing instructions in Section 6 of the Practitioners Guide to Victorian Planning Schemes.
- 25.9 Amend the Instruction Sheet and Explanatory Report to reflect the above changes.

EXHIBITION AND SUBMISSIONS

- 26. Council exhibited the Amendment nearly 12 months ago, between 4 September 2021 and 8 November 2021. Notice was given by:
 - 26.1 sending notification letters to owners and occupiers of all affected properties, prescribed Ministers, public authorities and other key stakeholders;
 - 26.2 placing a public notice in *The Standard* (Warrnambool) and the *Moyne Gazette* local newspapers;
 - 26.3 placing a notice in the Government Gazette; and,
 - 26.4 setting up a webpage about the Amendment on Council's Website.
- 27. The Amendment documentation as exhibited comprised the following documents:
 - 27.1 the explanatory report;
 - 27.2 the instruction sheet;
 - 27.3 proposed clauses and schedules, specifically Clauses 21.05, 21.07, 21.09, 21.11, 22.01, 22.03, Schedules 1, 2 and 3 to Clause 35.03, Schedule 2 to Clause 35.06, Schedules 1, 2, 3 and 4 to Clause 35.07;
 - 27.4 proposed planning scheme maps, specifically; Zone Maps Nos. 4, 6, 7, 8, 10, 12, 15, 16, 18, 19, 21, 22, 23, 24, 25, 26, 28, 29, 33, 34, 37, 38, 39, 40, 41, 42, and 45; and
 - 27.5 Supporting documents including:
 - (i) *Moyne Shire Land Capability and Biodiversity Studies Project*, 2009 (EnPlan Partners with Ecology Partners);
 - (ii) *Moyne Warrnambool Rural Housing and Settlement Strategy – Context Report*, 2010 (CPG Australia);
 - (iii) *Moyne Warrnambool Rural Housing and Settlement Strategy – Rural Housing and Settlement Strategy Report*, 2010 (CPG Australia); and



- (iv) *Moyne Shire Council Rural Housing and Settlement Strategy – Addendum Report, 2015 (Moyne Shire Council).*

28. In response to exhibition, Council received 64 submissions, consisting of:
- 28.1 2 submissions that either generally support or fully support the Amendment⁴;
 - 28.2 16 submissions that express support for some aspects of the Amendment and object to, and/or request changes with relation to, other aspects of the Amendment⁵;
 - 28.3 1 submission expressed no objection⁶; and
 - 28.4 the remaining 45 submissions either oppose, or request changes to, the Amendment.
29. The submissions included a change.org petition with 360 signatories and 6 late submissions.
30. The 6th late submission (bringing the total number of submissions to 65) was received on the eve of the Directions Hearing held by the Panel appointed in this matter on 2 August 2022. This submission, as the Panel will recall, was made by Best Hooper lawyers on behalf of BAM & Associates Pty Ltd (**Bamstone**).
31. Council has not met subsequent to the receipt of the Bamstone submission to consider the Amendment.
32. Given Council's delegations, Council cannot refer the Bamstone submission to the Panel prior to the hearing, but welcomes the Panel's proposal to inform itself as it thinks fit in relation to the submission, as indicated at the Directions Hearing.

COUNCIL RESOLUTION

33. At its ordinary meeting on 3 May 2022, it was resolved that Council:
- 1. *Accepts Submission No.s 59, 60, 61, 62 and 63 as late submissions;*
 - 2. *Considers all submissions to Amendment C70moyn to the Moyne Planning Scheme;*
 - 3. *Abandons that part of the Amendment which concerns the application of the Rural Conservation Zone Schedule 2 (RCZ2) to the Budj Bim National Park Environs, as shown on Map Moyne C70 003znMaps06_08_18_19 Exhibition, in accordance with Section 23 (1) (c) of the Planning and Environment Act 1987;*
 - 4. *Abandons that part of the Amendment which concerns the increase to the minimum lot size from 10 hectares to 40 hectares within the Farming Zone in the area south of the Princes Highway, bounded by Rocks Road to the east of Gormans Road, at Killarney and Tower Hill, as shown on the attached map, in accordance with Section 23 (1) (c) of the Planning and Environment Act 1987;*
 - 5. *Requests the Minister for Planning to appoint an Independent Panel under Part 8 of the Planning and Environment Act 1987 to consider the submissions as referred by Council*

⁴ Submissions numbered 2 and 54.

⁵ Submissions numbered 6, 7, 12, 14, 17, 19, 21, 44, 47, 49, 50, 51, 53, 56, 59 and 61.

⁶ Submission 57.



6. Refers all submissions, except:
- c. Submission No.s 4, 5, 6, 10, 11, 22, 32, 33, 39, 42 and 64 pertaining to the application of the Rural Conservation Zone Schedule 2 (RCZ2)
 - d. Submission No.s 41, 55, and 58 pertaining to the increase to the minimum lot size within the Farming Zone in the area south of the Princes Highway at Killarney and Tower Hill
- to the Panel in accordance with Section 23 (1) (b) of the Planning and Environment Act 1987;
7. Submits to the Panel its response to the submissions generally as outlined in this report and the attachment, except for the following changes
- a. Supporting the change to the location of the land proposed to be rezoned to Rural Living Zone Schedule 1 (RLZ1) at Hawkesdale requested in Submission No.15.
 - b. Supporting the retention of the exhibited Farming Zone Schedule 3 (FZ3) 'lifestyle farming' area between Koroit-Kirkstall, Crossley and Tower Hill.
 - c. Supporting the requests for reductions in the minimum lot size from two hectares to one hectare for the proposed Rural Living rezonings at Koroit, Crossley, Illowa and Tower Hill, and the reduction of the minimum lot size from four hectares to one hectare in the existing Rural Living Zone at Port Fairy.
 - d. Supporting the amendment of the Framework Plans for Hawkesdale, Kirkstall, Koroit West, Purnim and Southern Cross in the exhibited Clause 21.09 to identify land for future growth as requested in Submission No.s 7, 8, 9, 14, 23, 35, 52, 53, 60 and 63
8. Authorise the Director of Economic Development and Planning to submit to the Panel revised Local Planning Policy taking into consideration the Local Planning Policy Framework (LPPF) Translation for consideration, in accordance with the authorisation conditions; and
9. Considers the feasibility of undertaking a new small towns and settlements strategy/further strategic work as part of the forthcoming Planning Scheme Review.
34. Council's preferred form of the Amendment is the exhibited Amendment, save as revised by the various matters set out in paragraph 7 of the 3 May 2022 resolution (**Resolution**).
35. The Panel has given advice on an interim basis in relation to part (c) of paragraph 7 of the Resolution, as follows:

The Panel has formed a preliminary view that proposed changes to the lot sizes in the Rural Living Zone are beyond the scope of the Amendment, but will hear submissions that the changes should be made. If it is persuaded that there may be merit in those submissions it will determine an appropriate process for further notice and submission.

STRATEGIC CONTEXT AND ASSESSMENT

36. This section provides an overview of the Amendment’s strategic basis, supplementing the detail set out in the exhibited explanatory report.

LAND CAPABILITY AND BIODIVERSITY STUDIES PROJECT, 2009

37. The *Moyne Shire Land Capability and Biodiversity Studies Project, 2009* (EnPlan Partners with Ecology Partners) (**LCBS**) reviewed the role and function of the agricultural and rural areas of the Shire. It divided the Shire into 9 “planning units” which recognised different landforms and agricultural types and made specific recommendations for each planning unit.
38. The Study undertook a land capability and biodiversity mapping study that synthesized all current, scientifically accurate and locally relevant information what had not previously been available, to inform the development of local policies and the application of the new suite of rural zones (particularly the Farming Zone).
39. The LCBS provided:
- 39.1 a set of recommendations for detailed variations to clauses in the Municipal Strategic Statement (MSS);
 - 39.2 detailed and specific recommendations of changes to the schedules to the zones as they relate to minimum lot sizes for each of the 9 ‘planning units’; and
 - 39.3 in some cases, recommendations for amendments to the applicable zones.
40. Overall, the Study made the following high-level recommendations for the whole of the municipality to *protect the productive capacity, environmental values and rural integrity of the rural land in Moyne Shire*⁷:
- 40.1 Support the preservation of the productively farmed rural landscape beyond defined urban areas for economic, environmental, and community reasons as provided for in Clause 14.04 of the State Planning Policy Framework, and local policy in the Moyne Planning Scheme.
 - 40.2 Maintain and strengthen a settlement strategy for the Shire that reinforces the concept of non-urban breaks between towns, by application of the following linked needs:
 - (i) Strongly oppose the development of housing on small lots in the Farming Zone (FZ) remote from townships and associated physical and social services.
 - (ii) Ensure that further rural living development occurs only through appropriately planned and substantiated provision of Rural Living zoned recognising that the use of large rural parcels for lifestyle living is only to be associated with agricultural use of the land; and through the preparation and adoption of a housing and settlement strategy.

⁷ Provided in summary form commencing at page 3 (Executive Summary), and in full commencing at page 90 (Recommendations) of the LCBS.



- (iii) Maintain a distinct separation between urban areas and farming/rural activities.
 - (iv) Protect and maintain areas of environmental and landscape significance by strongly discouraging inappropriate development and uses.
 - (v) Discount the notion that there is a link between minimum lot size and
- 40.3 Plan for a range of uses that may need to be accommodated in rural areas (such as tourism/recreation development, dog keeping and other uses) by requiring buffers to urban areas and rural uses through the application of clear local policy in the planning scheme, and implementation of appropriate location and siting criteria.
- 40.4 Implement local policies relating to Wind Energy Facilities and surrounding land use, to provide certainty to the community and to minimise potential for future land use conflict.
- 40.5 Provide for some new uses and developments in rural areas, potentially via application of the Rural Activity Zone where it can be demonstrated that such proposed uses and developments will:
- (i) Support farming and not impose adverse impacts on agricultural use on adjoining and nearby uses.
 - (ii) Not impact adversely on the quality of the rural landscape.
 - (iii) Contribute positively to the environmental condition of an area.
 - (iv) Be designed and developed to a high quality. Be well served by relevant infrastructure.
41. The LCBS included further recommendations for the 9 identified “planning units” and for the application of overlays relating to environmental and vegetation protection⁸.
42. Of particular relevance to the Amendment, the Strategy recommended:
- 42.1 retaining the 40 hectare minimum lot size for subdivision and dwellings over most of the municipality;
 - 42.2 increasing the minimum lot size from 10 hectares to 40 hectares for subdivision and dwellings for the area between Port Fairy and the Warrnambool municipal boundary along the Princes Highway;
 - 42.3 increasing the minimum lot size of 40 hectares to 80 hectares for subdivision and dwellings in the Macarthur Woorndoo planning unit; and
 - 42.4 applying the Rural Conservation Zone rather than Farming Zone to the area abutting the Mt Eccles (now Budj Bim) National Park with a 40 hectare minimum lot size for subdivision and requiring a dwelling to require a permit irrespective of lot size in this zone.

⁸ Provided in summary form commencing at page 4 (Executive Summary), and in full commencing at page 92 (Recommendations) of the LCBS.



MOYNE WARRNAMBOOL RURAL HOUSING AND SETTLEMENT STRATEGY, 2010

43. During the preparation of the LCBS it became apparent to Council that an additional study was required in relation to settlements and housing in the Shire's rural areas, resulting in the development of the *Moyne Warrnambool Rural Housing and Settlement Strategy – Context Report, 2010* (CPG Australia) and *Moyne Warrnambool Rural Housing and Settlement Strategy – Rural Housing and Settlement Strategy Report, 2010* (CPG Australia) (collectively, **RHSS**). The RHSS provides a strategic context to managing settlements and boundaries for both municipal areas.
44. The RHSS was prepared in partnership with Warrnambool City Council and sought to complement the LCBS by undertaking the preparation of a study to provide clear guidance regarding the proper management of the land assets and future settlement in rural areas of both municipalities. This included the provision of a strategic context for the managing of boundaries for the Moyne and Warrnambool townships and settlements.
45. The focus of the RHSS is the delivery of sustainable housing and settlement in the Study Area and the protection of productive agricultural land, environmental values and other important land uses. It recommended that rezonings be undertaken in a number of settlements to achieve this aim.
46. The RHSS assessed each township, by using a growth scenario model and did a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of each settlement. The Strategy produced an overall table of each settlement that analysed land supply according to zoning and highlighted where the town fell within a growth scenario table based on land supply, infrastructure provision or constraints and an assessment of some social factors. Lack of availability to sewerage and capacity to retain waste-water on site are some of the major constraints to growth.
47. A plan and accompanying table were included for each town.
48. For all towns other than Bushfield, Crossley, Hawkesdale, Illowa East, Killarney, Kirkstall, Koroit, Mortlake, Woolsthorpe, Grassmere, Southern Cross, Nullawarre, Garvoc, Towilla Way and Yarrpturk, the recommendations of the RHSS (except the application of the Restructure Overlay) will be implemented in accordance with this Strategy.

ADDENDUM REPORT, 2015

49. In January 2014, Council commenced a review of the recommendations of the RHSS and LCBS. A key aim of the review was to provide new strategic direction for areas of the Shire subject to development pressure and remove additional statutory burdens for Council.
50. The review resulted in the formulation of the *Moyne Shire Council Rural Housing and Settlement Strategy – Addendum Report, 2015* (Moyne Shire Council) (**Addendum Report**). The Addendum Report reflects updated statistics, significant changes to the Planning Policy Framework and changes to the Farming Zone.
51. The Addendum Report provides key recommendations that vary from the previous strategies as follows:
 - 51.1 With respect to the RHSS the following variations were adopted:



- (i) remove the use of the Restructure Overlay;
- (ii) Zone all public land to the appropriate use zone;
- (iii) Southern Cross - zone land Rural Living with 1 hectare minimum lot size and extend settlement boundary south covering both sides of Tuddys Lane and one lot further east to pick up extent of small lot and development;
- (iv) Grassmere - zone land Rural Living with 1 hectare minimum lot size and extend land to cover small lots north of Crothers Lane;
- (v) Woolsthorpe - zone land east, south and southwest to Rural Living with a 1 hectare minimum lot size;
- (vi) Hawkesdale - Zone land to the west Rural Living with a minimum lot size of 1 hectare;
- (vii) Garvoc - minor change to Township Zone to include former hotel, a single dwelling and church within the zone; and
- (viii) Nullawarre - increase the area to be zoned Township on the north side of the Timboon-Nullawarre Road and land on the eastern side of the Great Ocean Road, south of the Timboon-Nullawarre Road intersection that are developed at a township density.

51.2 With respect to the LCBS the following variations were adopted:

- (i) Macarthur/Woorndoo Planning Unit - retain minimum lot size for Farming Zone at 40 hectares;
- (ii) Port Fairy to Warrnambool - Increase the minimum lot size from 10 hectares to 40 hectares to the area bounded by Mugavins Road to the east to just beyond Gormans Road as per the attached plan;
- (iii) Bushfield - Lower minimum lot size in Farming Zone from 40 hectares to 15 hectares and rezone land to Rural Living with a 4 hectare minimum lot size in the area bounded by Staywood Road, Hopkins Highway, Philmore Road and Spring Flat Road. Rezone land to Rural Living Zone;
- (iv) Koroit to Kirkstall - bounded by Koroit-Port Fairy Road to the east, Warrnambool-Penshurst Road to the north, Hamilton-Port Fairy Road to the west and Koroit-Port Fairy Road and Sheehans Road to the south - retain most land in Farming Zone but reduce minimum lot size for a dwelling from 40 hectares to 10 hectares supported by a Lifestyle Farming Policy and rezone areas of small lot development to Rural Living Zone with a 2 hectare minimum lot size; and
- (v) Illowa East rezone small area to Rural Living with 2 hectare minimum lot size reflecting existing development and subdivision pattern and approvals.

STRATEGIC BASIS

52. Overall, the key elements of the LCBS, RHSS and Addendum Report that influence the preparation of the planning scheme amendment are:
- 52.1 provision of townships with growth potential and a range of zones to provide housing choice and affordability, with particular focus on providing a greater range of opportunities for Woolsthorpe, Hawkesdale, Grassmere, Nullawarre and Southern Cross;
 - 52.2 updating zoning maps to ensure public land is appropriately zoned;
 - 52.3 removing the use of the Restructure Overlay in townships to allow waste water effluent issues to be determined on a case-by-case basis within the systems established under the Environment Protection Act 1970 and the Septic Tank Code of Practice produced by the EPA;
 - 52.4 retention of the application of the Farming Zone with no significant change other than to two specific areas at Bushfield and Koroit with a 40 hectare minimum lot size for dwellings and subdivision;
 - 52.5 retention of the Farming Zone with a 10 hectare minimum lot size on the southern side of the Princes Highway between Warrnambool and Port Fairy, as approved in 2009 by Moyne Planning Scheme Amendment C21, other than to the land between Rocks Road and just east of Gormans Road;
 - 52.6 updating local planning policy to strengthen the important role that farming has in the economic and landscape values of the Shire; and
 - 52.7 discouraging dwellings outside settlements on lots less than the minimum lot size (40 ha, 15 ha and 10ha), unless there is demonstrated agricultural merit to require the use and development of a dwelling.

PREFERRED POSITION ON THE AMENDMENT

53. The Panel has requested Council explain the basis for Council's preferred form of the Amendment.
54. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7 of the Resolution regarding the reduction of the minimum lot size at Southern Cross, Council refers the Panel to the Addendum Report, noting the further preference for the minimum lot size at 1ha⁹.
55. As noted in the discussion of this aspect of Council's preferred position on the Amendment in Mr Drew's report, there are minimal environmental constraints affecting the land proposed to be rezoned at Southern Cross, and more efficient use of the land intended for rural living purposes could be achieved with a one hectare minimum lot size.
56. It would reduce the pressure for dwellings on small and larger lots in the Farming Zone around Southern Cross and Koroit, which will assist in preserving productive farmland in the area in

⁹ More information about the relevant recommendations of the Addendum Report are described within Mr Drew's report at Appendix B.



- accordance with State Planning Policy. In addition, it will avoid the further expansion of the rural residential development footprint at Southern Cross into surrounding agricultural land.
57. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7 of the Resolution regarding Submission 13, which requested the alignment of the boundaries between the proposed of FZ1 and FZ2 Schedules with the property boundaries, this is consistent with the approach set out in the Practitioner's Guide.
 58. Submission 13 requested a minor increase to the extent of the FZ2 to accord with the title boundaries of a consolidated lot PC379510Y, so that only one minimum lot size applies to the subject land.
 59. It would be appropriate for the entirety of the property to be within FZ2, as the majority of the subject land is within the existing 10 hectare minimum lot size area.
 60. The subject lot has an area of 13.57 hectares and the requested change would not materially affect the development rights of the property and could be viewed as a planning scheme anomaly.
 61. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7 of the Resolution regarding Submission 51, the Department of Environment, Land, Water and Planning's request to include additional information in the Planning Policy Framework strengthen the strategic framework was supported.
 62. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7 of the Resolution regarding Submission 59, the Department of Transport's request to include the minimum setback distances from a Transport 2 Zone in Schedule 2 to Clause 35.03 Rural Living Zone similar to that specified in Schedule 2 to Clause 35.07 Farming Zone was supported.
 63. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7(a) of the Resolution, Council refers the Panel to the Addendum Report providing support for the recommended extent of rural living zoning, and to the matters set out in Submission 15 relating to the logic of selecting land for rezoning on the southern approach to Hawkesdale, bearing in mind the existing lots sizes and condition of the land.
 64. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7(b) of the Resolution, Council again refers to the Addendum Report, the recommendations to which informed the exhibited form of the Amendment.
 65. In relation to that part of Council's preferred position on the Amendment set out in paragraph 7(c) of the Resolution, Council draws to the Panel's attention population growth that has taken place across the towns of the municipality since the finalisation of the RHSS and that is forecast to continue¹⁰, with recent growth being most notable in the immediate post-Pandemic period¹¹. This trend is coupled with older age groups being the highest proportional population growth

¹⁰ *Residential Land Supply and Demand Assessment 2021*, Spatial Economics, in particular the VIF 2019 forecast for population and housing demand growth (see page 25 for VIF 2021-2036 and REPLAN for same period).

¹¹ Regional population growth analysis from the ABS reflects the municipality reflects a +1.33% change in population in 2021, the most significant in the last 10 years by a notable margin.



- (expected to more than double to 2041¹²) and the housing needs of this cohort (predicted to be separate houses, not medium or higher density housing).
66. Record job opportunities due to improving economic conditions are making regional areas of Australia increasingly attractive, but the experience within the Moyne municipality (as in many regional areas) is that the regional rental market is under stress. The need for key worker, community and social housing in the municipality is well understood by Council, providing an important base to support economic development within the municipality including for the agricultural and tourism sectors.
 67. While Council is unable to furnish the Panel with expert opinion or technical data to link the specifics of the preferred position on the Amendment reflected in paragraph 7(c) of the Resolution to these macro planning trends impacting the vitality and well-being of the municipality, there is ample general information available to which the Panel's attention is directed¹³.
 68. There are a number of submissions received in response to exhibition that bear out the opportunities to accommodate the demand for housing, which lie in Koroit, Crossley, Illowa, Tower Hill and Port Fairy. Council encourages the Panel to regard the submissions from the community as providing important justification for its preferred position on the Amendment.
 69. Finally, in relation to that part of Council's preferred position on the Amendment set out in paragraph 7(d) of the Resolution, Council refers the Panel to the matters discussed at paragraphs 60 to 62 of this Part A submission and to submissions 7, 8, 9, 14, 23, 35, 52, 53, 60 and 63 in relation to future identification of further areas for future growth.

VIEWS OF RELEVANT SERVICE OR PUBLIC AUTHORITIES

70. Council has not sought the views of any service or public authorities with relation to Council's preferred position on the Amendment at this time.

RESIDENTIAL LAND SUPPLY & DEMAND ASSESSMENT, 2021

71. The *Residential Land Supply & Demand Assessment, 2021* (Spatial Economics) (**RLSDA**) provides a detailed assessment of the historic, current and future assessment of residential land supply and demand across Moyne. The RLSDA forms **Attachment B** to Council's Part A submission.
72. The report effectively provides a residential land supply and demand assessment for the municipality, using an assessment that includes:
 - 72.1 the identification of historical and current residential lot construction activity by supply type and location;
 - 72.2 identification of all zoned and unzoned urban residential land supply stocks including estimates of lot yields on a site by site basis;

¹² See Residential Land Supply and Demand Assessment 2021, Spatial Economics pages 52 – 53.

¹³ Including the [Key and Essential Worker Housing Supply Action Plan](#) (VPA and the councils of the Great South Coast and Barwon regions of Victoria, including Moyne Shire Council), September 2020 and [Building the Good Life, RAI Discussion Paper: Meeting the demand for regional housing](#) (Regional Australia Institute), May 2022.



- 72.3 assessment of the stock of rural residential land;
 - 72.4 examination of the quantum and composition of future residential demand;
 - 72.5 presentation of potential future demand scenarios; and
 - 72.6 estimation of the years of supply of undeveloped residential land stocks.
73. The RLSDA is intended to serve as a monitoring tool to all the improvement in the management of urban growth, but provides useful information to support Council's preferred position on the Amendment.

MINISTERIAL DIRECTIONS & PLANNING PRACTICE NOTES

74. The Amendment is consistent with the requirements of the following Ministerial directions and planning practice notes:
- 74.1 Ministerial Direction on the Form and Content of Planning Schemes;
 - 74.2 Ministerial Direction No. 1 – Potentially Contaminated Land; and
 - 74.3 Planning Practice Note 37 – Rural Residential Development (June 2015).

OTHER AMENDMENTS & STRATEGIC PROJECTS

Amendment C69moyn

75. Amendment C69moyn seeks to implement the recommendations of the *Port Fairy Coastal and Structure Plan, 2018* by revising the Local Areas Policy relevant to Port Fairy in the Local Planning Policy Framework of the Moyne Planning Scheme, making relevant changes to the zone and overlay controls applicable to Port Fairy, and updating the operational provisions.
76. A panel has been appointed to hear Amendment C69moyn following completion of public exhibition on 28 July 2020 and the receipt of submissions.

Amendment C75moyn

77. Amendment C75moyn is made at the request of *Myers Planning Group Pty* on behalf of *Rivers Run Estate Pty Ltd* and is site specific to 169A and 183 Princes Highway, Port Fairy, seeking to re-zone the land from the Farming Zone and General Residential Zone to the Neighbourhood Residential Zone and apply the Development Plan Overlay Schedule 5 to the land.
78. A concurrent application for a planning permit proposes to subdivide the land into 75 residential lots, undertake earthworks (cut and fill), construct 10 dwellings on Proposed Lot 20, create or alter access to a road in a Road Zone Category 1, and create or remove easements.
79. Submissions are currently being assessed for Amendment C75moyn following completion of public exhibition on 31 January 2022.



OTHER STRATEGIC PROJECTS

Koroit Structure Plan

80. Council adopted the Koroit Structure Plan on 15 September 2020. The RHSS 2010 and Addendum Report 2015 were considered in the preparation of the Structure Plan. Recommendations of these documents were not altered by the Structure Plan.
81. A residential growth area has been identified in the Structure Plan, which is the area identified for future residential growth is bounded by the Koroit-Port Fairy Road, King Street, Anne Street, and on the eastern side, Victoria Park and existing residential development. This area is located within the Settlement Boundary identified in the Addendum Report.
82. It is estimated that the residential growth area will provide approximately 550 residential lots at a density of 10 lots per hectare. However, the actual yield may differ depending upon the development density and specific road, drainage and open space requirements.
83. Council is yet to commence the preparation of a planning scheme amendment to implement the recommendations of the Koroit Structure Plan.

CONDITIONS OF AUTHORISATION

84. Below is a summary of the conditions of authorisation and description of how those conditions have been met

Conditions	How the condition has been met
1 Remove the proposed Rural Living Zone at Bushfield/Wangoom, Illowa East and Yarpurk. The proposed RLZ3 at Bushfield/Wangoom may be replaced by the proposed FZ4.	Accepted The exhibited amendment did not include the proposed Rural Living Zone at Illowa East and Yarpurk. Planning Scheme mapping was revised to extend the proposed FZ4 to include the proposed RLZ3 at Bushfield/Wangoom. Refer to Moyne C70 018znMaps37_39 Exhibition Gazetted.
2 Reduce the extent of the proposed Rural Living Zone at Hawkesdale, Koroit West, Southern Cross and Woolsthorpe. Land removed from the proposed RLZ2 at Koroit West should be replaced by the proposed FZ3.	Accepted The Planning Scheme mapping was revised to reduce the extent of the proposed Rural Living Zone at Hawkesdale and Woolsthorpe, and extend the proposed FZ3 to include the land removed from the proposed RLZ2 at Koroit West. Refer to Moyne C70 005znMap10 Exhibition Gazetted, Moyne C70 012znMaps21_22_34_37_38 Exhibition Gazetted and Moyne C70 006znMap24 Exhibition Gazetted.
3 Increase the minimum lot size at Southern Cross to 2 hectares.	Accepted The Planning Scheme mapping was revised to include the land at Southern Cross in RLZ2, which has a minimum lot size of 2 hectares. Refer to Moyne C70 013znMap37 Exhibition Gazetted.



4	Remove the area currently within the SLO6 from the proposed FZ2 and retain as FZ.	Accepted The Planning Scheme mapping was revised to remove the area currently within the SLO6 from the proposed FZ2 and retain as FZ. Refer to Planning Scheme Map Moyne C70 016znMaps34_37 Exhibition Gazetted.
5	Amend the zoning map for Nullawarre to correct minor errors and inconsistencies.	Accepted The Planning Scheme mapping for Nullawarre was revised to correct minor errors and inconsistencies. Refer to Moyne C70 023znMaps40_44_45 Exhibition Gazetted.
6	Renumber the existing RLZ schedule to RLZ1 consistent with the Ministerial Direction on the Form and Content of Planning Schemes and update the planning scheme maps accordingly.	Accepted Administrative change to improve the clarity of the Planning Scheme.
7	Consider rezoning RLZ land in Port Fairy and Mailors Flat where a 4 hectare minimum lot size applies to RLZ3 to ensure the areas are more clearly identified in the Scheme, and for consistency with the approach taken by C70moyn to apply different schedules to areas with different minimum lot sizes.	Accepted Administrative changes to improve the clarity of the Planning Scheme.
8	Redraft the proposed Local Planning Policy to take into consideration the Local Planning Policy Framework (LPPF) translation which is currently being undertaken by DELWP as part of the Smart Planning program. The council should ensure that the proposed local policy content is consistent with the rules in Section 4 and writing instructions in Section 6 of the Practitioners Guide to Victorian Planning Schemes.	DELWP agreed to exhibition proceeding without any change to the proposed Local Planning Policy as the Local Planning Policy Framework (LPPF) translation of the Moyne Planning Scheme is yet to be completed.
9	Amend the Instruction Sheet and Explanatory Report to reflect the above changes.	Accepted

KEY ISSUES RAISED IN SUBMISSIONS

COMMUNITY SUBMISSIONS

85. A detailed summary of, and response to, the submissions received in response to exhibition forms part of Council's meeting agenda dated 3 May 2022.
86. Of the submissions that raise objection or request changes to the Amendment, the identified key themes are summarised as relating to:



- 86.1 opposition to application of the Rural Conservation Zone to land within the Budj Bim National Park Environs;
 - 86.2 requests for additional land to be re-zoned to the Rural Living Zone at Kirkstall, Koroit West and Southern Cross;
 - 86.3 opposition to, and requests for changes to the location of, land to be re-zoned Rural Living Zone at Hawkesdale;
 - 86.4 requests for reductions in the minimum lot size to 1 hectare or less at Crossley, Koroit West, Port Fairy, Southern Cross and Tower Hill
 - 86.5 opposition to the reduction of the minimum lot size for an 'as of right' dwelling to 10 hectares within Schedule 3 (*lifestyle farming area*) to the Farming Zone at Koroit West, Crossley and Kirkstall;
 - 86.6 opposition to the increase in the minimum lot size from 10 hectares to 40 hectares under the Farming Zone in the Belfast Rural Area (Kilarney and Tower Hill, south of Princes Highway, bounded by Rocks Road and Gormans Road);
 - 86.7 support for the proposed re-zoning at Purnim to the Township Zone and the subsequent making of additional land adjacent to the township available for development;
 - 86.8 requests for re-zoning to the Low Density Residential Zone at Grassmere, Kirkstall, Koroit West and Port Fairy;
 - 86.9 concerns regarding the extent of time that has elapsed since the finalisation of the strategy documents, including the validity of background data and subsequent changes to planning requirements, including new environmental protection and bushfire planning measures; and
 - 86.10 blanket opposition to entire amendment.
87. Council will respond to these issues in its 'Part B' submission, including with reference to the report of Mr Drew who will give evidence to assist the Panel against a background of his expertise in the field of town planning and experience at Moyne Shire Council in strategic planning in particular.

AGENCY SUBMISSIONS

Department of Environment, Land, Water and Planning, particularly with relation to Crown Land

- 88. The submission received from DELWP is listed as Submission 51.
- 89. Noting support for the intent of the Amendment, the submission provides the following comments:
 - 89.1 support for the recognition of environmental values through use of the Rural Conservation Zone;
 - 89.2 noting that Crown Land should logically be included within the proposed re-zoning of public land to either the Public Use Zone, Public Conservation and Resource Zone or Public Park and Recreation Zone;



- 89.3 noting that concerns may exist with relation to proposed re-zoning of land that is adjacent to Crown Land;
- 89.4 identification of specific additional opportunities for inclusion of additional information to strengthen strategic framework and planning controls to better guide use and development of agricultural land, rural living development and the growth and development the municipalities smaller settlements, with specific comment listed for each area.

Wannon Water, particularly with relation to waste-water issues

- 90. The submission received from Wannon Water is listed as Submission 25.
- 91. The submission notes generally the need from greater water and sewerage services for subdivision of lots of less than 1 hectare and the subsequent need to consider cumulative impacts on the environment with relation to wastewater impacts, drinking water supply and groundwater extraction.
- 92. The submission advises of concerns with current management of on-site wastewater systems and that increased density in areas unconnected to mains sewerage will mean less effective management and monitoring. The submission therefore notes a preference for density increases to occur in areas where infrastructure is available to support such density.
- 93. With specific relation to the proposed re-zoning, the submission notes:
 - 93.1 concerns that lots will not be able to contain the wastewater system loads;
 - 93.2 land capability assessments should be required for all new developments in areas that not connected to reticulated sewerage; and
 - 93.3 specific concern that existing issues within Mailors Flat, where lot sizes of less than 0.4 hectares, heavy clay soil conditions and the location downslope of existing development has led to waterlogging, will be replicated in other areas without appropriate mitigation measures.

Department of Transport, particularly with relation to the setback to the road reserve in Port Fairy

- 94. The submission received from the Department of Transport (**DoT**) is listed as Submission 59.
- 95. Noting that DoT is supportive of the amendment, the submission provides the following comments for consideration:
 - 95.1 future development of towns and hamlets with moderate to higher growth potential must have regard to the interaction between general traffic and construction traffic associated with identified potential wind-farm developments;
 - 95.2 Council should carefully assess the interface of tourist development with other modes of traffic in accordance with Clause 18.01-1 (Land Use and Transport Planning) and Clause 18.01-2S (Transport System);
 - 95.3 consideration should be given to a minimum setback from the Road Zone, Category 1 or land within a Public Acquisition Overlay (**PAO**) (consistent with that specified in Schedule 2 to the Farming Zone) within the areas proposed to be re-zoned to the



Rural Living Zone, Schedule 1 and Schedule 3 where affected by the PAO for the future Port Fairy bypass;

- 95.4 consideration should be given to the provision of a minimum setback from a Road Zone, Category 1 to land within the Rural Living Zone, Schedule 1 and Schedule 2, (similar to that specified in Schedule 2 to the Farming Zone); and
- 95.5 careful assessment is required of direct access to arterial roads within the Koroit Structure Plan in consultation with DoT, due to the increase in traffic and the important link these arterial roads play in supply chain of nearby industries.

Warrnambool City Council

- 96. The submissions received from Warrnambool City Council (**WCC**) is listed as Submission 61.
- 97. Whilst commending Council on the progressing of the Amendment, the WCC submission advises of the following concerns:
 - 97.1 the need for a community impact assessment to identify demand on Moyne and Warrnambool as a result of the Amendment, noting that estimated dwelling and population numbers of projected residential growth areas, noting that they appear to be conservative in current and with specific relation to:
 - (i) infrastructure investments resulting from population growth; and
 - (ii) demand on Warrnambool's community services (early years, sports and recreation, open space and parks and gardens);
 - 97.2 the need to consider and respond to the strategic directions within the Warrnambool Planning Scheme and the Warrnambool Domestic Wastewater Management Plan (2020-2025) for the settlement of Bushfield-Woodford;
 - 97.3 the need for a traffic impact assessment for Bushfield to inform proposed rezoning, including any amenity or cost implications for the road network managed by WCC' and
 - 97.4 confirmation that properties within Warrnambool that are in proximity to the proposed rezoning of Bushfield have been notified of the Amendment.

"CHANGES" IN RESPONSE TO SUBMISSIONS

- 98. As per the Resolution, the Panel is reminded that in response to the submissions received on exhibition of the Amendment, Council resolved to:
 - 98.1 abandon part of the Amendment which concerns the application of the Rural Conservation Zone, Schedule 2 to the Budj Bim National Park Environs, as shown on Map Moyne C70 003znMaps06_08_18_19 Exhibition, in accordance with Section 23 (1) (c) of the *Planning and Environment Act 1987*; and
 - 98.2 abandon part of the Amendment which concerns the increase to the minimum lot size from 10 hectares to 40 hectares within the Farming Zone in the area south of the Princes Highway, bounded by Rocks Road to the east of Gormans Road, at



Killarney and Tower Hill, as shown on the attached map, in accordance with Section 23 (1) (c) of the *Planning and Environment Act 1987*.

99. The submissions that gave rise to the partial abandonment of the Amendment have not been referred to the Panel.

100. As previously indicated, Council resolved to present a preferred position on the Amendment for the Panel's consideration that broadly takes two parts:

Supporting the exhibited form of the Amendment, contrary to the recommendation of Council's internal strategic planning officers:

100.1 retention of the exhibited Farming Zone, Schedule 3 (FZ3) 'lifestyle farming' area between Koroit-Kirkstall, Crossley and Tower Hill;

Advocating for additional changes to the ordinance and mapping beyond the exhibited Amendment as follows:

100.2 reduction in the minimum lot size from 2 hectares to 1 hectare for the proposed Rural Living Zone at Southern Cross;

100.3 supporting the change to the boundary between FZ1 and FZ2 at Illowa as requested in Submission No.13;

100.4 supporting the inclusion of additional information in the Planning Policy Framework strengthen the strategic framework as requested in Submission 51;

100.5 supporting the inclusion of the minimum setback distances from a Transport 2 Zone in Schedule 2 to Clause 35.03 Rural Living Zone similar to that specified in Schedule 2 to Clause 35.07 Farming Zone as requested in Submission 59;

100.6 supporting the change to the location of the land proposed to be rezoned to Rural Living Zone, Schedule 1 at Hawkesdale as requested in Submission No.15;

100.7 reduction in the minimum lot size from 2 hectares to 1 hectare for the proposed Rural Living Zone at Koroit, Crossley, Illowa and Tower Hill;

100.8 reduction in the minimum lot size from 4 hectares to 1 hectare in the existing Rural Living Zone at Port Fairy; and

100.9 amendment of the Framework Plans for Hawkesdale, Kirkstall, Koroit West, Purnim and Southern Cross in the exhibited Clause 21.09 to identify land for future growth as requested in Submission No.s 7, 8, 9, 14, 23, 35, 52, 53, 60 and 63.

CONCLUSION

101. This concludes Council's 'Part A' submission.



Adeline Lane, Principal
Jackson Lane Legal
Lawyers for the Planning Authority

5 September 2022

Liability limited by a scheme approved under Professional Standards Legislation



ATTACHMENT A - CHRONOLOGY OF EVENTS

DATE	EVENT
Preparation of RHSS and Land Capability and Biodiversity Studies Project	
June 2007	<ul style="list-style-type: none">▪ Council commenced the preparation of the <i>Moyne Shire Land Capability and Biodiversity Studies Project</i>.
11 December 2008	<ul style="list-style-type: none">▪ Council commencement preparation of the <i>Moyne Warrnambool Rural Housing and Settlement Strategy</i>.
23 February 2010	<ul style="list-style-type: none">▪ Council resolved to exhibit the two strategies (along with the <i>Tower Hill Design Guidelines</i>) for three months.
April and May 2010	<ul style="list-style-type: none">▪ Community engagement workshops were undertaken across the Shire.
23 November 2010	<ul style="list-style-type: none">▪ Council resolved to receive and adopt the two strategies (along with the <i>Tower Hill Design Guidelines</i>).
Amendment C44	
10 May 2011	<ul style="list-style-type: none">▪ Council officers submitted a request to the former Department of Planning and Community Development (DPCD) for authorisation to prepare an amendment to implement the outcomes of the adopted strategies.
17 June 2011	<ul style="list-style-type: none">▪ DPCD authorised Council to prepare and exhibit Amendment C44.
17 May 2012	<ul style="list-style-type: none">▪ Council requested an extension to the authorisation and to separate those parts of Amendment C44 that related to <i>Moyne Shire Land Capability and Biodiversity Studies Project</i> and the <i>Tower Hill Design Guidelines</i> into a separate amendment to be processed concurrently.▪ Subsequently, Amendment C44 was separated as follows:<ol style="list-style-type: none">1. those parts of the studies that related to changes to the <i>Moyne Warrnambool Rural Housing and Settlement Strategy</i> remained with Amendment C44; and2. those parts of the studies that related to implementation of <i>Moyne Shire Land Capability and Biodiversity Studies</i>



	<p><i>Project and the Tower Hill Design Guidelines were separated into Amendment C56.</i></p>
30 May 2012	<ul style="list-style-type: none">▪ DPCD granted an extension to the authorisation for the separate amendments C44 and C56 until 17 June 2013.
25 June 2013	<ul style="list-style-type: none">▪ DPCD advised that the Authorisation for Amendment C44 expired.
Preparation of Addendum Report	
January 2014	<ul style="list-style-type: none">▪ Council commenced an in-house review of the recommendations of the <i>Moyne Shire Land Capability and Biodiversity Studies Project</i> and <i>Moyne Warrnambool Rural Housing and Settlement Strategy</i>.
August 2015	<ul style="list-style-type: none">▪ A subsequent addendum report to the two strategies, titled <i>Moyne Shire Council Rural Housing and Settlement Strategy – Addendum Report</i>, was produced by Council following the in-house review.
22 September 2015	<ul style="list-style-type: none">▪ Council resolved to adopt the Addendum Report and to commence the preparation of a planning scheme amendment to implement the recommendations of the original strategies and Addendum Report.
26 April 2017	<ul style="list-style-type: none">▪ Council resolved to separate the forthcoming amendment into two parts as follows:<ol style="list-style-type: none">1. the recommendations of the <i>Moyne Shire Land Capability and Biodiversity Studies Project</i>, <i>Moyne Warrnambool Rural Housing and Settlement Strategy</i> and <i>Moyne Shire Council Rural Housing and Settlement Strategy – Addendum Report</i>, with the exception of the recommendations related to environmental protection to be continued under Amendment C44; and2. the excluded recommendations relating to environmental protection to be the subject of a future amendment following the conclusion of Amendment C44.
28 August 2018	<ul style="list-style-type: none">▪ Council resolved to write to the Minister for Planning and GPG (Wind Farm proponent) requesting an increase in the buffer distance between the wind towers and the township of Hawkesdale, noting that this resulted in a change to the proposed framework plan for Hawkesdale as a consequence.
Amendment C70moyn	



29 January 2020	<ul style="list-style-type: none">▪ Council officer submitted a request for authorisation to prepare Amendment C70moyn (renamed from Amendment C44 following the introduction of the Amendment Tracking System).
6 February 2020	<ul style="list-style-type: none">▪ The Department of Environment, Land, Water and Planning (DELWP) advised Council in a letter that <i>“the application requires further review to understand the overall impact of the proposed changes to the Farming Zone and Rural Living Zone.”</i>
3 March 2020	<ul style="list-style-type: none">▪ DELWP provided a written analysis outlining the key issues and queries in relation to the Amendment.
March/April 2020	<ul style="list-style-type: none">▪ A meeting was held between Council and DELWP officers to discuss the written analysis provided by DELWP on 3 March 2020.
30 April 2020	<ul style="list-style-type: none">▪ Council submitted an initial response to DELWP in relation to the key issues and queries raised in the 3 March 2020 correspondence.
5 May 2020	<ul style="list-style-type: none">▪ DELWP provided an email response in relation to Council’s initial response provided in the 30 April 2020 correspondence.
14 July 2020	<ul style="list-style-type: none">▪ Council submitted a further response to DELWP in relation the key issues and queries raised in the 3 March 2020 correspondence.
17 July 2020	<ul style="list-style-type: none">▪ DELWP requested a summary table of:<ol style="list-style-type: none">1. the area (hectares) of land to be rezoned to Rural Living Zone; and2. the potential additional lots/dwellings (based on the proposed minimum lot sizes) for the areas of Bushfield/Wangoom, Grassmere, Hawkesdale, Illowa East, Illowa West, Koroit West, Southern Cross, Woolsthorpe and Yarpturk;<p>to provide an understanding of the overall impact of increasing the supply of RLZ land across the Shire in terms of additional zoned land and housing opportunities.</p>
22 July 2020	<ul style="list-style-type: none">▪ Council provided the requested summary table as requested by DELWP.



14 August 2020	<ul style="list-style-type: none">▪ DELWP provided comments and recommendations in the form of a tabularised assessment of aspects of the Amendment for Council's consideration.
August/September 2020	<ul style="list-style-type: none">▪ Meeting with held between Council and DELWP officers regarding the comments and recommendations provided by DELWP on 14 August 2020.
8 October 2020	<ul style="list-style-type: none">▪ DELWP advised that it would undertake further analysis of the areas proposed to be rezoned to Rural Living Zone and assemble additional information around land supply & demand.▪ DELWP requested that Council provide updated planning/building stats for dwelling approvals for the last five years (2015-2020) for Bushfield/Wangoom, Grassmere, Hawkesdale, Koroit West, Southern Cross, Woolsthorpe and Yarpurk to gain a more recent overview of development trends in these settlements.
6 November 2020	<ul style="list-style-type: none">▪ Council provided the additional building and planning approvals data requested by DELWP.
11 February 2021	<ul style="list-style-type: none">▪ DEWLP provided an assessment of the proposed rezonings and policy changes, which were to form the basis for authorisation conditions for the Amendment.
12 April 2021	<ul style="list-style-type: none">▪ DEWLP authorised Council to prepare and exhibit the Amendment subject to the following conditions:<ol style="list-style-type: none">1. Remove the proposed Rural Living Zone at Bushfield/Wangoom, Illowa East and Yarpurk. The proposed RLZ3 at Bushfield/Wangoom may be replaced by the proposed FZ4.2. Reduce the extent of the proposed Rural Living Zone at Hawkesdale, Koroit West, Southern Cross and Woolsthorpe. Land removed from the proposed RLZ2 at Koroit West should be replaced by the proposed FZ3.3. Increase the minimum lot size at Southern Cross to 2 hectares.4. Remove the area currently within the SLO6 from the proposed FZ2 and retain as FZ.5. Amend the zoning map for Nullawarre to correct minor errors and inconsistencies.



	<ol style="list-style-type: none">6. Renumber the existing RLZ schedule to RLZ1 consistent with the Ministerial Direction on the Form and Content of Planning Schemes and update the planning scheme maps accordingly.7. Consider rezoning RLZ land in Port Fairy and Mailors Flat where a 4 hectare minimum lot size applies to RLZ3 to ensure the areas are more clearly identified in the Scheme, and for consistency with the approach taken by C70moyn to apply different schedules to areas with different minimum lot sizes.8. Redraft the proposed Local Planning Policy to take into consideration the Local Planning Policy Framework (LPPF) translation which is currently being undertaken by DELWP as part of the Smart Planning program. The council should ensure that the proposed local policy content is consistent with the rules in Section 4 and writing instructions in Section 6 of the Practitioners Guide to Victorian Planning Schemes.9. Amend the Instruction Sheet and Explanatory Report to reflect the above changes.
4 September 2021	<ul style="list-style-type: none">▪ Council commenced exhibition of the Amendment, concluding on 8 November 2021
3 May 2022	<ul style="list-style-type: none">▪ At its Ordinary Meeting, Council resolved that it:<ol style="list-style-type: none">1. Accepts Submission No.s 59, 60, 61, 62 and 63 as late submissions;2. Considers all submissions to Amendment C70moyn to the Moyne Planning Scheme;3. Abandons that part of the Amendment which concerns the application of the Rural Conservation Zone Schedule 2 (RCZ2) to the Budj Bim National Park Environs, as shown on Map Moyne C70 003znMaps06_08_18_19 Exhibition, in accordance with Section 23 (1) (c) of the Planning and Environment Act 1987;4. Abandons that part of the Amendment which concerns the increase to the minimum lot size from 10 hectares to 40 hectares within the Farming Zone in the area south of the Princes Highway, bounded by Rocks Road to the east of Gormans Road, at Killarney and Tower Hill, as shown on the attached map, in accordance with Section 23 (1) (c) of the Planning and Environment Act 1987;5. Requests the Minister for Planning to appoint an Independent Panel under Part 8 of the Planning and



Environment Act 1987 to consider the submissions as referred by Council

6. Refers all submissions, except:

- Submission No.s 4, 5, 6, 10, 11, 22, 32, 33, 39, 42 and 64 pertaining to the application of the Rural Conservation Zone Schedule 2 (RCZ2)
- Submission No.s 41, 55, and 58 pertaining to the increase to the minimum lot size within the Farming Zone in the area south of the Princes Highway at Killarney and Tower Hill

to the Panel in accordance with Section 23 (1) (b) of the Planning and Environment Act 1987;

7. Submits to the Panel its response to the submissions generally as outlined in this report and the attachment, except for the following changes

- Supporting the change to the location of the land proposed to be rezoned to Rural Living Zone Schedule 1 (RLZ1) at Hawkesdale requested in Submission No.15.
- Supporting the retention of the exhibited Farming Zone Schedule 3 (FZ3) 'lifestyle farming' area between Koroit-Kirkstall, Crossley and Tower Hill.
- Supporting the requests for reductions in the minimum lot size from two hectares to one hectare for the proposed Rural Living rezonings at Koroit, Crossley, Illowa and Tower Hill, and the reduction of the minimum lot size from four hectares to one hectare in the existing Rural Living Zone at Port Fairy.
- Supporting the amendment of the Framework Plans for Hawkesdale, Kirkstall, Koroit West, Purnim and Southern Cross in the exhibited Clause 21.09 to identify land for future growth as requested in Submission No.s 7, 8, 9, 14, 23, 35, 52, 53, 60 and 63.

8. Authorise the Director of Economic Development and Planning to submit to the Panel revised Local Planning Policy taking into consideration the Local Planning Policy Framework (LPPF) Translation for consideration, in accordance with the authorisation conditions; and

9. Considers the feasibility of undertaking a new small towns and settlements strategy/further strategic work as part of the forthcoming Planning Scheme Review.



2 August 2022	<ul style="list-style-type: none">▪ Directions Hearing via video conference.
10 August 2022	<ul style="list-style-type: none">▪ The Panel issued directions following the Directions Hearing, which addressed the procedural matter of post-exhibition changes to the Amendment.
19 September 2022	<ul style="list-style-type: none">▪ Panel Hearing is scheduled to commence.



JACKSON LANE
LEGAL

ATTACHMENT B – RESIDENTIAL LAND SUPPLY & DEMAND ASSESSMENT, SPATIAL ECONOMICS, MAY 2021

RESIDENTIAL LAND SUPPLY & DEMAND ASSESSMENT

Shire of Moyne

May 2021

Final

24/05/2021

Final Version 1.0

21/11/2020

Draft Version 1.0

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EXECUTIVE SUMMARY

The following report provides a detailed assessment of the historic, current and future assessment of residential land supply and demand across Moyne.

Historic Population Growth

Population Growth

Population growth has increased on an average annual basis of 0.6% or 98 persons per annum from 2011 to 2019. The estimated population of Moyne in 2019 was 17,000.

Residential Development Activity

Residential Building Approvals

As measured from 2008/09 to 2019/20, residential building approvals within Moyne averaged 104 per annum. Of which, 97% were for separate dwellings whilst 3% were for medium density housing.

Between 2008/09 and 2019/20, the annual number of residential buildings approved has gradually declined, with an average of 119 per annum between 2008/09 to 2012/13, down to an average of 93 from 2013/14 to 2019/20. During this period, volumes of residential building approvals have "tested new lows", at 80 dwellings in 2013/14. Moyne had a peak of 132 residential buildings approved in 2009/10.

Residential Lot Construction

Compared to building approvals, residential lot construction is markedly more cyclical. From 2008 to 2020 residential lot construction activity has averaged 69 per annum (compared to 103 residential building approvals). This infers that 33% of housing construction activity is located on existing vacant lots subdivided prior to 2008.

Of the lot construction activity measured since 2008/09:

- 4% was major infill (3 lots per annum);
- 9% was farm lots for the purpose of lifestyle lots (6 lots per annum);
- 20% was rural residential (14 lots per annum);
- 32% was broadhectare (22 lots per annum); and
- 34% was dispersed/minor infill (24 lots per annum).

Residential lot construction activity as measured from July 2008 to July 2020 was concentrated within the urban centres of Port Fairy (22 lots per annum) and Koroit (14 lots per annum). Relatively, there was significant lot construction activity in Peterborough (7 lots per annum) and Mortlake with 6 lots per annum.

Outside of the above urban centres there was minimal residential lot construction activity.

Of the broadhectare lot construction activity since 2008:

- 4% were compact (sized less than 400 sqm);
- 28% were suburban (sized 400 to 600 sqm);
- 59% were large suburban (600 to 1,000 sqm); and
- 9% low density suburban (over 1,000 sqm).

In 2019, the median sales value of a vacant residential lot by locality was:

- Port Fairy - \$235,000;
- Peterborough – \$185,000;
- Koroit - \$125,000; and



- Mortlake - \$38,000.

Price growth as measured from 2009 has varied significantly across Moyne, overall increasing by 0.7% per annum. Whereas residential land values have increased by 5.5% per annum in Port Fairy, 5.3% in Peterborough and 4.6% in Koroit. This price growth trend is comparable to the total for regional Victoria.

Residential Land Supply

Broadhectare/Major Infill Land Stocks

In total, Moyne currently has capacity for the future provision of approximately 2,444 additional dwellings (including areas that are as yet, not zoned for residential development purposes), on broadhectare sites.

This capacity is comprised of:

- 544 unzoned broadhectare lots (22% of supply); and
- 1,900 zoned broadhectare lots (78% of supply).

Of this zoned lot potential, it is located in:

- Port Fairy – 110 lots;
- Peterborough – 133 lots;
- Mortlake – 140 lots; and
- Koroit – 161 lots.

Of this unzoned lot potential, it is located in:

- Koroit - 600 lots (70 hectares);
- Port Fairy -460 lots (118 hectares);
- Mortlake – 840 lots (108 hectares); and
- Purnim -no yield estimate (4 hectares).

Rural Residential

Across Moyne there was a total stock of 553 rural residential allotments. Of this stock, 180 lots (33%) were vacant. Vacant rural residential lots as a supply type for Moyne is comparable to other regional municipalities in Victoria.

Rural residential lot stock in Moyne is concentrated within four townships, nearly 80% of the lot stock is located in:

- Port Fairy – 180 lots (33% of the total stock);
- Mortlake – 114 lots (21%);
- Mailors Flat – 70 lots (13%); and
- Cudjee – 68 lots (12%).

There are significant stocks of land identified for future rural residential use/zoning. There is a total of 514 hectares of land identified for future rural residential zoning, all of which is designated for future Rural Living (RLZ).

The vast majority of the land identified for future rural residential living is effectively recognition of the existing use i.e. existing allotments are rural residential in size and character. Of the land identified for future rural residential zoning, Spatial Economics considers there will be a marginal increase in lot/dwelling capacity, based on the proposed zoning change.



Projected Housing Demand

Spatial Economics have presented two projected demand scenarios based on the most recently available evidence. These demand scenarios are outlined below.

Scenario One: REMPLAN – dwelling forecasts undertaken for the Moyne Shire Council by REMPLAN. Dwelling requirements from 2021 to 2036 at 45 per annum or a 0.5% per annum growth rate.

Scenario Two: VIF2019 – dwelling forecasts undertaken by the State Government (DELWP). Dwelling requirements from 2021 to 2036 at 93 per annum or a 1% per annum growth rate.

(note this is comparable to the dwelling growth as measured by the ABS Census from 2011 to 2016).

The smaller one and two person households (Couple Only and Lone Person households) both grow by the largest amounts (203 and 197 respectively) and at the fastest rates – 0.60% per annum for Lone Person and 0.49% per annum for Couple Only households from 2021 to 2041. This increase in the smaller households is usually connected with ageing – i.e. a higher proportion of empty nester, retiree and elderly households which are one and two persons only. Additionally, there is a social trend toward smaller households – more lone persons and smaller families.

Couple with Children households and Group households are forecast to grow by much smaller amounts (both increase by 32). Single parent households are forecast to decline by 42 households (0.45% per annum).

Adequacy of Land Stocks and Associated Recommendations Years Supply – Broadhectare

In terms of zoned broadhectare/major infill residential land stocks it is estimated based on the identified supply and projected demand scenario (VIF2019 – Spatial Economics preferred demand scenario), there are sufficient land stocks to satisfy approximately 16 years of demand across Moyne.

In addition, there are sufficient unzoned broadhectare residential land stocks to satisfy over 25 years of demand.

In summary, Spatial Economics recommend:

1. Increasing the stock of zoned broadhectare land for the township of Port Fairy in the short term.

Currently, Port Fairy has sufficient zoned broadhectare land stocks to meet approximately eight years of demand (VIF2019 based scenario) based on a current zoned lot capacity of 110.

Within Port Fairy, there is an identified future broadhectare lot potential of approximately 460 lots (currently unzoned for urban density residential development).

There are two distinct areas identified for future residential development. The first, with a likely lot yield of approximately 150 is currently zoned a mixture of a) Rural Living; and b) Mixed Use. It is bounded by the Princes Highway to the east, Albert Road to the west and Hamilton-Port Fairy Road to the south. The identified future land release area is characterised by:

- significant land fragmentation;
- existing rural residential dwellings/uses; and
- overland flooding issues.

It is unlikely that a comprehensive master-planned broadhectare land development/release will result within this area. Rather, sporadic, site specific land developments are likely to



occur. However, Spatial Economics consider, that over the course of time, it is likely to achieve the estimated lot/dwelling yield of approximately 150.

The second area identified for future urban density residential development, is located directly south of the former. Bounded by Hamilton-Port Fairy Road to the north and the Princes Highway to the south. It is estimated that this area will have a lot/dwelling yield of approximately 310.

Although it does have overland flooding issues and environmental constraints, it is not highly fragmented, it has larger 'parent' lots and is likely to result or at least has the characteristics to result in a 'typical' master-planned land development.

Spatial Economics recommend that both these areas are rezoned for urban residential zoning in the short-term, the priority being the later site. Specifically, it is recommended that Council continues to progress the exhibited Planning Scheme Amendment C69moyn to implement the proposed rezonings.

2. Increasing the stock of zoned broadhectare land for the township of Koroit in the short-to medium term.

Although Koroit has approximately 18 years supply of zoned broadhectare land stocks, consideration should be given to the rezoning of land identified for future broadhectare development in the short to medium term.

The area identified for future residential broadhectare development has an estimated lot/dwelling potential of 600. The area is relatively unconstrained from a land development perspective, has large land parcels – it is ideal for the creation of a significant master-planned residential development/estate.

Koroit is in an ideal location to 'capture' potential housing demand from the neighbouring urban centre of Warrnambool. The availability of suitable supply can often create or in this instance, capture demand from substitutable housing markets. Competition to capture housing demand from Warrnambool would need to be based on price and/or product differentiation.

It is highlighted, that of the existing zone broadhectare/major infill supply stocks located in Koroit, there are only three sites that have the capacity to yield significant development outcomes, these include:

- King Street (east) - 59 lots and 6.4 hectares in size;
- Queen Street – 30 lots 3 hectares in size; and
- Wright Street - 20 lots and 1.7 hectares in size.

The King Street site is currently under development.

The residual zoned supply sites are fragmented and have relatively small development yields.

3. Spatial Economics recommend no action regarding the stock of broadhectare land in Peterborough in the short to medium term.

However, due to 'external' nature of demand for dwellings in Peterborough, it is recommended that dwelling construction is regularly monitored to ascertain any significant increase in demand.

4. Spatial Economics supports the rezoning of existing land zoned Rural Living (RLZ) to GRZ in Mortlake.

Spatial Economics acknowledges that there has been historically and forecast subdued housing demand in Mortlake. However, the majority of the zoned broadhectare stock in



Mortlake is subject to a minimum 2,000 sqm subdivided lot size. This in a practical land product sense is rural residential/low density in size.

The site identified for future urban residential development has a potential lot yield of 840 and is nearly 108 hectares in size. The site has a number of land development constraints, including highly fragmented land ownership and significant existing rural residential dwelling stock. However, it is recommended that the site is assessed in terms of capability of providing 'normal' urban densities i.e. 600 to 800 sqm in size.

If the site is deemed suitable for typical urban density outcomes, consideration should be given to rezone the site. This will provide Mortlake with diverse housing supply options, as currently they are limited to either rural residential type densities or infill/redevelopment of existing housing allotments.

However, unless a comprehensive master plan is prepared for this area, it is likely that sporadic, site-specific land developments will occur. Spatial Economics consider, that over the course of time (subject to demand levels), it is likely the site will achieve 'normal' urban development density outcomes .

- 5. Spatial Economics considers that the existing supply of urban and rural residential (zoned and unzoned) within the small townships across the Shire are sufficient to service existing and likely future demand for the foreseeable future .**



1.0 Introduction

1.1 Context

The following report is a residential land supply and demand assessment for the Moyne Shire.

The assessment includes:

- the identification of historical and current residential lot construction activity by supply type and location;
- identification of all zoned and unzoned urban residential land supply stocks including estimates of lot yields on a site by site basis;
- assessment of the stock of rural residential land;
- examination of the quantum and composition of future residential demand;
- presentation of potential future demand scenarios; and
- estimation of the years of supply of undeveloped residential land stocks.

The assessment provides a robust and transparent assessment of the supply and demand for residential land across Moyne. The assessment will facilitate informed decision making in terms of the existing and future residential land supply requirements.

In addition, the information will be of assistance to other related planning processes such as infrastructure and service planning.

1.2 Purpose

The monitoring of land supply is a key tool to assist in the management and development of growth across the municipal area of Moyne. The primary purpose of monitoring residential land supply is to improve the management of urban growth by ensuring that council, public utilities, government and the development industry have access to up-to-date and accurate information on residential land availability, development trends, new growth fronts, and their implications for planning and infrastructure investment.

The following report provides accurate, consistent and updated intelligence on residential land supply, demand and consumption. This in turn assists decision-makers in:

- maintaining an adequate supply of residential land for future housing purposes;
- providing information to underpin strategic planning in urban centres;
- linking land use with infrastructure and service planning and provision;
- taking early action to address potential land supply shortfalls and infrastructure constraints; and
- contributing to the containment of public sector costs by the planned, coordinated provision of infrastructure to service the staged release of land for urban development.

2.0 Approach & Scope

The following provides a brief outline of the major methodologies and approach in the assessment of recent residential lot construction, residential land supply areas, dwelling demand scenarios and determination of assessing adequacy of residential land stocks.

The methodology that Spatial Economics has employed for this project is based on the simple premise of matching the supply type with demand. This methodology assesses recent construction and future supply using the same criteria with the supply type definitions based on outcomes and on a lot by lot basis rather than administrative boundaries.



The methodology used by Spatial Economics is consistent with other State Government methodologies around Australia, including the Victorian State Governments Regional Urban Development Program. The criteria used to define the supply types are explained below.

Future Dwelling Requirements

The Victorian State Government demographic projections undertaken by the Department of Environment, Land, Water & Planning (VIF2019) provide a sound basis for potential dwelling growth requirements as they are developed in the context of State population growth.

Population and dwelling projections undertaken by REMPlan commissioned by Moyne Council are also included as a possible future demand scenario.

Undeveloped Land Supply Type Definitions

Urban – Larger and/or High Growth Townships

The townships included in this category include: Port Fairy, Koroit, Mortlake and Peterborough.

1. **Broadhectare** is defined as a residential land supply source that has not been used previously for urban development purposes or previously subdivided for normal/urban density development and typically located on/or near the urban fringe.
2. **Major Infill** is defined by development or capacity greater than 5 lots/dwellings per site and is located within the established urban area. There is often debate and “shades of grey” to the difference of major infill and broadhectare. Often, major infill can be described as remanent broadhectare i.e. greenfield land left undeveloped and urban development subsequently surrounding the site. Major infill sites are also characterised by having had no previous urban use/activity.
3. **Underutilised Infill** – from a land supply perspective this category includes all land that is sized greater than 4,000 sqm, the lot has access or serviced to reticulated sewerage and has currently one established residential dwelling on the lot. It is noted that this land supply category, is the dominant land supply source for established urban residential redevelopment/subdivision.
4. **Minor Vacant Residential** – from a land supply perspective this includes all lots that are zoned for residential purposes, are vacant (i.e. no habitable dwelling or major existing capital use) and is sized less than 4,000 sqm.

Urban – Smaller and/or Low Growth Townships

The townships included in this category include: Caramut, Cudgee, Ellerslie, Framlingham, Garvoc, Hawkesdale, Hexham, Kirkstall, Macarthur, Mailors Flat, Nullawarre, Orford, Panmure, Purnim, Winslow, Woolsthorpe, Woorndoo and Yambuk.

5. **Major Vacant Residential** - is defined by all zoned residential lots sized greater than 4,000 sqm that has no habitable dwelling and/or no existing major capital use.
6. **Underutilised Infill** – from a land supply perspective this category includes all allotments sized 8,000 sqm and above with an existing and when the existing dwelling is sited to allow ready re-subdivision. It is assumed that these lots have no access to reticulated sewerage. It is noted that this land supply category, is the dominant land supply source for smaller townships urban residential subdivision.
7. **Minor Vacant Residential** – from a land supply perspective this includes all lots that are zoned for residential purposes, are vacant (i.e. no habitable dwelling or major existing capital use) and is sized less than 4,000 sqm.

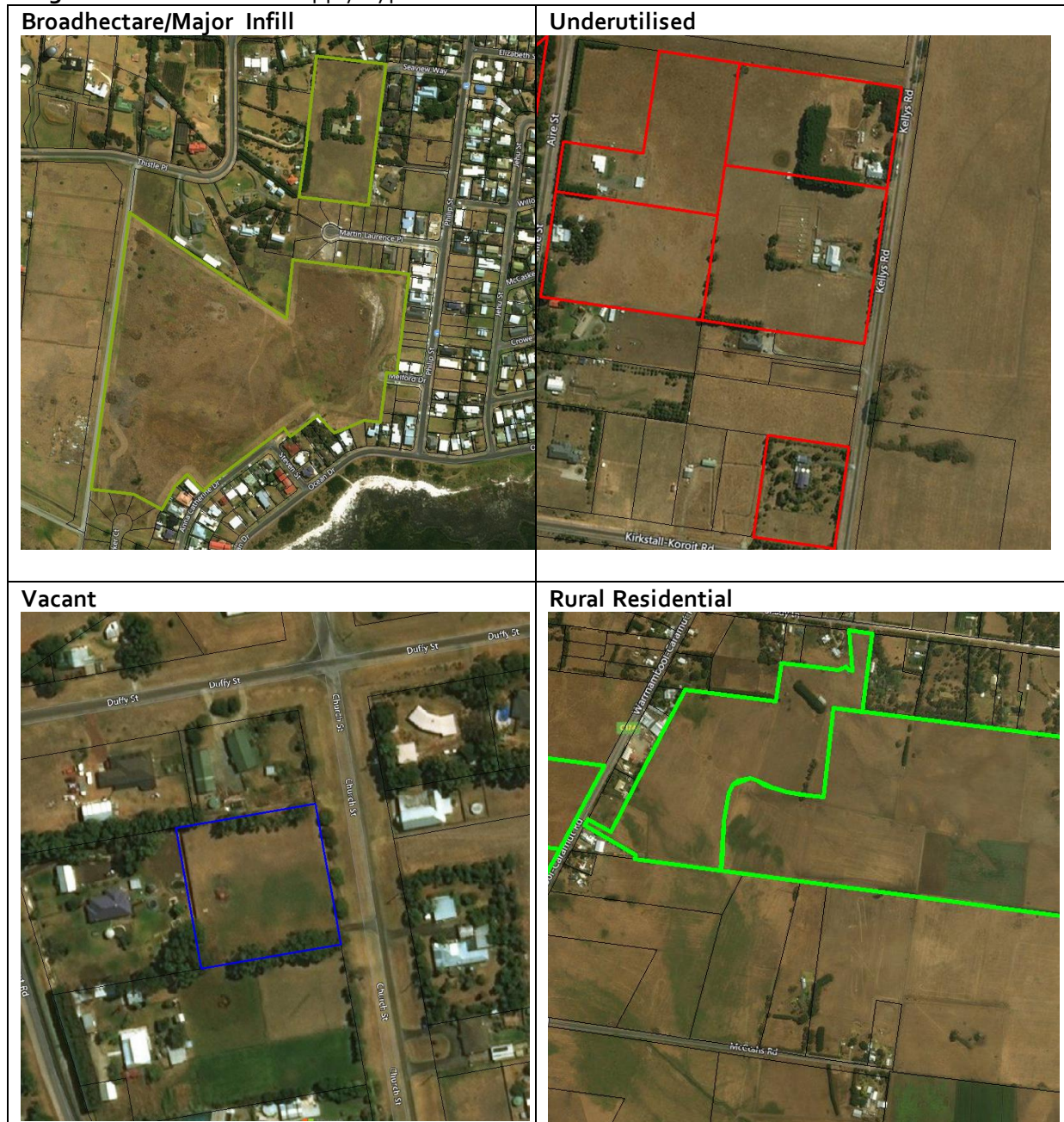


Rural

8. **Rural Residential** is from a land supply perspective, all lots zoned Rural Residential (RLZ) and Low Density Residential (LDRZ) that are vacant (i.e. no habitable dwelling or major existing capital use) .

The images below illustrate the supply types.

Image 1: Residential Land Supply Types



Geography

The following geographic areas are utilised for the land supply assessment and demographic analysis.

Townships/Localities: Township and locality boundaries are sourced from the Victorian State Government, gazetted by the Geographical Place Name Authority. Gazetted localities are the officially recognised boundaries of suburbs (in cities and larger towns) and localities (outside cities and larger towns).



REMPan Forecast Small Area: Developed by REMPlan for small area demographic projections, these boundaries broadly represent distinct housing market areas and distinct population centres.

2016 ABS SA2: Australian Bureau of Statistics geographic definition that are a general-purpose medium sized area built from whole SA1s. Their aim is to represent a community that interacts together socially and economically.

Moyne Shire is fundamentally comprised of two SA2 areas – Moyne West and Moyne East. However, there are a number SA2s that Moyne share with neighbouring municipalities including: Glenelg, Southern Grampians, Corangamite North, Corangamite South, Warrnambool North and Warrnambool South.

Residential Lot Construction

Residential lot construction has been determined via the assessment of the residential cadastre and the application of this cadastre to the land supply types identified above.

A constructed lot is defined by the year of construction and the finalisation of certificate of title.

Lot construction is only captured if it is for residential purposes.

It is noted, where new lot construction occurs (typically within mixed use type zones) and one lot results in multiple dwellings, the dwelling count is collected. Lot construction from the following assessment will largely result in one net additional dwelling.

Construction activity has been assessed on an annual financial year basis from 2008 to 2020.

Lot and dwelling construction have been undertaken for the following supply types:

- Rural Residential – lots subdivided that are zoned Low Density (LDRZ) and Rural Living (RLZ);
- Dispersed Infill – projects located with the existing established urban area the yield less than five net lots/dwellings;
- Major infill - projects located with the existing established urban area that yield five or more net lots/dwellings;
- Broadhectare/greenfield – projects located on the urban fringe that yield five or more lots/dwellings; and
- Select farms (where subdivision is clearly for lifestyle purposes as opposed to rural enterprise activity).

Lot Yields

Lot yields on a site basis has been undertaken for all urban land supply types, with exception to all existing vacant lots (i.e. vacant lots sized less than 4,000 sqm).

In establishing the lot yield for each individual land parcel, the following information was used: incidence and location of native vegetation, zoning, natural features such as creeks, escarpments, floodways, localised current/recent market yields, ability to be sewerred, existing studies such as structure plans.

In addition to site specific issues, 'standard' land development take-outs are employed, including local and regional. The amount/proportion of such take-outs are dependent on the land parcel i.e. a 1ha site will have less take-outs than say a 50ha site. Further intelligence and verification are sourced from Council officers.



Years of Supply

With the amount of supply and demand estimated, adequacy is described in years of supply. For example, it can be stated that there are X years of supply based on projected demand within a given geographic area.

In assessing the number of years of broadhectare/major infill residential land supply, only a component of the total projected demand is apportioned to estimate future demand. The remainder is apportioned for future demand of other forms of residential supply such as dispersed infill and rural residential.



3.0 Population Growth

Key Findings

Population growth for Moyne has been modest - an average annualized growth of 0.6% from 2011 to 2019 or 98 persons per annum. In recent years, the rate of population growth has been subdued at around 0.5% per annum.

The greatest rate of population growth has been located within the urban settlements of Port Fairy and Koroit.

Population growth was subdued in the rural areas of the municipality.

According to the Census dwelling counts in Moyne, dwelling growth from 2006 to 2016 was at a rate almost 50% higher than population growth. From 2006 to 2011 dwellings grew by 270 or 0.9 % per annum and from 2011 to 2016 dwellings grew by 322 or 1.0% per annum.

Population projections provided by REMPLAN are based on 2016 (the last Census year) and go out to 2041. For the purpose of this analysis, we will look at the 20-year period 2021 to 2041.

Overall, Moyne is projected to grow its population by 1,319 people at an average annual rate of 0.37%, from 2021 to 2041.

The dwelling projection in the REMPLAN forecast shows much greater variation from the population projection. That is because actual dwelling units are not entirely linked to population numbers. In particular the possibility for unoccupied dwellings or part-time occupied dwellings, means that demand for (and then supply of) dwellings is often greater than just that which is needed to house the population.

The total increase in dwelling from 2021 to 2041 is projected to be 844, growing at an average annual rate of just under 0.5%.

The following section of the report details actual population and dwelling growth for Moyne and its composite SA2 areas.

In addition, where appropriate, comparison to other Victorian municipalities is undertaken. These municipalities include: Warrnambool, Glenelg, Southern Grampians and Corangamite.

3.1 Historical Population Change

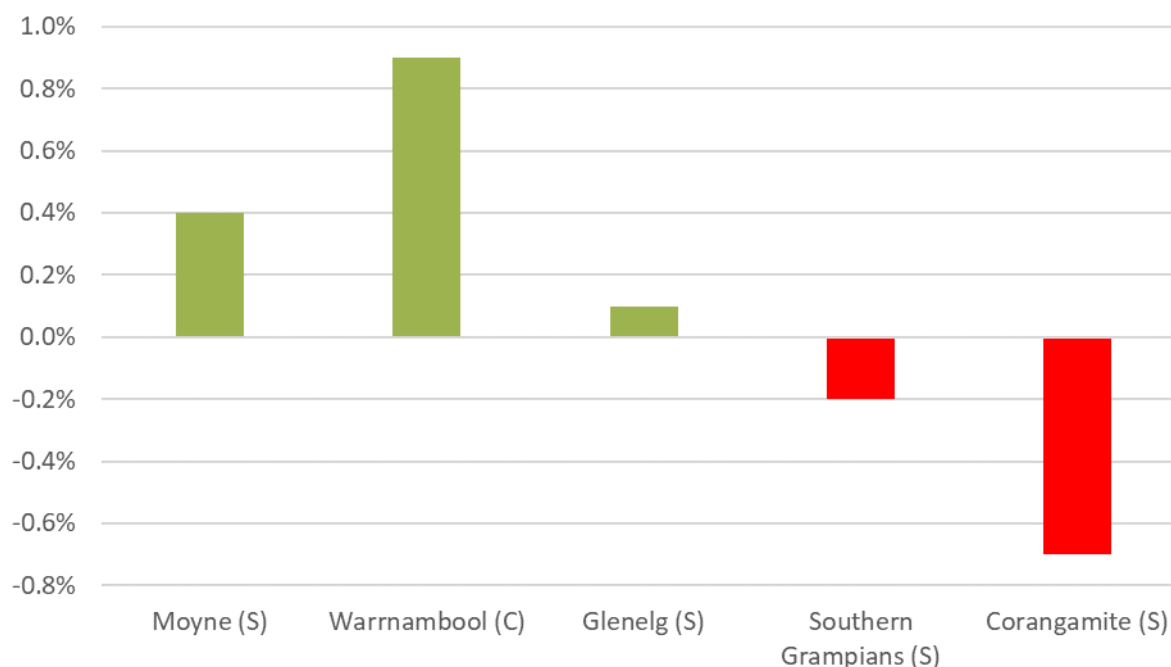
Recent Population change

The most recently published ABS population estimates (ERPs) for the Shire of Moyne was 16,953 people as at 30 June 2019. This was up by 66 people or 0.4% on the 2018 estimate. This represents only a modest population growth rate, in particular compared to the adjacent larger urban centre of Warrnambool (grew by 0.9%), the largest regional centre in the south west of Victoria (grew by 2.7%) or Victoria as a whole, which grew at 2.1% for the year ending 30 June 2019.

However, the population growth in Moyne was ahead of other municipalities in the region which do not have a large urban centre – Colac Otway grew at a similar rate (0.3% growth 2018-19), while Glenelg (0.1 %) barely increased in population, and Southern Grampians (-0.2%) and Corangamite (-0.7%) saw population decline.



Graph 1: Population growth rates– selected municipalities, 2018-19



Source: ABS 3218.0 Regional Population Growth (March 2020)

The ERPs since 2016 indicate an average annual growth of 0.5% per annum – suggesting fairly steady population trends in recent years – this represents population growth of 260 people over this three-year period (up from 16,693 at June 30 2016 to 16,953 at 30 June 2019).

This places Moyne in an interesting middle-ground position: not facing rapid growth or significant population loss (as a whole municipality) – there are parts of the Shire that will have varying demands due to population change.

Regular population estimates only go slightly below the LGA level, to the ABS defined SA2 (Statistical Area 2) level. For the year ending 30 June 2019, these showed higher growth in the Moyne – West SA2 (0.7%) and lower growth in the Moyne – East SA2 (0.2%). This is to be expected with the largest growing town of Port Fairy located in Moyne – West.

The impact of the COVID-19 pandemic is not yet known. Population estimates for June 2020 are scheduled to be released around March 2021, assuming the ABS are able to keep their normal release schedule. While there will be earlier releases of national and state population data, these may not necessarily indicate what is happening at the local level. While overseas migration has stopped (countered somewhat with returning Australians), the extent to which people have been moving within Victoria and Australia in reaction to the pandemic is not yet known.

Historic Population change

Census data gives us a longer look at population data and for Moyne. Census population counts are slightly different from annual ERPs, but the data gives us a longer historical view of change and allows us to dig down to smaller geographies.

Table 1: Population growth rates– Moyne LGA 2006-16

	2006	2011	2016	
Population	15,453	15,956	16,495	
		2006-11	2011-16	2006-16
Population growth (no.)		503	539	1,042
Population growth (%)		0.6%	0.7%	0.7%

Source: Census of Population and Housing, Time Series Profile, 2016



For Moyne, the 2016 Census showed total growth of 539 people from 2011 and growth of 503 people between 2006 and 2011. These represent growth rates of 0.6% (2006-11) and 0.7% (2011-2016).

3.2 Historical Dwelling Change

Census data also provides counts of dwellings. While there is normally a direct link between population growth and dwelling growth, there are a few important differences. The ratio of dwellings (or households) to the population is the average household size. While it is logical that the demand for additional dwellings should on average be a factor of the population growth and average household size, dwelling demand is usually ahead of this ratio.

This is most often due to two factors: firstly, changing household size – in particular the long term trend of declining household size and secondly unoccupied dwellings (most often for holiday homes or split-location living). Of note is the fact that the 2016 Census showed an overall rate of 22.2% unoccupied dwellings in Moyne on Census night. While this does not mean these dwellings are all permanently unoccupied (e.g. many unoccupied dwellings are in transition – being renovated or sold), it is a much higher rate than state averages (13.2%), and likely driven by relatively high rates of vacation homes.

Table 2: Dwelling growth rates– Moyne LGA 2006-16

	2006	2011	2016	
Dwellings	5,780	6,050	6,372	
		2006-11	2011-16	2006-16
Dwelling growth (no.)		270	322	592
Dwelling growth (%)		0.9%	1.0%	1.0%

Source: Census of Population and Housing, Time Series Profile, 2016

According to the Census dwelling counts in Moyne, dwelling growth from 2006 to 2016 was at a rate almost 50% higher than population growth. From 2006 to 2011 dwellings grew by 270 or 0.9 % per annum and from 2011 to 2016 dwellings grew by 322 or 1.0% per annum.

Census dwelling counts and change only give us part of the picture of change and demand for land and housing. A stronger analysis looks at actual land consumption and dwelling construction data (such as approvals). See – Section 4

3.3 Drivers of Population Change

Population change only occurs in one of two ways – **natural increase** (or decrease) and **net migration**. Natural increase is births minus deaths and net migration the sum of the moves into and out of an area.

According to the ABS ERPs to 30 June 2019, Moyne’s growth was a factor of **population growth** from natural increase (53 additional people) and net *overseas* migration (70 additional) and **population loss** from net *internal* migration (loss of 57 people to anywhere else in Australia).

Natural increase is common in most parts of Australia. Only areas with high proportions of older people and low proportions of young adults, see natural decrease. In Moyne nearly half of population growth comes from natural increase. The other half comes from net overseas migration. As mentioned above, with the shutdown of overseas migration due to the COVID-19 pandemic, it remains to be what the net impact will be on Moyne’s overall population growth in 2020 and beyond. In contrast to the two drivers of population growth (natural increase and overseas migration), the Shire of Moyne loses population to other places overall.

Annual population data only gives us net migration figures, however data from the Census gives us a longer look at change over time. In particular we can obtain the net migration figures and the ‘ins’ and ‘outs’ of people’s movement, for the period from 2011 to 2016. This data is broken down into the two statistical areas (SA2s) of Moyne – East and Moyne – West.



Five year migration for Moyne – East shows a typical pattern of migration. That is, the most common net moves are usually to and from adjacent areas. The migration data for Moyne – East shows that while the largest moves into the area are from nearby and adjacent SA2s, there are usually more moves in the other direction, with Moyne – East losing population to four of the top five SA2s in Table 3. This is an expected and typical pattern of migration for areas comprising smaller towns and rural areas – more people tend to migrate towards larger towns and urban centres than move the other way.

Table 3: Migration Moyne – East, 2011 to 2016, selected SA2s

SA2s	To	From	Net
Warrnambool - North	230	300	-70
Warrnambool - South	133	190	-57
Overseas	71	n/a	n/a
Moyne - West	69	110	-41
Corangamite - North	43	97	-54
Corangamite - South	93	55	38

Source: ABS Census 2016, custom data

Note: Some population growth comes from overseas, however a net figure is unable to be determined since Australians who move overseas are not able to be counted in the next Census.

Migration for Moyne – West shows a slightly different pattern. While the most common moves are again to and from nearby and adjacent SA2s, Moyne – West was more commonly a net migration gainer from these areas, with exception of overall loss to Warrnambool – North SA2. In part this is driven by the relative strength in growth of the largest town in Moyne – West, Port Fairy.

Table 4: Migration Moyne – West, 2011 to 2016, selected SA2s

SA2s	To	From	Net
Warrnambool - North	319	421	-102
Warrnambool - South	212	211	1
Overseas	147	n/a	n/a
Moyne - East	110	69	41
Hamilton (Vic.)	64	36	28
Southern Grampians	48	34	14

Source: ABS Census 2016, custom data

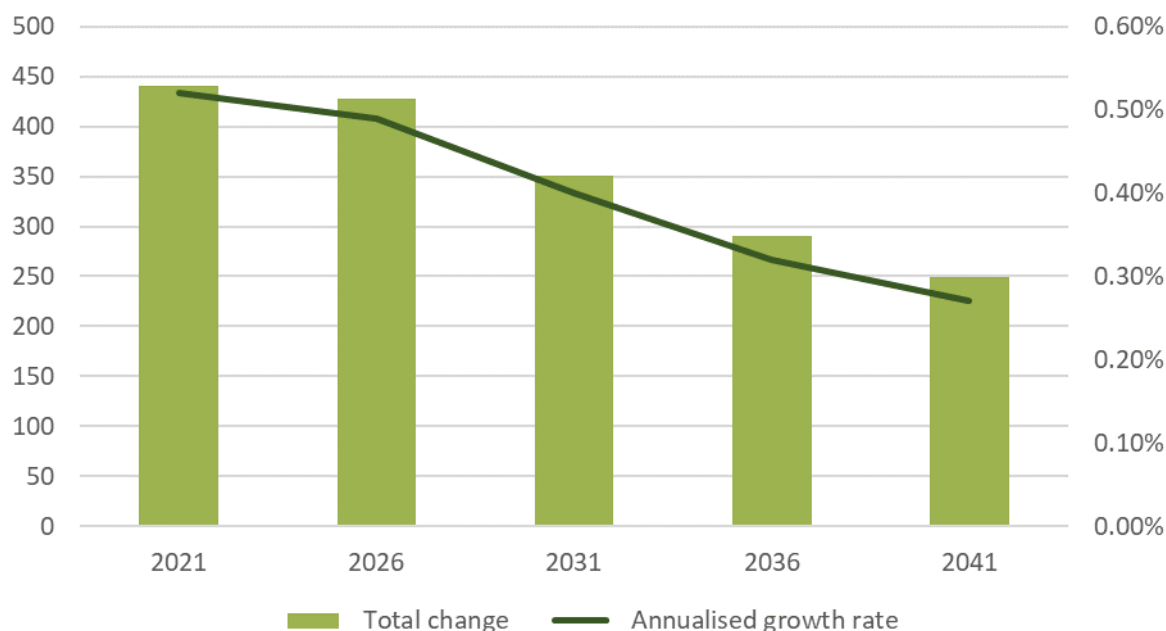
3.4 Projected Population Change

Population projections provided by REMPLAN are based on 2016 (the last Census year) and go out to 2041. For the purpose of this analysis, we will look at the 20-year period 2021 to 2041.

Overall, Moyne is projected to grow its population by 1,319 people at an average annual rate of 0.37%, from 2021 to 2041. However, this growth is not projected to be steady. Rather the growth rate in 2021 (0.52%) will nearly halve by 2041 (to 0.27%).



Graph 2: Population change Moyne– 2021 to 2041



Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

So growth is forecast to continue, but slow down. This is, in fact, the typical population forecast for most of the larger areas in Australia (i.e. municipalities and regions). The picture is quite different at the small town, suburb and rural area levels, where there are projections of much more of a mix of rapid and slow growth and decline.

What is driving this forecast?

This projection is typical of most demographic forecasts undertaken in Australia – they are usually driven by their key input assumptions, which can be boiled down to the two components of population change discussed above – that is natural increase and net migration.

In most demographic projections, net migration is largely a fixed amount. It is usually calculated as a share of the assumed national net migration (which is limited by Federal Government policy) and a fixed rate of net internal migration (movement to other parts of Australia). In the case of Moyne population losses to other areas within Australia offset a steady net overseas migration gain, meaning stable overall net migration increase for the LGA.

Table 5: Components of projected population change Moyne – 2021 to 2041

Components	2016-21	2021-26	2026-31	2031-36	2036-41
Births	189	176	171	175	173
Deaths	118	120	127	143	158
Net Migration	24	27	25	21	26
Total	95	83	69	53	41

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

The natural increase assumption is the part of the equation that slows down – fertility rates have generally been declining since the 1970s, and despite some recent changes in the past decade, the rate of births in the population is on average slowing. While life expectancy continues to increase, the sheer numbers of older people now, whose natural lives will end in the next 20 years, means that overall population growth from natural increase will slow between 2021 and 2041.



Some key variables which are not in the projections

There are a few key variables that can significantly alter actual population growth over time. The first of those, and currently highly relevant, would be a radical change to overall migration is one of those things. As mentioned previously, the short-term impact of immigration restrictions due to the COVID-19 pandemic are not yet known, let alone the long term impacts. Whether migration returns to pre-COVID levels, or higher or lower levels, and the timeframe for these possibilities are just not known at this time. While most overseas migration has been shut down from months, there is the counter balancing effect of many long term overseas resident Australians having returned home during this period.

Another aspect of net migration that is not yet known is how people have been moving themselves about within Australia. Again, time will tell, but there are several possible outcomes that could influence patterns of internal migration. For example, one response to the pandemic, particularly in Victoria, could be an increased desire to move out of Melbourne into regional areas, which were less severely impacted by lockdown rules.

Another key factor in population projections that can lead to forecasts becoming inaccurate over time is not related to the pandemic, but rather to administrative boundaries. To make sense of all of the numbers it is logical we count populations and dwellings and sort them by sensible areas – towns, LGAs, regions etc. However, when we see significant activity in area that are constrained or adjacent to a different administrative area, we can see ‘boundary hopping’. That means that growth that was projected for one area, in fact occurs in another area. The key driver of this type of variation to projected numbers is land supply.

The real-world availability of land for new housing is fundamental to where new populations will actually move to (or be born into!).

A good example of this is the fact that the ABS statistical definition of metropolitan Melbourne has been expanded because of all the growth in adjacent areas to the west, north and south east. Previous projections of growth for ‘Melbourne’ excluded these areas. At the local level in Moyne, this is relevant particularly at the small level for towns versus the surrounding rural areas and for the relationship with Warrnambool, the large urban area and relatively small rural area. Any development of land for new housing that is close to (an easy commute) or adjacent to another area can make a projection look ‘wrong’. The numbers of people or houses are not necessarily ‘incorrect’, rather the population or dwellings get projected for the incorrect location.

One of the best ways to deal with this variable is to understand realistic land supply for housing in the short, medium and long term. The precise location of land for housing indicate where population is most likely to grow. We will discuss this in detail later in this report.

3.5 Projected Households

Households, sometime known as Occupied Private Dwellings (OPDs) generally grow directly in line with population, with the main variation being changes to average household size. Historically household sizes have been declining with small families and more single person or couple only households (due to ageing and social changes).

Total households in Moyne will grow from 2021 to 2041 by 426 at an average annual rate of 0.33 %. This is just slightly slower than the projected population growth rate (0.37% per annum). The slight difference in rates is attributable to a minor increase in average household size. While this figure is not in the published data, it can be calculated from the population and household figures.



Table 6: Household change Moyne – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41
Total change	151	142	116	93	75	426
Annualised growth rate	0.50%	0.46%	0.36%	0.29%	0.23%	0.33%
Average Household Size	2.78	2.79	2.79	2.80	2.80	

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041, Spatial Economics

Note: It is unclear why the REMPLAN projection has household size rising on average across the LGA as this is in contrast to long term historical trends. While the data is not directly comparable due to Census counts being different from ERPs (which are used for projections), the published Census figures for household size showed slight decline from 2.6 persons per household to 2.5 persons per household from 2006 to 2011. A finer level of detail is not available from publicly available Census 2016 data.

3.6 Projected Dwellings

The dwelling projection in the REMPLAN forecast shows much greater variation from the population forecast than does the household projection. That is because actual dwelling units are not entirely linked to population numbers. In particular the possibility for unoccupied dwellings or part-time occupied dwellings, means that demand for (and then supply of) dwellings is often greater than just that which is needed to house the population. These dwellings are not necessarily 'vacant', so we refer to them here as 'unoccupied' on the equivalent of Census night (early August, mid-week) for the forecast period.

The total increase in dwellings from 2021 to 2041 is projected to be 844, growing at an average annual rate of just under 0.5%. As with the population and household projections the rate of growth of dwellings is projected to slow steadily throughout the next 20 years, however, this decline in the rate of dwelling growth is a little less than that of the population and household numbers. This will result in (or in fact be a result of) a slight increase in the rate of unoccupied dwellings in Moyne from 2021 to 2041. On the ground this means a slightly higher proportion of vacation and part-time residence dwellings across the municipality.

Table 7: Dwelling change Moyne – 2021 to 2041

	2021	2026	2031	2036	2041	2021-24
Total change	255	253	222	196	173	844
Annualised growth rate	0.63%	0.60%	0.52%	0.44%	0.38%	0.49%
Unoccupied dwelling rate	25.5%	26.0%	26.6%	27.2%	27.7%	

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041, Spatial Economics

It should be noted that the increased number of unoccupied dwellings will not necessarily be among the new homes that will be constructed. As discussed above the concept of household churn can also be applied to dwellings – people and households change their dwelling on average a number of times throughout their lives. While Moyne is forecast to add more than 10% to its total dwelling stock over the next 20 years, the number of sales and new rental will be far in excess of that as people up and down grade, and move into and out of the area. These net figures again need to be viewed in light of considerable churn in the housing market.

3.7 Comparison of projections – REMPLAN and VIF2019

The Victorian State government produce regular population projections known as 'Victoria in Future' (VIF). The latest data available is for the 2019. Comparisons to the REMPLAN forecast are limited to the end year of 2036, which is the latest year available in VIF2019. Both projections use 2016 as the base year since this is the most recent Census year and the last time the ABS rebased their population estimates (ERPs) on which both of these projections are based.



There are two notable differences between the VIF2019 projections for Moyne and the REMPLAN projection, the first of which does not impact this analysis greatly whereas the second difference should be noted carefully.

The first is simply a technical difference, in that the two projections use different methodologies for calculating households, resulting in different base-year numbers. Both projections use identical 2016 population figures and almost the same dwelling figure for 2016. The household number is 800 higher in the VIF2019 projection, resulting in higher overall numbers of households throughout the projection. This may be because of different assumptions about unoccupied dwellings discussed in this report. It is likely the REMPLAN projections' high rates of unoccupied dwellings relate to Census-night vacant dwellings, whereas the VIF2019 projection has created a household base figure in line with the Estimated Resident Population (which varies from the Census night population). While this difference can cause confusion, it is the population and dwelling figures that are more important to focus on, and both projections, REMPLAN and VIF2019 start with roughly the same base data.

Table 8: Projections Moyne LGA – 2021 to 2036, REMPLAN and VIF2019

		2021	2036	2021-36	Rate
Population	REMPAN	17,178	18,248	1,070	0.40%
	VIF2019	17,206	19,026	1,820	0.67%
Households	REMPAN	6,169	6,520	351	0.37%
	VIF2019	7,122	8,289	1,167	1.02%
Dwellings	REMPAN	8,279	8,950	671	0.52%
	VIF2019	8,448	9,840	1,391	1.02%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041, Victorian DELWP, VIF2019

Note: A review of the REPLAN's projections for Moyne is imminent.

The second difference in the projections, and the one that is most notable, is that the VIF2019 projection has significantly more growth across population, households and dwellings, compared to the REMPLAN projection.

In fact, VIF2019 is projecting around 70% more population growth and 107% more dwelling growth, compared to the REMPLAN projection. In numerical terms, this mean growth of 1,820 people in the 15 years from 2021 to 2036 and 1,391 dwellings over this period. The VIF2019 projection includes much less of a demographic slow-down in growth compared to the REMPLAN projection – in fact VIF 2019 has population growth remaining stable at around 0.67% from 2021 to 2036, while the REMPLAN projection has growth declining from over 0.5% in 2021 to just 0.32% per annum by 2036 (and continuing to decline to 2041).

The exact reason for this difference is unclear and would most likely only be revealed by discussing the specific projections with the people who calculate them. There are two possible drivers that we can identify.

1. The VIF2019 may have a **higher overall growth** rate (than REMPLAN) for the State of Victoria (or the southwest region) and thus Moyne's growth is being projected to be higher overall as well.
2. The VIF2019 projection may not have a higher level of overall (macro level) growth, but their analysis had led them to allocate a larger **share of growth** to Moyne.

The difference could also be a combination of these two factors, or may be driven by other evidence or assumptions, which are not readily available in the data supplied.



When faced with significant differences such as this, it is important to remember that all population and dwelling forecasts or projections are beholden to their base assumptions. These assumptions are made by experts in demographic analysis, but they will sometimes come to different conclusions. This uncertainty is in fact inherent in all population analysis and long term trends shift over time, and sudden events (eg COVID-19) have unexpected impacts.

Uncertainty in projections

Two ways of dealing with this uncertainty are to:

Firstly, always consider a range of possible future growth scenarios. We can use a projection as a base-scenario and then consider lower and higher growth scenarios, so that when planning for the future we are not putting 'all our eggs in one basket'. Rather, we plan for a range of possible outcomes, and adjust those plans over time. The five-yearly Census cycle is a useful cycle in which to review and re-project population and dwelling demand.

Secondly, projections should always be thought of as much about 'when' as 'how much'. It is common to focus on the number provided for a specific time (eg 1,319 more people by 2041). However, the same number of people would be added to the population in the VIF2019 projection, but they would arrive over roughly a 12-year period, rather than the 20 years in the REMPLAN projection.

In terms of which way to 'lean' – higher or lower growth, it is advisable to over-plan (plan for faster growth) than under-plan. If we plan for faster growth and it does not materialise, we can simply slow down the implementation of the plan, whereas if growth is faster than we planned for, planning and service agencies can be caught short, and need to scramble to deliver plans (and facilities) in a timely manner.

Key Issues

The Victorian State government produce regular population projections known as 'Victoria in Future' (VIF). The latest data available is for 2019. Comparisons to the REMPLAN forecast are limited to the end year of 2036, which is the latest year available in VIF2019.

VIF2019 is projecting around 70% more population growth and 107% more dwelling growth, compared to the REMPLAN projection. In numerical terms, this mean growth of 1,820 people in the 15 years from 2021 to 2036 and 1,391 dwellings over this period. The VIF2019 projection includes much less of a demographic slow-down in growth compared to the REMPLAN projection – in fact VIF 2019 has population growth remaining stable at around 0.67% from 2021 to 2036, while the REMPLAN projection has growth declining from over 0.5% in 2021 to just 0.32% per annum by 2036 (and continuing to decline to 2041).

This illustrates the importance of regular monitoring of a variety of demand indicators and the planning for a range of growth scenarios.



4.0 Recent Residential Development Activity

Key Findings

Development Activity

As measured from 2008/09 to 2019/20, residential building approvals within Moyne averaged 104 per annum. Of which, 97% were for separate dwellings whilst 3% were for medium density housing.

Between 2008/09 and 2019/20, the annual number of residential buildings approved has gradually declined, with an average of 119 per annum between 2008/09 to 2012/13, down to an average of 93 from 2013/14 to 2019/20.

From 2008 to 2020 residential lot construction activity has averaged 69 per annum (compared to 103 residential building approvals). This infers that 33% of housing construction activity is located on existing vacant lots subdivided prior to 2008.

Of the lot construction activity measured since 2008/09:

- 4% was major infill (3 lots per annum);
- 9% was farm lots for the purpose of lifestyle lots (6 lots per annum);
- 20% was rural residential (14 lots per annum);
- 32% was broadhectare (22 lots per annum); and
- 34% was dispersed/minor infill (24 lots per annum).

Residential lot construction activity as measured from July 2008 to July 2020 was concentrated within the urban centres of Port Fairy (22 lots per annum) and Koroit (14 lots per annum). Relatively, there was significant lot construction activity in Peterborough (7 lots per annum) and Mortlake with 6 lots per annum.

Outside of the above urban centres there was minimal residential lot construction activity. However, it is observed housing construction within these other localities tends to be on existing vacant lots as opposed to lots created by recent subdivision activity.

Vacant Residential Lot Sales Activity

In 2019, the median sales value of a vacant residential lot by locality was:

- Port Fairy - \$235,000;
- Peterborough – \$185,000;
- Koroit - \$125,000; and
- Mortlake - \$38,000.

Price growth as measured from 2009 has varied significantly across Moyne, overall increasing by 0.7% per annum. Whereas residential land values have increased by 5.5% per annum in Port Fairy, 5.3% in Peterborough and 4.6% in Koroit. This price growth trend is comparable to the total for regional Victoria.



Section 4.0 of this report details the recent activity of residential lot construction and dwelling approvals in across the Moyne municipal area. Residential lot construction activity is detailed from July 2008 to July 2020.

This section of the report details residential lot construction by location, supply type, achieved densities, project size/yield and sales pricing of constructed residential lots.

Where appropriate, comparisons to other regional Victorian jurisdictions are included.

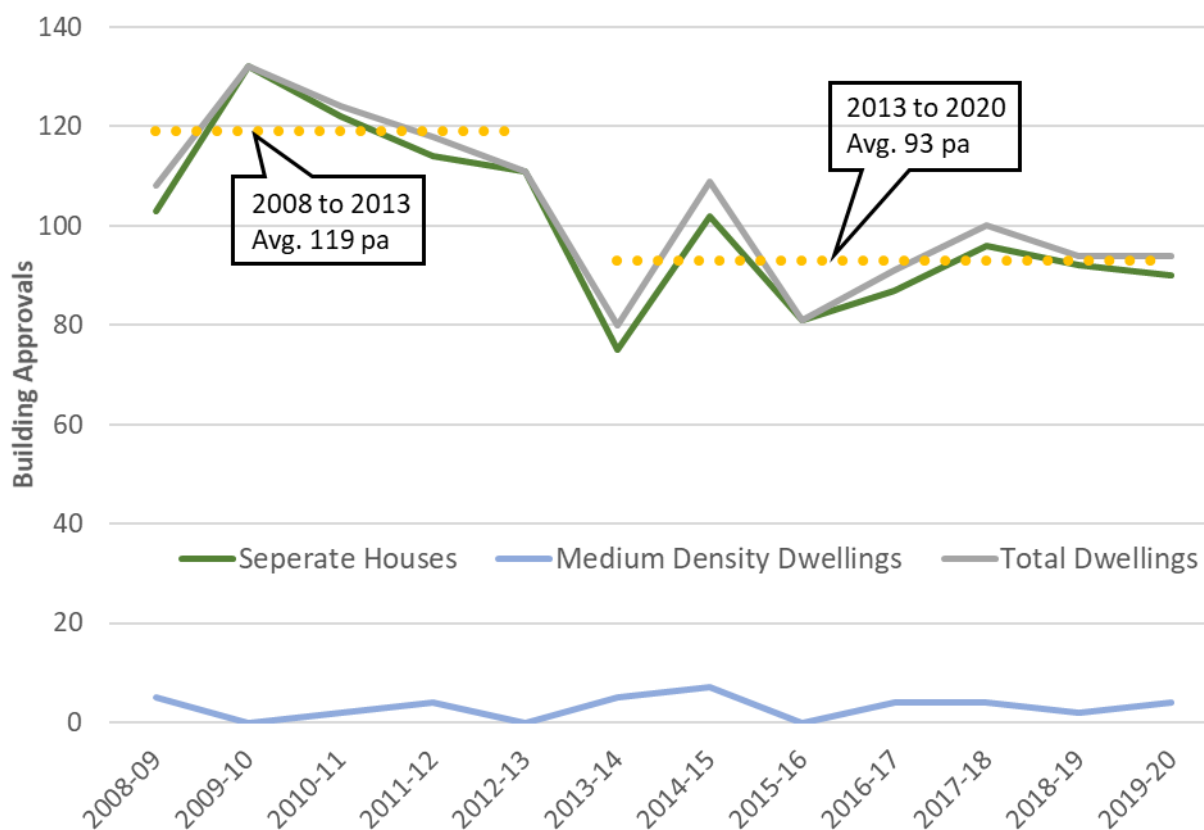
4.1 Residential Building Approvals

As measured from 2008/09 to 2019/20, residential building approvals within Moyne averaged 104 per annum. Of which, 97% were for separate dwellings whilst 3% were for medium density housing.

Between 2008/09 and 2019/20, the annual number of residential buildings approved has gradually declined, with an average of 119 per annum between 2008/09 to 2012/13, down to an average of 93 from 2013/14 to 2019/20. During this period, volumes of residential building approvals have “tested new lows”, at 80 dwellings in 2013/14. Moyne had a peak of 132 residential buildings approved in 2009/10.

This slowing demand for new housing is consistent with population data from the Census.

Graph 3: Residential Building Approvals by Type – Moyne, 2006 to 2020



Source: Australian Bureau of Statistics

4.2 Residential Lot Construction

Analysis has been undertaken to determine, on a lot by lot basis, the location, supply type and quantum of residential lot construction across Moyne by financial year from 2008 to 2020. Lot construction activity has been classified into distinct supply types and/or supply locations.

Compared to building approvals, residential lot construction is markedly more cyclical. From 2008 to 2020 residential lot construction activity has averaged 69 per annum (compared to 103 residential



building approvals). This infers that 33% of housing construction activity is located on existing vacant lots subdivided prior to 2008.

Of the lot construction activity measured since 2008/09:

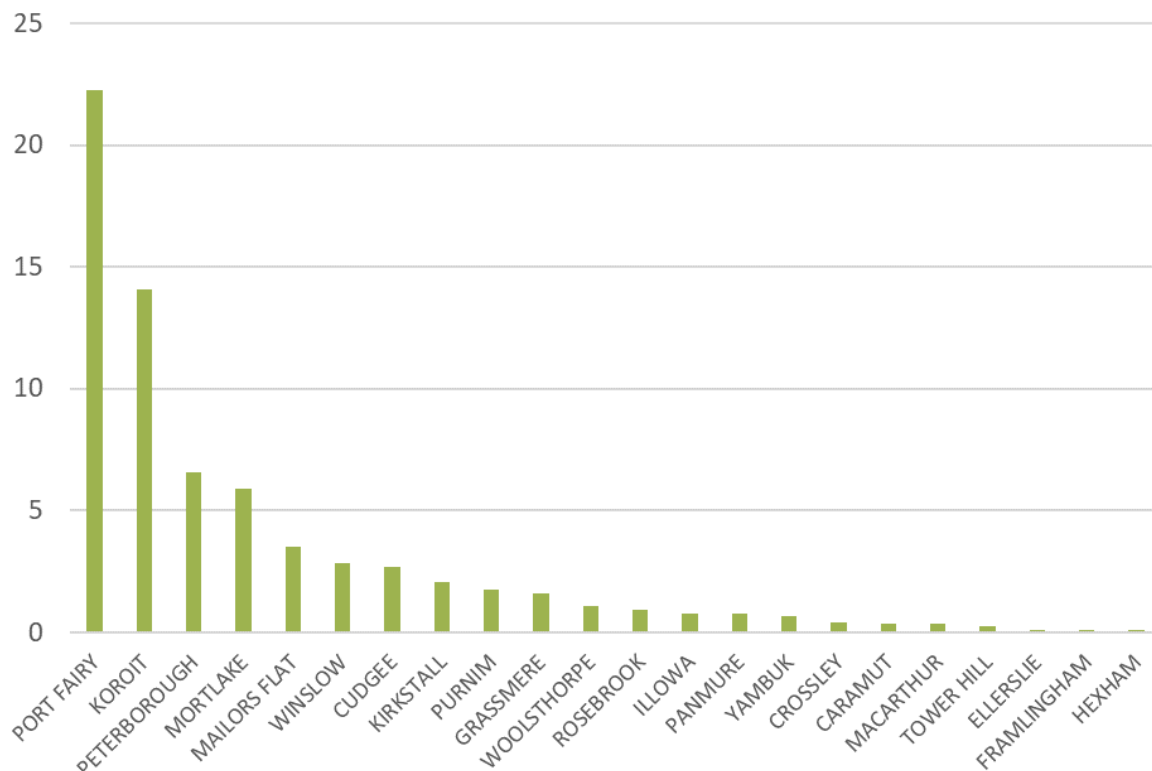
- 4% was major infill (3 lots per annum);
- 9% was farm lots for the purpose of lifestyle lots (6 lots per annum);
- 20% was rural residential (14 lots per annum);
- 32% was broadhectare (22 lots per annum); and
- 34% was dispersed/minor infill (24 lots per annum).

4.3 Location of Residential Development Activity

Residential lot construction activity as measured from July 2008 to July 2020 was concentrated within the urban centres of Port Fairy (22 lots per annum) and Koroit (14 lots per annum). Relatively, there was significant lot construction activity in Peterborough (7 lots per annum) and Mortlake with 6 lots per annum.

Outside of the above urban centres there was minimal residential lot construction activity. However, it is observed housing construction within these other localities tends to be on existing vacant lots as opposed to lots created by recent subdivision activity.

Graph 4: Average Annual Residential Lot Construction, 2008 to 2020



Source: Spatial Economics Pty Ltd

4.4 Lot Construction by Supply Type

Dispersed infill residential lot construction has been and is currently a major form of residential development activity. Since 2008, this form of development activity has averaged 34% of the total.

Dispersed infill development is an important supply source, as will be detailed later it provides:

- a wide range of residential land products;



- a major land supply source within the smaller townships;
- distributed widely across the established urban area; and
- contributes to urban containment/development of under-utilised land parcels.

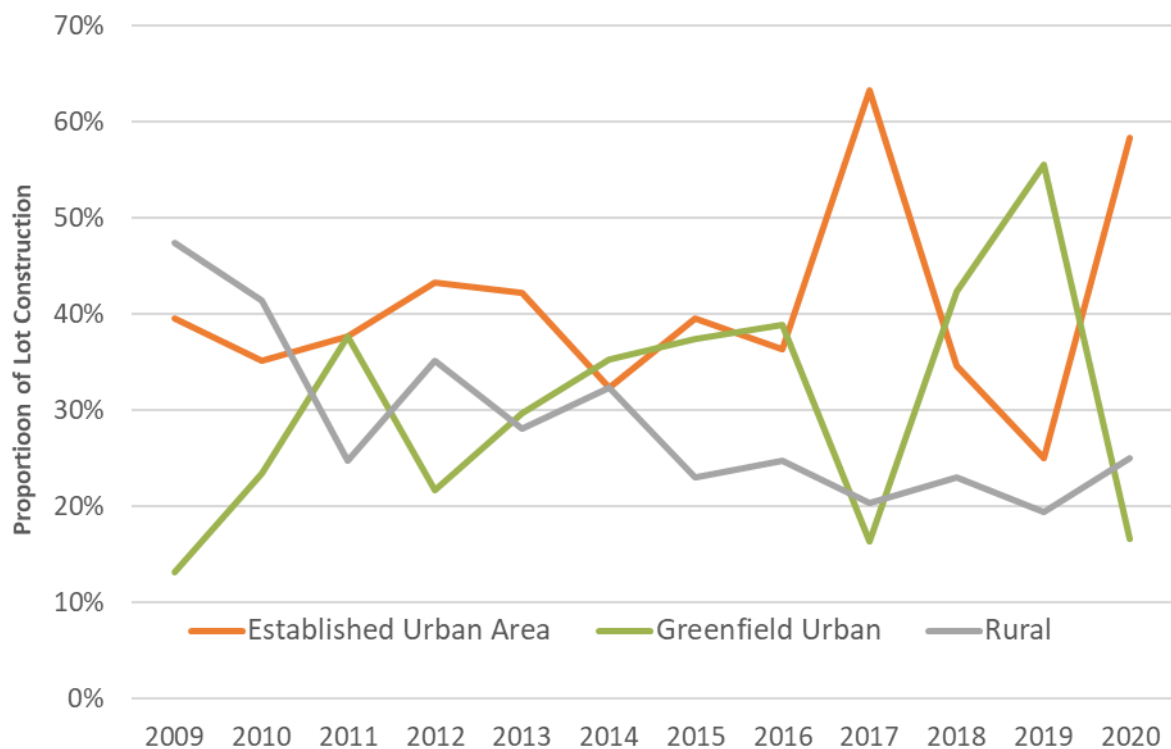
In addition, dispersed infill development across Moyne municipality is not simply developing 'low hanging fruit'. Infill development is characterised by a wide range of yields, densities and project sizes. Dispersed infill development is currently a valuable and strategically important supply source, this as a supply source will become increasingly important over-time.

Broadhectare residential lot construction since 2008 has contributed 32% of residential lot construction activity across the municipality. Unlike dispersed infill development, broadhectare lot construction is concentrated within the localities of Port Fairy, Koroit and Peterborough.

The contribution of rural residential lot construction activity is significant, accounting for 20% of lot construction activity, increasing to 29% if lifestyle farm lot subdivision is included.

Graph 5 below illustrates the continued dominance of broadhectare lot construction activity.

Graph 5: Share of Residential Development Activity by Summarised Supply Type – Moyne



Source: Spatial Economics Pty Ltd

4.5 Dispersed/Minor Infill Lot Construction

The following provides an overview of the development outcomes of dispersed infill development activity across Moyne. Dispersed infill activity is a significant supply source across the municipality, accounting for 34% of lot construction activity since 2008. It is important to understand the characteristics of dispersed infill development, so land use planning policy can further enhance development outcomes and optimize this as a supply source in the future.

4.5.1 Dispersed/Minor Infill Supply – Achieved Densities

Dispersed infill lot construction activity across Moyne is achieving both 1) a wide range of densities and 2) a high proportion of medium density land products.



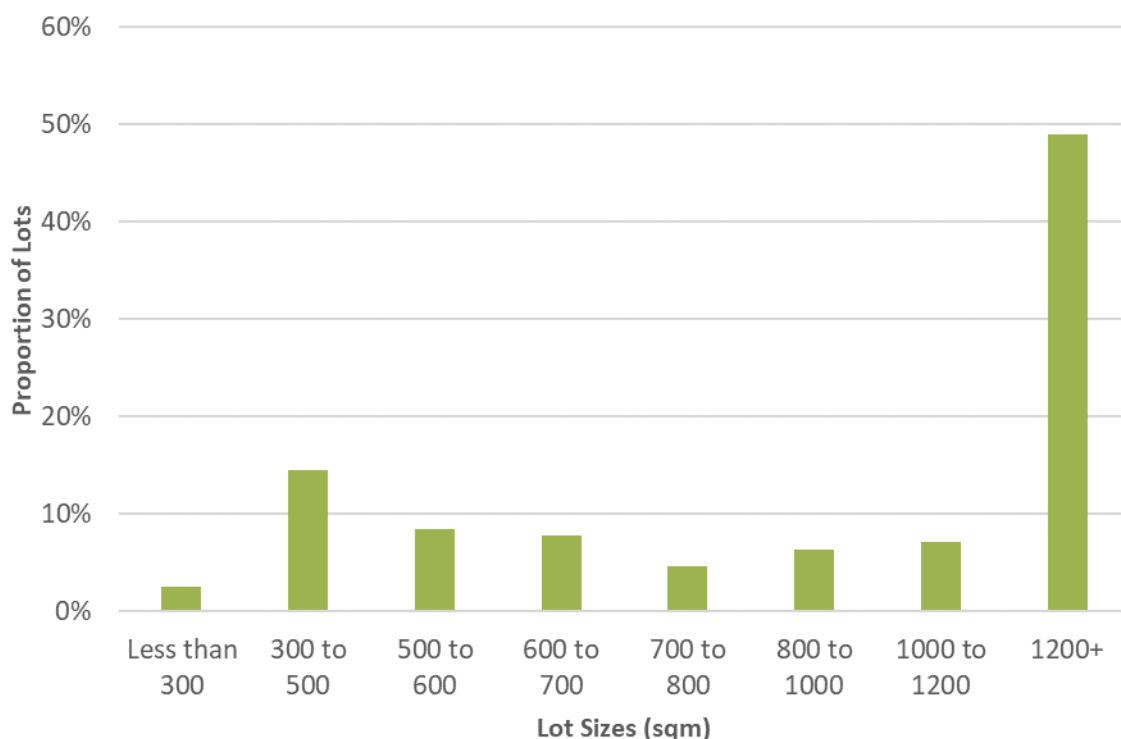
The experience in Geelong, Ballarat, Bendigo, Torquay, Bacchus Marsh and Melbourne suggests that as the supply of larger parent lots decreases, and land prices continue to rise in the established urban area, the development industry will find it profitable to re-subdivide smaller parent lots.

The size distribution of newly constructed dispersed infill lots is shown in the graph below.

Since 2008 16% of all dispersed infill development activity was sized less than 500 sqm. Typically, the smaller (under 500 sqm) constructed lots are located within the existing urban area in Port Fairy. In comparison, nearly 50% of dispersed infill lot construction is sized greater than 1,200 sqm, these are typically located within smaller settlements of Kirkstall, Winslow, Woolsthorpe and Purnim.

The graph below illustrates the lot size range for constructed dispersed infill lots across Moyne.

Graph 6: Dispersed Infill - Achieved Lot Size Cohorts, 2008 to 2020



Source: SpatialEconomics Pty Ltd

The median size of a constructed dispersed infill lot is approximately 1,100 sqm, this has remained relatively consistent over-time.

In summary, dispersed infill lot construction across Moyne is characterised by a wide variety of lot sizes and larger lots constructed within un-sewered smaller townships.

4.5.2 Dispersed/Minor Infill Supply – Parent Lot Size

Dispersed residential infill development across Moyne is primarily sourced from ‘moderately’ sized ‘parent’ lots, whether vacant or with an existing dwelling. The graph below illustrates the ‘parent’ lot size distribution for dispersed infill projects.

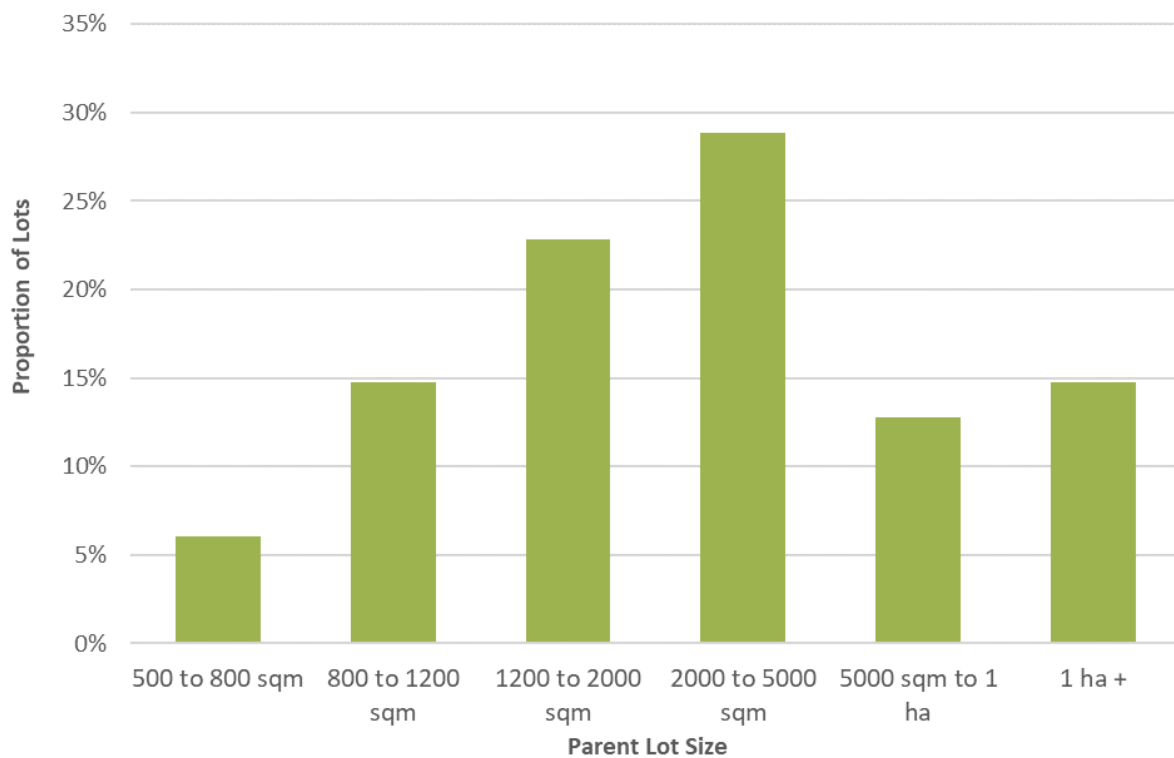
Of particular strategic importance is the significant volume of dispersed infill projects sourced from parent lots sized under 2,000 sqm. Approximately 44% of all dispersed infill projects were sourced from parent lots sized under 2,000 sqm.

This reliance on relatively smaller parent lot sizes (particularly within the established urban area of Port Fairy) illustrates the significant latent supply potential. There is not a significant reliance on ‘larger’ sized parent lots as a supply source for dispersed infill residential projects i.e. sized above 5,000 sqm.



Note: - parent lot size refers to the size of the allotment prior to subdivision.

Graph 7: Parent Lot Size of Dispersed Infill Projects (Moyne), 2008 to 2020



Source: Spatial Economics Pty Ltd

4.5.3 Dispersed/Minor Infill Supply – Project Size and Yield

In addition to the diverse lot sizes delivered– dispersed infill development projects have relatively 'significant' **net** lot yields (in the context of a municipality that has comparatively low levels of housing demand on a township basis). This form of development can be categorised as typically suburban backyard subdivision projects undertaken by the cottage building industry.

Of the dispersed infill lots constructed 62% yielded two or more net lots/dwellings, 10% of lot construction activity was within projects yielding four dwellings.



Graph 8: Dispersed Infill Development – Lot Yield & Project Size Distribution, 2008 to 2020



Source: Spatial Economics Pty Ltd



Image 2: Dispersed Infill Lot Construction – Moyne



4.6 Broadhectare Lot Construction

As outlined previously broadhectare lot construction represents approximately 32% of all residential lot construction activity across the municipality since 2008. Spatial Economics based on 1) the existing composition of demand and 2) the existing and planned composition of residential land stocks, consider that the contribution of broadhectare development will remain at these levels for the medium to longer term.

Since 2008, the majority (43%) of broadhectare lot construction activity was located in Port Fairy, the remainder was located in:

- Koroit – 28% or 6 lots per annum; and
- Peterborough – 26% of activity or approximately 6 lots per annum.



4.6.1 Broadhectare Lot Construction – Diversity

Lots constructed from broadhectare supply sources across Moyne are typically larger in size when compared to other larger regional Victorian urban centres. Graph 9 below illustrates the diversity of broadhectare lot construction.

Of the broadhectare lot construction activity since 2008:

- 4% were compact (sized less than 400 sqm);
- 28% were suburban (sized 400 to 600 sqm);
- 59% were large suburban (600 to 1,000 sqm); and
- 9% low density suburban (over 1,000 sqm).

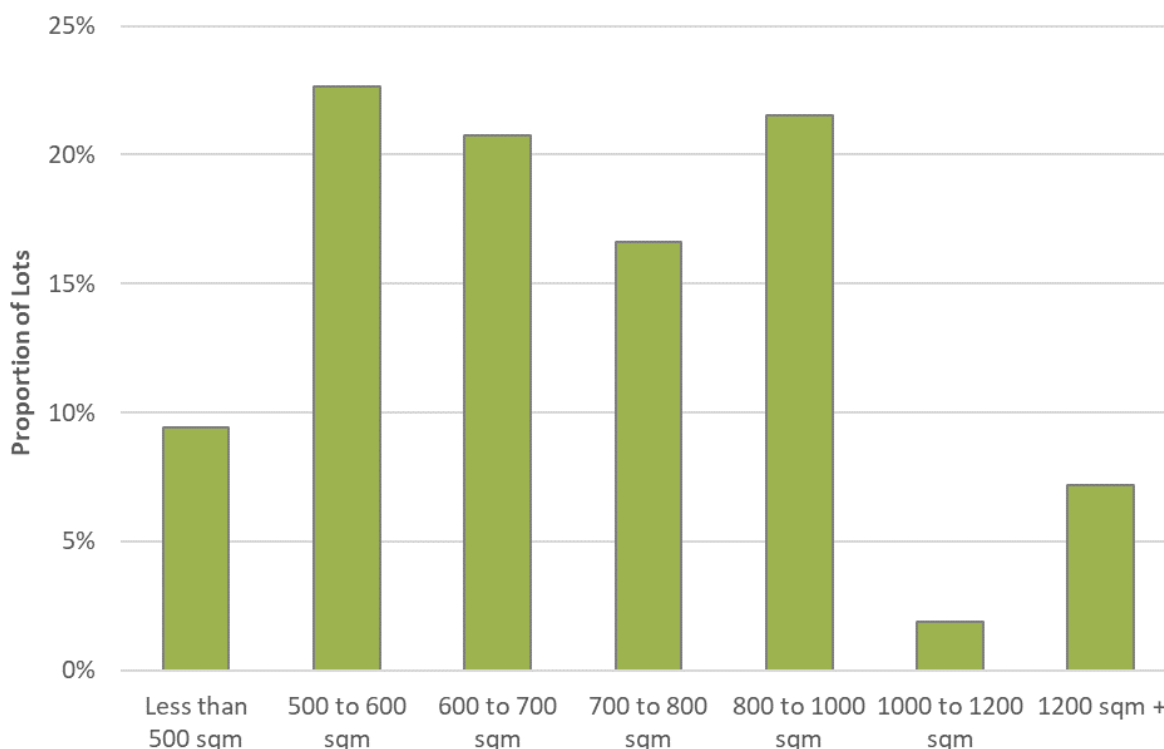
The construction of larger lots has been a response by the development industry to consumer preferences.

Graphs 9 and 10 below illustrate both the median size and diversity of broadhectare residential lot construction. The median lot size of constructed broadhectare lots has varied over-time, ranging from 570 sqm to 950 sqm.

Across the majority of major urban centres in Victoria, the median lot size of constructed broadhectare lots is: a) rapidly declining; and b) significantly lower than compared to Moyne (with exception to Shepparton). The declining densities of constructed broadhectare lots in other major urban centres is largely driven by affordability/consumer pricing points and to a lesser degree changing demographic characteristics.

Across Moyne, broadhectare lot construction has a) maintained relative and absolute levels of broadhectare land affordability, in the context of providing consumers their preferred land product (larger lots) and b) provided a diverse range of lot sizes, to respond to the demands of the changing demographic composition.

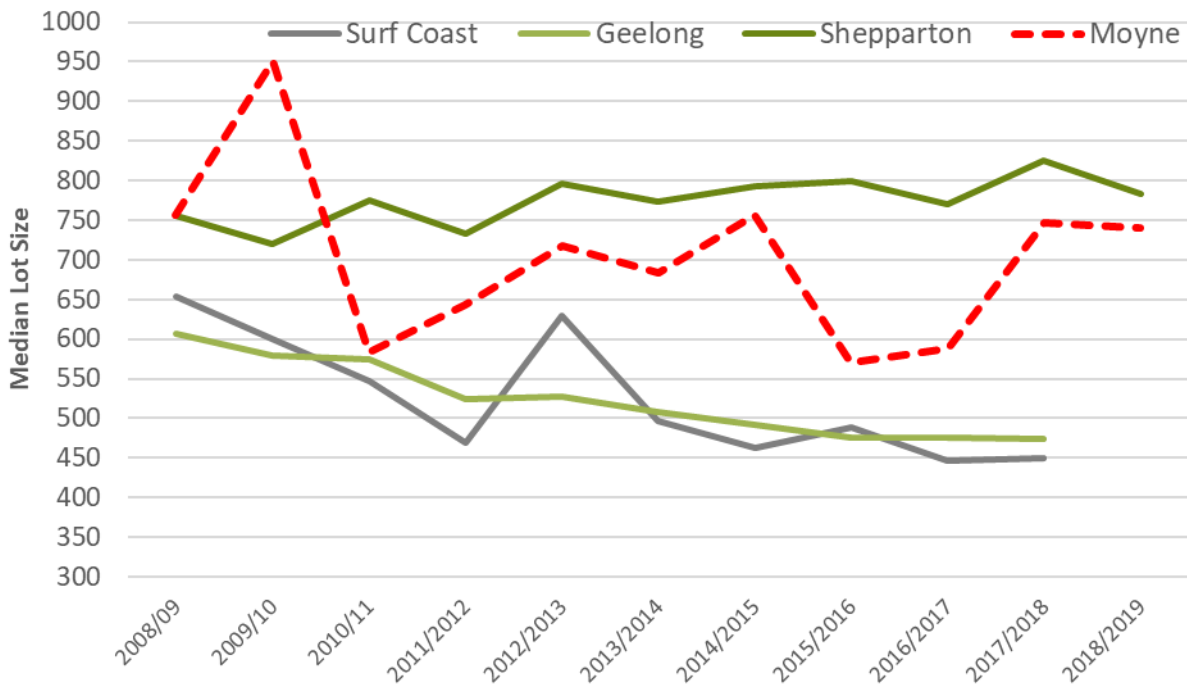
Graph 9: Broadhectare Lot Construction Size Distribution – Moyne



Source: Spatial Economics Pty Ltd



Graph 10: Median Lot Size (sqm) – Broadhectare Lot Construction



Source: Spatial Economics Pty Ltd

4.6 Rural Residential Lot Construction

Rural residential lot construction in Moyne is significant, representing 20% of all lot construction activity since 2008. This increases to 29% of all activity, if 'lifestyle' subdivision in the Farming Zone (FZ) is included. Including lifestyle Farming Zone and rural residential subdivision, equates on average to 14 lots per annum.

Of the total rural residential/rural lifestyle lot construction activity as measured from 2008, 36% was zoned Low Density (LDRZ) and 32% respectively zoned Rural Living (RLZ) and Farming (FZ).

Nearly 23% of rural residential lot construction was located in Port Fairy and 15% in Mailors Flat. From 2008, there was a total production of rural residential lots by township of:

- Mortlake – 28 lots;
- Cudjee – 25 lots;
- Koroit– 24 lots;
- Grassmere – 19 lots;
- Winslow – 14 lots;
- Rosebrook – 11 lots; and
- Illowa – 9 lots

The typical constructed lot size was around 5,200 sqm for lots zoned LDRZ, 1.5 hectares for lots zoned RLZ and 1.52 hectares for land zoned Farming (for purpose of lifestyle blocks).

4.8 Vacant Residential Lot Sales Pricing

The sales value of vacant residential lots is a prime outcome indicator of the 'state of the land supply' market. It is a simple measure that captures both supply and demand dynamics.



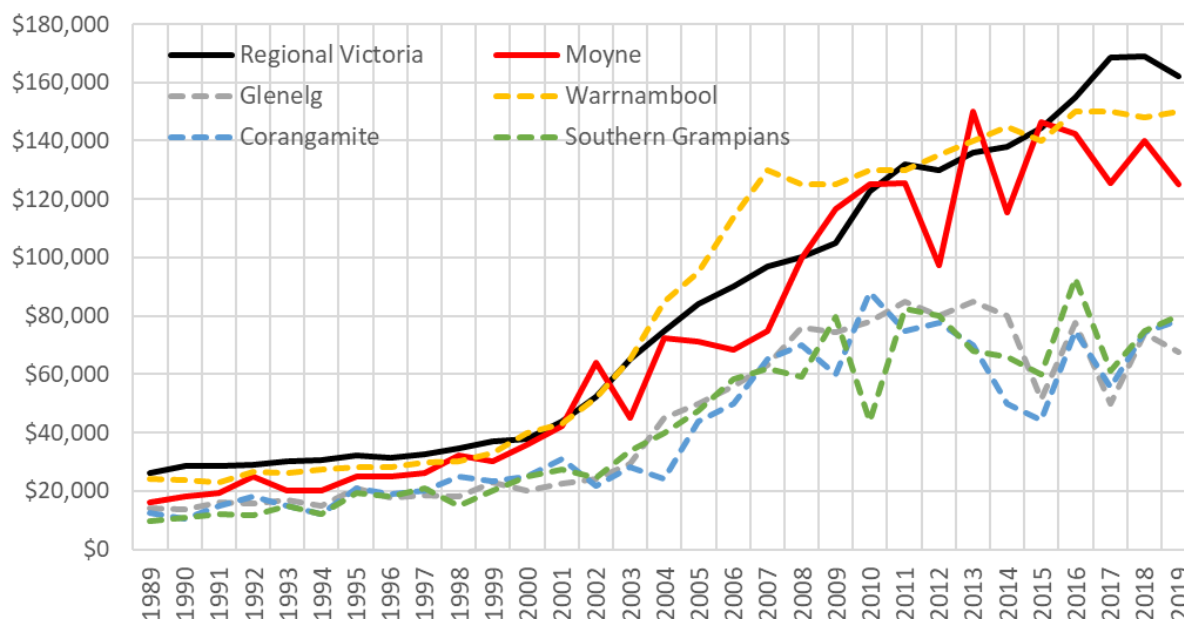
Since 2009, the median sales value of vacant residential lots has modestly increased in Moyne from \$116,500 in 2009 to \$125,000 in 2019 – an annual average growth of 0.7% per annum – compared to 4.4% across regional Victoria.

During this period, neighbouring municipalities of:

- Warrnambool – 1.8% average annual increase (from \$125,000 to \$150,000);
- Corangamite – 2.7% average annual increase (from \$60,000 to \$78,400);
- Southern Grampians – 0.1% average annual increase (from \$79,500 to \$80,000); and
- Glenelg – 0.9% average annual decline (from \$74,500 to \$67,750).

Vacant residential land sales values across Moyne have relatively, only moderately increased over-time. In addition, residential sales values are relatively currently more affordable compared to both regional Victoria and Warrnambool. However, compared to other neighbouring municipalities of Glenelg, Corangamite and Southern Grampians, vacant residential land sales values are relatively at a premium.

Graph 11: Median Sales Values – Vacant residential lots, 2009-2019 – Moyne Vs Selected Jurisdictions



Source: Valuer General Victoria

Analysis of vacant residential land sales values by locality illustrates the differences within Moyne. Port Fairy has generally attracted a premium over other localities in the municipality. Whilst Mortlake offers affordable residential land products and has experienced negligible price change since 2009.

Price growth as measured from 2009 has varied significantly across Moyne, overall increasing by 0.7% per annum. Whereas residential land values have increased by 5.5% per annum in Port Fairy, 5.3% in Peterborough and 4.6% in Koroit. This price growth trend is comparable to the total for regional Victoria.

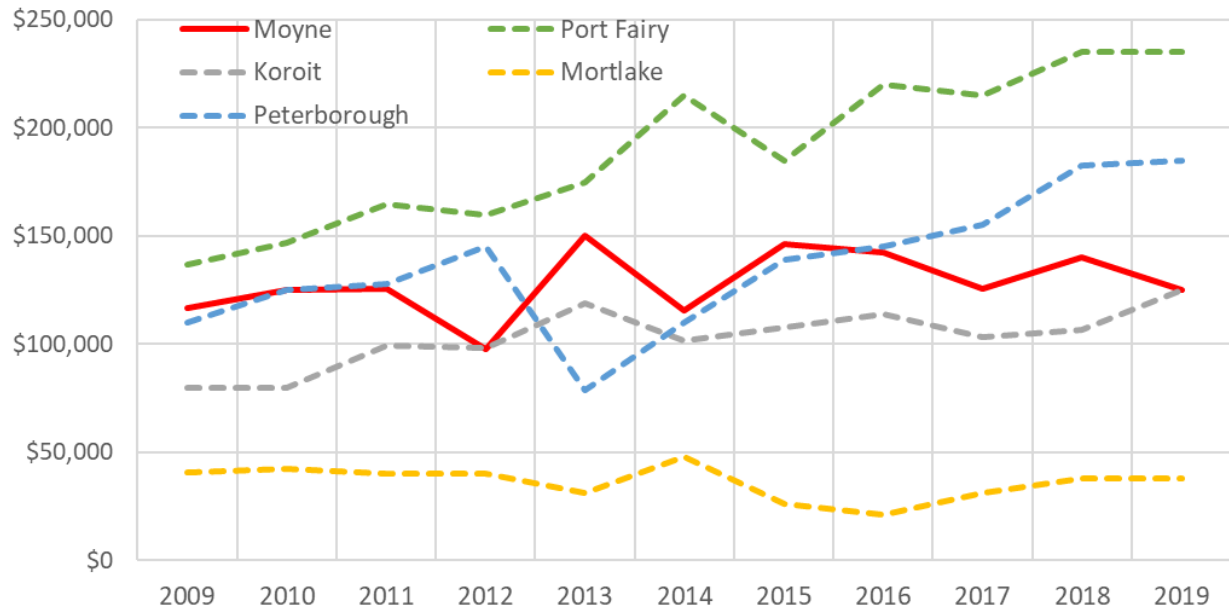
In 2019, the median sales value of a vacant residential lot by locality was:

- Port Fairy - \$235,000;
- Peterborough – \$185,000;
- Koroit - \$125,000; and



- Mortlake - \$38,000.

Graph 12: Median Sales Values (\$) – Vacant residential lots, 2009-2019 – Moyne (S) Vs selected localities



Source: Valuer General Victoria

Median values of vacant residential lots in all localities across Moyne have remained relatively stable over the last few years, this illustrates a functioning broadhectare land supply market i.e. amply zoned supply, lot construction activity relative to demand and geographic diversity of supply

From a pure price perspective, the broadhectare land market throughout Moyne has provided affordable land products in the context of providing typically 'larger' allotments.

Key Issues

Building approval activity (a measure of housing construction) has outpaced residential lot construction activity. This infers that housing construction has been located on existing vacant lots, subdivided prior to 2008. Over-time, it would be expected that lot construction activity will increase in line with building approval activity.

As measured through residential building approval activity, since 2013/14 there has been a sustained shift in decreased demand levels for housing across Moyne. This illustrates the need to plan for differing growth scenarios. Projecting future growth is an extremely difficult task.

Recent residential lot construction activity illustrates that demand is being serviced by diverse land supply sources, ranging from the established urban area, greenfield developments and rural residential.

To deal with this kind of uncertainty it is best to 'lean' on the side of assuming stronger growth overall and in any given market segment. That is to ensure that (within reason) there is scope to meet any unexpected upturn in demand. Secondly, to plan for a diversity of supply types and locations. Planning that locks in controls based on one set of demand projections is likely to make it very difficult for the market to adjust supply to cater for unexpected changes in housing demand.

A prime outcome indicator of an imbalance of supply and demand is the rapid increase in sales values. Vacant residential lot sales pricing across the Shire has not experienced comparative excessive sales price increases.



5.0 Residential Land Supply

Key Findings

As at July 2020, there was a residential lot capacity within zoned broadhectare/major infill sites of approximately 544 across the municipal area of Moyne.

Of the zoned broadhectare/major infill land stocks are located within the townships of:

- Port Fairy -110 lots;
- Peterborough -133 lots;
- Mortlake – 140 lots; and
- Koroit -161 lots.

In addition, there are approximately 300 hectares of land (with an estimated yield of 1,900 dwellings) identified for potential future broadhectare residential development across the municipal area. By township, the stock of potential (unzoned) broadhectare land are located in:

- Koroit - 600 lots (70 hectares);
- Port Fairy -460 lots (118 hectares);
- Mortlake – 840 lots (108 hectares); and
- Purnim -no yield estimate (4 hectares).

Across Moyne there is a total stock of 553 rural residential allotments. Of this stock, 180 lots (33%) were vacant.

There are significant stocks of land identified for future rural residential use/zoning. There is a total of 514 hectares of land identified for future rural residential zoning, of which, all of which is identified for future Rural Living (RLZ).

In addition, there is 181hectares of zoned Rural Living (RLZ) identified for back-zoning to Farming Zone (FZ). Of this Rural Living land stock, 126 hectares is located in Nullawarre and 55 hectares in Caramut.

Section 5.0 of the report details the stock (measured in lots) of broadhectare/major infill residential land supply across the municipal area of Moyne as at July 2020.

In addition, it provides an overview of current rural residential land stocks and the stock of vacant urban lots.

Due to the diverse nature of both normal density residential supply opportunities and particularly the expressed demand for residential land products across the differing townships of Moyne, Spatial Economics have developed a customised approach to normal (urban) residential supply definitions.

Within the smaller unsewered townships, housing construction tends to be located on a) existing vacant allotments and b) small-scale subdivisions, of existing allotments (with or without a dwelling). Vacant allotments sized 4,000 sqm and above are included as supply. In addition, allotments sized 8,000 sqm and above with an existing dwelling are included as supply, when the existing dwelling is sited to allow ready re-subdivision.

Smaller and/or lower growth settlements include: Caramut, Cudgee, Ellerslie, Framlingham, Garvoc, Hawkesdale, Hexham, Kirkstall, Macarthur, Mailors Flat, Nullawarre, Orford, Panmure, Purnim, Winslow, Woolsthorpe, Woorndoo and Yambuk.

Whereas, housing construction within the larger settlements tends to be on either greenfield developments or re-subdivision of under-utilised larger allotments (with increased project yields compared to the smaller townships). Broadhectare/major infill sites are a minimum of 4,000 sqm and or yield five or more dwellings. The townships included in this category include: Port Fairy, Koroit, Mortlake and Peterborough.



5.1 Stock of Zoned Broadhectare & Major Infill Land

As at July 2020, there was a residential lot capacity within zoned broadhectare/major infill sites of approximately 544 across the municipal area of Moyne.

Of the zoned broadhectare/major infill land stocks are located within the townships of:

- Port Fairy -110 lots;
- Peterborough -133 lots;
- Mortlake – 140 lots; and
- Koroit -161 lots.

The forecast/likely density of the above undeveloped broadhectare land supply areas is 6.7 lots per hectare. However, this relatively low density/yield is primarily due to the 2,000 sqm minimum lot size requirement of the identified supply in Mortlake. Expected residential dwelling densities by township include:

- Port Fairy -8 lots per hectare;
- Peterborough -10 lots per hectare;
- Mortlake – 4 lots per hectare; and
- Koroit -9 lots per hectare.

Within the above townships there is an additional identified supply of approximately 220 net lots. These lots are typically located within the existing established urban area and sized greater than 4,000 sqm with an existing dwelling. It was statistically observed that a large proportion of lot/dwelling construction is sourced from under-utilised large residential allotments.

This as a residential land supply source is inherently uncertain. There can be no sense of reliability in terms of timing, yield and ultimate redevelopment of these identified lots. This is primarily due to the fact that these lots are owned by existing residents who are typically not skilled/experienced in the land development industry or most importantly, may not have any intentions to redevelop their land. However, under-utilised residential allotments within the established urban area historically, currently and with high confidence in the future – is an important land supply source.

Of this lot potential, it is located in:

- Port Fairy – 6 lots;
- Peterborough – 13 lots;
- Mortlake – 36 lots; and
- Koroit – 163 lots.

Table 9 identifies the lot yield by urban residential supply type.



Table 9: Broadhectare/Major Infill Lot Potential, 2020

	Broad hectare	Under utilised	Vacant	Future (unzoned)	Total
LARGER &/or HIGH GROWTH	544	218		1900	2662
KOROIT	161	163		600	924
MORTLAKE	140	36		840	1016
PETERBOROUGH	133	13			146
PORT FAIRY	110	6		460	576
SMALLER &/or LOW GROWTH		275	372		647
CARAMUT		9	36		45
CUDGEE		7	3		10
ELLERSLIE		11	36		47
FRAMLINGHAM		6	10		16
GARVOC		6	5		11
HAWKESDALE		17	11		28
HEXHAM		7	6		13
KIRKSTALL		48	64		112
MACARTHUR		40	71		111
MAILORS FLAT		12	17		29
NULLAWARRE			1		1
ORFORD		7	7		14
PANMURE		6	5		11
PURNIM		18	18		36
WINSLOW		17	24		41
WOOLSTHORPE		41	10		51
WOORNDOO		5	3		8
YAMBUK		18	45		63
MOYNE TOTAL	544	493	372	1900	3309

Source: Spatial Economics Pty Ltd

Of the smaller townships located across Moyne, there is no 'classic' undeveloped greenfield stocks. However new residential lots/housing is sourced from existing vacant allotments and/or larger allotments with an existing dwelling that is subdivided. This is typical across smaller townships in regional Victoria.

Vacant allotment supply within these townships is a minimum of 4,000 sqm in size, lot density/yield assumptions are assumed at 4,000 sqm i.e. a vacant 8,000 sqm allotment would yield two lots/dwellings.

In total, for the smaller townships across Moyne, there is a lot/dwelling capacity of approximately 370 (sourced from vacant lots sized greater than 4,000 sqm). All townships (with the exception of Nullawarre) are well stocked relative to historic development activity.

There is an estimated net lot/dwelling capacity of approximately 275 sourced from underutilised lots across the smaller townships in Moyne. Again, this potential capacity is ample relative to historic development activity (with the exception of Nullawarre).

5.2 Stock of Un-Zoned Broadhectare Land

Analysis has been undertaken in conjunction with Council planning officers to identify the location and expected lot yield of currently unzoned residential land stocks. Sites for future residential



development are identified within various Council strategy planning documents. Structure planning, and rezoning processes are required before residential development can proceed on such sites.

There are approximately 202 hectares of land (with an estimated yield of 1,120 dwellings) identified for potential future broadhectare residential development across the municipal area. By township, the stock of potential (unzoned) broadhectare land are located in:

- Koroit - 600 lots (70 hectares);
- Port Fairy - 460 lots (118 hectares);
- Mortlake – 840 lots (108 hectares); and
- Purnim -no yield estimate (4 hectares).

5.3 Vacant Urban Lots

A parcel by parcel assessment was undertaken to identify minor infill supply, specifically zoned urban vacant allotments sized less than 4,000sqm. The assessment is based on the latest aerial imagery - mid 2019 and 2020 (based on the availability of small area aerial imagery). The identification of vacant allotments sized less than 4,000 sqm does not provide an estimated dwelling yield. Rather it simply identifies the vacant allotment by lot size and location.

Dwelling yields on such allotments can vary significantly, examples range from:

- 800sqm vacant allotment within a broadhectare estate typically would yield one dwelling;
- 800sqm vacant allotment within Port Fairy, could typically range from one to four dwellings; and
- 4,000sqm allotment within a township zone (un-sewered) one dwelling compared with anything from five plus dwellings within a larger urban settlement.

Currently, there are 308 minor infill lots identified. Of these lots, 200 were sized less than 1,200sqm or 65% of the identified lots. In addition, there were:

- 35 vacant lots sized between 1,200 sqm to 2,000 sqm;
- 55 lots sized from 2,000 sqm to 3,000 sqm; and
- 18 lots sized from 3,000 sqm to 4,000 sqm.

All of these allotments (with reticulated sewerage) have potential to yield multiple lots post subdivision. It is estimated that 30% of the vacant lot stock is unsewered or 89 lots.

As noted previously, 34% of lot construction activity across Moyne was minor infill, and of this lot construction, 44% was from parent lots, sized 1,200sqm or less.

The majority of minor infill supply is located in the townships of:

- Port Fairy – 104 lots;
- Peterborough – 62 lots;
- Mortlake – 31 lots; and
- Koroit – 22 lots.



Table 10: Vacant Urban Lots, by Township

	Less than 500 sqm	500 to 800 sqm	800 to 1,200 sqm	1,200 to 2,000 sqm	2,000 to 3,000 sqm	3,000 to 4,000 sqm	Total
CARAMUT					8		8
ELLERSLIE				1	3	1	5
FRAMLINGHAM				1	2		3
GARVOC				2	1	2	5
HEXHAM				2	5		7
KIRKSTALL				1	6	2	9
KOROIT	2	2	7	4	5	2	22
MACARTHUR		1	4	4	3	1	13
MAILORS FLAT						1	1
MORTLAKE	1	2	15	4	7	2	31
NULLAWARRE			1				1
ORFORD					5	1	6
PANMURE			1	1	3		5
PETERBOROUGH	13	28	16	4		1	62
PORT FAIRY	16	65	14	6	1	2	104
WINSLOW					1	2	3
WOOLSTHORPE				3	1		4
WOORNDOO			12	1	2	1	16
YAMBUK				1	2		3
MOYNE LGA	32	98	70	35	55	18	308

Source: Spatial Economics Pty Ltd

Of the 308 vacant urban lots 70% were zoned General Residential (GRZ), the remainder zoned Township (TZ).

5.4 Rural Residential Land Stocks

The stock of both occupied and vacant rural residential allotments have been determined on a lot by lot basis in mid 2019 and 2020 (based on the availability of small area aerial imagery). Occupied is defined as having evidence of a 'habitable' dwelling, commercial use, or other significant capital-intensive land use. Vacant is defined as having no evidence of a significant capital-intensive use (as verified via the interpretation of aerial imagery).

Rural residential lot stock identified for future rezoning to a non-rural residential zone type such as Rural Conservation (RCZ) or General Residential (GRZ) are excluded from the below analysis. There is currently approximately 240 hectares of zoned rural residential lot stock identified for a change in zone type.

Across Moyne there was a total stock of 553 rural residential allotments. Of this stock, 180 lots (33%) were vacant. Vacant rural residential lots as a supply type across Moyne are comparative to other regional municipalities in Victoria.

Rural residential lot stock in Moyne is concentrated within four townships, 80% of the lot stock is located in:

- Port Fairy – 180 lots (33% of the total stock);
- Mailors Flat – 114 lots (21%);
- Mortlake – 70 lots (13%); and



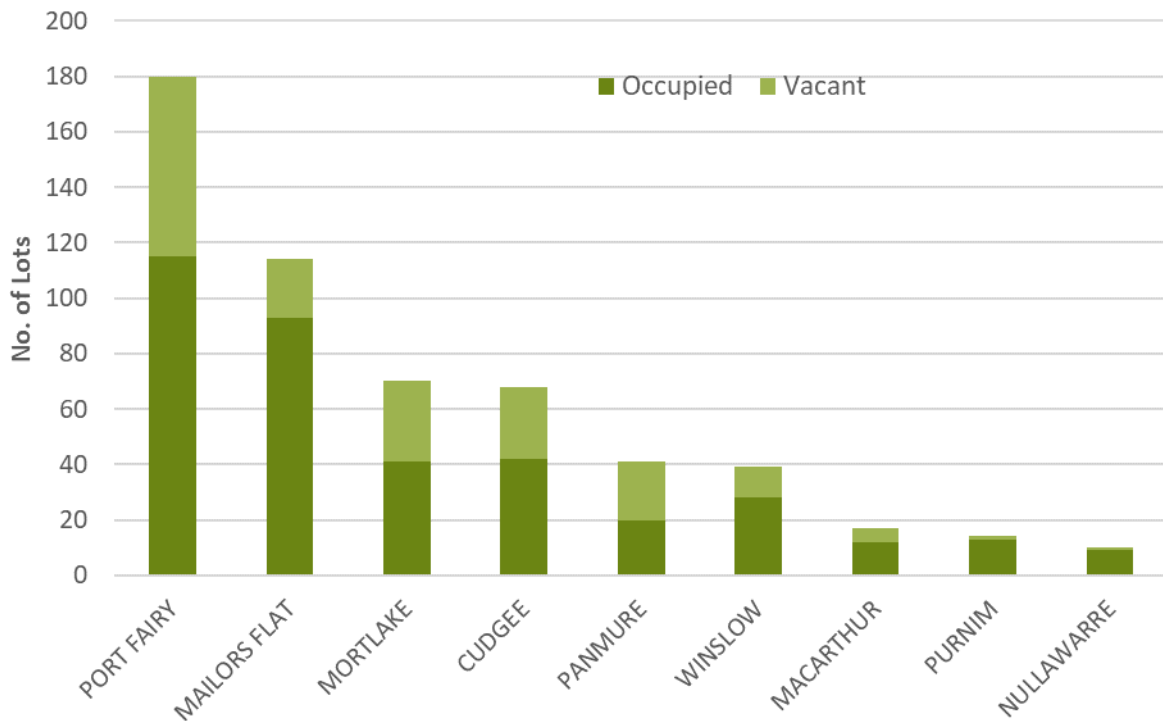
- Cudgee – 68 lots (12%).

Graph 13 summarises the stock (lots) of both occupied and vacant rural residential allotments by township.

There is approximately 1,250 hectares of vacant rural residential land across the municipality. Of this vacant lot stock, 284 hectares is zoned Low Density Residential (LDRZ), the remaining 966 hectares is zoned Rural Living (RLZ).

Graph 15 illustrates the size distribution of all existing rural residential allotments (occupied and vacant).

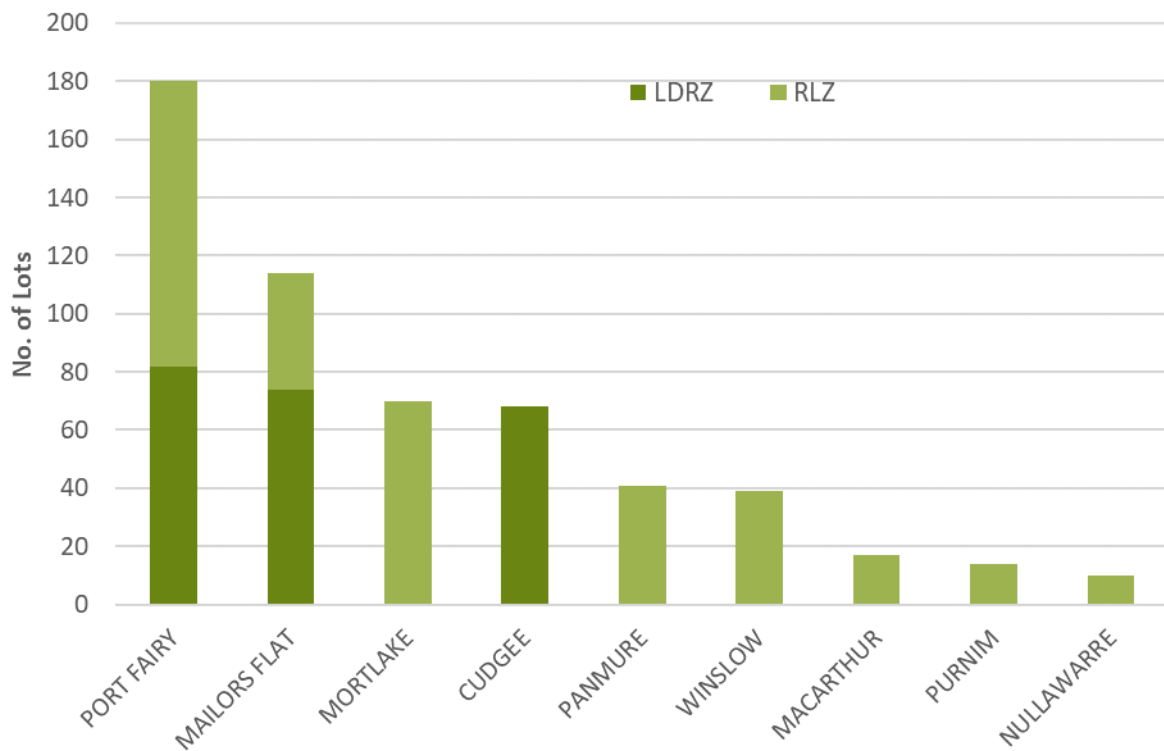
Graph 13: Stock of Rural Residential Allotments, 2020



Source: Spatial Economics Pty Ltd

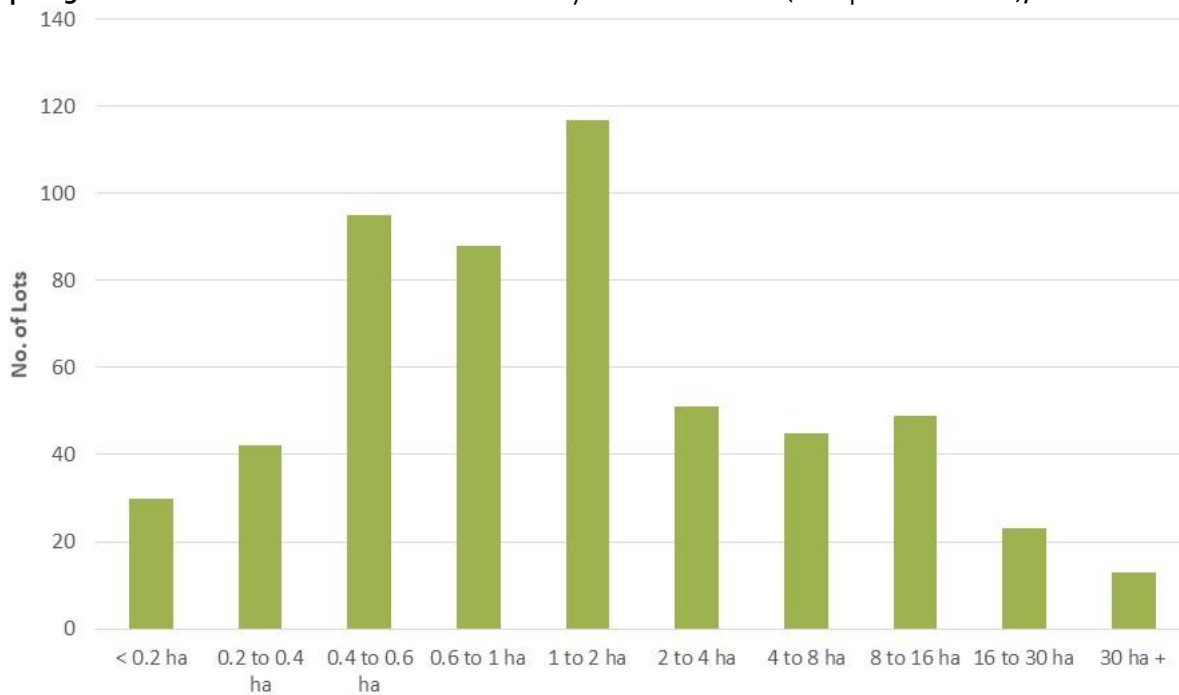


Graph 14: Stock of Vacant Rural Residential Allotments, 2020



Source: Spatial Economics Pty Ltd

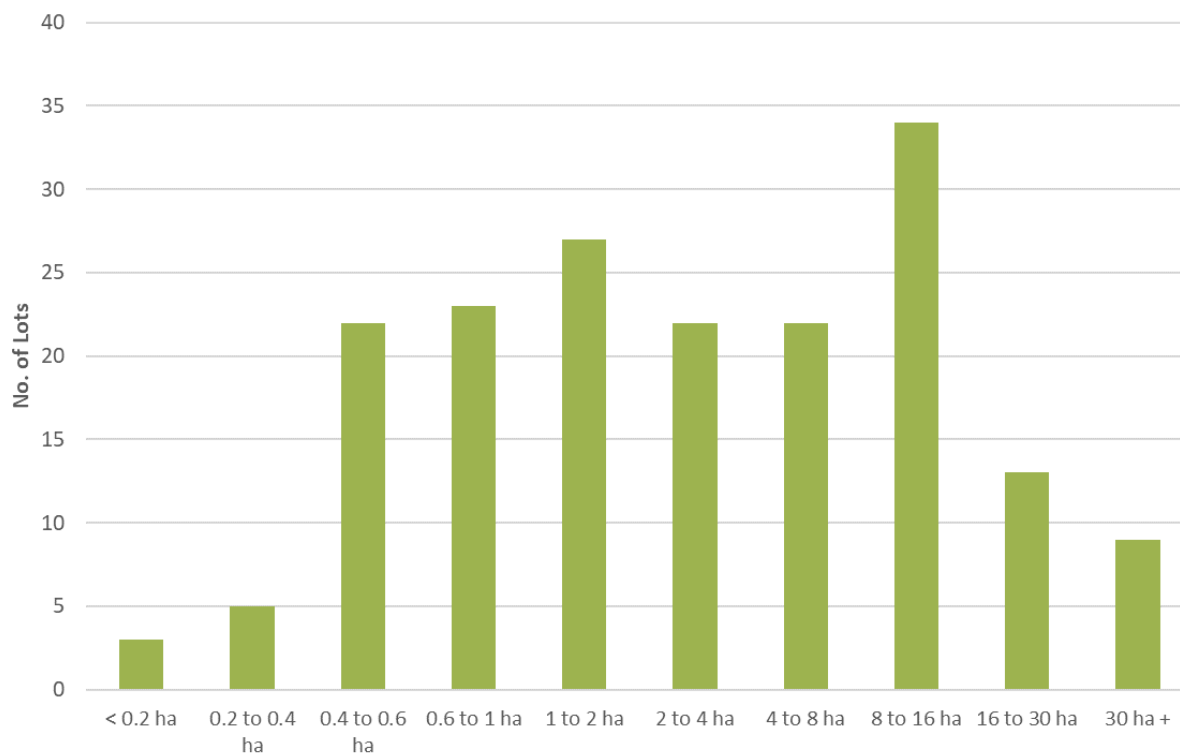
Graph 15: Stock of Rural Residential' Allotments by Lot Size Cohort (occupied & vacant), 2020



Source: Spatial Economics Pty Ltd



Graph 16: Stock of Rural Residential' Allotments by Lot Size Cohort (vacant), 2020



Source: Spatial Economics Pty Ltd

Approximately 42% of the rural residential lot stock (both occupied and vacant) is less than one hectare in size. Approximately 21% of the rural residential lot stock (or 130 lots) is sized greater than four hectares. The substantial proportion of larger rural residential allotments allows for further re-subdivision.

5.4.1 Future (Unzoned) Rural Residential Land Stocks

There are significant stocks of land identified for future rural residential use/zoning. Currently, this stock of future rural residential land is not zoned to support rural residential development and is typically zoned Farming (FZ).

However, the vast majority of the land identified for future rural residential living is effectively recognition of the existing use i.e. existing allotments are rural residential in size and character. Of the land identified for future rural residential zoning, Spatial Economics considers there will be a marginal increase in lot/dwelling capacity, based on the proposed zoning change.

There is a total of 514 hectares of land identified for future Rural Living (RLZ) zoning, these land stocks are located in:

- Koroit – 225 hectares;
- Illowa – 111 hectares;
- Southern Cross – 69 hectares;
- Grassmere – 44 hectares;
- Woolsthorpe – 248 hectares;
- Hawkesdale – 23 hectares; and
- Killarney – 19 hectares

There is 181 hectares of zoned Rural Living (RLZ) identified for back-zoning to Farming Zone (FZ). Of this Rural Living land stock, 126 hectares is located Nullawarre and 55 hectares in Caramut.



There is 103 hectares of land zoned Rural Living (RLZ) identified for rezoning to Rural Conservation (RCZ) in Port Fairy. In addition, there is 108 hectares of land currently zoned Rural Living (RLZ) identified for rezoning to general Residential (GRZ) located in Mortlake.

Key Issues

The estimated lot/dwelling capacity of existing zoned broadhectare/major infill land supply sites are essentially based on recent trends, planning permits and short to medium terms market expectations. Over the last ten years, the median constructed broadhectare lot size within the growth areas of metropolitan Melbourne, Greater Geelong, Ballarat, Bendigo, Warrnambool and smaller urban centres such as Torquay/Bacchus Marsh has dramatically declined. However, within Moyne, the median constructed broadhectare lot size has remained relatively consistent and comparatively larger.

This is a direct response from the development industry to provide land products based on consumer preference. The estimated lot yields for the identified broadhectare development sites reflect the current achieved densities. Based on 'expressed demand' there is minimal demand for smaller/compact allotments and the consumer preference for larger allotments is likely to continue into the foreseeable future. Spatial Economics consider this a likely outcome if the development industry can maintain the current level of affordability/price points for larger allotments. If additional cost pressures emerge, this may result in smaller allotments to maintain similar pricing structures.

Retirement living is on the increase reflecting changing demographics and preferences in Victoria and across Australia. Future broadhectare areas will need to accommodate this type of development. Currently, retirement living/downsizing in Moyne is largely being accommodated by the dispersed (ad hoc) infill development.

Although not assessed within this study, it is observed (through considerable experience), there is a high capacity for dispersed infill redevelopment. This means that there are readily alternative residential land supply stocks outside of undeveloped broadhectare estates - therefore a feasible opportunity to decrease the reliance on broadhectare land.

There is a significant supply of future rural residential land identified with over 500 hectares identified across the municipality, this, coupled with existing zoned stocks is widely distributed across Moyne.



6.0 Projected Housing Demand

Key Findings

Spatial Economics have presented two projected demand scenarios based on the most recently available evidence. These demand scenarios are outlined below.

Scenario One: REMPLAN – dwelling forecasts undertaken for the Moyne Shire Council by REMPLAN. Dwelling requirements from 2021 to 2036 at 45 per annum or a 0.5% per annum growth rate.

Scenario Two: VIF2019 – dwelling forecasts undertaken by the State Government (DELWP). Dwelling requirements from 2021 to 2036 at 93 per annum or a 1% per annum growth rate.

(note this is comparable to the dwelling growth as measured by the ABS Census from 2011 to 2016).

The largest and fastest growth in households across Moyne will be households with no children (*lone person and couples without children households*), growing at an average annual rate of 0.5% or 20 households per annum from 2021 to 2041. This household type is projected to represent 93% of the change in household structure to 2041.

Households with children (*couples with kids & single parent families*) is projected to decline by 0.02% per annum.

The two age cohorts that are projected to increase at the greatest rates are:

- *Retirement* (65 to 79) at 0.7% per annum; and
- *Elderly aged* (80+) at 3.9% per annum.

The three age cohorts that are projected to decrease at the greatest rates are:

- *Pre-schoolers* (0 to 4) at 0.7% per annum;
- *School aged* (5 to 19) at 0.34% per annum; and
- *Workers* (35 to 49) at 0.1% per annum;

The Victorian State Government has modified the FHOG to increase the FHOG to \$20,000 for eligible first-home buyers who buy or build their new home valued up to \$750,000 in regional Victoria. Moyne is defined as a regional area for the purpose of the FHOG. This assessment has not attempted to quantify the level of brought forward demand in Moyne.

This assessment incorporates the most recently available demand figures to project dwelling requirements and future adequacy of residential land. These figures use current Victoria in Future 2019 (VIF2019): Population and Household Projections, undertaken by the Department of Environment, Land, Water and Planning, Planning and dwelling projections undertaken by REMPLAN for the Moyne Shire as the basis for projecting dwelling requirements.

VIF2019 details state-wide, regional and metropolitan areas as well as local government area population, household and dwelling projections. When produced they encompassed the latest available trends such as changes to levels of immigration or economic conditions, or changes to policy affecting population growth locations and levels, and subsequent demand for housing.

Projected dwelling requirements sourced from VIF2019 indicate that from 2021 to 2036 there will be a total requirement for **1,391** additional dwellings (average annual growth of **93** dwellings or 1.0%). For specific time cohorts, average annual dwelling requirements include:

- 2021 to 2026 – 90 (1.0%);
- 2026 to 2031 – 97 (1.1%); and
- 2031 to 2036 – 91 (1.0%).



Projected dwelling requirements sourced REMPLAN indicate that from 2016 to 2031 there will be a total dwelling requirement of **671** (average annual growth of **45** dwellings or 0.5%). For specific time cohorts, average annual dwelling requirements include:

- 2021 to 2026 – 51 (0.6%);
- 2026 to 2031 – 44 (0.5%); and
- 2031 to 2036 – 39 (0.4%).

As measured by the Census, the actual growth of residential dwellings across Moyne between 2011 - 2016 was 95 dwellings per annum, equating to a growth rate of 1.2%.

Over the last five years residential building approvals have averaged 92 per annum.

Spatial Economics can see no demographic factors (at a local, regional, state and national level) why projected dwelling growth (particularly over the short-term) will decline to nearly half of actual recent development activity has indicated by the REMPLAN forecasts.

6.1 Housing Demand Scenarios

Up front, Spatial Economics acknowledges that all projections are 'wrong'. That is to say, they will almost never exactly match the actual amount and timing of population growth. However, when they point us in the right *direction* then they are doing what they are intended for. In this context it is often most sensible to use several scenarios with various growth rates. This can help decision makers to better understand the range of uncertainty and to plan in a way that minimises the adverse effects of underestimating or overestimating growth.

Another factor influencing the accuracy/achievement of projected growth numbers is the availability and composition of residential land supply. If the land supply is restricted this will prevent the underlying demand for housing being realised.

So, what is the best course of action? In planning terms, we really need to be prepared for a range of possible futures of population and dwelling growth – this means considering a range of realistic growth forecasts and supply options.

Spatial Economics have presented two projected demand scenarios based on the most recently available evidence. These demand scenarios are outlined below.

Scenario One: REMPLAN – dwelling forecasts undertaken for the Moyne Shire Council by REMPLAN. Dwelling requirements from 2021 to 2036 at 45 per annum or a 0.5% per annum growth rate.

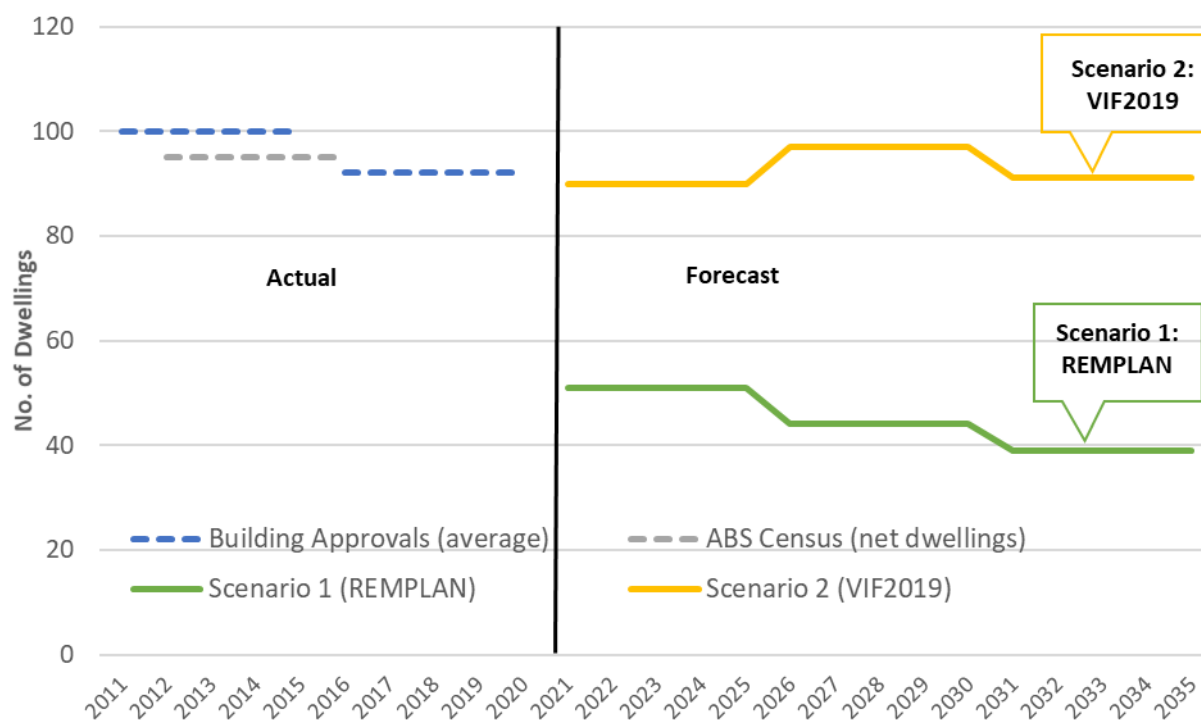
Scenario Two: VIF2019 – dwelling forecasts undertaken by the State Government (DELWP). Dwelling requirements from 2021 to 2036 at 93 per annum or a 1% per annum growth rate.

(note this is comparable to the dwelling growth as measured by the ABS Census from 2011 to 2016).

Graph 17 summarises the projected demand scenarios for residential dwellings for Moyne. In addition, it highlights historic 'actual' demand for residential dwellings in the form of residential building approvals and net dwelling growth identified by the ABS Census.



Graph 17: Historic and Projected Demand for Residential Dwellings, 2011 to 2036



Source: REMPLAN - Moyne
 DELWP – VIF2019
 Australian Bureau of Statistics – 2011 and 2016 Population and Housing Census
 Australian Bureau of Statistics – Building Approvals

First Home Owners Grant (FHOG)

The Victorian State Government has modified the FHOG to increase the FHOG to \$20,000 for eligible first-home buyers who buy or build their new home valued up to \$750,000 in regional Victoria. Moyne is defined as a regional area for the purpose of the FHOG.

A new home includes:

- A newly built home;
- An existing property which is being sold for the first time as a new residential premise;
- A land and building package, or
- Vacant land on which you will build a new home.

The \$20,000 FHOG will be applicable to:

- Contracts entered into from 1 July 2017 to 30 June 2021 for the purchase of a new home in regional Victoria;
- Comprehensive home building contracts entered into from 1 July 2017 to 30 June 2021 by the owner of land wholly in regional Victoria, or a person who on completion of the contract will be the owner of land wholly in regional Victoria, to have a home built on the land; and
- The building of a home wholly in regional Victoria if the building work commences between 1 July 2017 and 30 June 2021 inclusive.

At a macro level, initiatives such as the FHOG (when there is no geographical differentiation) simply brings forward underlying housing demand. Overall housing demand decreases proportionally once the grant ends and/or underlying demand for housing is satisfied.



However, with the current FHOG, underlying demand will be both brought forward and transferred geographically from potential competing metropolitan areas. This will likely have a marginal effect for Moyne in terms of transferring of demand but will likely bring forward underlying demand.

Expressed demand levels for housing will increase during the implementation of the newly structured FHOG across Moyne. However, once this ceases, the level of expressed housing demand will be normalised (based on natural increase, household formation and population migration levels i.e. underlying demand).

This assessment has not attempted to quantify the level of brought forward demand in Moyne.

6.2 Changing Composition of Future Housing Demand – Household Types

Projections by household type have been commissioned and produced by REPLAN for the period of 2021 to 2041 for Moyne. Household type projections provide useful insights to potential changes to the composition of future demand drivers.

The type of households that people live in and changing preferences over time affects the way in which a population changes. As people grow from children to adults and into old age, they change the type of households that they live in. The traditional path has been to start as a child in a family household, move into a group or lone person household as a youth, becoming a part of a couple relationship within 5-10 years. Rearing of children is followed by an 'empty-nester' period and ultimately being a lone person, as partners die.

Households at different ages are likely to have differing economic positions and needs. Young people are often more concerned with location than space, middle aged lone person household may be looking for more space for part-time care of children, older lone person households are likely to want to retain space for visiting family, but perhaps lower maintenance.

The implication is that the demand for these different types of housing may be met somewhat by the existing housing stock. However, over time it will require new and different approaches to planning and land development to enable this more diverse housing to be made available in the future.

Understanding the changes that people make at different ages in their life, and the different types of housing they are likely to consume at those life stages is therefore an important factor in forecasting future population and household types.

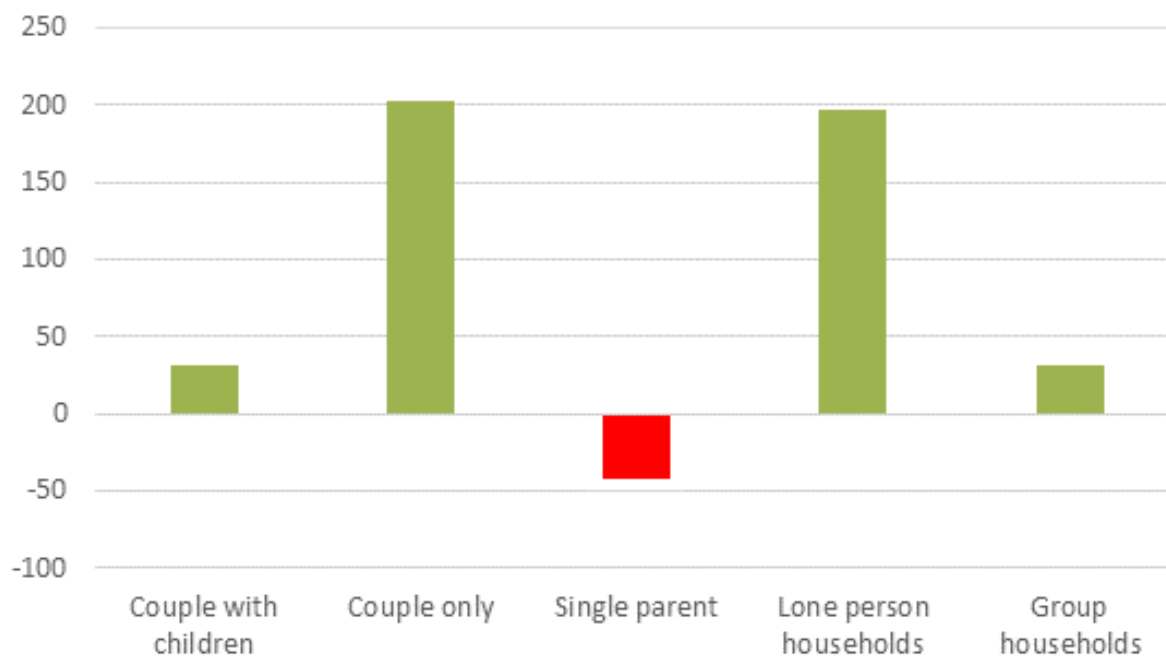
While the net growth in all household from 2021 to 2041 (426 at an average annual rate of 0.33 %), there are significant variations in the change in different types of households over this period.

The smaller one and two person households (Couple Only and Lone Person households) both grow by the largest amounts (203 and 197 respectively) and at the fastest rates – 0.60% per annum for Lone Person and 0.49% per annum for Couple Only households from 2021 to 2041. This increase in the smaller households is usually connected with ageing – i.e. a higher proportion of empty nester, retiree and elderly households which are one and two persons only. Additionally, there is a social trend toward smaller households – more lone persons and smaller families.

Couple with Children households and Group households are forecast to grow by much smaller amounts (both increase by 32). Single parent households are forecast to decline by 42 households (0.45% per annum).



Graph 18: Change in selected household types, Moyne – 2021 to 2041



Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

It is important to understand that these are **net change** figures only and are not representative of the many changes in households that will occur over the next 20 years in Moyne. This is sometime referred to as 'household churn'. People are constantly changing and rearranging their household formation over the course of their lives. For example:

- A young adult may live with their parent/s while studying or beginning work (Couple with Children household or Single Parent household);
- They may then move out of home and in with friends (Group household);
- Then they can afford their own place (lone person household);
- Then they move in with a partner (Couple only household); and
- And then have children (Couple with Children household).

All of these changes could easily happen within 10 years let alone 20. While net growth or decline in different household types tells us one thing, it is vital to remember that household churn creates demand for housing and different types of housing over time, beyond what the net figures suggest.

Looking at the growth in smaller household types from a demand composition perspective, there is a significant opportunity for the housing development industry for the provision of diversification of dwelling stock, particularly medium density products. As outlined previously, this will cater not just for new residents but offer opportunities for existing households to change dwelling types as household characteristics change.

6.3 Changing Composition of Future Housing Demand – Age Structure

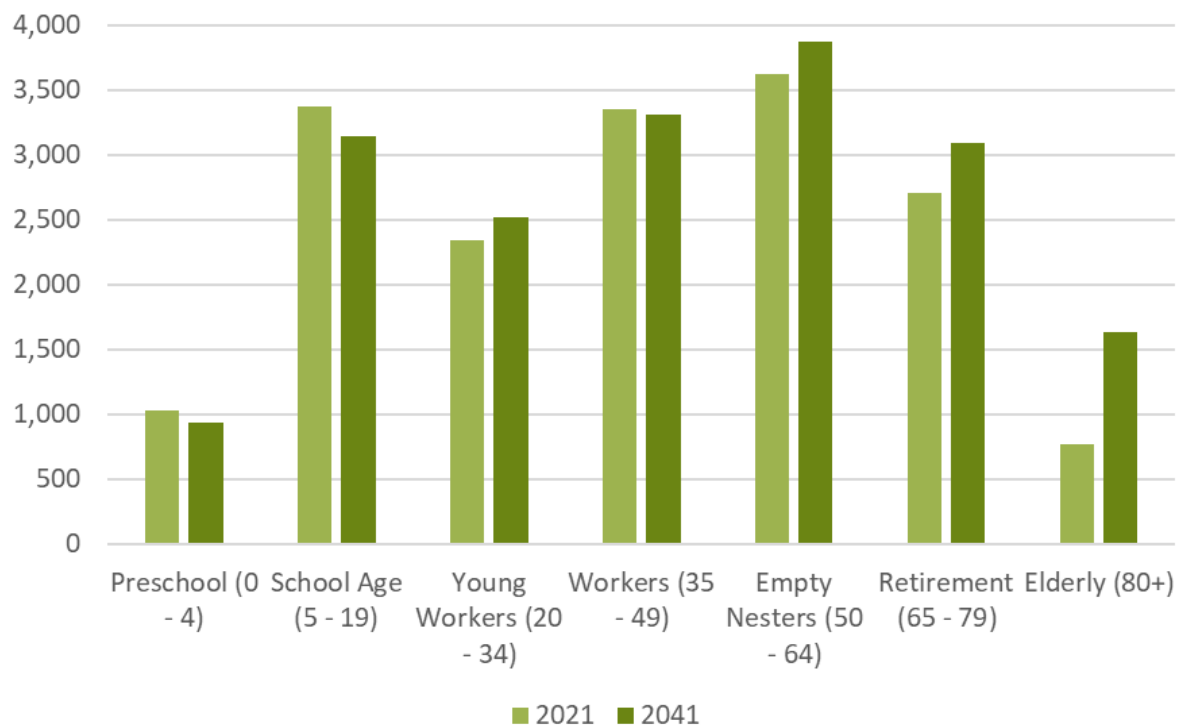
Looking a little deeper into the REMPLAN forecasts, we can see that the overall age structure of Moyne is projected to move in line with the broader social trend of an ageing population. In Moyne this means that from 2021 to 2041 there will be slightly fewer children (a decline of 89 preschool age and 224 school aged children) and increases in most other age groups (the exception being a slight decline of 51 people aged 35 to 49).

While all of the older age groups will grow, the highest proportional growth will be in the elderly (aged 80+ which more than double from 766 in 2021 to 1,631 people in 2041). This will be due to continuing



increasing life expectancy and ageing in place – i.e. most of these 80+ year old’s in 2041 are already living in Moyne (and are in their 60’s and 70’s now).

Graph 19: Population Age Structure change Moyne LGA – 2021 to 2041



Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

It is often highlighted with various strategic planning exercises the issue of the ageing of the population and its various impacts on service provision and changing housing and accommodation needs. However, Graph 20 illustrates the proportional distribution of the population by age structure at 2021 and 2041.

It illustrates the age structure will largely be the same during this period, with exception to a higher proportion in the older age groups. Specifically, in 2021, 4% of the population of Moyne is estimated to be aged 80+, increasing to 9% of the population by 2041.

The key message is that there will be strong growth rates of elderly people in the future although the age structure will still be relatively likened to the current situation.



Graph 20: Proportional population distribution by age cohort, 2021 and 2041



REMPPLAN, Population, Households and Dwellings Forecasts to 2041

While there is not an available projection for dwellings by type for Moyne, it is likely that most of the demand will be for separate houses, rather than medium or higher density dwellings. However, looking at the growth in smaller and ageing households, there may be some opportunity for smaller dwellings (even if they are smaller separate houses) to be offered for the growing and ageing population. This is currently being evidenced by the strong recent lot/housing construction of 'lifestyle' or retirement villages in other regional municipalities.

Key Issues

Up front, Spatial Economics state the notion that all projections are 'wrong'. That is to say, they are almost never *exactly* going to match the actual amount and timing of population growth. However, when they point us in the right *direction*, in particular giving us a picture of what the future is likely to be (with various growth rates), then they are doing exactly what they are intended for.

So, then what is the best course of action? In planning terms, we really need to be prepared for the range of possible futures of population and dwelling growth – this means considering a range of realistic options.

When planning for future housing demand (housing need) there are two key approaches can help with this kind of uncertainty:

First, to 'lean' on the side of assuming stronger growth overall and in any given market segment. That is to ensure that (within reason) there is scope to meet any unexpected upturn in demand; and secondly, to plan for a diversity of supply types and locations.

Planning that locks in controls based on one set of demand projections is likely to make it very difficult for the market to adjust supply to cater for unexpected changes in housing demand.

Moyne is projected to experience significant socio-demographic changes. Specifically, the overwhelming majority of household growth will be for households with no children. This growth will be sourced by simply changing household structures and migration to the municipality. This significant household compositional change highlights the need/opportunity for the provision of diverse housing products across diverse locations.

The population across Moyne is ageing. That is, the proportion of older residents is increasing the



most, with the fastest population growth of all age categories being in the 65+ year age group. This has implications in terms of ageing in place, service delivery, the potential 'churn' of housing stock i.e. downsizing of dwellings and the need for aged care housing (both independent and dependent housing/accommodation).

Strategic land use planning questions need to be posed in light of these demographic forecasts. Particularly, will the strong demand for rural residential/lifestyle properties continue? Given the inherent land management requirements of these properties.

In terms of overall population/dwelling growth forecasts, there are stark differences in terms of actual expressed housing demand, growth forecasts by the State Government compared to the projections commissioned by Moyne and undertaken by REMPlan.

The current FHOG, will bring forward underlying housing demand to the municipality.



7.0 Adequacy of Land Stocks

Key Findings

In terms of zoned broadhectare residential land stocks, it is estimated based on the identified supply and projected demand scenarios, there are sufficient land stocks to satisfy between **16 to 34 years** of demand across Moyne. Spatial Economics consider the VIF2019 demand scenario more realistic and therefore consider the stock of zoned broadhectare land is likely to satisfy around **16 years** of demand.

In addition, there are sufficient unzoned broadhectare residential land stocks to satisfy **over 25 years** of demand.

In terms of zoned broadhectare residential land stocks by selected township, it is estimated based on the identified supply and projected demand scenario (VIF2019), there are sufficient land stocks to satisfy approximately:

- 7 years in Port Fairy;
- 25 years in Koroit;
- 25+ years in Peterborough; and
- 25+ years in Mortlake.

With the amount of supply and demand estimated, it is possible to describe the results in years of supply (a simple and understandable measure). For example, it can be stated that there are X years of supply based on projected demand within a given housing market and by supply type.

This succinct way of describing adequacy is standard across most State Governments in Australia and incorporates a wealth of information into a single figure. A series of adequacy numbers can be provided to reflect differing demand scenarios.

It is also possible to describe adequacy in a qualitative sense but with both the private and public sector familiar to this methodology, it seems appropriate to adopt the above approach.

Years of supply can also be linked to trigger points relating to the need for additional land and more importantly triggering specific strategic land use planning responses. The adequacy of broadhectare/major infill residential land supply sources is calculated as a residual taking into account the state of the other supply types.

Analysis has been undertaken to estimate the years of broadhectare/major infill residential land stocks for the municipal area of Moyne – this is outlined below. In addition, estimates of broadhectare/major infill stock is undertaken for the townships of Port Fairy, Koroit, Peterborough and Mortlake.

7.1 Years of Supply

Two future demand scenarios are used and assessed against the identified stock of undeveloped residential broadhectare land. The demand scenarios are detailed in the previous section of the report. In summary these include:

Scenario One: REMPLAN – dwelling forecasts undertaken for the Moyne Shire Council by REMPLAN. Dwelling requirements from 2021 to 2036 at 45 per annum or a 0.5% per annum growth rate.

Scenario Two: VIF2019 – dwelling forecasts undertaken by the State Government (DELWP). Dwelling requirements from 2021 to 2036 at 93 per annum or a 1% per annum growth rate.



The share of future broadhectare/major infill lot construction activity is assumed at:

- 36% across the municipal area of Moyne;
 - 49% for Port Fairy;
 - 51% for Koroit;
 - 87% for Peterborough; and
 - 7% for Mortlake.

The benchmarks above are assumed constant over-time and is seen as a conservative assumption.

Table 11 summarise the estimated years of broadhectare residential supply by demand scenario as at July 2020.

In terms of **zoned** broadhectare residential land stocks, it is estimated based on the identified supply and projected demand scenarios, there are sufficient land stocks to satisfy between **16 to 34 years** of demand across Moyne. Spatial Economics consider the VIF2019 demand scenario more realistic and therefore consider the stock of zoned broadhectare land is likely to satisfy around **16 years of demand**.

It is recommended that strategic planning and rezoning processes are enacted to increase the stock of zoned broadhectare supply in the short-term.

In addition, there are sufficient **unzoned** broadhectare residential land stocks to satisfy over **25 years** of demand.

Port Fairy

In terms of **zoned** broadhectare residential land stocks, it is estimated based on the identified supply and projected demand scenarios, there are sufficient land stocks to satisfy between **8 to 16 years** of demand for the township of Port Fairy. Spatial Economics consider the VIF2019 demand scenario more realistic and therefore consider the stock of zoned broadhectare land is likely to satisfy around **8 years of demand**.

Port Fairy has the estimated lot/dwelling capacity of 460 within identified future residential land release areas that is currently unzoned for urban density residential development. This is sufficient to cater for over **25 years** of demand.

Spatial Economics recommend increasing the stock of zoned residential land in Port Fairy within the short-term, to facilitate a competitive localised land supply market and to satisfy underlying demand requirements.

Koroit

In terms of **zoned** broadhectare residential land stocks, it is estimated based on the identified supply and projected demand scenarios, there are sufficient land stocks to satisfy between **17 to 25+ years** of demand in Koroit. Spatial Economics consider the VIF2019 demand scenario more realistic and therefore consider the stock of zoned broadhectare land is likely to satisfy around **17 years of demand**.

In addition, there are sufficient **unzoned** broadhectare residential land stocks to satisfy over **25 years** of demand.

However, it is highlighted, that due to Koroit's close proximity to Warrnambool, it is quite plausible that housing demand could readily be captured from the Warrnambool housing market, either by competing via price and/or product differentiation. Expressed demand levels in Koroit should be regularly monitored to ascertain any potential changes in expressed housing demand.



Peterborough

In terms of **zoned** broadhectare residential land stocks, it is estimated based on the identified supply and projected demand scenarios, there are sufficient land stocks to satisfy between **18 to 25+ years** of demand for the Peterborough township. Spatial Economics consider the VIF2019 demand scenario more realistic and therefore consider the stock of zoned broadhectare land is likely to satisfy around **18 years of demand**.

Given Peterborough has a high proportion of 'holiday' dwellings, expressed demand could readily change. Again, it is recommended that lot/housing construction activity is regularly monitored to identify any potential changes in housing demand.

Mortlake

Due to the low levels of actual and projected housing demand levels in Mortlake, there is well over **25 years** of zoned broadhectare supply. However, the vast majority of the identified broadhectare supply is characterised by a minimum 2,000 sqm lot size requirement. Therefore, the identified supply is not likely to cater for the 'traditional' broadhectare housing market i.e. 600 to 800 sqm lot sizes.

Within Mortlake there is an area identified for future residential development (currently unzoned for urban residential development) with an estimated lot yield of 60. Rezoning of this site for residential development should be considered to cater for a more diverse broadhectare supply market i.e. supply of typical broadhectare lot densities.

Table 11: Estimated Years of Broadhectare/Major Infill Residential Land Supply, 2020

		Zoned	Unzoned	Total
Moyne LGA	Scenario 1 (REMPLAN)	25+	25+	25+
	Scenario 2 (VIF2019)	16	25+	25+
Port Fairy	Scenario 1 (REMPLAN)	16	25+	25+
	Scenario 2 (VIF2019)	8	25+	25+
Koroit	Scenario 1 (REMPLAN)	25+	25+	25+
	Scenario 2 (VIF2019)	17	25+	25+
Peterborough	Scenario 1 (REMPLAN)	25+	0	25+
	Scenario 2 (VIF2019)	18	0	25+
Mortlake	Scenario 1 (REMPLAN)	25+	25+	25+
	Scenario 2 (VIF2019)	25+	25+	25+

Source: Spatial Economics Pty Ltd

Note: Scenario 2 is Spatial Economics preferred demand scenario

The years of supply is not only dependent on the projected number of dwellings in total, the share of total dwellings within broadhectare supply areas but also the timely realisation of the identified supply opportunities. Therefore, caution is highlighted in the interpretation of the years of broadhectare land supply, as a major assumption is that the identified supply is realised in a development timing setting.

Spatial Economics consider that the total stock of zoned broadhectare/major infill residential land is sufficient to meet short to medium term requirements. However, Spatial Economics recommend that the stock of zoned residential broadhectare land is increased in the short-term to maintain both a) a competitive land supply market; b) meeting underlying dwelling requirements for the medium and longer term; and c) potential 'capture' housing demand from outside of the municipal area.



In summary, Spatial Economics recommend:

1. Increasing the stock of zoned broadhectare land for the township of Port Fairy in the short term.

Currently, Port Fairy has sufficient zoned broadhectare land stocks to meet approximately eight years of demand (VIF2019 based scenario) based on a current zoned lot capacity of 110.

Within Port Fairy, there is an identified future broadhectare lot potential of approximately 460 lots (currently unzoned for urban density residential development).

There are two distinct areas identified for future residential development. The first, with a likely lot yield of approximately 150 is currently zoned a mixture of a) Rural Living; and b) Mixed Use. It is bounded by the Princes Highway to the east, Albert Road to the west and Hamilton-Port Fairy Road to the south. The identified future land release area is characterised by:

- significant land fragmentation;
- existing rural residential dwellings/uses; and
- overland flooding issues.

It is unlikely that a comprehensive master-planned broadhectare land development/release will result within this area. Rather, sporadic, site specific land developments are likely to occur. However, Spatial Economics consider, that over the course of time, it is likely to achieve the estimated lot/dwelling yield of approximately 150.

The second area identified for future urban density residential development, is located directly south of the former. Bounded by Hamilton-Port Fairy Road to the north and the Princes Highway to the south. It is estimated that this area will have a lot/dwelling yield of approximately 310.

Although it does have overland flooding issues, it is not highly fragmented, it has larger 'parent lots and is likely to result or at least has the characteristics to result in a 'typical' master-planned land development.

Spatial Economics recommend that both these areas are rezoned for urban residential zoning in the short-term, the priority being the later site. Specifically, it is recommended that Council continues to progress the exhibited Planning Scheme Amendment C69moyn to implement the proposed rezonings.

2. Increasing the stock of zoned broadhectare land for the township of Koroit in the short- to medium term.

Although Koroit has approximately 18 years supply of zoned broadhectare land stocks, consideration should be given to the rezoning of land identified for future broadhectare development in the short to medium term.

The area identified for future residential broadhectare development has an estimated lot/dwelling potential of 600. The area is relatively unconstrained from a land development perspective, has large land parcels – it is ideal for the creation of a significant master-planned residential development/estate.

Koroit is in an ideal location to 'capture' potential housing demand from the neighbouring urban centre of Warrnambool. The availability of suitable supply can often create or in this instance, capture demand from substitutable housing markets. Competition to capture housing demand from Warrnambool would need to be based on price and/or product differentiation.



It is highlighted, that of the existing zone broadhectare/major infill supply stocks located in Koroit, there are only three sites that have the capacity to yield significant development outcomes, these include:

- King Street (east) - 59 lots and 6.4 hectares in size;
- Queen Street – 30 lots 3 hectares in size; and
- Wright Street - 20 lots and 1.7 hectares in size.

The King Street site is currently under development.

The residual zoned supply sites are fragmented and have relatively small development yields.

3. Spatial Economics recommend no action regarding the stock of broadhectare land in Peterborough in the short to medium term.

However, due to 'external' nature of demand for dwellings in Peterborough, it is recommended that dwelling construction is regularly monitored to ascertain any significant increase in demand.

4. Spatial Economics supports the rezoning of existing land zoned Rural Living (RLZ) to GRZ in Mortlake.

Spatial Economics acknowledges that there has been historically and forecast subdued housing demand in Mortlake. However, the majority of the zoned broadhectare stock in Mortlake is subject to a minimum 2,000 sqm subdivided lot size. This in a practical land product sense is rural residential/low density in size.

The site identified for future urban residential development has a potential lot yield of 840 and is nearly 108 hectares in size. The site has a number of land development constraints, including highly fragmented land ownership and significant existing rural residential dwelling stock. However, it is recommended that the site is assessed in terms of capability of providing 'normal' urban densities i.e. 600 to 800 sqm in size.

If the site is deemed suitable for typical urban density outcomes, consideration should be given to rezone the site. This will provide Mortlake with diverse housing supply options, as currently they are limited to either rural residential type densities or infill/redevelopment of existing housing allotments.

However, unless a comprehensive master plan is prepared for this area, it is likely that sporadic, site-specific land developments will occur. Spatial Economics consider, that over the course of time (subject to demand levels), it is likely the site will achieve 'normal' urban development density outcomes .

5. Spatial Economics considers that the existing supply of urban and rural residential (zoned and unzoned) within the small townships across the Shire are sufficient to service existing and likely future demand for the foreseeable future .

7.2 Interpretation of the 'Adequacy' Benchmarks

Clause 11.02-1S of the State Planning Policy Framework includes under 'Strategies' the need to:

"Plan to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis."

The relevant objective is at 11.02-1S Supply of urban land:

"To ensure a sufficient supply of land is available for residential, commercial, retail, industrial, recreational, institutional and other community uses."



It is important to highlight a number of potential interpretations and considerations of the above clauses within the State Planning Framework:

- The framework cites at least a 15-year supply of land to meet expected demand, this benchmark is a **minimum supply target**.

Although Clause 11.02-1S states that this benchmark is to be applied at a **municipal level**, it is appropriate for Moyne that this policy direction is applied at a **township basis**. Residential land supply and demand in for example Port Fairy, has little relevance to the supply and demand levels in Mortlake. The 15-year supply benchmark should be seen as a policy guide to maintain competitive housing market outcomes. However, based on localised strategic planning policies/objectives and or localised land capability, it may not be appropriate that all settlements achieve this land supply benchmark.

- The above benchmark was originally developed as a simple, relatively transparent indicator to ensure sufficient broadhectare land within the growth areas of metropolitan Melbourne – representing three business cycles. Other factors were examined within the context of this benchmark, including, but not limited to the level of industry competition, the composition of undeveloped land stocks and practicality/likelihood of identified supply being available for development to meet projected demand in the short, medium and longer term.
- The benchmark was seen as guide to decision making to determine the quantum, location and timing of the need to identify additional land stocks and start timely planning for additional supply.

The State Planning Framework identifies in the context of urban land supply the need to ensure a sufficient supply of residential land. The use of the 15-year minimum land supply benchmark is a guiding tool to measure the sufficiency of land supply.

The broadhectare residential supply assessment (the method employed replicates the current State Governments methodology), illustrates that there is approximately **16 years** zoned broadhectare residential land stocks at a municipal level.

It is observed that the current outcomes of residential development in Moyne is resulting in competitive outcomes, specifically: 1) diverse land products; 2) diverse locations of development; 3) affordable land prices; and 4) meeting underlying household demand.

The 15-year supply benchmark is not a 'magical' target, which once supply levels are below this, perverse housing market outcomes result. However, it is a solid guide that indicates planning for additional land supply sources should be under-way or strategic planning initiatives are initiated that changes the composition of demand for increased established urban area residential development.

Key Issues

Clause 11.02-1S of the State Planning Policy Framework includes under 'Strategies' the need to:

"Plan to accommodate projected population growth over at least a 15 year period and provide clear direction on locations where growth should occur. Residential land supply will be considered on a municipal basis, rather than a town-by-town basis."

The broadhectare residential supply assessment included within this assessment (the method employed replicates the current State Governments methodology), illustrates that there is approximately 16 years zoned broadhectare land stocks. A further 25+ years of unzoned broadhectare land stocks are also identified, well over 25 years broadhectare land supply stocks (zoned and unzoned). Clearly, there is ample broadhectare residential land stocks to meet the requirements of Clause 11.02-1S of the State Planning Policy Framework.

Spatial Economics consider that the total stock of zoned broadhectare residential land is sufficient to meet short-term requirements. However, Spatial Economics recommend that the stock of zoned



residential broadhectare land is increased in the short-term to maintain both a) a competitive land supply market; and b) meeting underlying dwelling requirements.

It is imperative that ample zoned residential supply opportunities are provided within each major identified housing market/township across Moyne to allow both a competitive land supply market and locational choice to meet consumer preference—in the context of established strategic land use planning objectives and land use capability.



8.0 Small Town Profiles

The following provides a brief profile of the land supply stocks, residential development activity and demographic forecasts by townships within the municipal area of Moyne.

8.1 Koroit

Map 2: Land Supply Profile – Koroit

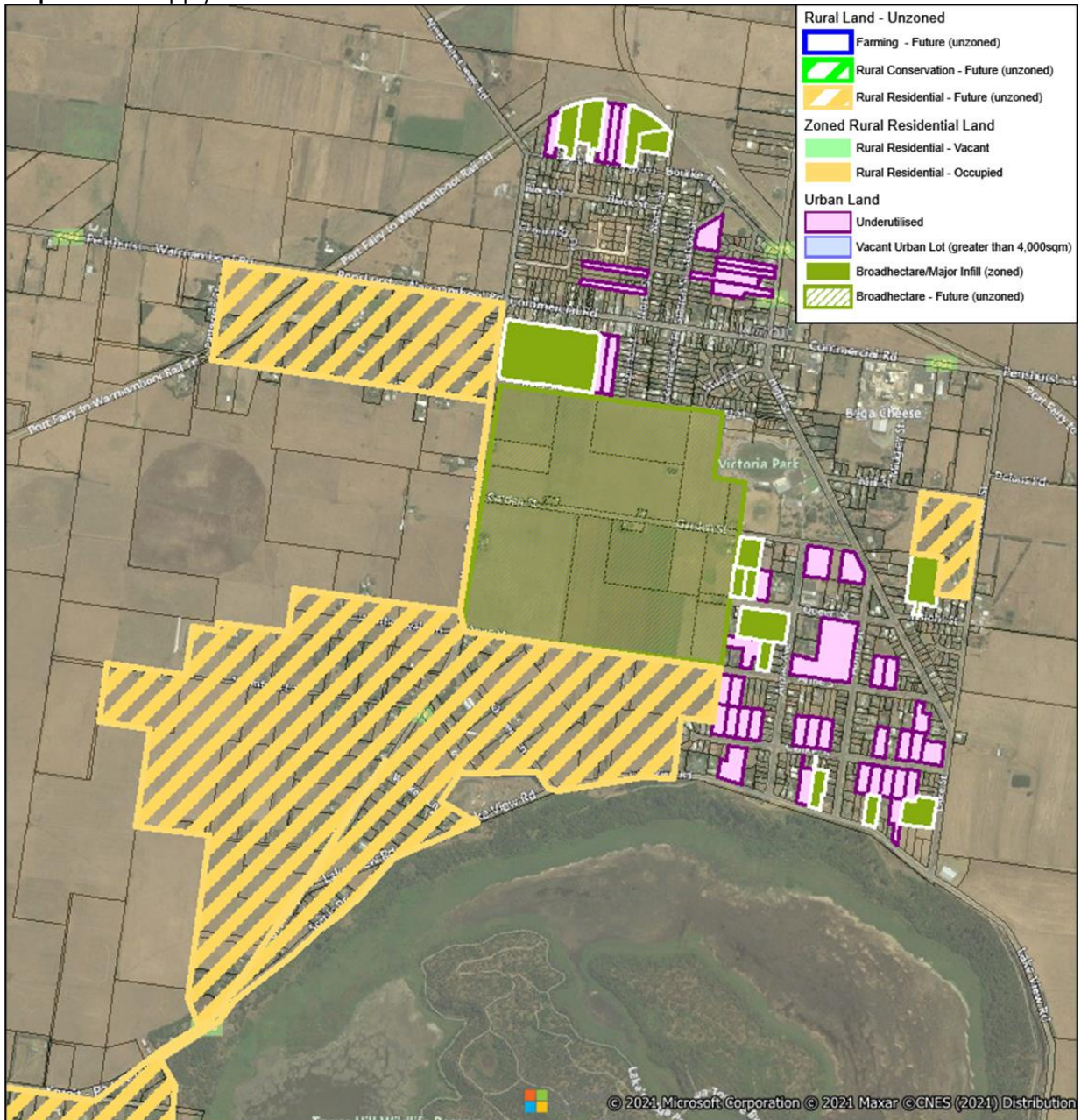


Table 12: Residential Land Supply Stocks - Koroit

Lot Construction - Rural Residential (total) 2008 to 2020	24
Lot Construction - Urban (total) 2008 to 2020	145
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	22
Under-utilised urban lot stock - yield (lots)	163
Broadhectare/Major Infill - Zoned (lots)	161
Broadhectare/Major Infill - Zoned (area - hectares)	18
Potential Residential (urban unzoned) - lots	600
Potential Residential (urban unzoned) - area/hectares	70
Vacant Lot Stock -RLZ (lots)	
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	
Potential RLZ (hectares) - Unzoned	225

Source: Spatial Economics

Koroit is projected for steady growth, slightly above the average rate for Moyne LGA as a whole. The population is forecast to grow by 223 people at 0.64% per annum and dwellings will grow by 116 at 0.84% per annum between 2021 and 2041.

Table 13: Population, Household and Dwelling change Koroit – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	1,631	1,707	1,767	1,810	1,854	223	0.64%
Households	589	613	632	644	656	67	0.54%
Dwellings	633	669	699	723	749	116	0.84%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.2 Mortlake

Map 3: Land Supply Profile – Mortlake

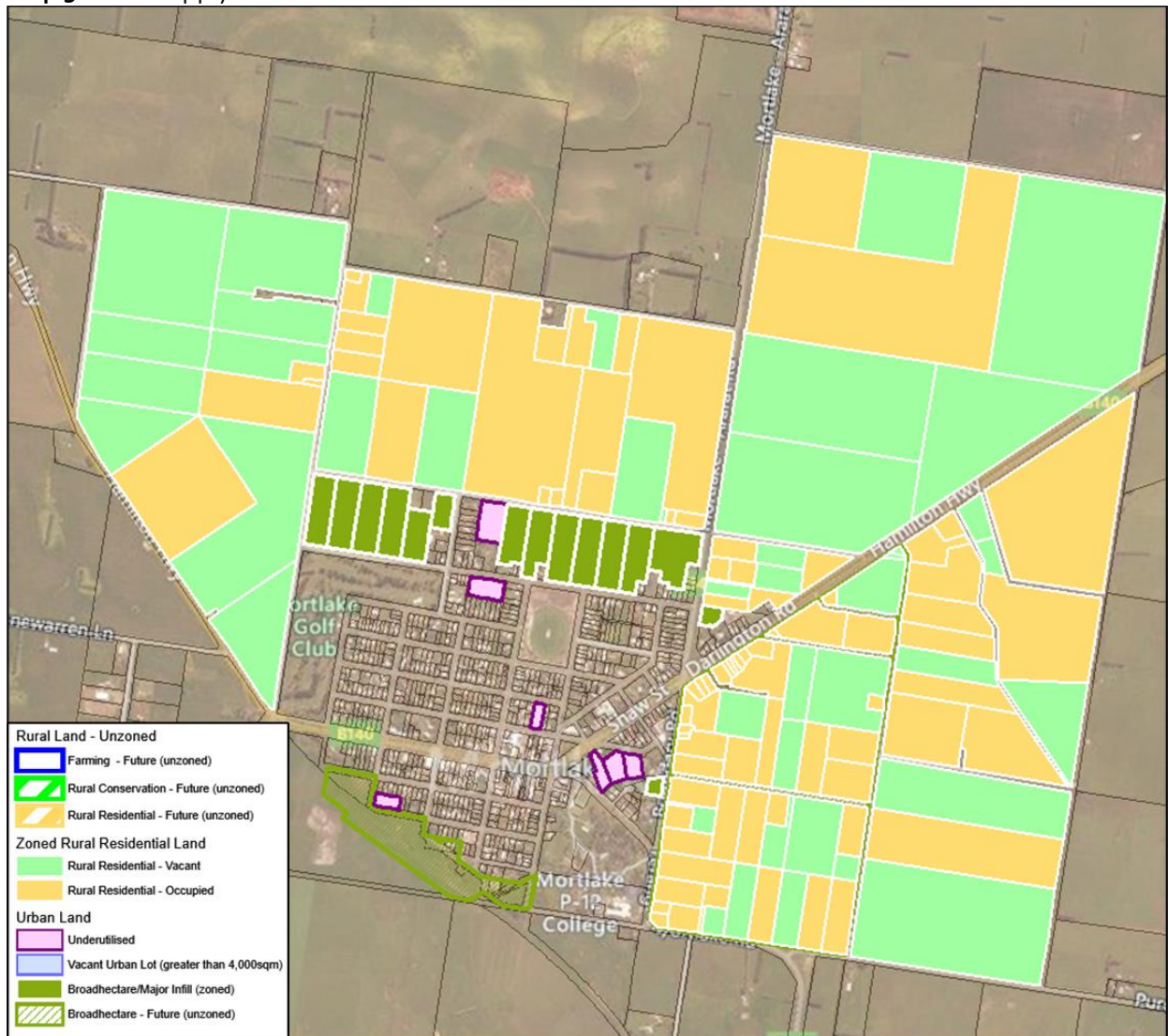


Table 14: Residential Land Supply Stocks - Mortlake

Lot Construction - Rural Residential (total) 2008 to 2020	28
Lot Construction - Urban (total) 2008 to 2020	43
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	31
Under-utilised urban lot stock - yield (lots)	36
Broadhectare/Major Infill - Zoned (lots)	140
Broadhectare/Major Infill - Zoned (area - hectares)	35
Potential Residential (urban unzoned) - lots	840
Potential Residential (urban unzoned) - area/hectares	108
Vacant Lot Stock -RLZ (lots)	29
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	356
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics

Mortlake is projected to have basically stable population over the projection period – declining by just 8 people but seeing 5 more households by 2041. Despite this there will be some demand for additional housing, with 37 new dwellings projected. It is important to remember that stable net population does not mean change is not occurring. New household formation will continue as the population ages and people and households move into and out of Mortlake over this 20 year period.

Table 15: Population, Household and Dwelling change Mortlake – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	1,141	1,150	1,149	1,143	1,133	-8	-0.04%
Households	459	465	467	466	464	5	0.05%
Dwellings	481	495	505	512	518	37	0.37%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.3 Port Fairy

Map 4: Land Supply Profile – Port Fairy

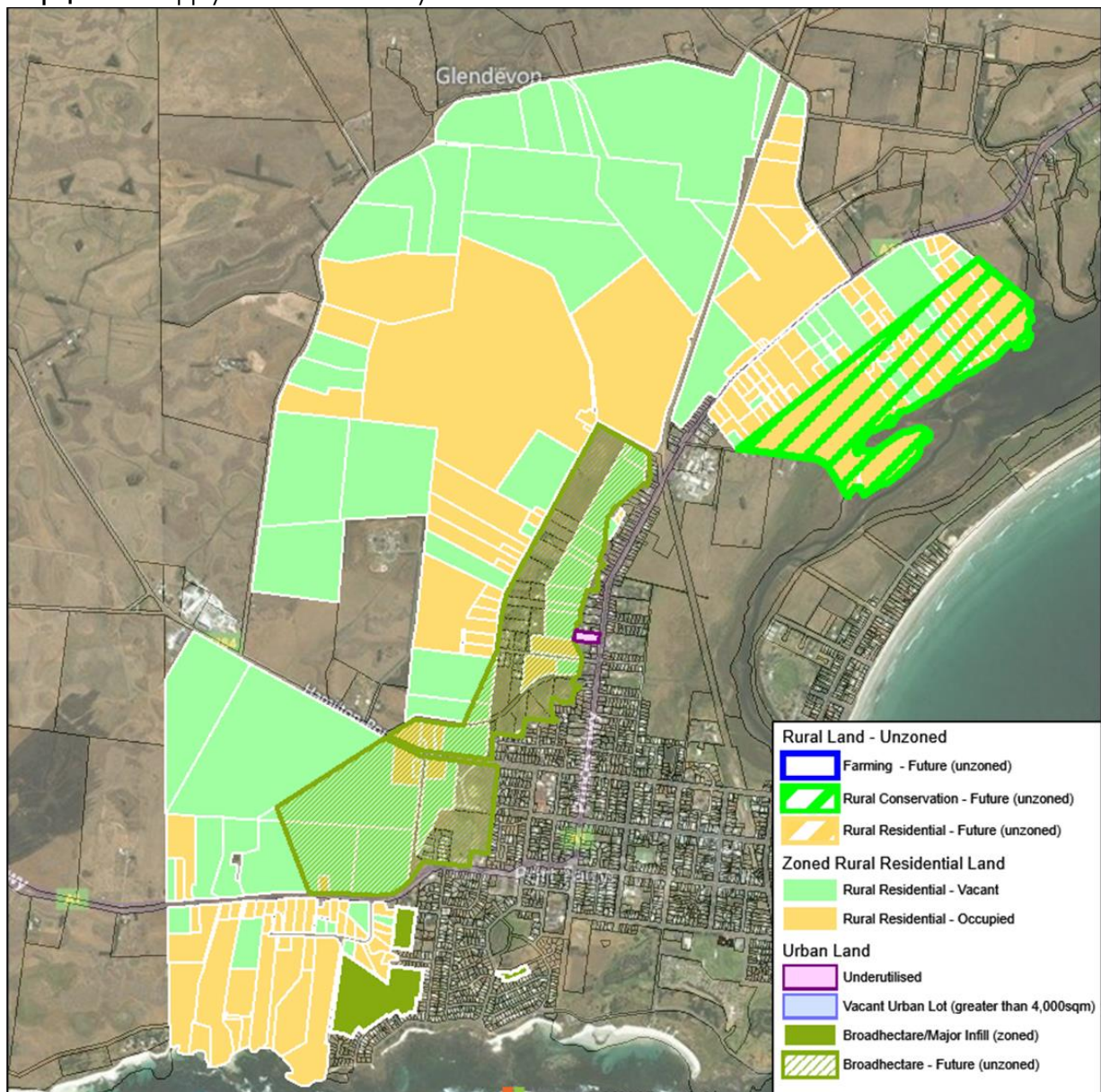


Table 16: Residential Land Supply Stocks - Port Fairy

Lot Construction - Rural Residential (total) 2008 to 2020	56
Lot Construction - Urban (total) 2008 to 2020	211
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	104
Under-utilised urban lot stock - yield (lots)	6
Broadhectare/Major Infill - Zoned (lots)	110
Broadhectare/Major Infill - Zoned (area - hectares)	118
Potential Residential (urban unzoned) - lots	460
Potential Residential (urban unzoned) - area/hectares	57
Vacant Lot Stock -RLZ (lots)	43
Vacant Lot Stock -LDRZ (lots)	22
Vacant Lot Stock -rural residential (area/hectares)	435

Potential RLZ (hectares) - Unzoned

Source: Spatial Economics

Port Fairy is the largest town in Moyne and is projected for the strongest growth rates of the three larger towns in the shire. The population is projected to grow by 548 people, at an average annual rate of 0.82 per cent, while dwellings will grow by 296 at an average annual rate of 0.66 per cent.

It should be noted that the relatively high rate of unoccupied dwellings in Port Fairy causes two issues:– first it disguises the relative demand – 296 dwellings for a net additional 548 people is a high ratio.

And secondly, there is capacity in towns like Port Fairy with high numbers of part-time or vacation-homes, to absorb population without the need for additional dwellings to be constructed. Regular monitoring of how demand for housing due to population growth (new dwellings, or take up of existing dwellings) should monitor these trends which may lead to significant variations from the projected figures.

Table 17: Population, Household and Dwelling change Port Fairy – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	3,091	3,243	3,381	3,513	3,639	548	0.82%
Households	1,171	1,223	1,268	1,311	1,351	180	0.72%
Dwellings	2,097	2,183	2,258	2,329	2,393	296	0.66%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.4 Peterborough

Map 5: Land Supply Profile – Peterborough

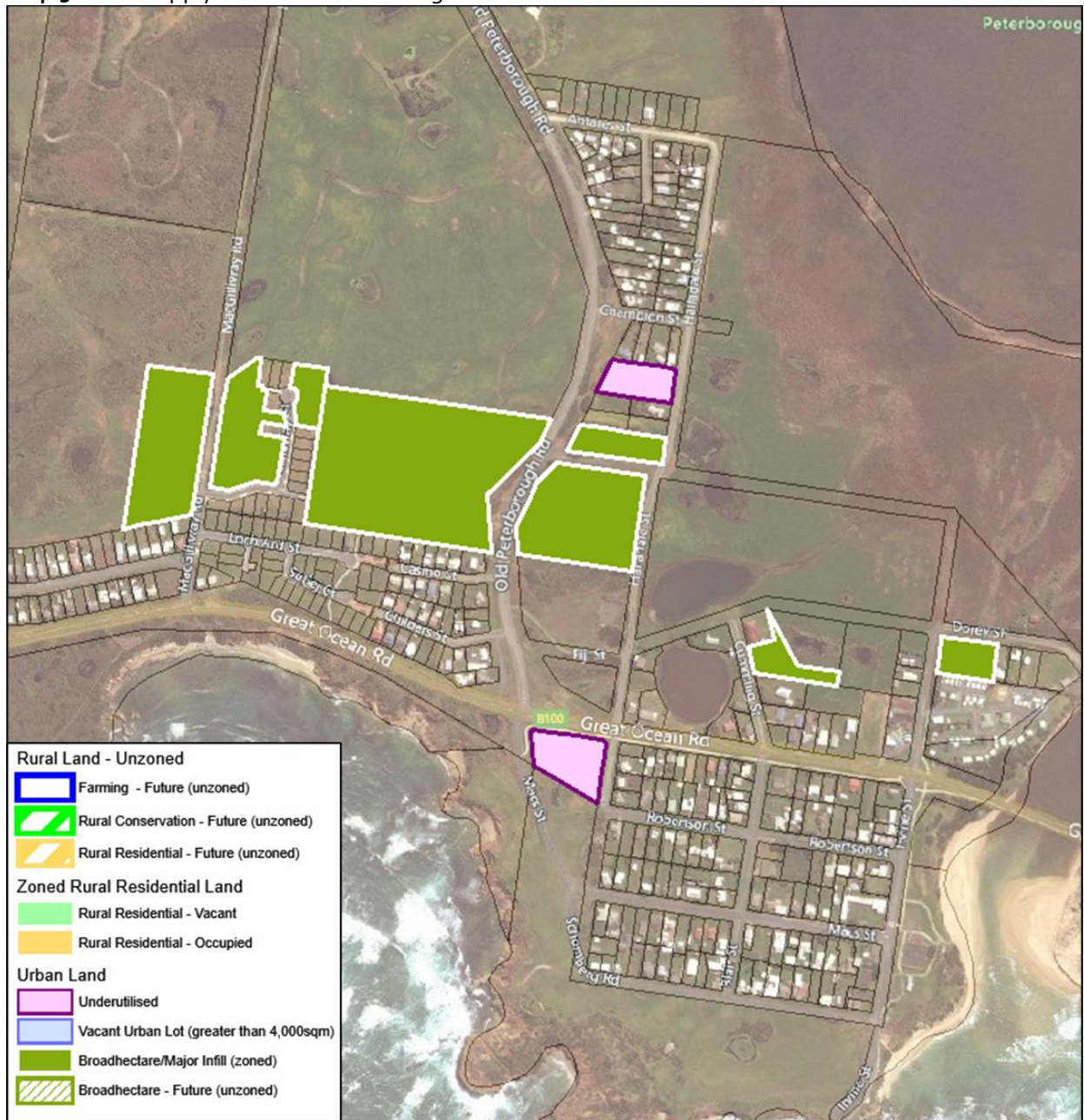


Table 18: Residential Land Supply Stocks - Peterborough

Lot Construction - Rural Residential (total) 2008 to 2020	
Lot Construction - Urban (total) 2008 to 2020	79
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	62
Under-utilised urban lot stock - yield (lots)	13
Broadhectare/Major Infill - Zoned (lots)	133
Broadhectare/Major Infill - Zoned (area - hectares)	14
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics

Peterborough in the southeast corner of Moyne follows the pattern of projected growth for other small towns. The key difference for Peterborough is that being on the coast amidst the tourist attractions of the Great Ocean Road, it may come under additional pressure due to this amenity and potential economic opportunity.

Table 19: Population, Household and Dwelling change Peterborough – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	162	167	174	178	180	18	0.53%
Households	66	67	70	70	71	5	0.37%
Dwellings	285	297	313	323	330	45	0.74%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.5 Cudgee

Map 6: Land Supply Profile – Cudgee

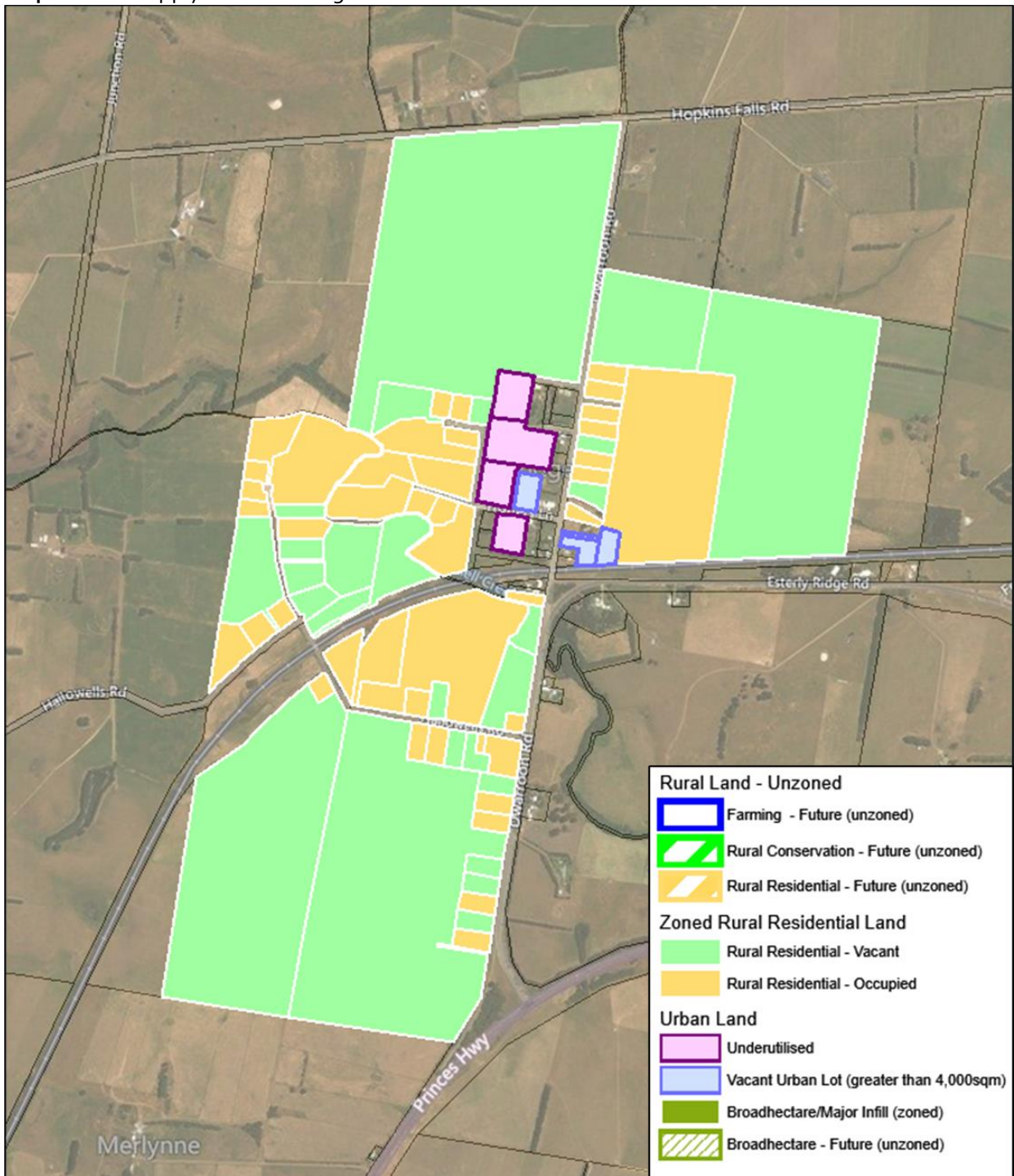


Table 20: Residential Land Supply Stocks - Cudgee

Lot Construction - Rural Residential (total) 2008 to 2020	25
Lot Construction - Urban (total) 2008 to 2020	7
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	3
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	
Under-utilised urban lot stock - yield (lots)	7
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	
Vacant Lot Stock -LDRZ (lots)	26
Vacant Lot Stock -rural residential (area/hectares)	160
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics

Cudgee is a small town in the south eastern part of Moyne LGA, which is projected to grow over the period from 2021 to 2041. While the rates of growth for population, households and dwellings appear high compared to Moyne overall, this is due to the low numbers. Starting with just 39 dwellings in 2021 and growing to 57 in 2041 is an annual rate of almost 2%, but total growth of just 18 dwellings. Small towns like Cudgee will need to accommodate some population and housing growth, but only a small proportion of the total growth of Moyne LGA.

Table 21: Population, Household and Dwelling change Cudgee – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	136	151	166	174	184	48	1.52%
Households	37	41	44	46	48	11	1.31%
Dwellings	39	45	49	53	57	18	1.92%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.6 Hawkesdale

Map 7: Land Supply Profile – Hawkesdale

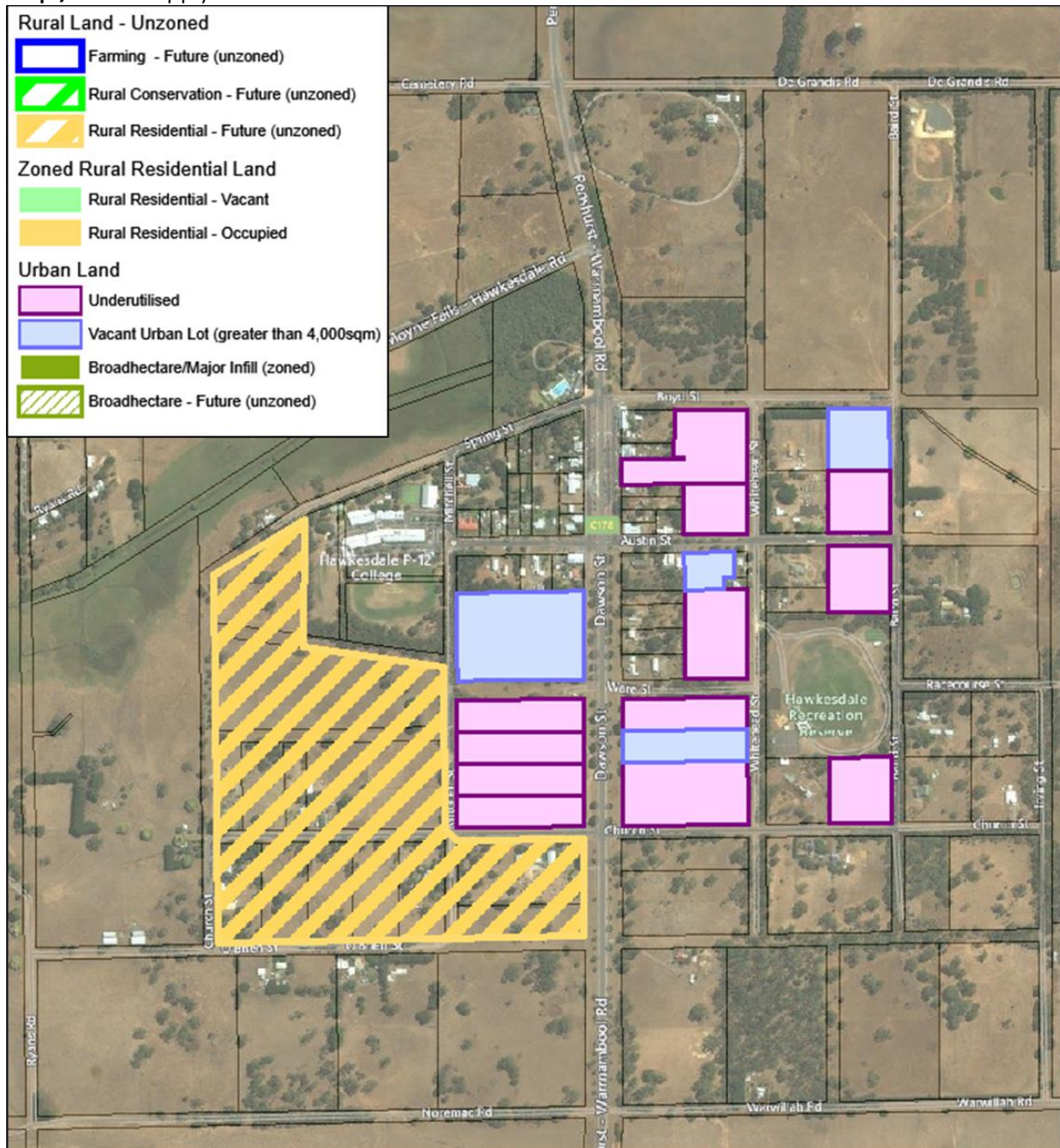


Table 22: Residential Land Supply Stocks - Hawkesdale

Lot Construction - Rural Residential (total) 2008 to 2020	0
Lot Construction - Urban (total) 2008 to 2020	0
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	11
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	
Under-utilised urban lot stock - yield (lots)	17
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	
Potential RLZ (hectares) - Unzoned	23

Source: Spatial Economics

Hawkesdale in the middle of Moyne is similar to Cudgee; it is a small town that is projected to see modest increases in population and housing, but due to its' small size, result in above average growth rates. Again, planning for this level of growth should consider the overall numbers, rather than the rates of growth.

Table 23: Population, Household and Dwelling change Hawkesdale – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	116	120	124	132	138	22	0.87%
Households	48	50	52	56	59	11	1.04%
Dwellings	57	59	62	67	70	13	1.03%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.7 Macarthur

Map 8: Land Supply Profile – Macarthur

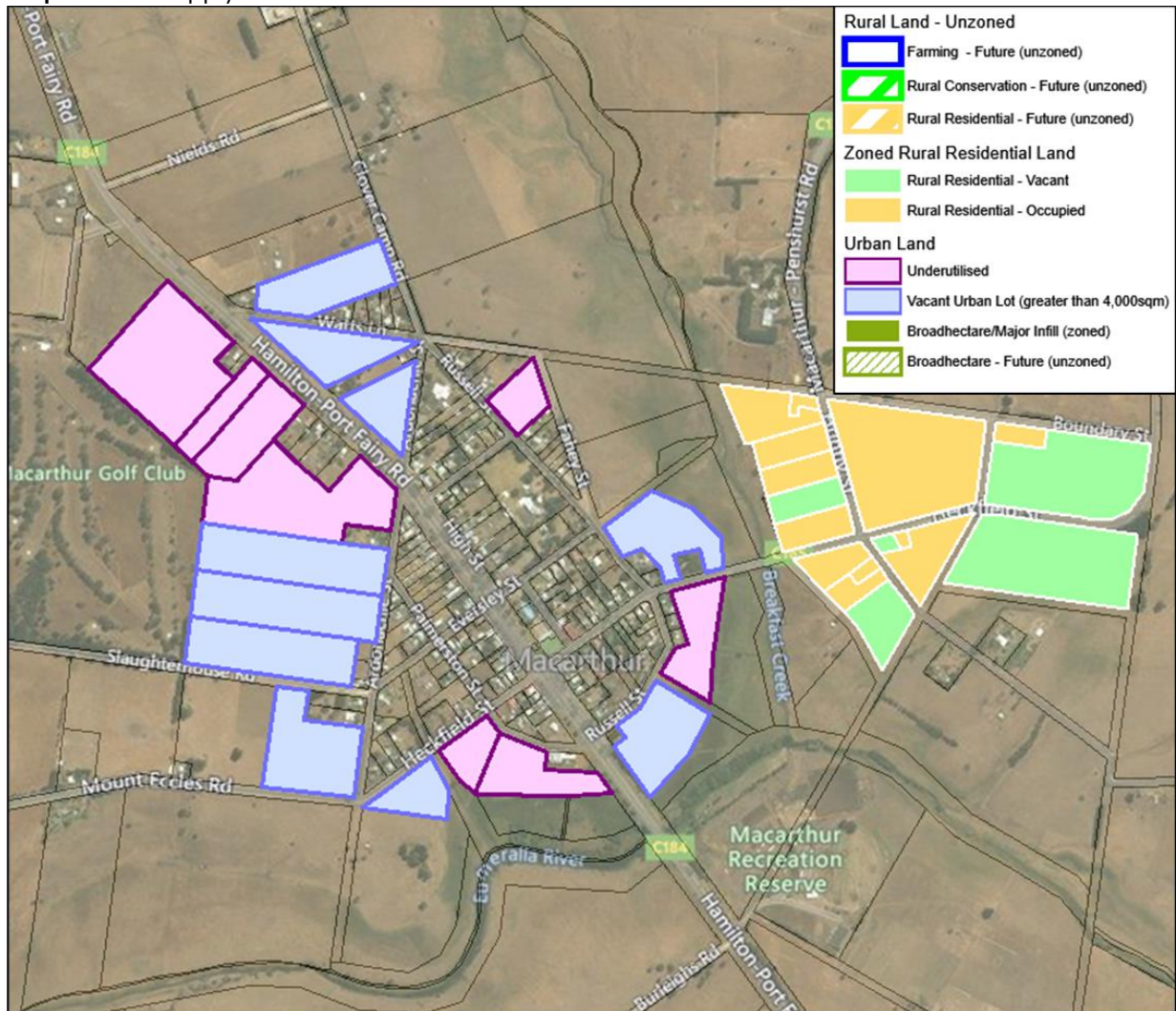


Table 24: Residential Land Supply Stocks - Macarthur

Lot Construction - Rural Residential (total) 2008 to 2020	
Lot Construction - Urban (total) 2008 to 2020	4
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	71
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	13
Under-utilised urban lot stock - yield (lots)	40
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	5
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	14
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics

Macarthur in the northwest of Moyne is another small town which will see modest growth, according to the REMPLAN projection. Despite the seemingly high growth rate of 1.42% per annum, net growth of 48 dwellings over the 20 year period is less than three dwellings per year.

Table 25: Population, Household and Dwelling change Macarthur – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	237	254	271	283	301	64	1.20%
Households	110	117	125	131	139	29	1.18%
Dwellings	147	160	172	181	195	48	1.42%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.8 Mailors Flat

Map 9: Land Supply Profile – Mailors Flat

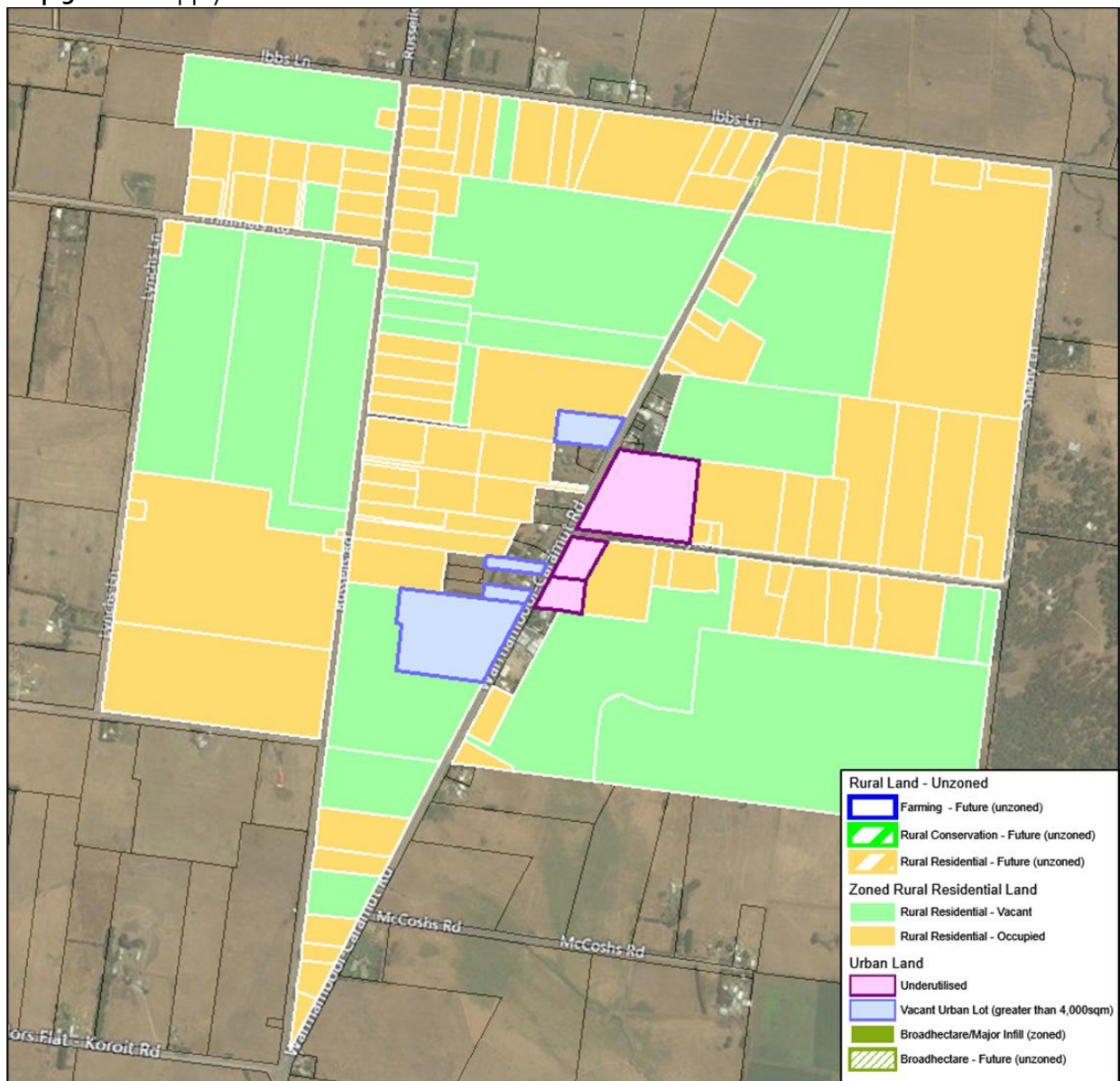


Table 26: Residential Land Supply Stocks - Mailors Flat

Lot Construction - Rural Residential (total) 2008 to 2020	37
Lot Construction - Urban (total) 2008 to 2020	5
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	17
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	1
Under-utilised urban lot stock - yield (lots)	12
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	8
Vacant Lot Stock -LDRZ (lots)	13
Vacant Lot Stock -rural residential (area/hectares)	160
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics

Mailors Flat, in central Moyne and just to the north of Warrnambool and east of Koroit, will similarly experience small amounts of population and dwelling growth. The proximity to the large regional centre of Warrnambool, could lead to some additional ex-urban growth, although there are many small towns and hamlets in the area, so this is unlikely.

Table 27: Population, Household and Dwelling change Mailors Flat– 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	292	300	306	314	328	36	0.58%
Households	93	95	97	100	104	11	0.56%
Dwellings	106	111	115	121	129	23	0.99%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.9 Winslow

Map 10: Land Supply Profile – Winslow

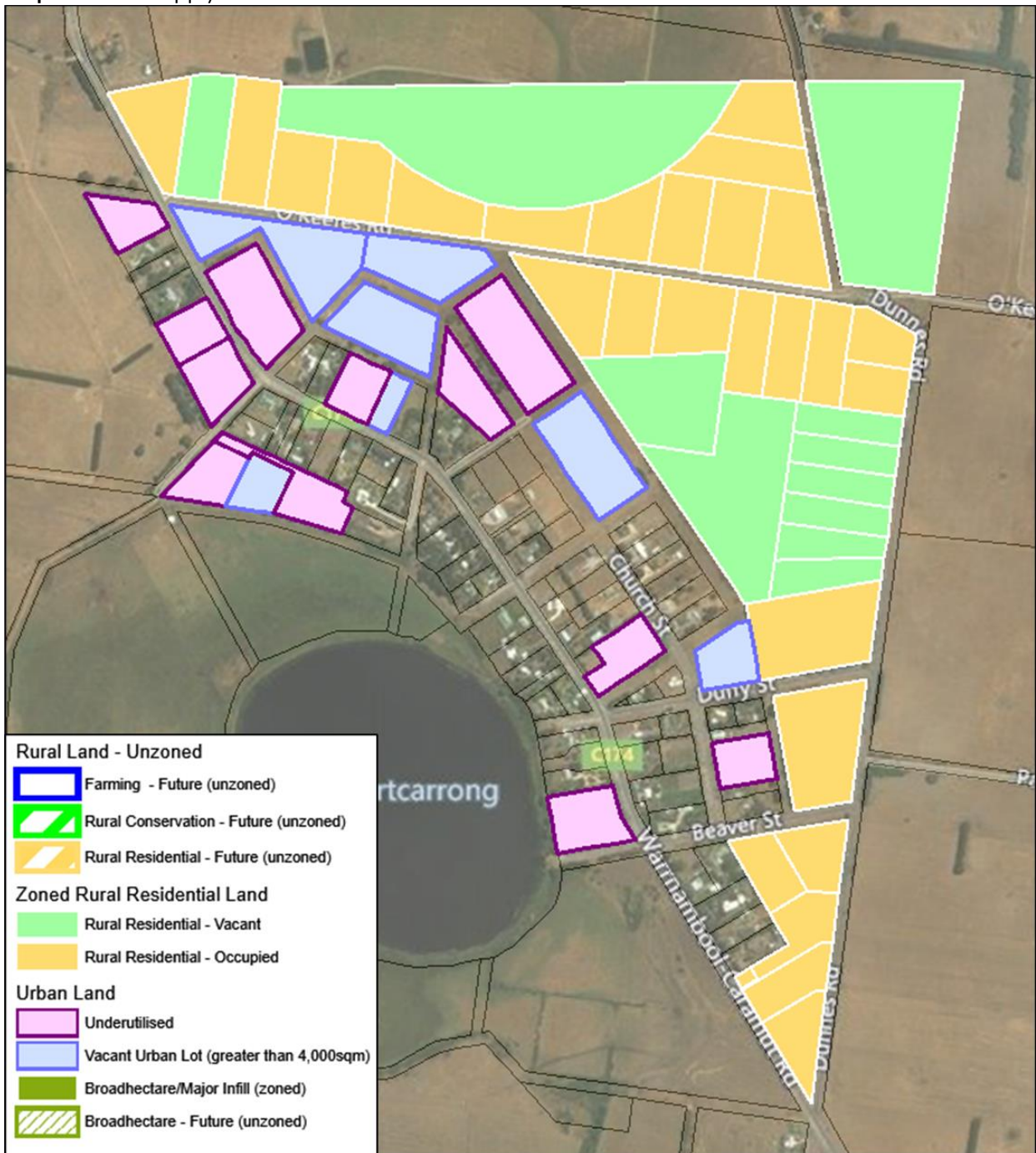


Table 28: Residential Land Supply Stocks - Winslow

Lot Construction - Rural Residential (total) 2008 to 2020	14
Lot Construction - Urban (total) 2008 to 2020	20
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	24
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	3
Under-utilised urban lot stock - yield (lots)	17
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	11
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	36
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics

Winslow in central Moyne, just to the north of Mailors Flat is projected to see the typical pattern for small towns – modest growth in terms of numbers of people and dwellings.

Table 29: Population, Household and Dwelling change Winslow – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	230	234	238	244	249	19	0.40%
Households	85	87	89	91	94	9	0.50%
Dwellings	97	101	106	111	116	19	0.90%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.10 Woolsthorpe

Map 11: Land Supply Profile – Woolsthorpe

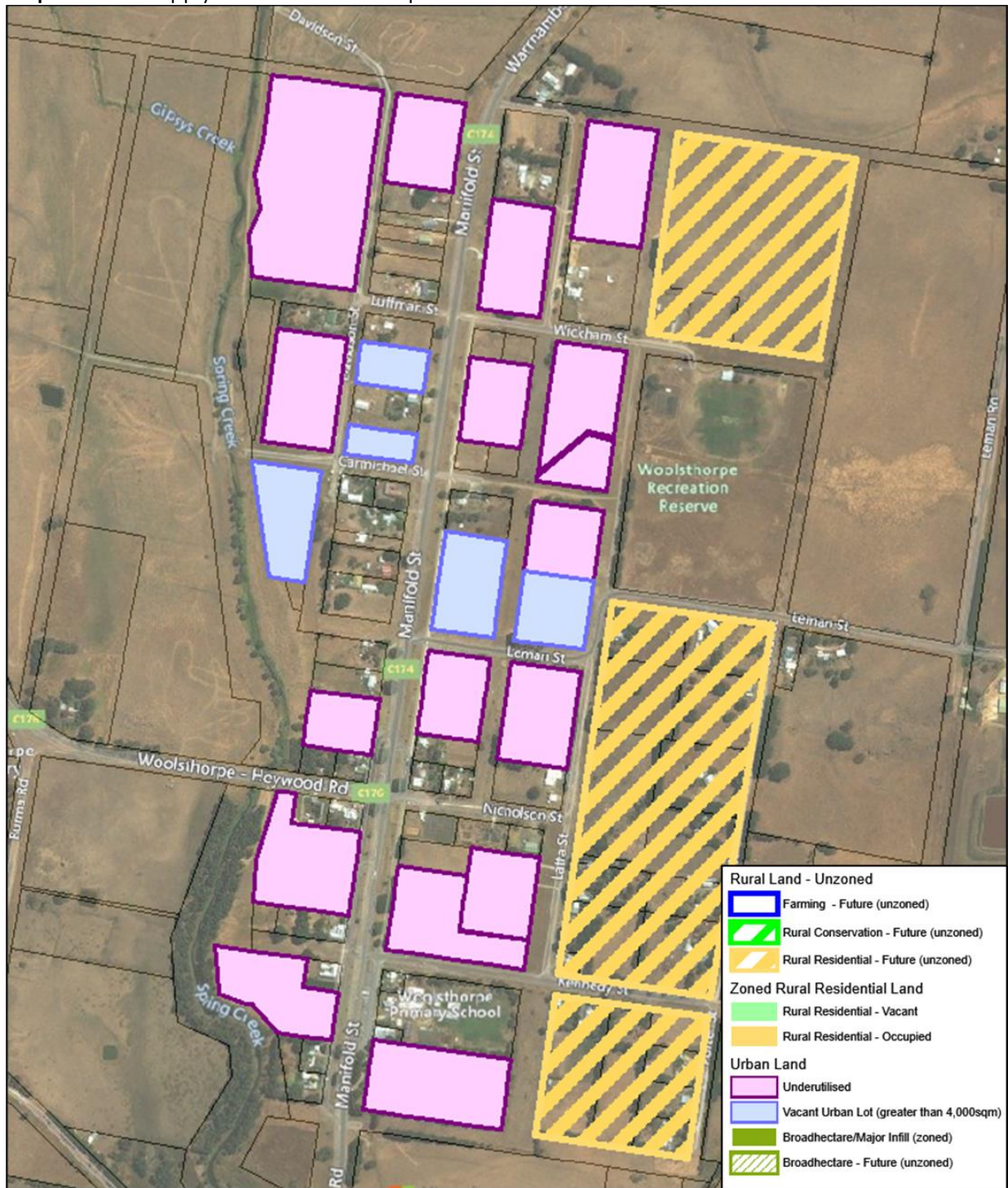


Table 30: Residential Land Supply Stocks - Woolsthorpe

Lot Construction - Rural Residential (total) 2008 to 2020	
Lot Construction - Urban (total) 2008 to 2020	13
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	10
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	4
Under-utilised urban lot stock - yield (lots)	41
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	
Potential RLZ (hectares) - Unzoned	24

Source: Spatial Economics

Woolsthorpe in central Moyne, north of Koroit and Winslow, is the smallest town in the REMPLAN projections and varies slightly from the other small towns in that there is barely any growth (or decline) projected. Change of just two people or 3 dwellings over 20 years is within the margins for error. Nevertheless, it does not mean Woolsthorpe will be static. Ageing in place and moves into and out of this small town will continue to occur.

Table 31: Population, Household and Dwelling change Woolsthorpe – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	66	68	67	64	68	2	0.15%
Households	21	21	21	21	21	0	0.00%
Dwellings	28	29	30	30	31	3	0.51%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



8.11 Rural Areas – East Moyne

East Moyne is the north-east mostly rural area of the Shire of Moyne, excluding Mortlake. As with most rural areas in Moyne, Victoria and Australia as a whole, it is expected to see slowly but steadily declining populations and households. East Moyne has the smallest population of the four non-town regions in the REMPLAN forecasts and is projected to decline by 48 people between 2021 and 2041. A negligible loss of dwellings may or may not occur, but certainly the number of occupied dwellings (households) will decline in line with the population.

Table 32: Population, Household and Dwelling change East Moyne – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	688	689	678	664	640	-48	-0.36%
Households	244	243	238	232	223	-21	-0.45%
Dwellings	315	317	318	318	318	3	0.05%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

For rural areas such as this, one factor that can skew the stats is 'spill over' growth from larger towns. If, for example, growth in Mortlake crossed the current town boundary, it would appear as growth in the East Moyne area. Also very small towns or hamlets close to larger towns sometimes see unexpected housing activity if some residual residential land is available for households who can commute to the nearby larger urban centre.

Map 12: Land Supply Profile – Garvoc

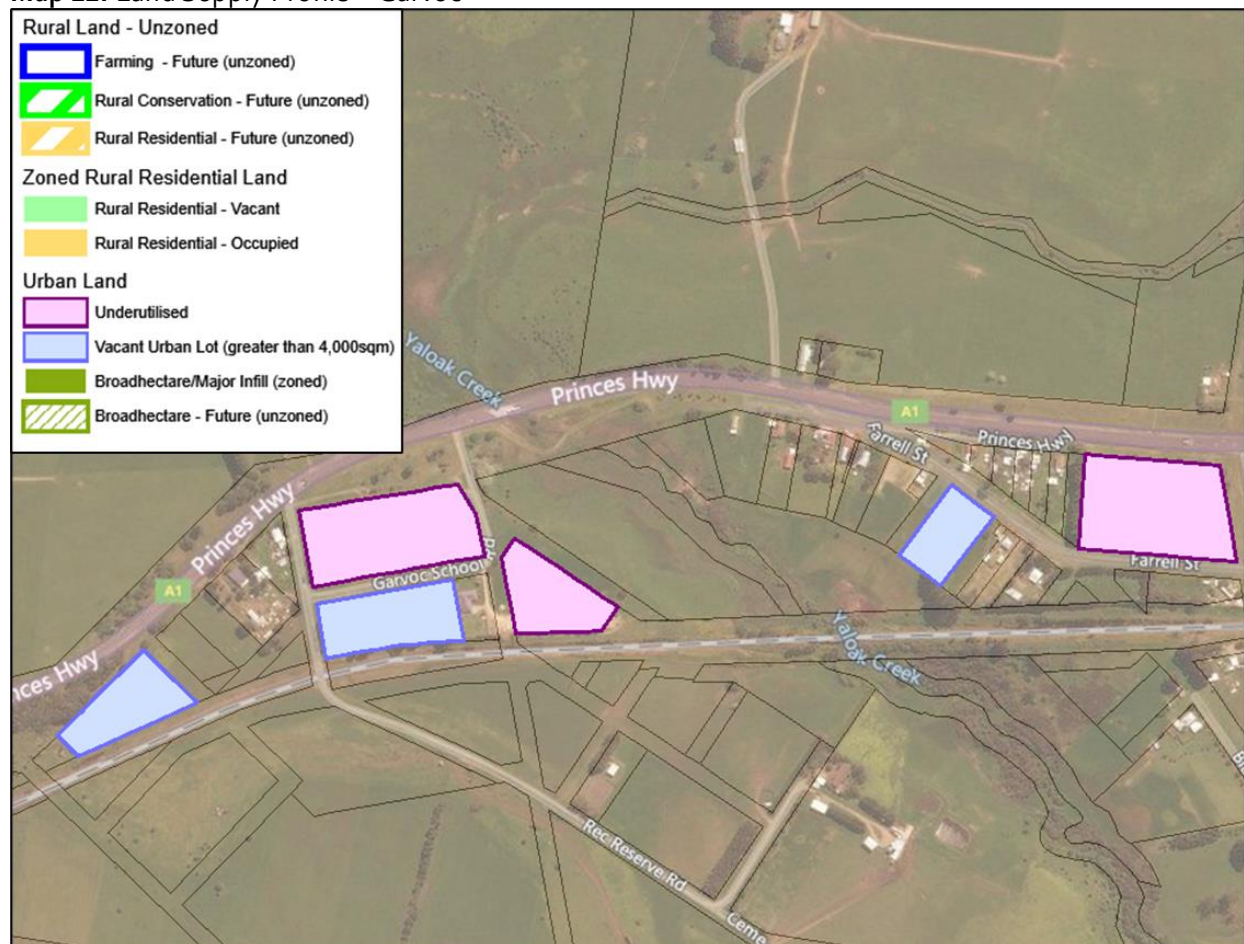


Table 33: Residential Land Supply Stocks – East Moyne

	Garvoc
Lot Construction - Rural Residential (total) 2008 to 2020	
Lot Construction - Urban (total) 2008 to 2020	0
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	5
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	5
Under-utilised urban lot stock - yield (lots)	6
Broadhectare/Major Infill - Zoned (lots)	
Broadhectare/Major Infill - Zoned (area - hectares)	
Potential Residential (urban unzoned) - lots	
Potential Residential (urban unzoned) - area/hectares	
Vacant Lot Stock -RLZ (lots)	
Vacant Lot Stock -LDRZ (lots)	
Vacant Lot Stock -rural residential (area/hectares)	
Potential RLZ (hectares) - Unzoned	

Source: Spatial Economics



8.12 Rural Areas – Northern Moyne

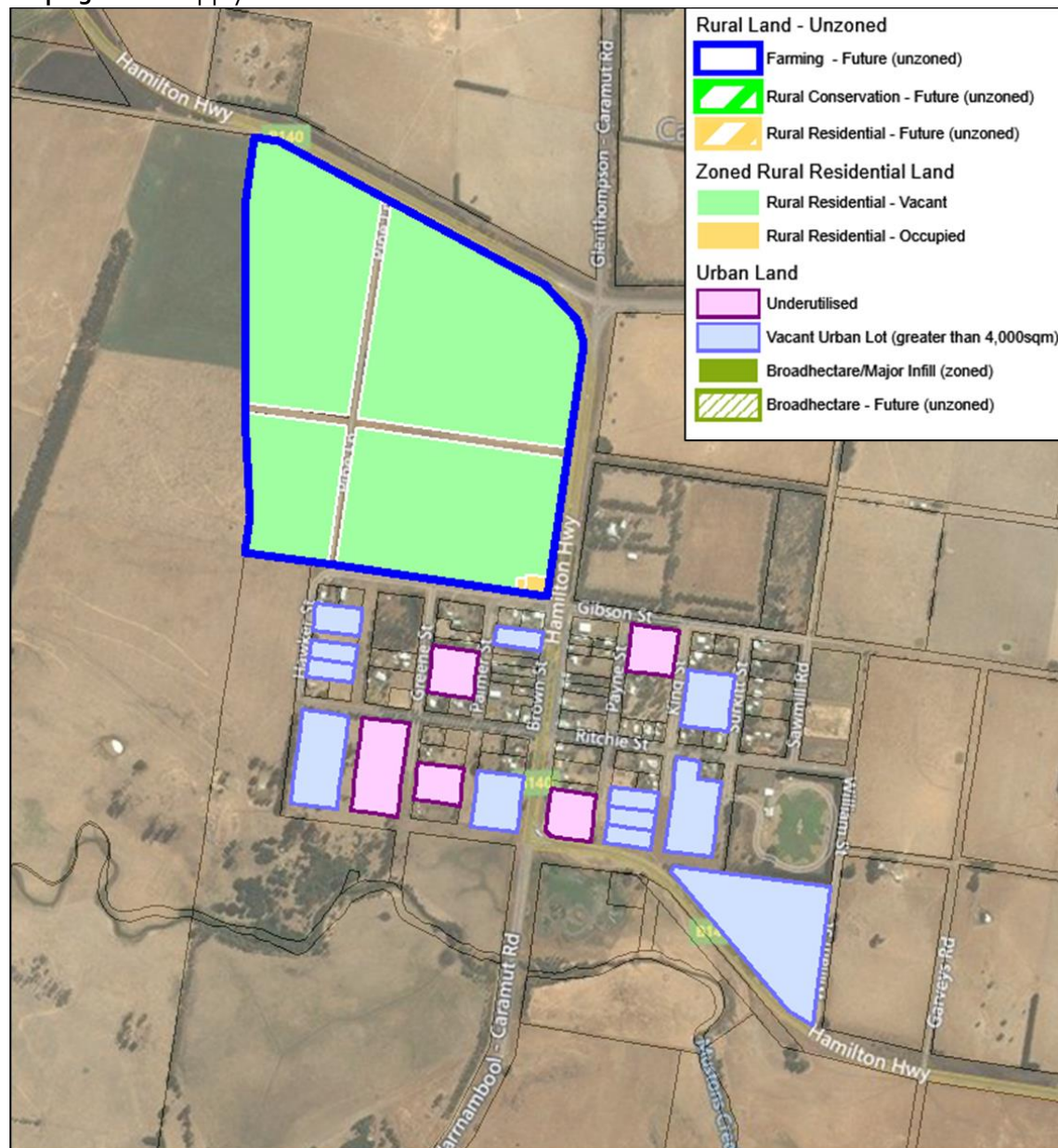
Northern Moyne is almost entirely rural, with the only town in this analysis being Hawkesdale, and that being on the border with West Moyne. Similar to East Moyne it has a very small total population, 800 in 2021, but in contrast to East Moyne it is projected to grow at a modest rate – with 50 more people and 38 more dwellings in 2041.

Table 34: Population, Household and Dwelling change Northern Moyne – 2021 to 2041

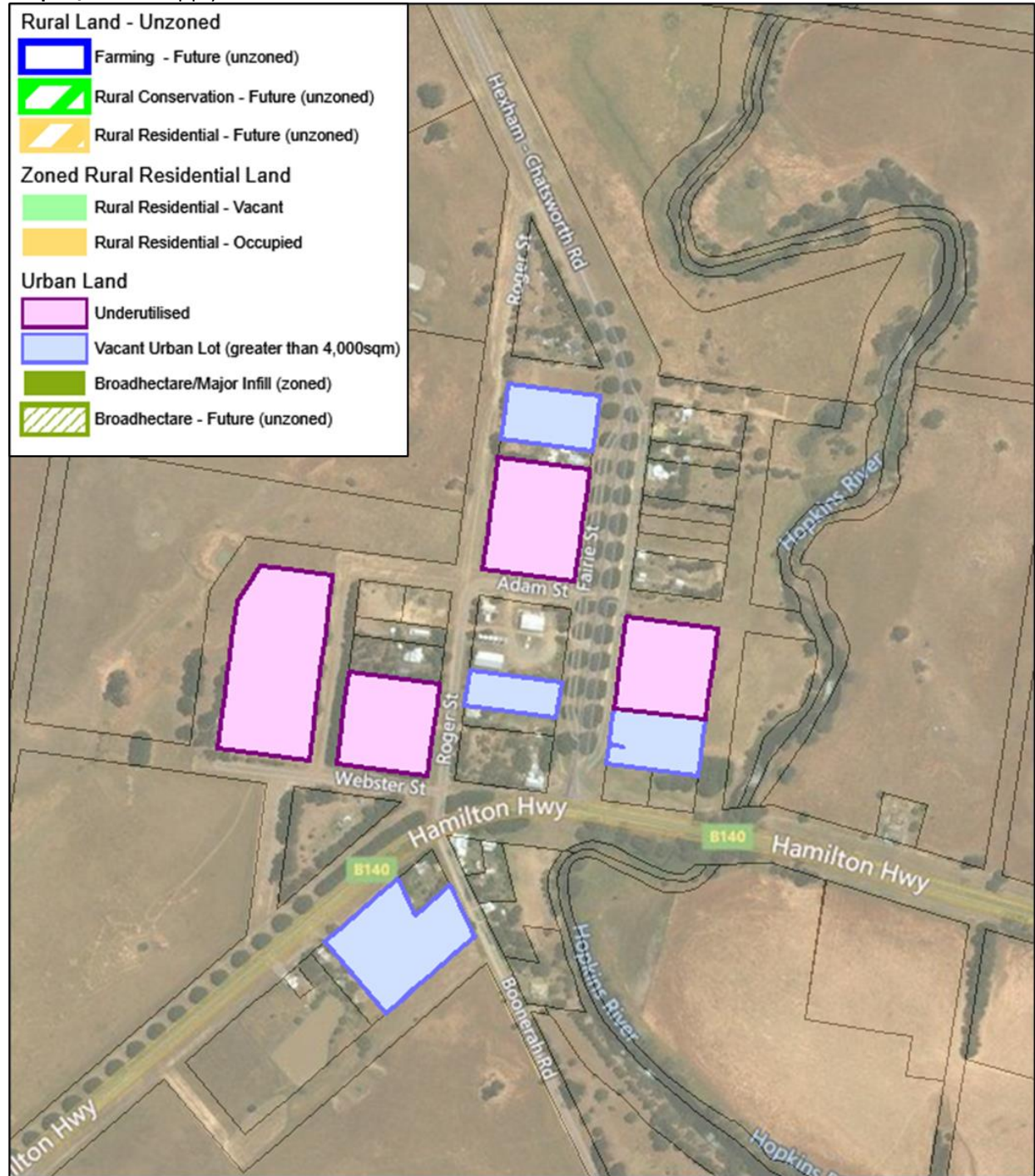
	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	800	815	828	843	850	50	0.30%
Households	272	276	279	283	283	11	0.20%
Dwellings	361	371	381	392	399	38	0.50%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

Map 13: Land Supply Profile – Caramut



Map 14: Land Supply Profile – Hexham



Map 15: Land Supply Profile – Woorndoo

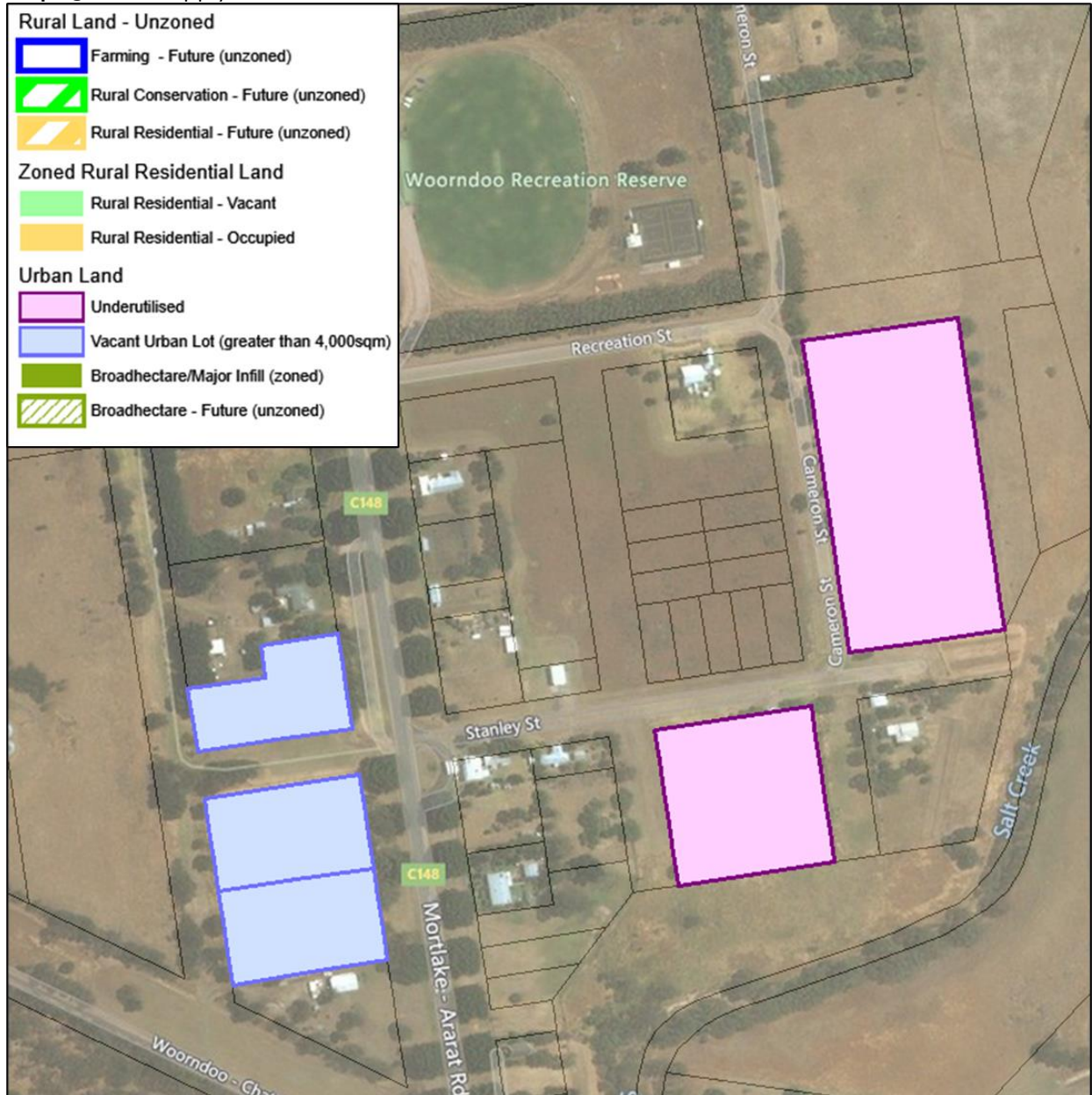


Table 35: Residential Land Supply Stocks – Northern Moyne

	Caramut	Hexham	Woorndoo
Lot Construction - Rural Residential (total) 2008 to 2020			
Lot Construction - Urban (total) 2008 to 2020	4	1	0
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	36	6	3
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	8	7	16
Under-utilised urban lot stock - yield (lots)	9	7	5
Broadhectare/Major Infill - Zoned (lots)			
Broadhectare/Major Infill - Zoned (area - hectares)			
Potential Residential (urban unzoned) - lots			
Potential Residential (urban unzoned) - area/hectares			
Vacant Lot Stock -RLZ (lots)			
Vacant Lot Stock -LDRZ (lots)			
Vacant Lot Stock -rural residential (area/hectares)			
Potential RLZ (hectares) - Unzoned			

Source: Spatial Economics



8.13 Rural Areas – Southern Moyne

Southern Moyne stretched from Peterborough to Port Fairy and surrounds the LGA of Warrnambool. As such, this region, even excluding the larger towns, is the most populous region in Moyne. In fact the population of 7,095 in 2021 is 43% of the total Shire population. This population is located in a combination of rural areas, small hamlets and areas of ex-urban growth around the towns, but outside the town boundaries. The REMPLAN projection for this region is for a relatively low level of growth.

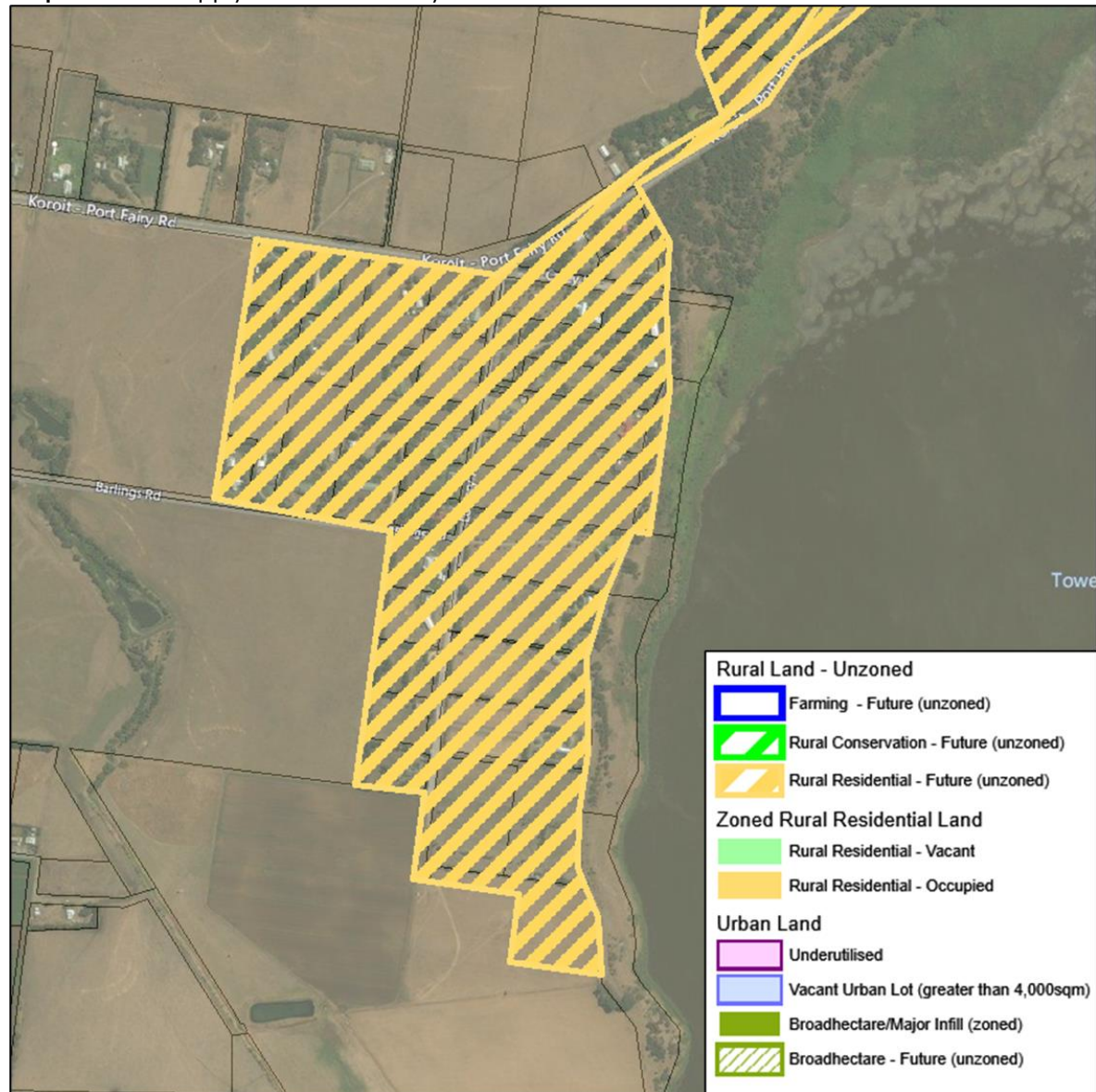
Again the issue of spill-over growth may impact this projection. Particularly around Port Fairy, but also possibly spill over from Warrnambool LGA or Koroit township.

Table 36: Population, Household and Dwelling change Southern Moyne – 2021 to 2041

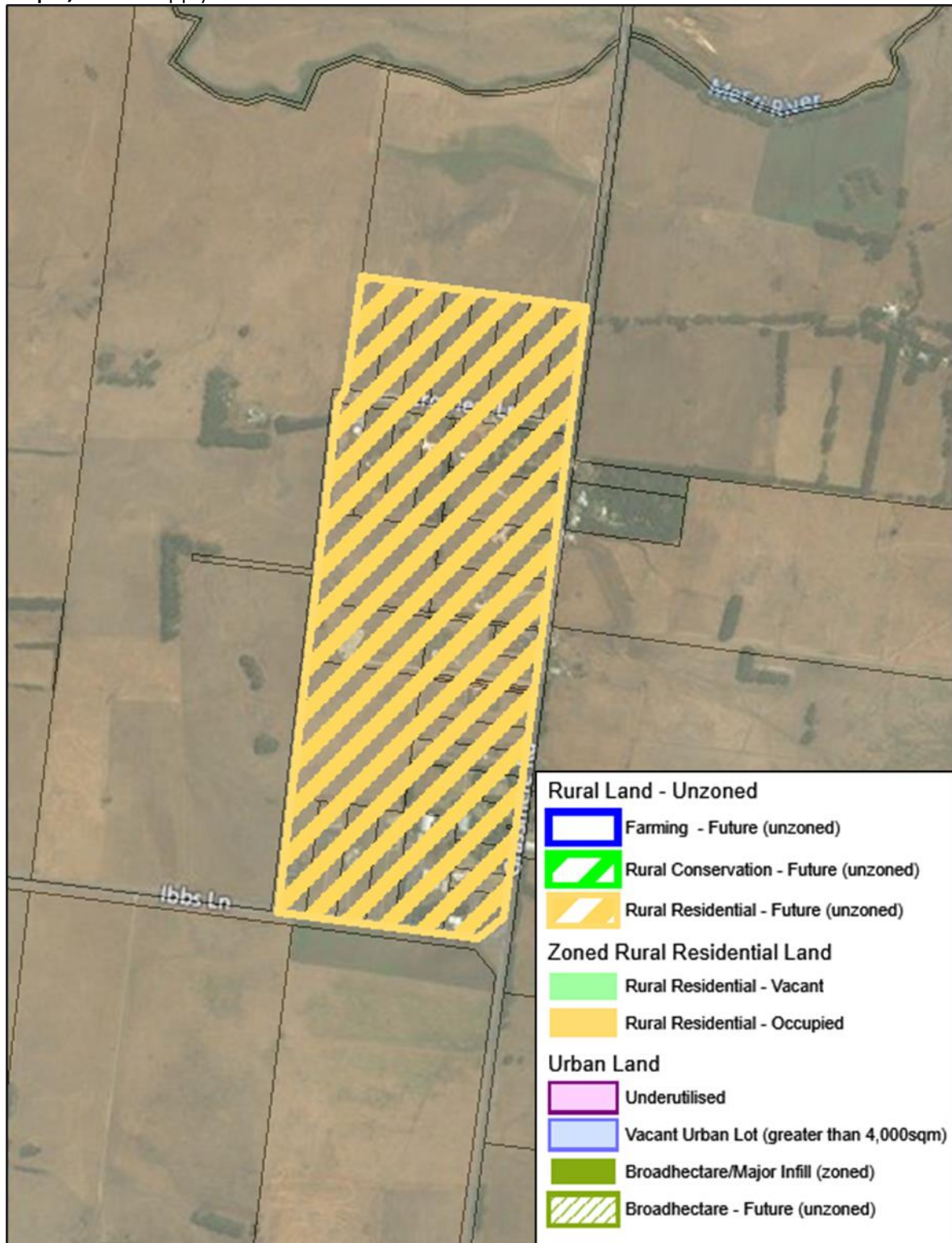
	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	7,095	7,165	7,217	7,247	7,258	163	0.11%
Households	2,448	2,472	2,490	2,500	2,504	56	0.11%
Dwellings	2,941	2,985	3,022	3,050	3,070	129	0.21%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041

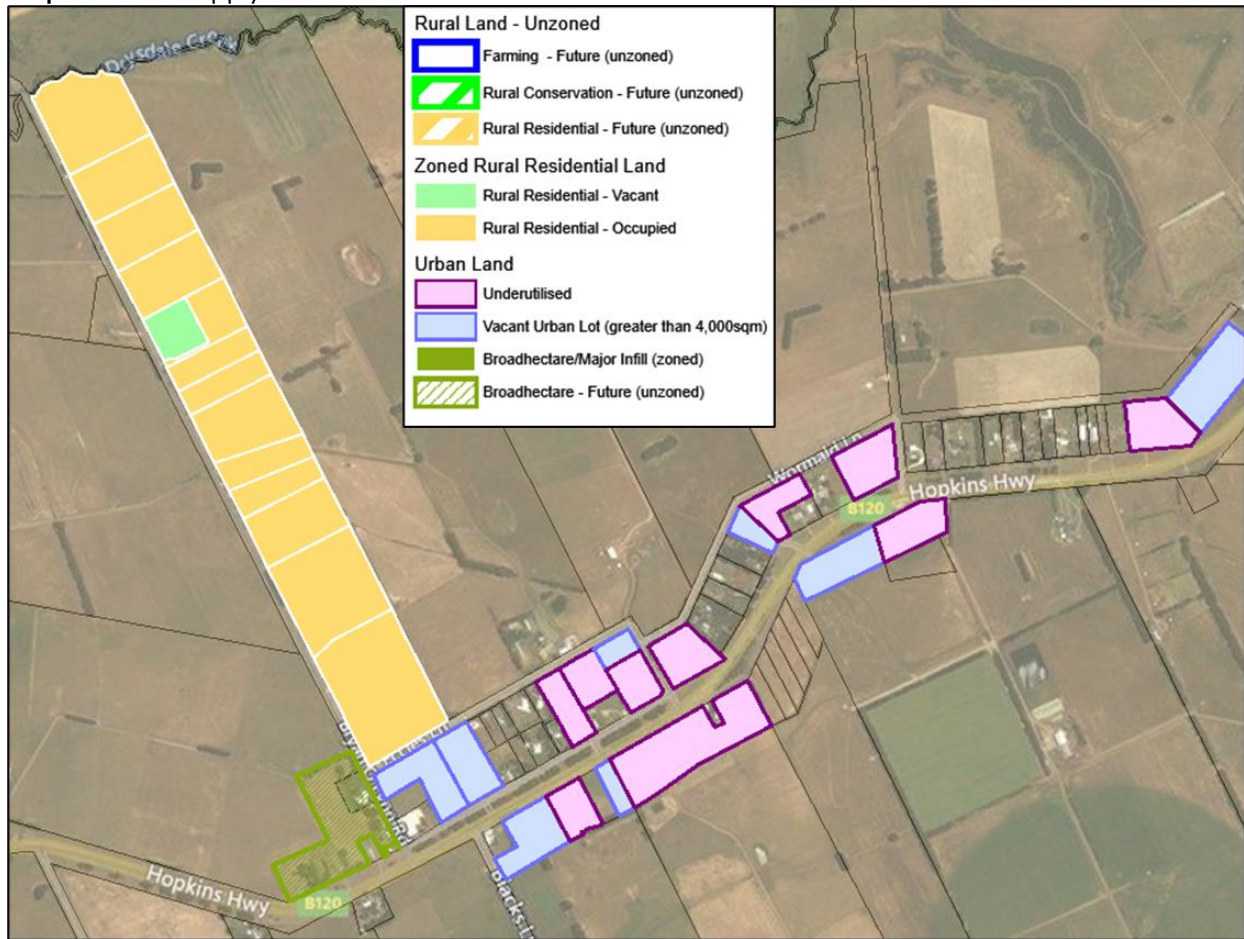
Map 16: Land Supply Profile – Crossley



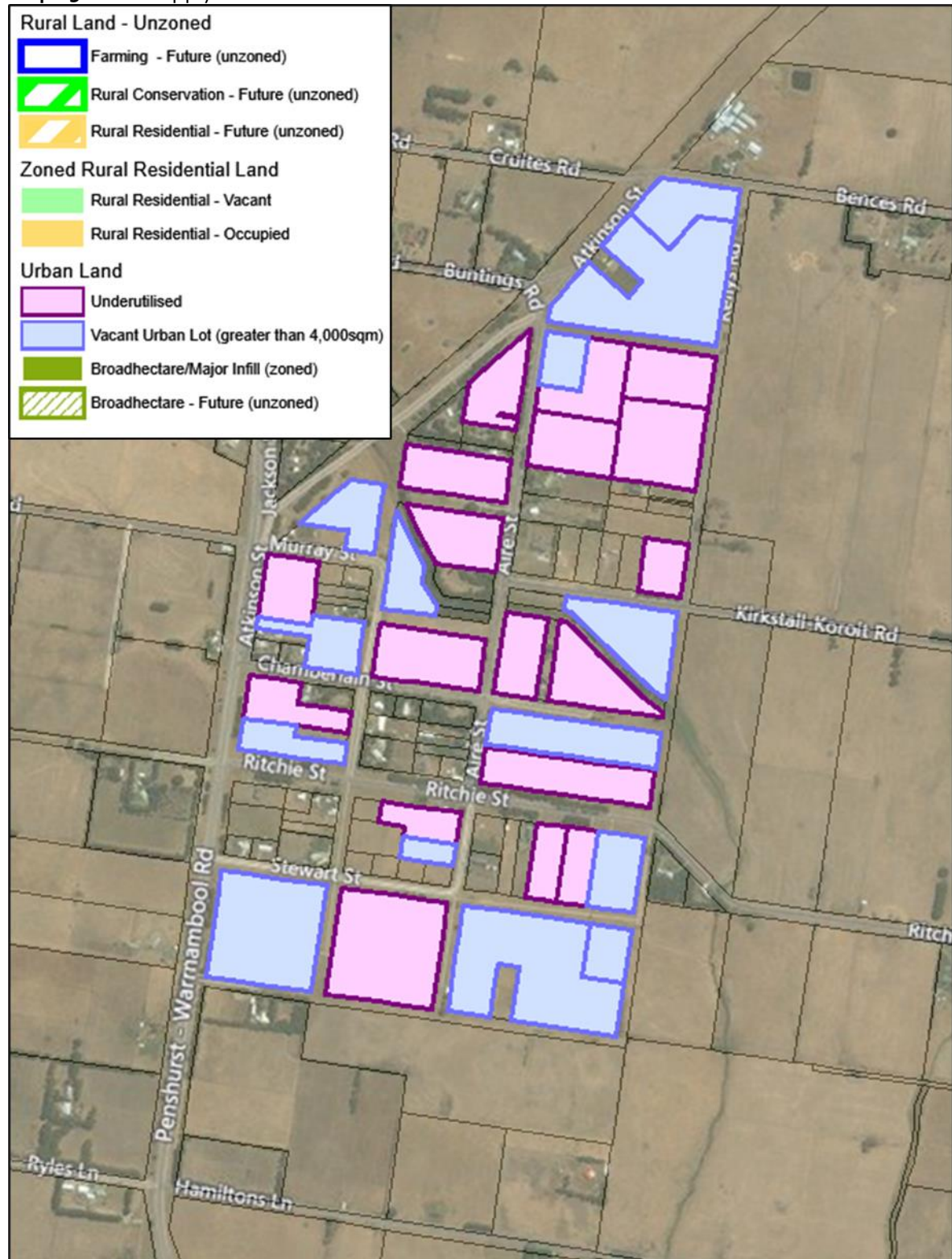
Map 17: Land Supply Profile – Grassmere



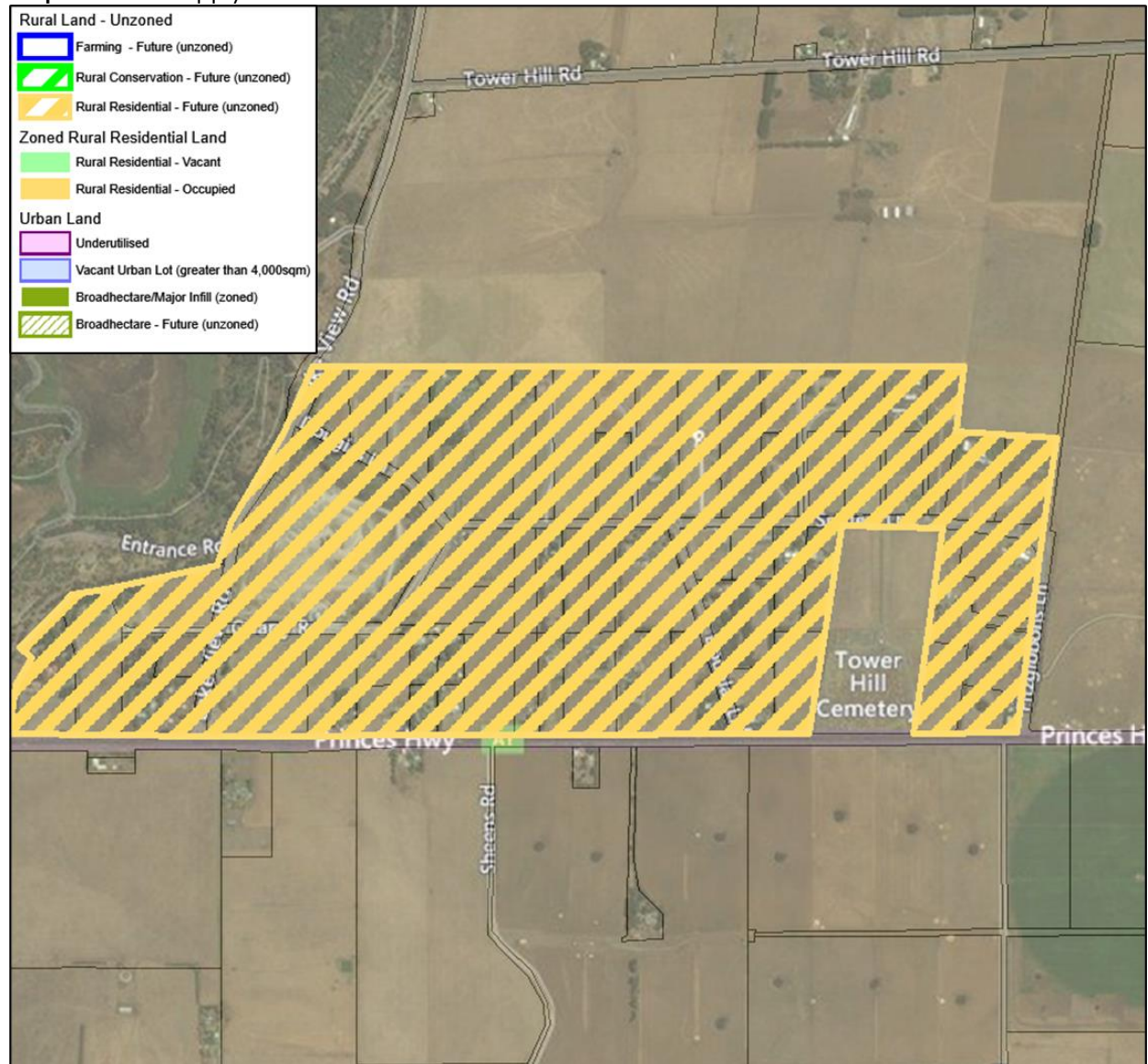
Map 18: Land Supply Profile – Purnim



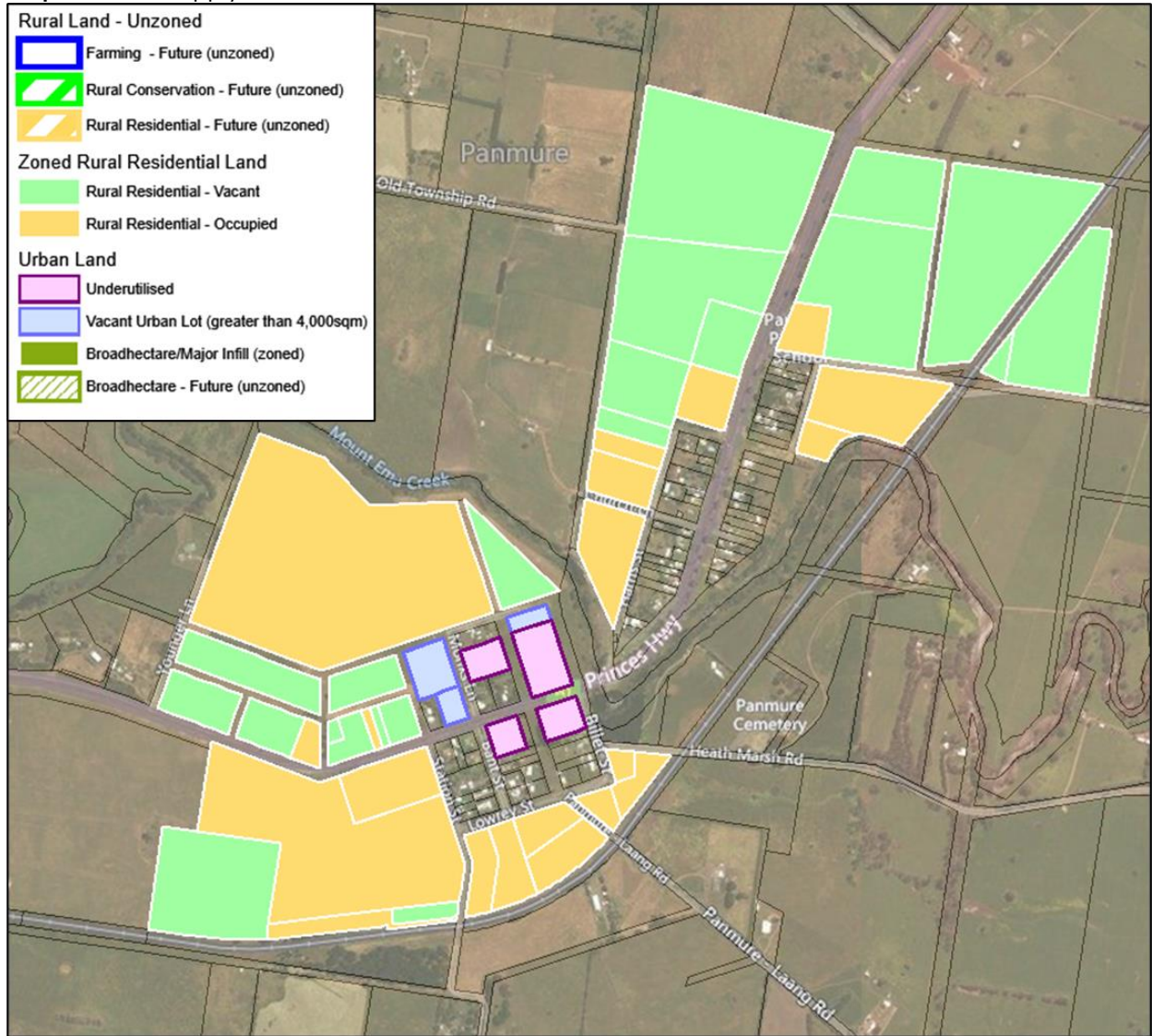
Map 19: Land Supply Profile – Kirkstall



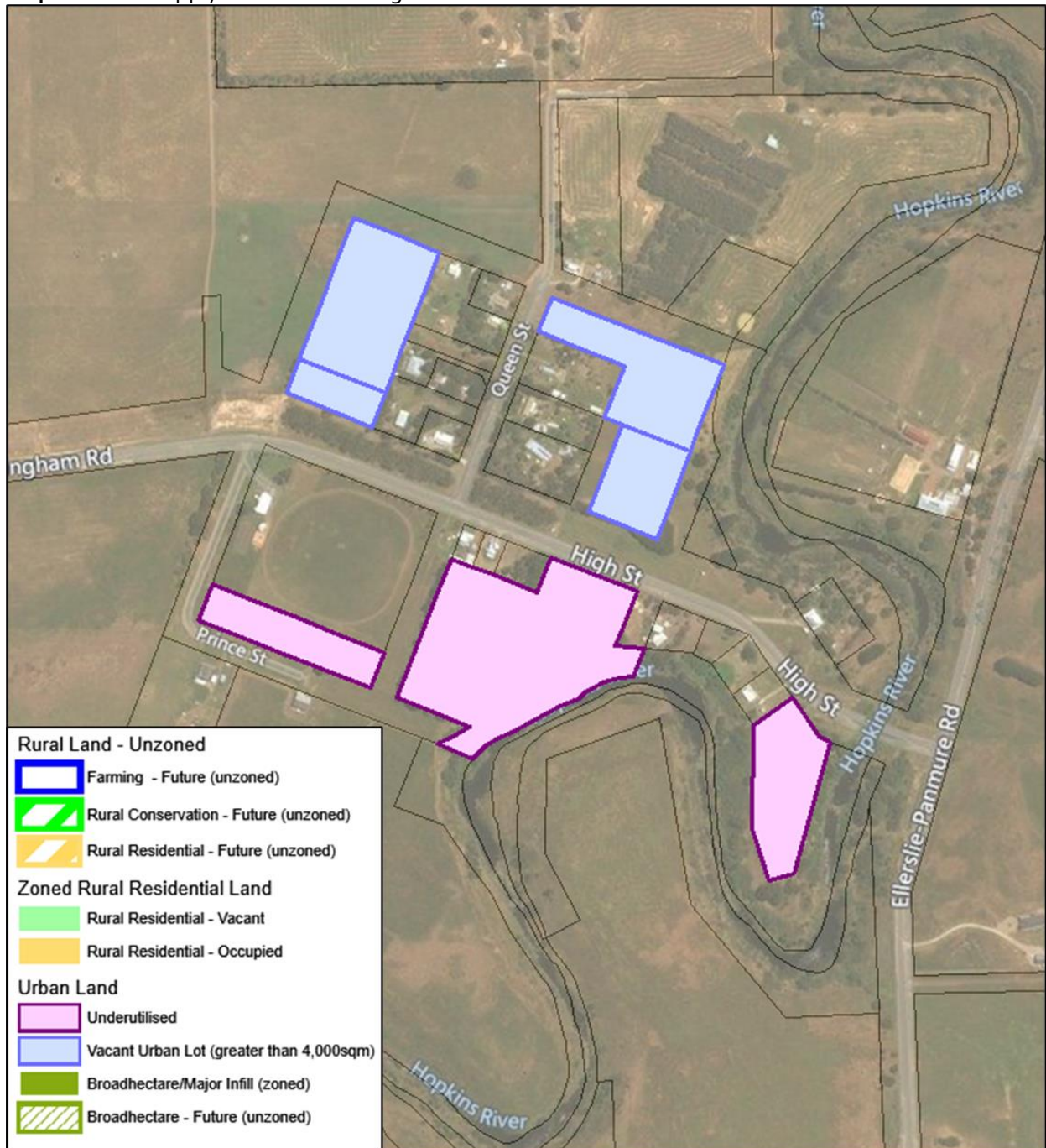
Map 20: Land Supply Profile – Illowa



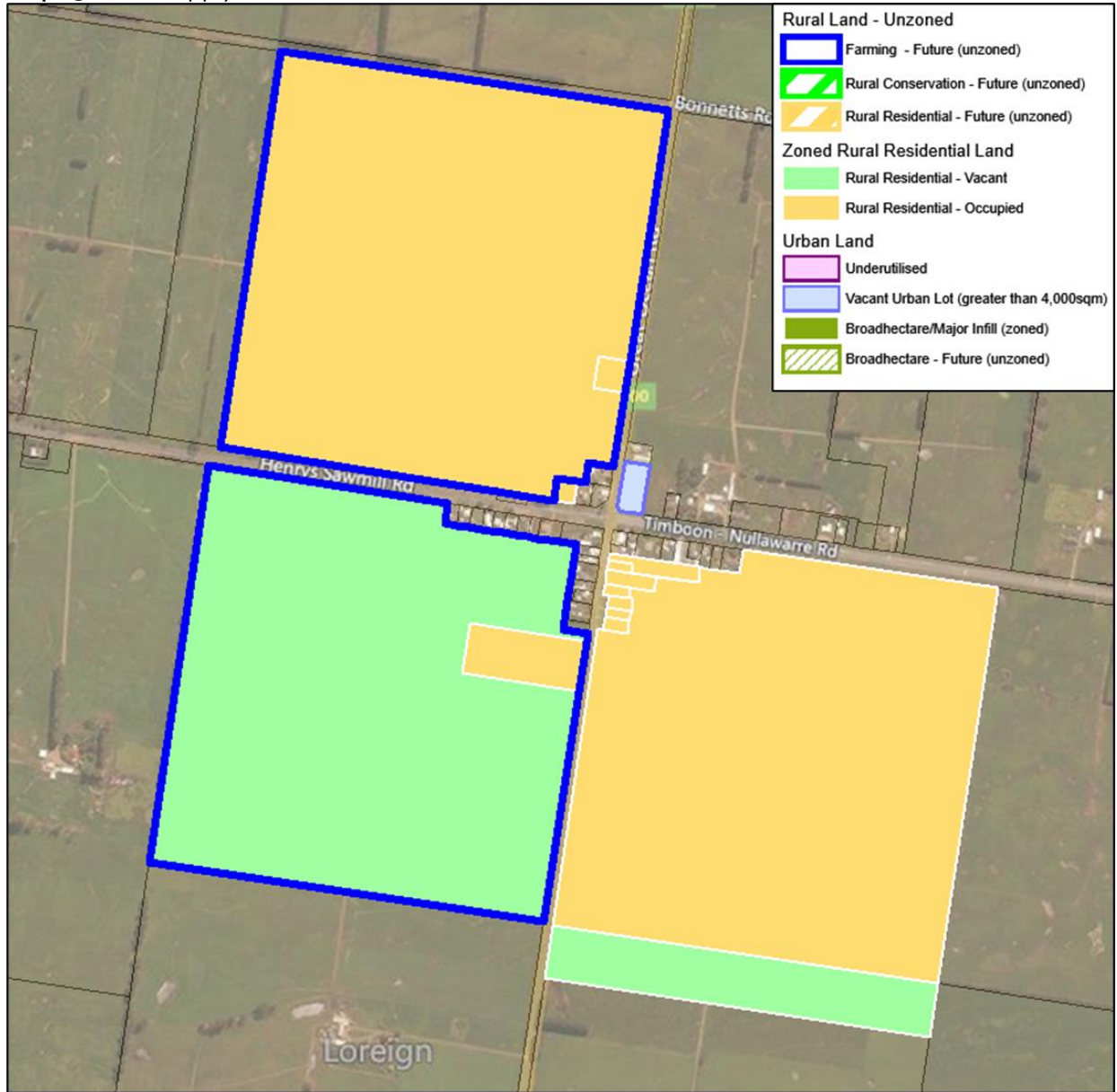
Map 21: Land Supply Profile – Panmure



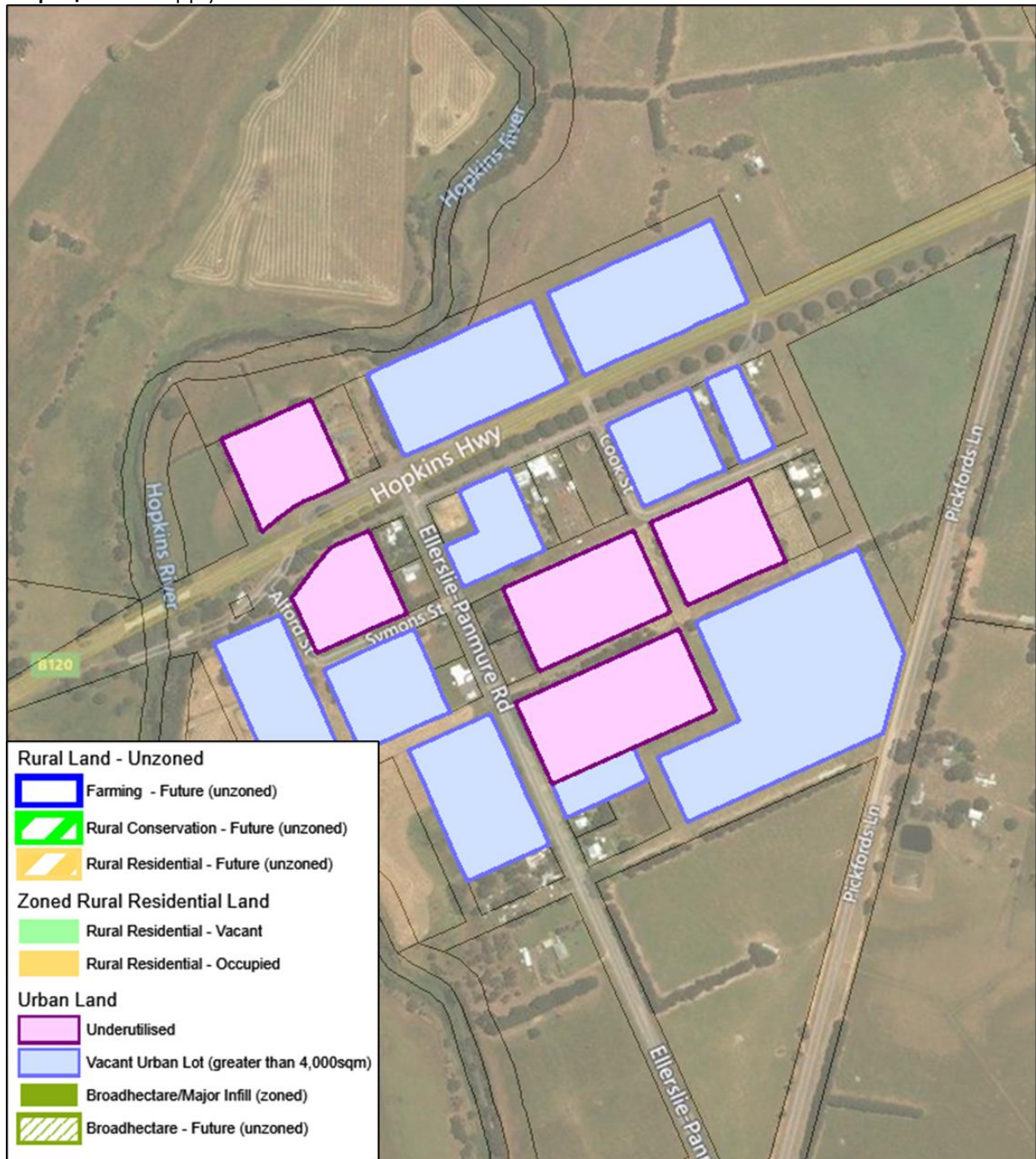
Map 22: Land Supply Profile – Framlingham



Map 23: Land Supply Profile – Nullawarre



Map 24: Land Supply Profile – Ellerslie



Map 25: Land Supply Profile – Killarney



Map 26: Land Supply Profile – Southern Cross

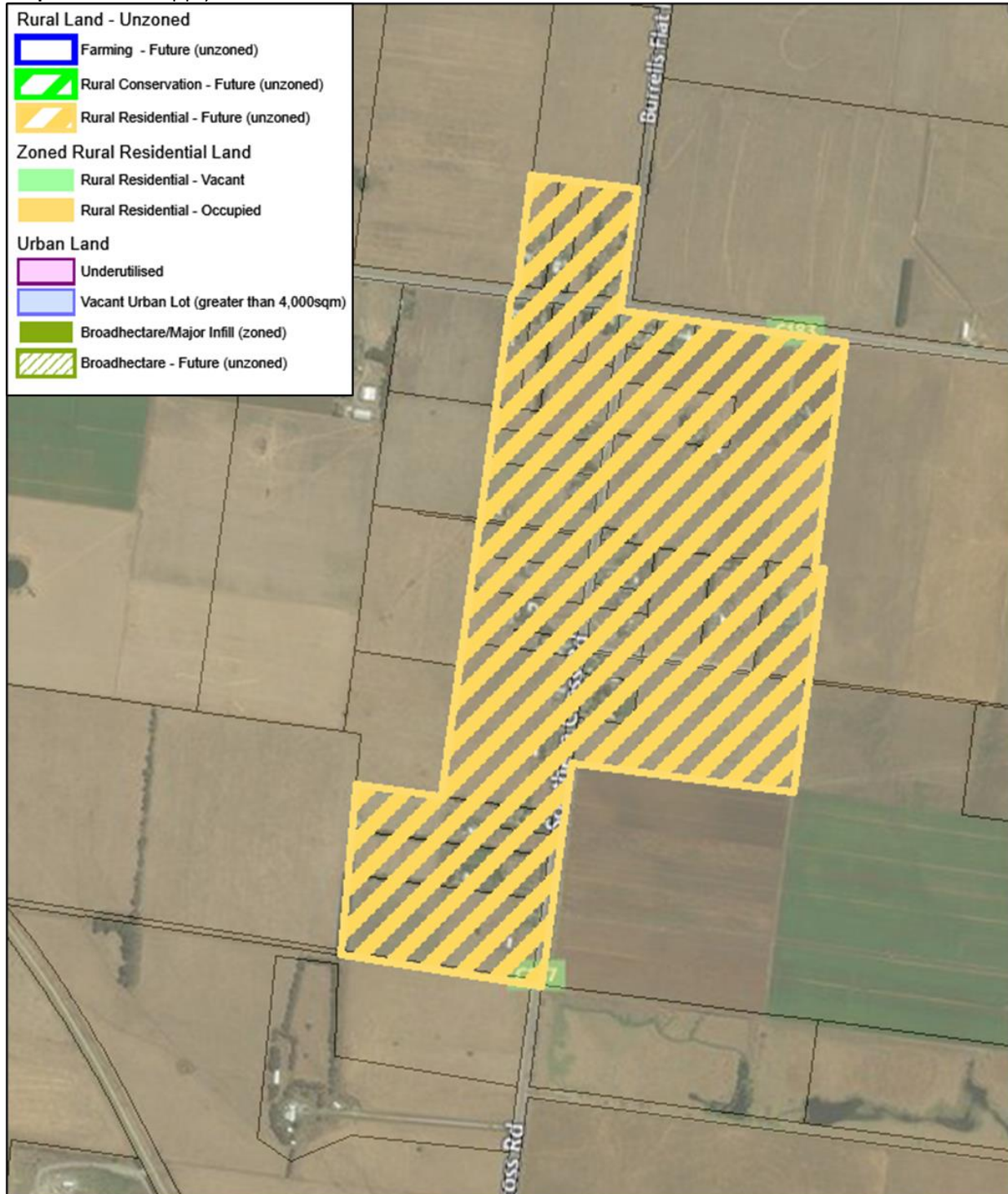


Table 37a: Residential Land Supply Stocks – Southern Moyne

	Crossley	Grassmere	Purnim	Kirkstall	Illowa	Panmure
Lot Construction - Rural Residential (total) 2008 to 2020	5	19	4		9	5
Lot Construction - Urban (total) 2008 to 2020	0	0	17	25	0	0
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	0	0	18	64	0	5
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots				9		5
Under-utilised urban lot stock - yield (lots)	0	0	18	48	0	6
Broadhectare/Major Infill - Zoned (lots) Broadhectare/Major Infill - Zoned (area - hectares)						
Potential Residential (urban unzoned) - lots				na		
Potential Residential (urban unzoned) - area/hectares				3.7		
Vacant Lot Stock -RLZ (lots)			1			21
Vacant Lot Stock -LDRZ (lots)						
Vacant Lot Stock -rural residential (area/hectares)		1				79
Potential RLZ (hectares) - Unzoned	See Koroit	44			111	

Source: Spatial Economics



Table 37b: Residential Land Supply Stocks – Southern Moyne

	Framling ham	Nulla warre	Ellerslie	Killar ney	Yar pturk	Southern Cross
Lot Construction - Rural Residential (total) 2008 to 2020						
Lot Construction - Urban (total) 2008 to 2020	1	0	1			
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	10	1	36			
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	3	1	5			
Under-utilised urban lot stock - yield (lots)	6		11			
Broadhectare/Major Infill - Zoned (lots)						
Broadhectare/Major Infill - Zoned (area - hectares)						
Potential Residential (urban unzoned) - lots						
Potential Residential (urban unzoned) - area/hectares						
Vacant Lot Stock -RLZ (lots)		1				
Vacant Lot Stock -LDRZ (lots)						
Vacant Lot Stock -rural residential (area/hectares)		9				
Potential RLZ (hectares) - Unzoned				19		69

Source: Spatial Economics



8.14 Rural Areas – West Moyne

West Moyne covers the western area of the Shire of Moyne with Macarthur being the only town within this region included in this analysis. The region is projected for more growth than the much larger Southern Moyne region, and thus at a higher, albeit still modest, rate. Again, forecast growth of 56 dwellings over 20 years is less than three per year. It is unclear from the numbers in which part of this region REMPLAN is projecting the growth to occur. It may be close to Port Fairy, or spread throughout the area.

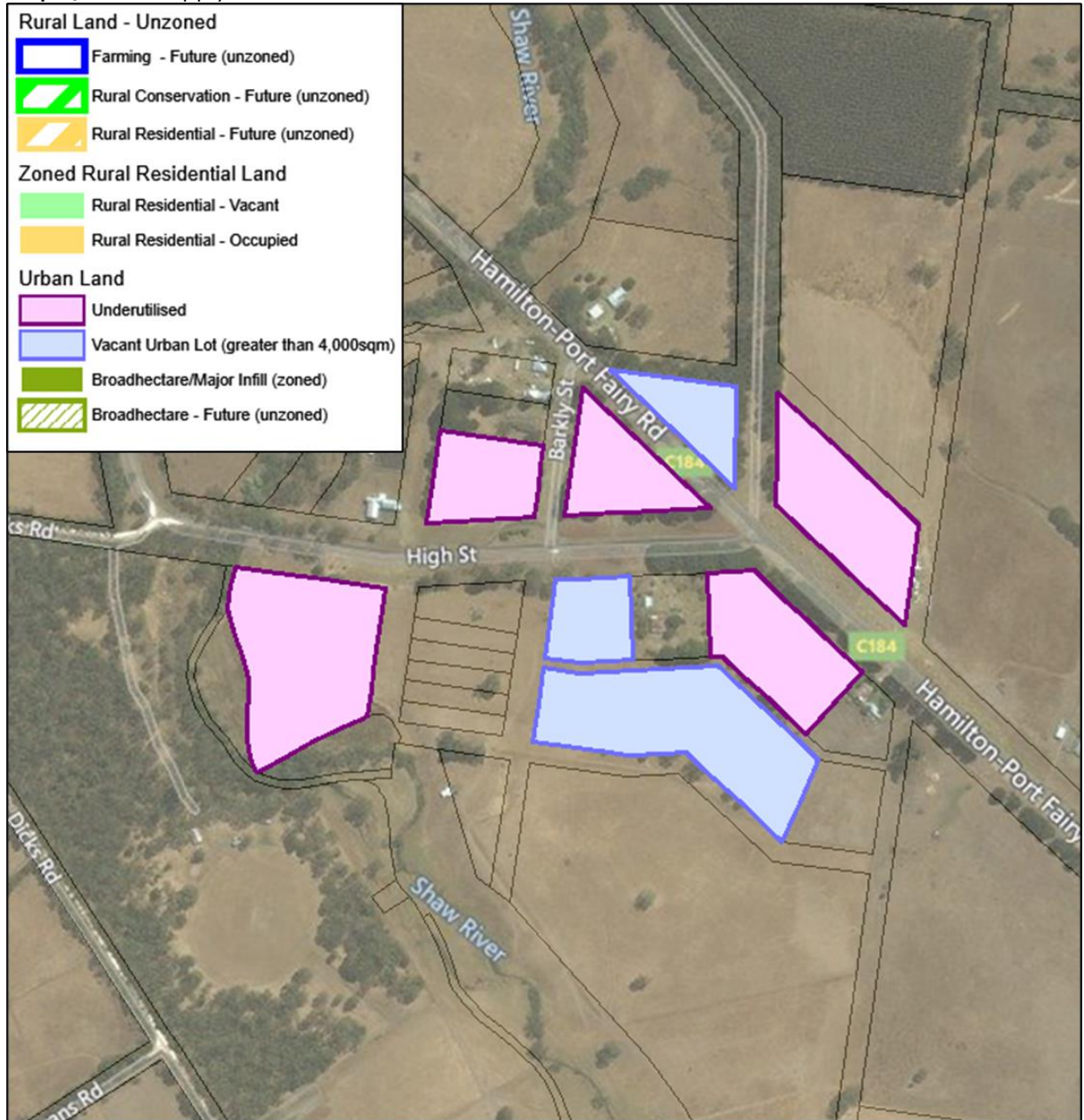
Table 38: Population, Household and Dwelling change West Moyne – 2021 to 2041

	2021	2026	2031	2036	2041	2021-41	2021-41 rate
Population	1,493	1,543	1,591	1,639	1,675	182	0.58%
Households	526	541	555	569	578	52	0.47%
Dwellings	692	710	724	740	748	56	0.39%

Source: REMPLAN, Population, Households and Dwellings Forecasts to 2041



Map 27: Land Supply Profile – Orford



Map 28: Land Supply Profile – Yambuk

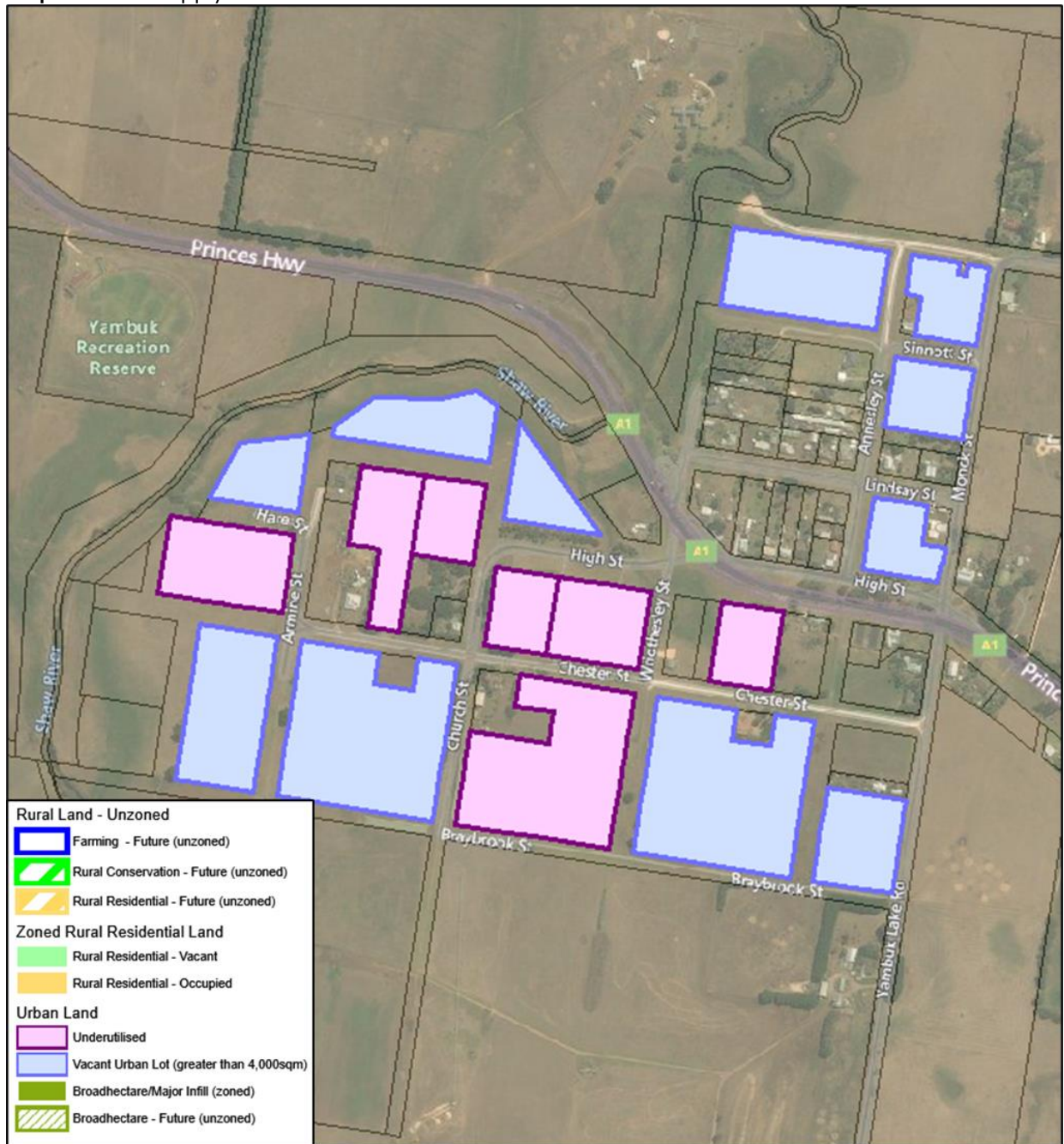


Table 39: Residential Land Supply Stocks – West Moyne

	Orford	Yambuk
Lot Construction - Rural Residential (total) 2008 to 2020		2
Lot Construction - Urban (total) 2008 to 2020		6
Vacant Lot Stock - urban (greater than 4,000 sqm) - lot yield	7	45
Vacant Lot Stock - urban (less than 4,000 sqm) - no. of lots	6	3
Under-utilised urban lot stock - yield (lots)	7	18
Broadhectare/Major Infill - Zoned (lots)		
Broadhectare/Major Infill - Zoned (area - hectares)		
Potential Residential (urban unzoned) - lots		
Potential Residential (urban unzoned) - area/hectares		
Vacant Lot Stock -RLZ (lots)		
Vacant Lot Stock -LDRZ (lots)		
Vacant Lot Stock -rural residential (area/hectares)		
Potential RLZ (hectares) - Unzoned		

Source: Spatial Economics

