



Colac Otway
SHIRE

COLAC OTWAY SHIRE

PLANNING SCHEME REVIEW REPORT

2015

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Executive Summary

Colac Otway Shire is one of the most diverse municipalities in Victoria and its planning scheme contains a large suite of planning controls and policies which are derived from the State Government's Victorian Planning Provisions (VPPs).

Section 12B of the Planning and Environment Act 1987 ('the Act') requires each planning authority to regularly review its planning scheme. This is the third such review of the Colac Otway Shire Planning Scheme to be carried out since the translation to the new format planning schemes in the late 1990s.

In 2005, Colac Otway Shire commenced a major review of its planning scheme. That Planning Scheme Review recommended a significant streamlining of the Municipal Strategic Statement (MSS), local policies, and zones and overlays, with the aim of making policies clearer and more effective, rationalising content and giving effect to recent strategic work undertaken by the Shire. A subsequent Planning Scheme Amendment, C55, entailed a major re-write of the planning scheme, resulting in significant operational improvement.

The subsequent 2010 Planning Scheme Review considered new State planning initiatives and policies, and addressed emerging issues within the municipality, including the potential inundation of coastal areas from future sea level rise, increased pressures on valuable agricultural land and outcomes from the 2009 Bushfire Royal Commission.

This current 2014 Planning Scheme Review seeks to build on the work previously undertaken, having regard to recent significant State and local planning issues. Another key focus of this Review has been to consider whether options are available to streamline the planning process, reduce the complexity of processes and identify unnecessary permit requirements, having regard to community and stakeholder feedback.

Overall the 2014 Review has found that, whilst a bit cumbersome to use, the operation of the Colac Otway Planning Scheme remains structurally sound with good linkages between the State Planning Policy Framework (SPPF) and MSS. However, some duplication and inconsistency of controls remains, particularly within the overlays, and it is considered that further guidance could be provided on emerging issues. It is also considered that there is scope to further reduce permit triggers for minor works. The Review acknowledges the extent of planning reforms carried out by the Government since the last review was undertaken and how many of these have responded to previously identified issues from the 2010 Review.

This report identifies a range of strategic planning projects which Council should undertake in the coming years to respond to identified gaps, as well as further refinements to improve specific aspects of the planning scheme. It also identifies areas in which assistance is sought from the State Government.

In addition, it recognises the important role Council has in advocating for changes to the planning system and makes recommendations about advocacy that could be undertaken, e.g. in relation to the rationalisation of planning controls in coastal areas and the provision of flexibility to consider more tourist related uses in the Rural Conservation Zone.

This report will be considered by Council and forwarded to the Minister for Planning for approval.

1. INTRODUCTION

This Planning Scheme review report has been prepared using *Planning Practice Note - Review of Planning Schemes* (DSE, February 2006). This review report is required to:

- identify the major planning issues facing the municipality;
- demonstrate how the planning scheme implements State Planning Policy;
- assess the strategic performance of the scheme;
- document the strategic work that has been completed or carried out since the previous review and any additional work required to strengthen the strategic direction of the planning scheme;
- articulate the monitoring and review that has been carried out;
- outline the consultation process and its outcomes; and
- make recommendations, including suggested changes to improve the operation and performance of the scheme.

It is important to note is that, although all elements of the planning scheme have been reviewed and commented on, only the MSS, schedules to zones and overlays, and selected clauses in the Particular Provisions can be varied by a Council, with the remaining sections set by the State Government under the Victorian Planning Provisions (VPPs).

In accordance with the requirements of section 12B(5) of the Act, this review report constitutes the formal planning scheme review and its findings are to be submitted to the Minister for Planning for approval after consideration by Council.

Due to the technical nature of this report and the extensive use of abbreviations relating to planning scheme controls and reports, an abbreviation section has been included at the back of the report.

2. COMMUNITY PROFILE OF COLAC OTWAY SHIRE

Shire Profile

Location and History

Colac Otway Shire is located in Victoria's south-west, within a two hour drive of Melbourne. The Shire is approximately one hour from the large regional cities of Geelong to the east and Warrnambool to the west. The Shire contains the major urban centre of Colac, the coastal resort towns of Apollo Bay and Skenes Creek, the rural townships of Birregurra, Beeac, Cressy and Forrest, and a large rural hinterland. A large proportion of the Shire is made up of public land in the form of Forest Park and National Park.

Development in the Shire dates from the 1850s, when pastoralists and timber-getters established themselves in the areas around Colac. Colac experienced significant growth in the first half of the 20th century as it became the major service centre to the agricultural areas to the north and the timber getting areas to the south. Apollo Bay was established in the 1860s as a port for the timber being harvested in the Otway Ranges. The construction of the Great Ocean Road in the 1930s opened up the coastal strip for development and, in more recent years, Apollo Bay has established itself as a holiday destination.

People

The estimated population for 2015 is 21,057. The forecast through to 2036 is for a growth across the Shire of approximately 0.53% per annum. It is expected that this will increase once the dual highway to Geelong is completed, as that will open up the region making commuting an attractive option for both the local population and for those seeking a lifestyle change. The G21 Regional Growth Plan identifies Colac as a targeted growth node with a targeted population increase to 20,000 by 2050 as it continues to grow to provide a range of services to the surrounding areas.

Age Structure

Age structure is an important indicator of an area's residential role and function, and how it is likely to change in the future. The age structure of a population is usually indicative of an area's era of settlement and provides key insights into the level of demand for services and facilities, as most services and facilities are age-specific. At the 2011 Census, the Colac Otway Shire had the following age structure:

0 – 4 years	6.0%
5 – 19 years	19.5%
20 – 34 years	14.8%
35 – 59 years	34.0%
60 years and over	26.0%

Employment and Education

Young people in Colac Otway Shire tend to leave school earlier, and are less inclined to go to university, compared with regional Victoria. Overall, 41.0% of the population left school at Year 10 or below, and 31.9% went on to complete Year 12 or equivalent, compared to 38.5% and 35.6% respectively for regional Victoria based on the 2011 Census.

On the other hand, the Shire experiences a high employment rate with 96.3% (full time, 55.3%; part time, 38.3%).

The five major industry sectors are:

- Health Care and Social Assistance (1,122 persons or 13.5%)
- Manufacturing (1,087 persons or 13.0%)
- Agriculture, Forestry & Fishing (991 persons or 11.9%)
- Retail Trade (924 persons or 11.1%)
- Accommodation and Food Services (693 persons or 8.3%)

In combination, these five industries employed a total of 4817 people or 57.8% of the employed resident population.

Housing

The housing market in the Shire shows distinct variations. Colac and the rural areas primarily provide housing for families, with rural areas recording some population decline in recent years due to ongoing structural change in agriculture and the ageing of the population.

By contrast, the coastal areas have a dual housing market focussed on families and retirees. However, the vacancy rates are extremely high, reflecting the role and function of these areas as holiday destinations. It is expected that demand for housing in the coastal areas will predominantly come from further afield, such as Geelong and Melbourne.

3. STATE GOVERNMENT INITIATIVES SINCE LAST REVIEW REPORT

Since the last planning scheme review, the State Government has developed a number of significant policies that directly impact on the form, content and performance of the planning scheme, as well as establishing new policy directions on specific land use/development issues. These policy initiatives will need to be considered when reviewing the planning scheme, to ensure consistency between State and local planning policy. The key initiatives are considered below.

Wind Energy

VC82 introduced significant changes to the use of wind farms across Victoria. The amendment implemented the Government's policy that a turbine that forms part of a wind energy facility must not be located within two kilometres of an existing dwelling without the owner's consent, and specified locations in Victoria where wind energy facilities are prohibited.

In relation to Colac Otway Shire, there is currently one planning permit for a wind farm at Mt Gellibrand which is yet to be constructed (apart from a compound and some buildings which have been undertaken to commence development within the timeframe specified in the permit).

State Water Catchment Guidelines

In November 2012, the State Minister for Water released '*Guidelines for Planning Permit Applications in Open, Potable Water Catchments*'. These guidelines specify that where a planning permit is required in water catchments:

- the density of dwellings should be no greater than one dwelling per 40 hectares (1:40 ha); and
- each lot created in a subdivision should be at least 40 hectares in area.

Since the introduction of these guidelines, it has been difficult to obtain support for dwellings within Colac Otway's declared catchment areas from water authorities.

Discretion can potentially be applied by the water corporation if it is satisfied that the relevant Council has prepared, adopted and is implementing a Domestic Wastewater Management Plan (DWMP) in accordance with the DWMP Requirements set out in the Guidelines. This is not an automatic exemption, but allows the exercise of discretion. Currently, Colac Otway, in conjunction with water authorities, is preparing a Shire-wide DWMP. This is expected to be completed in mid-2015.

Review of Car Parking Provisions 2012

The revised Clause 52.06 and a new Parking Overlay (with accompanying schedule) were introduced into the VPP and planning schemes in June 2012, through Amendment VC90.

Clause 52.06 no longer requires a permit to reduce car parking for a change of use if the parking requirement for the new use is equal to or lower than that for the existing use. It also includes updated car parking rates and measures for a range of land uses. For some land uses, different rates and measures may apply depending on whether a Council applies the standard clause 52.06 'Column A' rates, lower standard 'Column B' rates or another rate through the application of a Parking Overlay. In Colac Otway Shire, Amendment C72 (Part 2) introduced the Parking Overlay, which applied two schedules for the Colac and Apollo Bay Commercial areas.

South West Landscape Study 2013

State Government commissioned a landscape assessment study of South West Victoria to better understand and assess the visual character and significance of the wide range of landscape types, which include the volcanic plains and cones that dominate much of the area, to the Great Dividing Range in the north, and the Grampians in the central west. The study was aimed at informing planning scheme policy to assist planning decision making, and to ensure landscapes of importance are adequately protected and managed into the future. The project recommended that the existing Significant Landscape Overlay Schedule 1 is revised to align with the outcomes of this study.

Reformed Rural Zones 2013

Amendment VC103 amended the existing rural zones and made a number of consequential changes to the VPP and planning schemes to support the reformed rural zones. The reformed rural zones are intended to support agricultural activity, allow more tourism related uses and support population retention to sustain rural communities. Conditions that were considered unnecessary and the prohibition of some land uses have been removed and more permit exemptions have been applied to farming related activity. Council is continuing to advocate for further changes to allow more flexibility to consider tourism related uses in the Rural Conservation Zone.

Reformed Residential Zones 2013

The State Government finalised a review of the format and content of the residential zones to better respond to present-day requirements and give greater clarity about the type of development that can be expected in any residential area. The Residential Growth Zone, General Residential Zone and Neighbourhood Residential Zone were introduced into the Victoria Planning Provisions by Amendment V8, gazetted on 1 July 2013. The existing Low Density Residential, Mixed Use and Township Zones were also amended to align with the features of the new residential zones, through Amendment VC100, gazetted on 15 July 2013. The reformed residential zones provide an opportunity to activate local schedules to the zones. These schedules provide opportunity to implement key local planning regulations, such as maximum height limits. Council is continuing to advocate for consideration to be given to further changing the Township Zone, in order to allow a reduction in the number of overlays that currently need to be applied in coastal areas.

Reformed Business and Industrial Zones 2013

The State Government amended the Industrial Zones and replaced the Business Zones with the new Commercial 1 and 2 Zone within the Victoria Planning Provisions through Amendment VC100, gazetted on 15 July 2013. The new commercial zones provide greater flexibility and growth opportunities for Victoria's commercial and business centres. The new zones respond to changing retail, commercial and housing markets by allowing for a wider range of uses that will support more mixed use employment. In all cases, land zoned Business 1, Business 2 and Business 5 were converted to the Commercial 1 Zone. Land zoned Business 3 and Business 4 was converted to the Commercial 2 Zone. These changes have had limited implications for Colac Otway Shire.

Victorian Coastal Strategy (VCS) 2014

The Coastal Management Act 1995 requires the Victorian Coastal Council to review the Strategy every five years. The Victorian Coastal Strategy 2014, which was published in July 2014, builds on the framework set out in the VCS 2008 about coastal planning and management. This Strategy provides guidance for decision-making, and a framework for related plans and strategies. The 2014 Strategy continues the concept of a Hierarchy of Principles introduced in previous Strategies, which give effect to the directions in the 'Coastal Management Act 1995', i.e.:

- Value and Protect
 1. Ensure the protection of significant environmental and cultural values
- Plan and Act
 2. Undertake integrated planning and provide clear direction for the future
- Use and Enjoy
 3. Ensure the sustainable use of natural coastal resources
 4. Ensure development on the coast is located within existing, modified and resilient environments where the demand for development is evident and any impacts can be managed sustainably

G21 Regional Growth Plan 2013

The G21 Regional Growth Plan is one of eight plans to be developed across the State to manage growth. The Growth Plan has been developed in partnership between the five G21 municipalities (Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast), State Government

departments, Corangamite CMA and the Committee for Geelong. The purpose of the Growth Plan is to manage growth and land use pressures to 2050.

The Growth Plan provides a regional land use and settlement planning framework, which will guide local level planning and infrastructure planning. It pulls together the strategic land use and growth planning already done across the region and sets out where future residential and employment growth will occur and the critical infrastructure required to support it. The Growth Plan was endorsed by each of the five G21 Councils during 2012 and was officially launched by Victoria's then Planning Minister in Geelong on 11 April 2013.

The Growth Plan specifically identifies Colac as a targeted growth node, which is a key town in the region's west that must continue to grow in order to provide a range of services to the surrounding area. The Growth Plan identifies that further strategic work is required to identify the most appropriate areas for growth within Colac and to identify major incentives to support growth. Growth in other towns in Colac Otway Shire is expected to be limited to existing settlement boundaries, with some minor growth consistent with the 'Apollo Bay Settlement Boundary and Urban Design Review', Colac Otway Shire 'Rural Living Strategy', and in Gellibrand and Beech Forest subject to further strategic work.

Great South Coast Regional Growth Plan 2014

Whilst Colac Otway was not a member of the five participating Councils, officers from Colac Otway attended some of the key meetings during the development of this project. The final plan was released on 2 July 2014 and identifies the importance of expanding the region's role in food and energy production and supporting emerging industries. Initiatives from the plan include improving transport and freight links particularly into Geelong and Melbourne, which would have significant benefits for Colac industries and business in general.

Native Vegetation Reform 2013

The State Government introduced significant reforms to the Native Vegetation Framework in 2013. These new regulations provide greater focus on managing risks to important biodiversity assets, and ensure the assessment and decision making process is guided by risk and impact. The reforms are designed to deliver better targeted environmental outcomes at lower costs to the community.

The risk based approach focuses more on the medium to high areas of conservation value at the State level. The VPP changes have implications for biodiversity mapping which Council abandoned through Amendment C70 in 2013. Council has been continuing discussions with the Department of Environment, Land, Water and Planning (formerly DEPI) about the potential for improved biodiversity mapping.

Plan Melbourne 2014

Plan Melbourne is the Victorian Government's Metropolitan Planning Strategy, which will guide the city's growth to 2050. In May 2012, the then Minister for Planning appointed a Ministerial Advisory Committee (MAC) to oversee the development of the new strategy. Drawing on conversations with stakeholders, and the results of research and studies carried out by the Department of Transport, Planning and Local Infrastructure (DTPLI), the MAC developed a discussion paper entitled 'Melbourne, Let's Talk about the Future'. Since then, around 10,000 Melbournians provided feedback prior to the development of Plan Melbourne.

Whilst Plan Melbourne has no direct impact on Colac Otway, the plan will improve links between Melbourne and regional cities including Geelong. Rebalancing Victoria's population growth to rural and regional Victoria is a key objective and Colac is expected to benefit from this increased growth in the coming years.

State Planning Policy Framework Review 2014

The Minister for Planning appointed an Advisory Committee to report on the review of the State Planning Policy Framework (SPPF), seeking advice on the content and structure of a revised SPPF to apply any consequential changes arising from recent legislation, and to align and integrate with the review of each of the following state policy matters:

- The Vision for Victoria
- The proposed Metropolitan Planning Strategy
- The eight Regional Growth Plans
- The reformed commercial, industrial, residential and rural zones
- The Development Contributions system.

This review entails a policy neutral rewrite and restructure of the planning scheme. The Advisory Committee has prepared a document called the draft Planning Policy Framework (PPF) and Colac Otway Shire has provided comment.

Amongst other changes, the new format of the PPF proposes to change the order of content, with State, regional and local policy on each topic one after the other. The sequence would place all relevant policy in the one section where no item can be missed. No one piece of policy will have more prominence than another.

Bushfire Management Overlay (BMO)

A number of state-wide changes have been made to the bushfire provisions since the last Planning Scheme review was undertaken. The most recent changes in July 2014 were State Government introduced changes to the BMO through VC109, which have followed the introduction of the BMO in November 2011. Since the implementation of the BMO, a number of concerns have been raised about its practical implementation for new, replacement and upgraded single dwellings. The changes made through VC109 will allow landowners to build a new single dwelling on infill lots within the existing suite of residential/urban zones. In these circumstances, applications will be required to meet an improved bushfire construction standard, but will not be assessed against the broader landscape hazard. Calculation of the Bushfire Attack Level (BAL) for planning purposes will now be based on a Fire Danger Index (FDI) of 100, and not FDI 120.

As discussed later in this report under section 4.4 (further strategic work), the BMO changes came in on the eve of Council considering the Colac Otway Bushfire Planning Project.

Floodplain Strategy

In September 2014 Council was advised that the former DEPI would be undertaking a flood study for Colac commencing at the end of 2014. DEPI, with the Catchment Management Authorities (CMAs), had assessed mapping priorities across the region. As a result, the Dean and Barongarook Creeks (Lake Colac South) flood mapping project has been assessed as a high priority. The timing of the study is particularly important given the Colac 2050 Plan is due to commence in early 2015 (see section 4.4) and flood study work was being considered as part of the project to determine future growth areas for Colac.

Advice obtained in January 2015 was that the project would shortly be going out to tender and that it is scheduled as a 12 month project. As such, it is anticipated that the flood study should be completed early in 2016.

Development Contributions Review

In May 2012, the then Minister for Planning announced the Government had chosen a preferred framework for development contribution plans. The new system will give Councils a set of standard development contribution levies for different development settings based around five infrastructure categories. The new system will provide capacity to set a different levy for different development settings such as greenfield development, metropolitan infill development and regional and rural development, as well as a levy for residential and non-residential development. Standard Levies will be available for use from 1 July 2015 and will be able to be applied in identified metropolitan and non-metropolitan growth locations, but will not apply to urban infill areas unless identified as a 'strategic development area'.

The 'off the shelf' option is seen as a significant benefit to smaller regional Councils to apply to their future growth areas rather than relying on the traditional planning scheme amendment process that proved difficult to implement.

4. SIGNIFICANT LOCAL STRATEGIC WORK SINCE LAST PLANNING SCHEME REVIEW

The Council's approach to the monitoring and review of the performance of the scheme has been to conduct planning scheme amendments to either introduce new strategic work to the scheme or address redundant controls; or to undertake further strategic work to respond to the gaps and changing needs of the scheme.

4.1 Approved Planning Scheme Amendments

The local amendments undertaken since the 2010 planning scheme review are outlined below:

- C12 Update to flood provisions based on mapping provided by the Corangamite Catchment Management Authority.** C12 introduced Clause 44.03 - Floodway Overlay and Schedule into the planning scheme, and applied the overlay to areas with the greatest risk and frequency of flooding. The amendment also updated the Land Subject to Inundation Overlay maps. **Formally approved and gazetted.**
- C54 Anomalies.** C54 corrected various planning scheme map errors and amended the Erosion Management Overlay mapping. **Formally approved and gazetted.**
- C58 Kennett River, Wye River and Separation Creek Structure Plans.** C58 introduced new strategic direction statements into the Municipal Strategic Statement to reflect the directions of the Kennett River, Wye River and Separation Creek Structure Plans, 2008. It also facilitated rezoning of land in Harrington Street and Dollar Drive, north of Separation Creek, from Low Density Residential Zone to Rural Conservation Zone. **Formally approved and gazetted.**
- C61 Heritage Act.** C61 implemented Section 48 of the Heritage Act 1995 to ensure that places in the planning scheme are consistently identified with places in the Victorian Heritage Register. **Formally approved and gazetted.**
- C62 Barham River Special Water Supply Catchment.** C62 applied the Environmental Significance Overlay Schedule 3 (ES03) to the Barham River Special Water Supply Catchment and removed the interim overlay ES05 and removed redundant provisions, including removal of ES03 from the former Skene's Creek water supply catchment. **Formally approved and gazetted.**
- C63 Planning Certificates.** C63 formally made the Minister for Planning the responsible authority for issuing planning certificates. **Formally approved and gazetted.**
- C65 (Part 1) DDO7 Amendment.** C65 (Part 1) removed the Design and Development Overlay Schedule 7 from land bound by Cawood Street, Great Ocean Road, and Murray Street and McLachlan Street in Apollo Bay, and applied Design and Development Overlay Schedule 6 to the land. **Formally approved and gazetted.**
- C65 (Part 2) DDO7 Amendment.** C65 (Part 2) amended Clause 43.02 Schedule 7 to the Design and Development Overlay. Rezoned land at 490 and 494-498 Princes Highway, Colac West and 10 Flaxmill Road, Colac East from Farming Zone to Rural Activity Zone. Introduced the Environmental Audit Overlay to the Colac Otway Planning Scheme and applied the overlay to 494-498 Princes Highway. Amended the Schedule to the Rural Activity Zone and made minor corrections to Clause 43.05-2 (Neighbourhood Character Overlay). **Formally approved and gazetted.**
- C66 Barham River Special Water Supply Catchment.** C66 extended the Environmental Significance Overlay Schedule 5 (ES05) for Barham River Water Supply Catchment to allow time for preparation of a permanent amendment. **Formally approved and gazetted.**

- C67 Salinity Management Overlay.** C67 proposed the application of the Salinity Management Overlay to areas identified through the Corangamite Catchment Management Authority Salinity Management Overlay Project. **Abandoned by Council.**
- C68 Erosion Management Overlay.** C68 amended the application of Erosion Management Overlay and replaced Schedule 1 to Erosion Management Overlay with a new Schedule. The CCMA provided Council with updated maps of land to be included in the Erosion Management Overlay in 2007 following a mapping project that focussed on smaller settlements. The maps reduced the coverage of the overlay, particularly in the smaller settlements. **Formally approved and gazetted.**
- C69 Colac Otway Rural Living Strategy 2011 and Forrest Structure Plan 2011.** C69 implemented selected recommendations from the adopted Colac Otway Rural Living Strategy 2011 and Forrest Structure Plan 2011.
The Rural Living Strategy (2011) seeks to manage rural development within the Shire to direct growth and population distribution to the towns that are best placed to accommodate it and to restrict the growth of other townships and areas with poorer infrastructure, or constraints such as bushfire risk, significant landscape, environmental values and servicing issues.
An incorporated document, 'Restructure Plans for Old and Inappropriate Subdivisions in the Colac Otway Shire' (2012), was introduced to restructure inappropriate subdivisions which are subject to use and development constraints, and which if developed to their full capacity, would have serious environmental, servicing and social impacts. The overlay is also required to outline fair and orderly planning outcomes on land where unreasonable expectations are being placed on lots for rural-residential development.
In summary, an independent Planning Panel supported the recommendations of the Rural Living Strategy, which are translated to Amendment C69, as striking an appropriate balance between competing planning policy and objectives. The Panel was satisfied that the analysis underpinning the Rural Living Strategy comprehensively addressed the Shire's rural areas and smaller settlements. **Formally approved and gazetted.**
- C70 Biodiversity mapping.** C70 proposed changes to the mapping for biodiversity values and assets across the Shire; as well as to the provisions of the Colac Otway Planning Scheme relating to biodiversity protection. **Abandoned by Council.**
- C72 (Part 1) Colac CBD & Entrances Project.** Applied the recommendations of the Colac CBD Entrances Project, Planisphere 2012. **Formally approved and gazetted.**
- C72 (Part 2) Colac and Apollo Bay Parking Strategy 2011.** Introduced the Parking Overlay and applied two schedules for the Colac and Apollo Bay Commercial areas, as well as changing MSS provisions, including referencing the 'Colac CBD and Entrances Report' 2012, and the 'Colac and Apollo Bay Parking Strategy' 2011. Council owned land at 2-16 Railway Street was also rezoned to Public Use Zone 6 (Local Government). **Formally approved and gazetted.**
- C75 Colac Otway Public Open Space Strategy 2011.** C75 implements the recommendations of the 'Colac Otway Public Open Space Strategy' (COPOSS) (2011), including changes to the MSS and amendment of clause 52.01 for public open space contributions. The Amendment introduces new minimum public open space contributions for development based on the number of new lots that are created through subdivision. The new provisions will result in increased developer contributions, which will assist in overcoming the shortage of open space in Colac identified through COPOSS. **Formally approved and gazetted.**

- C76 Birregurra Structure Plan 2013 and Birregurra Neighbourhood Character Study 2012.** C76 included changes to the MSS, rezoning, and the introduction of Design and Development Overlays and a Vegetation Protection Overlay to implement the Birregurra Structure Plan (2013) and Birregurra Neighbourhood Character Study (2012). The Amendment confirms the current town boundary and encourages infill development at a range of densities based on identified character precincts. The different character precincts correspond to different Design and Development Overlays which dictate design standards to be achieved. The Amendment also rezones the business core of the township to Commercial 1 Zone. **Formally approved and gazetted.**
- C77 Heritage Prescribed Amendment.** C77 amended mapping and schedule errors in the Heritage Overlay. **Formally approved and gazetted.**
- C79 New Residential Zones.** C79 implemented the new residential zones into the Colac Otway Planning Scheme and applied to all land in the Residential 1 Zone (Colac, Apollo Bay and Marengo) and former Business 1, 2, 3 and 4 Zones (Colac and Apollo Bay) in the Colac Otway Shire. **Formally approved and gazetted.**
- C80 Princes Highway Duplication.** The amendment proposes to introduce the Princes Highway Duplication - Winchelsea to Colac and affects land to the north and south of the existing Princes Highway extending approximately 37km from Deans Marsh Road in Winchelsea to Corangamite Street in Colac. **Formally approved and gazetted.**

4.2 Current amendments in progress

- C73 Apollo Bay Harbour.** C73 proposes to facilitate redevelopment of the Apollo Bay Harbour, and applies to all land and that part of the sea that forms the Apollo Bay Harbour and its surrounds. The Amendment seeks to put in place a planning framework which will include the requirement for a development plan which Council is expected to undertake with the community in 2015 following the completion of the amendment. The Panel hearing was held in December 2014 and the Panel Report is awaited at the time this Planning Scheme Review was completed.
- C74 Apollo Bay Settlement Boundary and Urban Design Review 2012.** C74 implements the recommendations of the 'Apollo Bay Settlement Boundary and Urban Design Review' 2012. It updates urban design initiatives for the Apollo Bay shopping centre, confirms the location of the settlement boundary for Apollo Bay and Marengo, rezones part of the Apollo Bay industrial estate in response to its proximity to residential areas, rezones and applies a DPO to land at the northern end of Apollo Bay for residential development, amends the DPO schedule for the Mariners Vue land and applies a common DDO schedule to both residential sites. The Planning Panel supported the amendment subject to some minor changes. **Council adopted the amendment in November 2014 and is awaiting approval from the Planning Minister.**
- C78 Wyuna Estate, Colac.** C78 seeks to rezone the remaining parcel of greenfield land as part of the overall development for residential purposes. **C78 is a private amendment currently being prepared for exhibition.**

4.3 Completed strategic work since last review

Apart from formal planning scheme amendments, Council has continued with a strategic work program that addresses current issues and provides a policy direction. Strategic work which has been commissioned (or completed) since the last review includes the following:

Rural Living Strategy 2011

The ‘Rural Living Strategy’ is a follow-up study to the ‘Rural Land Strategy’ in 2007 and recommended a series of objectives and strategies for the future management of rural living and rural settlements in Colac Otway Shire. The Strategy:

- Identified appropriate locations for the Rural Living Zone;
- Reviewed existing boundaries of small settlements;
- Identified areas for the application of the Restructure Overlay, across undeveloped land with small lots.
- Developed more refined policy for consideration of subdivision and housing applications in the rural zones.

Planning control outcomes were implemented in the planning scheme through Amendment C69 in July 2013.

Forrest Structure Plan 2011

The purpose of the Structure Plan is to direct future growth and encourage sustainable land use development in Forrest as the town establishes itself as a major Tourism and Mountain Biking destination. The Structure Plan provides a long term vision and planning and development framework for the town. Key outcomes for the project was the rezoning of developed Farming Zoned land south of the township to Rural Living Zone, rezoning land at the northern gateway into town to Rural Activity Zone and identifying land north west of the township for future residential expansion.

Colac and Apollo Bay Car Parking Study 2011

The Colac and Apollo Bay Car Parking Study examined parking utilisation in both Apollo Bay and Colac, reviewed parking rates, and developed a parking policy for incorporation into the planning scheme. It also provided recommendations for future management of parking areas.

Apollo Bay Settlement Boundary and Urban Design Review 2012

The Apollo Bay Settlement Boundary and Urban Design Review examined and made recommendations about potential residential rezoning of previously identified areas adjoining the existing settlement boundary. The review also identified urban design initiatives for Apollo Bay and updated the supply and demand analysis for housing.

Colac CBD & Entrances Project

The Colac CBD & Entrances Project sets the direction for the CBD of Colac as well as the corridors of the Princes Highway/Murray St from the eastern and western entries into the town from the outer edges of Colac. The key features of the project include the development of a new image for Colac based on a ‘Botanic Garden City’, with thematic tree planting, upgrading of streetscapes and improved traffic management to benefit pedestrians. The project has significant implications for the future livability of Colac and proposes a series of public interventions in the public realm to improve walkability and the attractiveness of the town. It is envisioned that these works will be a significant driver to attract new population growth and address social disadvantage in the town.

Birregurra Neighbourhood Character Study 2012

The Birregurra Neighbourhood Character Study reviewed the character of residential areas within the township with a view to recommending appropriate planning tools to effectively address and appropriately manage future development. The Study identified character precincts and recommended the implementation of corresponding Design and Development Overlays and a Vegetation Protection Overlay to manage and preserve the character of these precincts whilst enabling infill development.

Birregurra Structure Plan 2013

The Birregurra Structure Plan is the key strategic planning document that will assist in the management and monitoring of growth and development in the township. The Structure Plan critically examined the potential residential land supply and demand, and reviewed opportunities and constraints to urban development in the town. It concluded that existing infill land would provide the necessary future residential growth opportunities and should be prioritised for use prior to rezoning new residential land.

Draft Apollo Bay Harbour Master Plan 2013

The redevelopment of the Apollo Bay Harbour has been considered for many years and a detailed process for establishing how the Harbour should be developed commenced in 2006. A draft Master Plan was prepared for Council in 2013 based on the adopted concept plan from the Enquiry by Design (EbD) community engagement process in 2008, but without the hotel and health and wellbeing centre component in accordance with a February 2012 Council resolution. Following initial exhibition in late 2013, Amendment C73 was re-exhibited in 2014 to reflect current community concerns about over-commercialising the harbour. Broad support was received for the latest changes. Whilst the amendment did not proceed with the Master Plan as an Incorporated Document, the key recommendations were translated into a Special Use Zone (SUZ2) to allow for more flexibility into the future.

Heritage Strategy 2013

The Heritage Strategy 2013 sets out priority actions for how identifying, protecting and celebrating our cultural heritage may be achieved at the local level. The key outcome of the strategy is a four year action plan that sets out heritage gaps and needs within the Colac Otway Shire where appropriate resources need to be directed.

Heritage Audit 2013

An audit of the Heritage Overlay was completed to inform a planning scheme amendment. The audit identified mapping and schedule errors, as well as opportunities for the reduction or expansion of Heritage Overlay coverage.

Heritage Assessment of the Colac-Beech Forest-Crowes Railway 2013

Consultants (Context) were appointed to undertake a heritage assessment of the former Colac-Beech Forest-Crowes Railway. The assessment identified additional sites for inclusion in the Heritage Overlay and recommended the introduction of a Significant Landscape Overlay to recognise the significance of the former railway embankment.

4.4 Current strategic work

The following strategic planning projects are in progress:

Bushfire Planning Project

Colac Otway Shire Council commissioned Tract Consultants and Terramatrix to investigate the potential to streamline bushfire management controls in the planning scheme through a schedule to the Bushfire Management Overlay (BMO), and to confirm the potential for outward settlement expansion for key inland settlements. The following settlements were investigated:

- Beech Forest
- Forrest
- Gellibrand
- Lavers Hill
- Skenes Creek
- Kennett River
- Wye River
- Separation Creek

The Project was divided into two parts:

- Assessment of the bushfire risk at the broader settlement scale for all eight settlements to identify potential for inclusion of land in a schedule to the BMO. Schedules offer the opportunity to standardise application requirements and streamline assessment processes for lower risk areas; and
- A strategic assessment of the potential outward settlement expansion areas identified in Gellibrand and Forrest through the Rural Living Strategy (CORLS) and Forrest Structure Plan (FSP), as well as areas identified for potential application of the Rural Living Zone at Beech Forest and Lavers Hill.

This Report has been finalised, but consideration by Council was deferred due to State Government changes to the BMO through Amendment VC109. The changes will have implications on the recommendations of the final report and Council is currently discussing the possibility of getting support from DEWLP (formerly DTPLI) to re-engage consultants and determine what changes are required and whether schedules are still relevant.

Colac Development Plans

Mesh consultants were appointed to produce Development Plans for three priority infill areas in Elliminnyt currently covered by the Development Plan Overlay Schedule 2 (DPO2). The DPO2 had been introduced to prevent the ongoing ad hoc approach to subdivision that was occurring in the area and to facilitate more coordinated planning by approving a Development Plan for each area. Following extensive engagement with landholders, Council resolved in November 2014 to adopt Development Plans for Areas 4 and 5 and to abandon the Development Plan for Area 3.

Colac Otway Domestic Wastewater Management Plan (DWMP)

The scope of the DWMP is management of all domestic and commercial wastewater originating from unsewered properties in the Colac Otway Shire. The key objective of the project is to clarify whether a higher density than 1 dwelling per 40 hectares in declared water catchments is appropriate given that the State-wide '*Guidelines for Planning Permit Applications in Open, Potable Water Catchments*' (2012) specifically requires the completion of a DWMP to demonstrate higher densities can be achieved. A risk assessment and prioritisation process occurred at the commencement of the project to assist in guiding the consultant as to which settlements/areas are given most focus in the development of the DWMP.

This is expected to result in the DWMP including at a minimum:

- The assessment of land identified for further development in the northern part of Beech Forrest, Gellibrand, Forrest, Beeac, Alvie, Cororooke and Coragulac.
- Assessment of all developed and vacant lots within the water catchments with a particular focus on the settlements of Beech Forrest, Lavers Hill, Gellibrand and Kawarren.
- A prioritised plan for upgrade of existing systems in Wye River/Separation Creek townships based on the SKM 2014 site audit database.
- A prioritised plan for upgrade of existing systems in other settlements based on the assessments conducted during this consultancy.
- A risk-based compliance monitoring regime and a broad based assessment of the resources needed to ensure that this is sustainable (i.e. affordable for Council).

The constraints mapping has been undertaken and a draft report is due to be released in mid-2015.

Colac 2050

The Colac 2050 project aims to develop a sustainable strategic framework for the town that is visionary and aspirational, achieves the 'Botanic Garden City' theme identified for the city, providing drivers for growth in the population and local economy that will improve the overall wellbeing, productivity, functionality and livability of the town.

- The expected outputs of the project will be underpinned by a place-making approach and quality engagement plan. They include:
 - A strategic growth plan for Colac including a vision statement and principles for growth and development.
 - A township structure plan outlining proposed planning scheme amendments based on the growth plan.

- An industrial land strategy/assessment which identifies land needs for future industrial and commercial development to match employment needs associated with growth.
- A housing strategy/assessment which plans for diversity of housing, retains relative housing affordability and facilitates opportunities for growth to meet the projected population.
- A retail strategy/assessment which makes recommendations for the location of new retail floor space which retains the primacy of the CBD but meets the needs of future residents.
- A social and civil infrastructure plan.
- Traffic and pedestrian management planning, including identification of areas where development should be avoided for the future deviation of the Princes Highway.
- The project will be informed by recent Shire strategies such as the Active Transport Strategy, Open Space Strategy, and Colac CBD & Entrances Project.

Other relevant projects that will influence recommendations arising from the Colac 2050 Plan, and be consulted on during the engagement phase, include the Lake Colac Masterplan, Colac Urban Forrest Strategy and the Colac Flood Study. A Project Manager has been engaged and work on the scope of the Colac 2050 Plan has commenced.

4.5 Status of further work identified in current table from MSS (clause 21.06)

The following table represents studies/amendments that are identified in the current MSS as further strategic work to be undertaken by Council.

PROJECT	STATUS/COMMENT
Undertake local bushfire assessments for the towns of Beech Forest, Forrest, Gellibrand and Lavers Hill to further clarify their development potential.	Colac Otway Bushfire Planning Policy Project provides clarification of the development potential of these townships in the context of bushfire. This report has been finalised, but consideration for adoption has been deferred due to State Government changes to the BMO through Amendment VC109. These changes have implications on the recommendations of the final report.
Prepare a Master Plan for Beeac. The work should include: <ul style="list-style-type: none"> • A Township Effluent Management Plan to determine capacity for infill development and future growth. • Evaluation of development options immediately to the east and north-west of the existing township zone. 	The Domestic Wastewater Management Plan will provide the technical basis for a township scale effluent management plan and determine the capacity for infill and future growth. Development of a Master Plan, including evaluation of development options, will follow.
Prepare a Master Plan for Gellibrand. The work should include: <ul style="list-style-type: none"> • A Township Effluent Management Plan to determine capacity for infill development and future growth. • Evaluation of development options in the vicinity of Gellibrand-Carlisle Road and along the northern approach to Gellibrand. 	The Domestic Wastewater Management Plan will provide the technical basis for a township scale effluent management plan and determine the capacity for infill and future growth. Development of a Master Plan, including evaluation of development options, will follow.

Consider the appropriateness of rezoning the Low Density Residential Zoned land in Christies Road to Farming Zone through the review of the Colac Structure Plan.	Colac 2050 Plan will update the land supply/demand in Colac and review future growth opportunities beyond current boundaries.
Prepare a precinct structure plan for Elliminty.	Expected to be considered as part of the Colac 2050 Plan.
Prepare a precinct structure plan for the East Colac area north of the Princes Highway.	Expected to be considered as part of the Colac 2050 Plan.
Undertake a residential land supply analysis for all segments of the Colac market.	Expected to be included in the Colac 2050 Plan and will also be informed by the G21 Regional Growth Plan project.
Undertake an industrial land supply analysis for Colac.	Expected to be included in the Colac 2050 Plan and was also undertaken as part of the G21 Regional Growth Plan project.
Further investigate and consider the former Bruce Street landfill site for the purpose of a recreation area or other appropriate use linked to Lake Colac.	Expected to be included in the Colac 2050 Plan and/or the Lake Colac Master Plan.
Prepare an Apollo Bay Harbour Precinct Master Plan for the redevelopment of the port area with a tourism, fishing, boating, commercial and recreational focus, strengthening links to the town centre and providing net community benefits.	A draft Apollo Bay Harbour Precinct Master Plan was completed in 2013 and key elements are now part of Amendment C73, which seeks to put in place a planning framework for a Development Plan that will guide the redevelopment of the harbour precinct.
Update overlays on completion of the Corangamite Waterway Strategy (CWS) 2014-2022.	The 2014 CWS responds to other related CMA strategies and expands the scope of the 2006 River Health Strategy. A draft document was released for comment in July 2014 and is expected to be completed in 2015.
Update the Vegetation Protection and Environmental Significance Overlays to incorporate revisions to the Ecological Vegetation Class mapping.	Amendment C70 attempted to complete this but was abandoned by Council. Council officers are currently involved in discussions with the Department of Environment, Land, Water and Planning - DELWP (formerly the Department of Environment and Primary Industries - DEPI) about the requirement and funding for improved mapping.
Update the Land Subject to Inundation Overlay and schedule to align with revised data and mapping when available from the Corangamite Catchment Management Authority.	C12 which was approved in 2011 and is the most recent flood mapping for Colac in the planning scheme. It was announced in 2014 by DEPI (now DELWP) that a new flood study of Dean and Barongarook Creeks will be undertaken; this work will take place in 2015.
Revise the Erosion Management Overlay following completion of the Department of Primary Industries and Corangamite CMA review.	The EMO was updated through C54 (mapping) and C68 (schedule).
Consider applying the Salinity Management Overlay to areas recommended by the Corangamite Catchment Management Authority.	Amendment C67 attempted to complete this but it was abandoned by Council. Municipal Strategic Statement (MSS) changes could be pursued through a future update of the MSS. There is no intention to further pursue the implementation of a Salinity Management Overlay.

Review retail and office floor space needs in Colac and review zones accordingly.	Expected to be included in the Colac 2050 Plan.
Investigate potential to accommodate additional township development on 2324 and 2330 Birregurra-Forrest Road, Forrest as part of a local bushfire risk assessment.	Colac Otway Bushfire Planning Policy Project provides clarification of the development potential of Forrest in the context of bushfire. This report has been finalised but was deferred following changes to the Bushfire Management Overlay and now requires further assessment in line with new methodology.
Prepare township plans for Alvie, Cororooke and Beeac to determine a revised settlement boundary that supports growth of the towns in accordance with the Rural Living Strategy.	The Domestic Wastewater Management Plan will provide the technical basis for a township scale effluent management plan and determine the capacity for infill and future growth. Development of a township plan, including evaluation of development options, will follow. Deferred until the completion of the Domestic Wastewater Management Plan.
Investigate potential for expansion of Gellibrand and Beech Forrest subject to further strategic assessment having regard to bushfire risk and effluent management.	The Colac Otway Bushfire Planning Policy Project provides clarification of the development potential of these townships in the context of bushfire. This report has been finalised but consideration for adoption has been deferred due to State Government changes to the BMO through Amendment VC109. The effluent management issues are being investigated as a part of the Domestic Wastewater Management Plan.
Prepare an advertising signs policy for Colac and Apollo Bay.	Not commenced.

5. CONSULTATION

Consultation was held throughout April and May 2014 with practitioners in Colac which was attended by twelve people. Smaller meetings were also held with agencies in Geelong and Colac. In addition, internal discussions were held with Economic Development, Environment, Recreation, Arts and Culture and other relevant Council departments. A survey was placed on the Shire's website for the six week consultation period, which had 4 respondents.

The review has concentrated on the main users of the Planning Scheme and included discussions on the MSS, local policy, local zone and overlay provisions, referral arrangements and emerging issues. It should be noted that whilst the key issues raised by different stakeholder groups are listed below, some recurring issues arose from the workshops that are still relevant but are not considered high priority or are in the process of being reformed by State Government.

5.1 Councillor Consultation

Briefings were held with Council during the course of the review, including the draft version of this document. The key issues raised were:

- The desire to streamline local provisions to make the planning application process easier for applicants and Council officers.
- The need to review the Design and Development Overlay Schedules 1 and 3 (Colac Industrial Areas).

5.2 Statutory Planning

Workshops were held with the statutory planning team, as primary users of the planning scheme. The feedback is summarised below:

Municipal Strategic Statement (MSS):

- There were a numbers of key issues highlighted where there is currently a lack of policy content to guide decision making in the MSS. Key emerging issues that statutory planners consider require addressing within the MSS include:
 - Guidance for uses under accommodation, in light of the rural zone changes.
 - Guidance on consideration of applications for dwellings in the Rural Conservation Zone.
 - Policy content on salinity and acid sulphate soil issues.
 - The need to introduce policy guidance following the completion of the Bushfire Planning Policy Project and the Domestic Wastewater Management Plan.
- It was also noted that reference document policy needs to be better integrated into the MSS.
- It was suggested that key objectives of the Apollo Bay Neighbourhood Character Statements need to be incorporated into other relevant controls, as they currently do not carry sufficient weight to be supported by VCAT.
- More guidance required for requests to use Clause 52.03 (Specific Sites and Exclusions).

Zones:

- Continue to advocate for State Government to review the Township Zone and provide for a rationalisation of the overlays applied to coastal settlements relating to neighbourhood character, landscape and vegetation. Reduce duplication and complexity of the controls.
- Requested further clarification within the Farming Zone schedule about the minimum lot size for dwellings.

- Include a map in the Farming Zone schedule showing the locations of minimum subdivision areas (40ha and 80ha).
- It is not necessary to list Category 1 and 2 roads in the Farming Zone schedule.
- Farming Zone does not include position on low and moderate agricultural land when considering dwellings and other development.
- Guidance required for dwelling applications on small lots in the Rural Conservation Zone (this could be provided in the MSS).

Overlays:

- The existing conflict between the Neighbourhood Character Overlay, revegetation requirements and the Bushfire Management Overlay needs consideration.
- There are a number of overlays where wording needs to be examined to make their implementation clearer. These include:
 - Requirement for additional exemptions, including minor alterations to dwellings, in the Neighbourhood Character Overlay.
 - Requirement for exemptions for public works in the Erosion Management Overlay.
 - Further examination of the permit triggers concerning lot size under Buildings and Works and exemptions for Design and Development Overlay, including in the industrial areas and DDO4 and DDO7.
 - Examine the purpose/need for the landscape plan requirement for the Significant Landscape Overlay on the coast.
 - Need to make changes to the Environment Significance Overlay Schedule 1 as proposed through Amendment C70.
 - Requirement for additional exemption in the Significant Landscape Overlay to address agricultural outbuildings.
 - Need to clarify guideline for subdivisions in Birregurra Design and Development Overlay areas.
 - A consistent approach is required when describing tree width/diameter permit triggers in the Significant Landscape Overlay (SLO), Neighbourhood Character Overlay (NCO) and Vegetation Protection Overlay (VPO).
 - The term 'outbuilding' is applied in the wrong context to the SLO and ESO and prevents hay sheds from being exempt from a planning permit; need consistency of wording in overlays.
 - Correct anomalies and errors in overlays, e.g. correct the cross reference in the Schedule to the NCO to Character Maps in the MSS.
 - Remove mandatory requirement for imposing condition in the Schedule to the EMO, so it does not have to be applied in cases where it is not required (e.g. boundary realignments and straightforward subdivision). Rework condition to better phrase reference to subsequent reviews of submitted reports.

Particular Provisions

- Wording in schedule to clause 52.01 (Public Open Space Contribution and Subdivision) needs to be amended to delete the word 'additional' from the first column.

5.3 Other Council Departments

The following Council Departments were consulted on the performance of the Planning Scheme:

- Infrastructure
- Environment and Community Safety (including fire prevention)
- Recreation, Arts and Culture
- Economic Development
- Building
- Community & Corporate Services
- Environmental Health

Internal departments consider that the MSS needs to be thoroughly reviewed to ensure that it aligns with current policy. This is particularly relevant to the environmental and community services departments. It was noted that the 'Vision' in the current MSS fails to recognise the importance of the social environment as an element of Council's vision and its importance when considering land use and development. It is considered that several projects such as the Council Plan, the Municipal Public Health and Wellbeing Plan, the Active Transport Strategy, the Open Space Strategy, and the Access, Equity and Inclusion Plan, have identified emerging issues for Colac Otway that are not currently reflected in the MSS. There was also a need identified to update the list of reference documents contained in Clause 21.07 (Reference Documents).

5.4 External Agencies

The following Government Departments and servicing authorities provided feedback into the Review:

Former Department of Environment and Primary Industries (now Department of Environment, Land, Water and Planning)

- Changes are required to 21.01-3 and 21.04 (Municipal Profile – Environment and Cultural Heritage) to reflect the importance of biodiversity value in State policy.
- Policy from recent Otway Coast Committee Coastal Management Plan needs to be integrated into the MSS.
- The MSS should support bushfire policy on both public and private land and be more complementary of Clause 13.05 (Bushfire).

CFA

- Policy relating to vegetation retention needs to be examined to ensure it does not conflict with bushfire safety policy.
- Support for defined township boundaries and acknowledgement of bushfire risk in all relevant towns in section 21.03 (Settlement).
- The CFA supports the implementation of the findings from Council's Bushfire Planning Policy Project and, in particular, a separate section in the MSS to address bushfire policy issues.

Water Authorities

- The water authorities have clarified that the catchment boundaries for ESO3 (Declared Water Supply Catchments) need to be updated. Barwon Water and Wannon Water are in the process of determining the correct boundaries and will provide these to Council once completed.
- There are a number of zoning changes that have been requested to correctly identify land that is owned by the water authorities and should be zoned Public Use Zone 1.
- It is expected that upon completion of the Domestic Wastewater Management Plan there will be considerable input into the Municipal Strategic Statement.
- Suggestions have been made for required edits to the Environmental Significance Overlay Schedule (ESO3).

EPA

- The EPA does not require changes to the current planning scheme but did highlight the issue of encroachment of residential development upon key industry. The EPA suggests the identification of important industries within townships and the identification of potential incompatible land uses in order to minimise future impacts to both industry and residents. This could be achieved through the Colac 2050 Plan.

5.5 Practitioners

Council invited input from a range of practitioners who regularly submit planning permit applications in the Shire, including surveyors, designers, planning consultants, building surveyors and Geotechnical engineers. The workshop was attended by a small but diverse group of consultants.

The following points were raised:

- The potential impacts of salinity need to be expressed in the MSS, given that Amendment C67 to implement the overlay was not successful.
- The Domestic Wastewater Management Plan is critical to give guidance for rural dwellings in water catchments, because currently it is very difficult area to navigate.
- The importance of undertaking a Master Plan for Gellibrand was highlighted.
- Support for the streamlining of controls in coastal areas where the numerous overlays add layers of complexity.
- More guidance is required for consideration of houses in the Farming Zone on small acreage.
- There is a need for design guidelines for development in the industrial area in Apollo Bay.
- The broader use of the Rural Activity Zone should be further investigated.

5.6 Community

A survey was placed on the Shire's website for the six week consultation period, which had 4 respondents. Comments made included:

- public knowledge of planning scheme is negligible
- the fact there is too much red tape
- the costs of obtaining a permit are too high for not-for-profit organisations
- lack of exemptions under the NCO
- overlay coverage is too broad and should be limited in area or scrapped
- a more liberal approach required, e.g. bushfire building regulations should not apply if certified bunker installed
- minimal area to build residence should be lowered to meet neighbourhood characteristics and to allow building on most blocks
- need for improved links on Council website to allow access to overlays
- need to ensure enquiry on address shows all applicable overlays
- the difficulty of getting a permit outside city limits
- the need for a change to the policy of limiting growth to Colac and Apollo Bay
- suggest conciliation and co-operative approach and a recognition of property owner's historical rights on private property
- disengagement of the community from the Council over last few years
- consider there are already too many planning controls and strategic studies/plans

It was also requested through a written submission and during the Apollo Bay Community Conversation, that the 20% site coverage under the Neighbourhood Character Overlay in Skenes Creek be increased to 40% or 50%.

5.7 Corporate Strategy Documents

A number of corporate policy documents make recommendations which need to be considered through this Planning Scheme Review.

Two such recommendations are to integrate affordable housing goals into the planning scheme and to implement a Council Environmental Sustainability policy that addresses opportunities for improving sustainability in developments.

It is considered that the former can be addressed through work on the residential strategy for Colac 2050, where most opportunity lies for providing affordable housing. This Review recommends that the latter be addressed initially through the opportunity to consider developing a policy around Environmentally Sustainable Design (ESD).

Audit reports have also flagged the need to consider issues such as climate change and the reduction of carbon emissions across the municipality. Such matters have been already been identified as key issues for the municipality, for example in terms of sea

level rise which has been flagged as an issue that requires State Government involvement. It is also noted that State Government has been reviewing the sustainability provisions for new development.

In addition, the need to consider the historic importance of the Beechy Rail Trail has been flagged. In response, work has been undertaken on the identification of heritage items along the Trail and Council supported the exhibition of an associated amendment, which has been deferred to allow further consultation on proposed controls for dry stone walls.

The audit reports also identified the provision of open space in new urban neighbourhoods as a key strategic direction. Amendment C75 implemented the recommendations of the 'Colac Otway Public Open Space Strategy' (COPOSS) (2011), including changes to the MSS and amendment of clause 52.01 for public open space contributions (in operation since 11/9/14). The Amendment introduced new minimum public open space contributions for development based on the number of new lots that are created through subdivision. The new provisions will result in increased developer contributions, which will assist in overcoming the shortage of open space identified through COPOSS.

Another audit objective was to incorporate the most current environmental mapping into the planning scheme. This was considered through proposed Amendment C70, which was abandoned by Council. Discussions are ongoing with DEWLP about the potential to improve the mapping.

A broader audit recommendation was to review the MSS "and ensure climate change, salinity, sustainable land use and acid sulphate soils are recognised appropriately and are managed through statutory controls". These issues are identified for further consideration, as discussed elsewhere in this report.

6. PLANNING ISSUES FACING THE MUNICIPALITY

This section provides an overview of the major planning issues facing the municipality based on a review of the municipality's physical and community characteristics, recent State and Local Government policies and strategic work and the current Council Plan.

6.1 Emerging and Ongoing Issues

- Water Catchment Management – In November 2012, the State Minister for Water released '*Guidelines for Planning Permit Applications in Open, Potable Water Catchments*'. This document confirmed the density provisions for declared water catchment areas. As a result, the water authorities are now mandated to enforce regulations that are impacting on the approval of planning permits. The preparation of a Domestic Wastewater Management Plan, which is currently being undertaken by Council in consultation with the water authorities and other interested bodies such as the EPA, will provide some certainty for development within the declared water catchment areas.
- Bushfire Risk – Following the 2009 Black Saturday bushfires, a Royal Commission Report was released in July 2010 and the State Government also responded by introducing the Bushfire Management Overlay. The State Government introduced an amendment to the bushfire provisions in July 2014 that has significant implications for the assessment of applications within the residential zoned areas and the Rural Living Zone. This has provided a level of certainty to landholders who previously had difficulty obtaining planning approval for development in settlements with a high bushfire risk.
- Climate Change – Sea level rise and climate variability are significant issues which will become more relevant to the Shire given its coastal interface and high quality agricultural land. Council will need to work collaboratively to ensure that appropriate planning controls are introduced that respond to risk of coastal inundation, and that State Government funds further work to examine the policy implications for settlement in the coastal strip within the Shire e.g. Apollo Bay. In addition, issues resulting from increased heatwaves over summer affecting agriculture and vulnerable groups in the community will require mitigation and adaptation measures to ensure Colac Otway is more resilient into the future.
- Duplication of the Winchelsea to Colac section of the Princes Highway – The duplication of the highway to Colac, and future growth of Geelong to the south and west, will increase the linkages between Colac and Geelong and have an influence on the rate and location of growth in the Shire. Amendment C80 which puts in place the planning framework for the project was approved in November 2014.
- Bypass route for Colac – A decision on a preferred route for a long term bypass of Colac with the Princes Highway is required to be done by VicRoads, as investigation and planning for arterial roads is the responsibility of that authority.
- Public Transport – Increased passenger regional rail services have been identified as a major barrier to facilitating economic development in the Shire, particularly for Colac, and will continue to be pursued through the G21 and GSC regional forums to determine the potential for additional services to commence.
- Acid Sulphate Soils – The State Coastal Acid Sulphate Soils (CASS) Strategy has identified the existence of acid sulphate soils around Apollo Bay and Hordern Vale, but the mapping is poor and there are no planning controls to reflect this risk. Consideration needs to be given to improved mapping and appropriate planning overlays to support decision making. Council has taken a lead role in initiating a joint project with other agencies to map potential areas of acid sulphate soils inland.

- Sustainability – Council through its planning scheme will need to increase its delivery of Environmentally Sustainable Design (ESD) outcomes within its scope of influence. Of note is an ‘Advisory Committee and Panel Report’ on a joint planning scheme amendment involving six Melbourne Councils advocating additional ESD requirements in planning schemes, which was released on 7 April 2014. The Committee concluded that a State-wide approach is the best way to facilitate an increased focus on sustainability but, in the interim, supported the six Amendments. The Committee also noted the strong linkages between planning and building in the area of sustainability. The Committee concluded that, whilst there should be improved clarity in roles, the two systems need not be in conflict and both have important roles to play.

6.2 Matters requiring State Government assistance

The following issues have been identified through the Review as ones which require State Government support to direct changes to particular aspects of the planning scheme, and provide greater levels of direction and information to address locally important issues.

- Bushfire Planning Project – Following changes to the bushfire provisions in July 2014, a substantial number of findings and recommendations from the draft report need to be revisited. A full review to consider the implications of the changes is required, along with a Government managed planning scheme amendment.
- Planning for settlements at risk of future sea level rise – Coastal Hazard Vulnerability Assessments (CHVAs) are required for settlements and coastal land within the Shire. This would build on Future Coasts’ mapping to take account of local factors and develop policy responses to avoid the need for CHVAs to be undertaken for individual sites, and provide useful direction for strategic planning in affected towns.
- Improved mapping for Acid Sulphate Soils – This issue requires State Government to play a central role through its relevant agencies, to assist Colac Otway in identifying potential areas of acid sulphate soils with the best available mapping technology, and to introduce appropriate planning controls.
- Salinity Management – Whilst, as noted earlier in this Review, there is scope for information about salinity to be included in the MSS, there is also opportunity for the salinity issues to be considered through the building permit process. This issue needs to be addressed by State Government.
- Township Zone – The Township Zone applies to most small towns in the Shire. Despite recent reforms through the Residential Zones review, Colac Otway Shire remains concerned that greater flexibility is still required for the Township Zone, to allow consolidation of overlays such as the DDO and NCO and for the schedule of the Township Zone to be better utilised for local conditions. (e.g. the ability to nominate a minimum lot size). Council continues to lobby State Government and other bodies such as the MAV about changes to the zone, or the creation of a new coastal township overlay.

7. ASSESSMENT OF THE COLAC OTWAY PLANNING SCHEME

7.1 How the MSS implements the State Planning Policy Framework

The State Planning Policy Framework (SPPF) contained within the Victoria Planning Provisions outlines the general principles for land use and development, and incorporates policies relating to settlement, environment, housing, economic development, infrastructure and particular uses and development, that must be considered in all planning decisions.

The following clauses make up the SPPF and are all relevant to Colac Otway:

- Clause 11: Settlement
- Clause 12: Environmental and Landscape Values
- Clause 13: Environmental Risks
- Clause 14: Natural Resource Management
- Clause 15: Built Environment and Heritage
- Clause 16: Housing
- Clause 17: Economic Development
- Clause 18: Transport
- Clause 19: Infrastructure

7.2 Effectiveness of the current MSS

This section provides an assessment of the effectiveness of the current MSS in terms of clarity, usability and alignment with the DTPLI Practice Note 4 (October 2013) 'Writing a Municipal Strategic Statement'. As an overall comment, the MSS is considered structurally sound and has been since the extensive restructure which came out of Amendment C55 in 2009.

This Planning Scheme Review has concentrated on identifying issues that need to be expressed more effectively in the MSS and to provide more specific direction for land use and development across the Shire. Changes to several sections of the MSS have occurred since the last review as a result of planning scheme amendments affecting Colac, Apollo Bay and smaller settlements across Colac Otway Shire.

The following changes are recommended:

- Clauses 21.02 (Vision) and 21.04-2 (Water) require stronger guidelines on effluent disposal, an explanation of why 'best practice' is required and the nature of constraints e.g. need for water catchment protection. Also needs to note existing septic issues in the small coastal towns. It will also be necessary to assess the need for further policy direction once DWMP is completed.
- Clauses 21.03-9 (Rural Living) and 21.05-1 (Agriculture) need to be strengthened to more clearly guide use of direction when considering applications for dwellings, excisions and boundary realignment in the Farming Zone and Rural Conservation Zone (being developed through the Rural Living Strategy). For example, there is no direction in relation to proposals on vegetated Farming Zone land or land in the Rural Conservation Zone.
- Include reference to Environmentally Sustainable Design and its importance in the context of land use and development in the Shire.
- Section required highlighting the issue of Acid Sulphate Soils and identifying areas where they potentially occur in the Shire.
- Clause 21.04 (Environment) – Given the significance of bushfire risk to the Shire, it is considered that this issue should be addressed in its own sub clause (as issues such as catchment management, water and vegetation currently are).
- Clause 21.04-2 (Water) requires a section on stormwater and a requirement for a management plan for Colac based around WSUD.
- Clause 21.04-3 (Vegetation) should include commentary on Timber Production on private land, and refer to native vegetation harvesting.

- Consider expanding the policy on salinity, to provide further guidance to landholders on this issue following the abandonment of the proposed Amendment C67 to introduce a Salinity Management Overlay (SMO).
- Clause 21.04-5 (Erosion) requires more emphasis on landslip constraints and a distinction between landslip and erosion. This section should reference the updated mapping and schedule for the EMO, and provide guidance on when a risk is unacceptable.
- Clause 21.04-7 (Climate Change) requires updating in line with the Regional Climate Change Resilience Project that is currently underway.
- Clause 21.04-9 (Cultural Heritage) should include a section on the importance of 'Dry Stone Walls'.
- Add reference to 'Indigenous Heritage' at clause 21.04-9
- Clause 21.05-3 (Manufacturing) requires updating and further discussion around small towns and their relationship with Colac as the service centre.
- Review policy references to external colours/materials to clarify circumstances where muted tones are required. Subdued colour schemes not required in all circumstances, particularly rural land away from vegetated landscapes in the Otways.
- The eight metre height limit for development in small towns should be reviewed to incorporate some flexibility. Objectives can be achieved with clearer and possibly fewer guidelines addressing the overall design without over-emphasising a prescriptive height limit on a new building. A conflict exists with the EMO which requires minimal footprint and disturbance to the site – that can result in a design response which dominates surrounding properties and impacts on view lines.

It should be noted that the Minister for Planning established an Advisory Committee to review the State Planning Policy Framework (SPPF) in July 2013. In October 2013, the terms of reference of the Committee were expanded to review ways in which Local Planning Policy Frameworks (LPPF) could be better aligned with the SPPF. In light of this recent review of the Planning Policy Framework (PPF) and the draft report released in 2014 by the Advisory Committee, no changes are foreshadowed in this report until final decisions by the Government are available to consider. Colac Otway Shire officers participated in the consultation process and made a submission to the PPF review.

7.3 Effectiveness of the current local policies

The existing Colac Otway Planning Scheme contains only one local planning policy and the following is a brief commentary.

Clause 22.01 – Colac Otway Heritage Policy

Following the rationalisation of local policies into the MSS in 2009, the Colac Otway Heritage Policy remains the only local policy in Clause 22.01. This policy applies to all land with a Heritage Overlay, and provides guidelines for the conservation and enhancement of buildings and places within the overlay. The outcome of the PPF Advisory Committee Review will determine where existing local policies will be located under a new framework.

7.4 Effectiveness of the current zones and schedules

There are a total of 16 zones in the Colac Otway Planning Scheme as follows:

- General Residential
- Neighbourhood Residential
- Township
- Low Density Residential
- Industrial 1
- Commercial 1
- Commercial 2
- Rural Living
- Rural Conservation
- Farming

- Rural Activity
- Public Use
- Public Park and Recreation
- Public Conservation and Resource
- Road Zone
- Special Use

Residential Zones

- New residential zones were introduced through Amendment C79 in June 2014. All areas of Colac Otway Shire zoned Residential 1 defaulted to the new GRZ, with the exception of the area covered by DDO7 in Apollo Bay. In that area, which was rezoned Neighbourhood Residential (NRZ), the DDO7 remains as the full translation of the DDO requirements were not possible in the new NRZ schedule.
- Whilst some changes to the Township Zone occurred as a result of the State Government's reforms to the suite of residential zones, these changes did not allow a rationalisation of all overlays in coastal township areas into the Township Zone schedule. Colac Otway continues to advocate for reform on this issue and has recently held discussions with DEWLP (formerly DTPLI) and Surf Coast Shire to identify possible solutions. It is considered that potentially a Schedule could be introduced to replace the multi-layered overlays required to address neighbourhood character in the small coastal towns (e.g. NCO, SLO and DDO) – this would simplify the controls for all users. Alternatively, as discussed later in this report, consideration could be given to a single overlay that rationalises the controls.
- In addition, the current Township Zone provisions limit the potential for boutique type commercial activities/uses that come within the land uses listed in clause 52.10 (Uses with Adverse Amenity Potential) to locate in smaller settlements, as small scale uses are assessed against the same criteria as larger industrial uses. Examples of uses that could be prevented from locating in some areas are microbreweries and small scale cheese-making operations. This is a State-wide control and Colac Otway Shire has previously advised the former DPCD and DTPLI of the zoning limitations in the Township Zone. Council continues to advocate for a thorough review of the Township Zone.
- Issues concerning inappropriate sheds in the Low Density Residential Zone (LDRZ) could be addressed by including a schedule to the zone limiting shed size and possible setbacks from boundaries.

Industrial Zones

- All industrial uses in Colac are located in Industrial 1 zoned land, which is located on the eastern and north-west areas of town. A future review of commercial and industrial land as part of the proposed Colac 2050 will consider current demand and whether some further industrial land is required in Colac.
- Amendment C74 recently included the rezoning of 3.9 hectares of land at the northern part of the Apollo Bay industrial estate (86 and 94 Montrose Avenue Apollo Bay) to the Industrial 3 Zone, which is appropriate for interfaces with sensitive areas. Ministerial approval of that amendment is awaited at the time this Review was completed.

Commercial Zones

- There is a need to investigate the demand for bulky goods developments in Colac and the demand for retailing floor space in general. A Retail Strategy or Assessment will form part of the Colac 2050 Plan and address the capacity of the Commercial 2 Zone to the west of Colac. This area has started to attract businesses formerly located in the CBD, which no longer require a central location or have out grown their former site. The Retail Strategy/Assessment will also assess current commercial zones in Colac and determine what level of retail development is appropriate for Elliminty.

Rural Zones

- There remains a need to further examine whether a wider use of the Rural Activity Zone (RAZ) should be considered. Increased demand for tourism accommodation, and other related uses which come under the definition of 'Place of Assembly', has occurred since the last review. The ability to consider such proposals on their merits is vital to build on existing ecotourism activities such as the 'Great Ocean Walk', the 'Otway Fly' and one off events/festivals.
- Council should also consider further advocacy on the matter of increased flexibility in the Rural Conservation Zone, for similar reasons.
- Consideration could be given to the removal of permit triggers for earthworks from the Rural Living Zone (RLZ) as this provision is vague, too difficult to determine and is generally covered by existing overlays. Whilst it is considered that the saline groundwater reference is equally problematic, it is considered that this should remain in light of Council's decision to abandon the introduction of the Salinity Management Overlay through amendment C67 in 2013.
- The 'conservation values list' within the Rural Conservation Zone (RCZ) schedule requires updating and a reference to 'impacts from dwellings' to be included.
- It is not necessary to list roads in Farming Zone (FZ) schedule, but consideration could be given to the necessity for them to be referenced in the MSS, for consideration when assessing the landscape impacts of development proposals.

Public Use Zones

- The Public Park and Recreation Zone has been applied to areas of public open space which does not reflect their correct status, as some of these areas are encumbered land or owned by the water authority.

Special Use Zones

- This zone is used in order to recognise or provide for use and development of land for specific purposes when there are no other more appropriate zones. It currently applies to the Apollo Bay airfield and is being considered for the Apollo Bay Harbour as part of Amendment C73. Consideration could also be given to applying this zone to the Colac airfield, which is currently zoned Farming Zone, or to major employment sites such as Bulla to simplify the planning process for appropriate developments within the site.

Mapping Anomalies

- Consideration needs to be given to updating zoning maps and correcting anomalies, e.g. rezoning land currently zoned General Residential to Public Park and Recreation Zone to align with title boundaries and/or the location of landfill at the Bruce Street landfill site.

7.5 Effectiveness of the current overlays and schedules

There are a total of 15 overlays in the Colac Otway Planning Scheme:

- Environmental Significance
- Heritage
- Design and Development
- Land Subject to Inundation
- Floodway
- Significant Landscape
- Development Plan
- Vegetation Protection
- Neighbourhood Character

- Erosion Management
- Bushfire Management
- Public Acquisition
- Airports Environs
- Restructure
- Parking

A number of schedules require refinement in relation to unnecessary permit triggers, and would also benefit from clearer decision guidelines that build on recent amendments and changes to the VPP.

A brief overview of the overlays and schedules, and recommended improvements, are listed below.

Environmental Significance Overlay

This overlay has six schedules.

- Schedule 1: Warriorn Groundwater
- Schedule 2: Lakes, Wetlands and Watercourses
- Schedule 3: Declared Water Supply Catchments
- Schedule 4 Habitat Protection
- Schedule 6: Colac Water Reclamation Plant Buffer
- Changes to ESO1 (Warriorn Groundwater) were included in proposed planning scheme amendment C70, which was abandoned by Council. The changes relating to ESO1 were aimed at ensuring the overlay addressed groundwater protection issues and avoided unnecessary permit triggers. It is envisaged that the proposed changes will form part of a future amendment as they were not considered contentious and had support from the relevant authority and affected land holders.
- It is likely that the existing ESO3 will require some changes to reflect the outcomes of the Domestic Wastewater Management Plan (DWMP). It is anticipated that a draft DWMP will be available in mid-2015.
- It is recognised that there is a need to speed up the process to obtain a permit for smaller developments such as farm sheds and outbuildings. Discussions have been held with the water authorities, which have resulted in an agreed position that certain types of applications (such as applications for agricultural buildings and outbuildings to a certain size) need not be referred provided standard conditions are imposed on permits in those cases. A Memorandum of Understanding (MoU) has been developed with the water authorities, which is currently being circulated for final review and signing. The MoU will remove the need to refer planning applications to the water authorities if certain criteria are met, e.g. distances to waterways, maximum building area and confirmation that facilities that generate waste water are not being proposed in the building.

Heritage Overlay

- Amendment C77 was approved in October 2014. Several anomalies, relating to mapping errors and property identification within the schedule, required correction.
- Follow-on work is required through amendment C81, involving protection of remaining significant assets along the Old Beechey Railway Line and consideration of a permit requirement for works to Dry Stone Walls across the Shire.

Design and Development Overlay

This overlay now has 15 schedules, following changes made as a result of C72 (CBD and Entrances Project) Part 1 and C76 (Birregurra) during the reporting period:

- Schedule 1: Colac Eastern Entrance and Industrial Area
 - Schedule 2: Colac West Business Area
 - Schedule 3: Colac Western Entrance
 - Schedule 4: Coastal Towns: Skenes Creek, Kennett River, Wye River and Separation Creek
 - Schedule 5: Apollo Bay Town Centre
 - Schedule 6: Apollo Bay Medium Density Residential Area
 - Schedule 7: Apollo Bay and Marengo – Lower Density Residential Areas
 - Schedule 8: Colac CBD
 - Schedule 9: 413-437 and 441-479 Murray Street, Colac
 - Schedule 10: (awaiting final approval as part of C74)
 - Schedule 11: Birregurra – Area A
 - Schedule 12: Birregurra – Area B
 - Schedule 13: Birregurra – Area C
 - Schedule 14: Birregurra – Area D
 - Schedule 15: Birregurra – Commercial Area
 - Schedule 16: Birregurra – Industrial Area
- Schedule 1 was amended through C72 (Colac CBD and Entrances Project) Part 1, to ensure future industrial buildings incorporate effective landscaping treatments and minimise their visual impact on the eastern town entrance. There remains some ambiguity concerning the minimum subdivision requirement of 5ha in schedule 1 and whether this is necessary for the area.
 - Schedules 2 and 3 should be revised to give more direction for subdivision minimum lots sizes and desired planning outcomes. It is envisaged that the outcomes of the Colac 2050 Plan will provide up-to-date information in response to this issue.
 - Council is currently exploring options for work to be done on the potential to rationalise overlay controls, including DDO4, in coastal areas. At present DDO4 is required in these townships, as other overlays do not control subdivision size. Council is advocating for an approach that would either alter the Township Zone provisions, or develop a new ‘coastal township overlay’ that would allow the deletion of DDO4 and other a number of the other existing overlay controls in order to minimise duplication and reduce the complexity of controls.
 - Schedules 6 (Apollo Bay – Medium Density Residential Area) and 7 (Apollo Bay and Marengo – Lower Density Residential Areas) require clearer guidelines in relation to their objectives and preferred outcomes for low density and medium density areas, to clearly differentiate the intended levels of development envisaged. Amendment C65 Part 1 extended Schedule 6 north of Cawood Street, Apollo Bay to reflect the medium density development that had already existed in the area.
 - However, the wording in Schedule 6 needs revising, as there are discrepancies for the minimum lot size for which a permit is not required to extend a dwelling.
 - Schedule 7 requires precinct maps to clarify minimum lot size, as these are not currently shown within their respective schedules and are difficult to identify.
 - Consideration should be given to introducing a DDO over the Apollo Bay industrial area to guide preferred development.
 - Amendment C76 introduced 6 schedules to the DDO in Birregurra. The drafting of the controls was complex and it will take time to gauge their effectiveness as infill development increases across the town.

Development Plan Overlay

This Overlay currently has 4 Schedules, and a further one is proposed:

- Schedule 1: Colac Abattoir and Food Production Plant
- Schedule 2: Future Residential Areas (Colac)
- Schedule 3: Future Industrial Areas (Colac)
- Schedule 4: Mariners Vue Development Area
- Schedule 5 (this schedule, which will apply to land north of Mariners Vue at 6230 and 6280 Great Ocean Road, Apollo Bay, is awaiting final approval as part of C74)
- DPO1 has an approved development plan, although further development of the site is still anticipated and therefore it is not considered an appropriate time to consider removing the control.
- Two areas in Elliminty covered by DPO2 have had development plans approved by Council since the 2010 Planning Scheme Review. There is a need to maintain the DPO2 over the other affected sites and for Council to complete development plans for them as soon as possible. However, given that most of these areas are under single ownership, a subdivision application when approved will effectively become the default development plan.
- The subdivision of land at 115-153 Pound Road has recently been granted a permit. The existing DPO2 could therefore be removed once the subdivision takes place.
- DPO4 was updated as part of Amendment C74.

Land Subject to Inundation Overlay

- This overlay is applied to all watercourses and rivers throughout the Shire and Amendment C12 introduced changes, which have been in operation since 2011, by updating the mapping and introducing the Floodway Overlay. It also introduced a range of permit exemptions.
- Mapping of flood prone areas will need to be updated further if the 'Future Coasts' mapping is released, indicating areas of future sea flooding resulting from climate change. In addition, the former DEPI announced a flood study to be undertaken in Colac which, as noted earlier in this review, is expected to be completed early to mid-2016.

Significant Landscape Overlay

This Overlay has 5 Schedules.

- 5: Apollo Bay Landscape Schedule 1: Valleys, Hills and Plains Landscape Precinct.
- Schedule 2: Coastal Towns: Skenes Creek, Kennett River, Wye River and Separation Creek.
- Schedule 3: Apollo Bay Coastal Valley and Hills Precinct.
- Schedule 4: Johanna Coast to Cape Otway Coastal Valley and Hills Precinct.
- Schedule Precinct.
- The SLO5 should specifically discourage development on ridgelines as this policy outcome has been diluted with recent changes to the LPPF via Amendment C55. Whilst there is reference in the MSS, it needs to be reinforced in the overlay control.

- Consideration should be given to removing the outbuilding exemption in the SLO3 and SLO4 as a permit trigger, as there is concern that this exemption may result in buildings that adversely affect the landscape.

Vegetation Protection Overlay

This overlay is currently applied to large areas of the Shire and has 2 schedules.

- Schedule 1: Significant and Remnant Vegetation
- Schedule 2: Roadside Vegetation
- Amendment C70 proposed to introduce updated biodiversity mapping for a suite of environmental overlays including the existing VPO. The amendment was abandoned in early 2014 following significant concerns from affected landholders. Notwithstanding this decision, less controversial elements of the amendment remain relevant and should be considered for a future amendment once mapping issues and some further qualitative work has been undertaken. These elements include updating of the VPO1 and VPO2 where mapping was being taken off some areas and extended into others.
- In light of the VPP changes to Clause 52.17, a review of the VPO schedules should be considered and could include permit exemptions for low impact proposals.

Neighbourhood Character Overlay

This overlay has one schedule: Coastal Towns: Skenes Creek, Kennett River, Wye River, and Separation Creek.

- The need to reduce the number of overlays applied to coastal townships remains an important issue and it is considered that more flexibility is required in the State standard controls. Council has already advocated that further work be done to rationalise the controls, and it is considered that this advocacy role should continue. The rationalisation of controls could, subject to further investigation, potentially be achieved by amendments to the existing Township Zone and schedule provisions, a new zone, significant alterations to an existing overlay or a new overlay. With appropriate wording, such provisions could be applied in coastal and inland areas.
- It is widely accepted that the Neighbourhood Character Overlay could incorporate exemptions for small scale exemptions from the requirement for a planning permit. Such exemptions could include specified alterations to dwellings, small outbuildings and minor extensions.
- There is scope to reduce the overlap between the DD04, NC01 and the preferred character statements of clause 21.03.

Erosion Management Overlay

- Since the 2010 review, more accurate mapping was introduced through amendment C54 and a revised schedule was introduced through Amendment C68, which has significantly improved the operation of the overlay. Further mapping upgrades should be pursued by Council as Lidar technology becomes more accessible.
- It is considered that the Schedule could be updated to clarify wording (e.g. the reference to an 'outbuilding for non habitable agricultural purposes' could be simplified).
- A review of exemptions, and particularly small extensions and minor ancillary structures, is recommended to establish whether the exemptions could be increased.

- Such a review should also consider the potential to exempt some subdivision, e.g. a boundary realignment where dwellings already exist on the land.
- It is recommended that the wording of the mandatory condition in the Schedule be reviewed and also the need to impose this condition in certain cases, e.g. boundary realignments and two lot subdivisions. A Tribunal Member recently queried the use of this condition in the case of a two lot subdivision.

Bushfire Management Overlay

- This overlay applies to the southern part of the Shire, predominantly the Otway ranges and surrounding foothills. The BMO was introduced in 2011 and increased the difficulty of gaining planning approval for dwellings in high risk areas, particularly in coastal settlements. Notwithstanding this, the CFA has approved most applications in these areas since the introduction of the BMO. Through the Colac Otway Bushfire Planning Project, schedules and potential growth areas were recommended in some of the eight high risk settlements. Following further changes to the BMO by the State Government in July 2014, the final project report was deferred by Council pending the outcome of a reassessment to be undertaken in line with revised BMO methodology. Council is currently seeking support from DEWLP to commence this work.

Public Acquisition Overlay

- The PAO is currently applied to the west of Colac near Pirron Yallock on the Princes Highway, land at Apollo Bay to provide for a water storage facility and more recently sections of the Princes Highway between Colac and the eastern boundary of the Shire for road duplication which was recently applied through Amendment C80.

Airports Environs Overlay

- This overlay, which covers Apollo Bay airfield, incorporates a Schedule and identifies uses which require a referral under Section 55. Buildings must be constructed to comply with aircraft noise standards.
- Whilst Apollo Bay airfield is covered by an AEO, Colac airfield is not. The need for an AEO over the airfield and surrounding land could be considered; however this remains a low priority given its location and lack of development pressure around it.

Consideration of Additional Overlays

Consideration also needs to be given to the appropriateness and implications of new overlays on land to identify current constraints, e.g. an Environmental Audit Overlay or other control over land at and in the vicinity of the former Bruce Street landfill site.

7.6 Effectiveness of the particular provisions

There are 8 opportunities in Clause 52 of the Planning Scheme for Council to specify local variations to particular provisions and the most relevant are discussed below:

- Clause 52.01 Public Open Space Contribution and Subdivision
Amendment C75 was approved in 2015 and introduced new public open space contribution requirements of up to 10 percent within the growth towns of Colac/Elliminnyt, Apollo Bay/Marengo and Birregurra, and up to 5 percent elsewhere in the municipality excluding Farming Zone, Rural Activity Zone and the Rural Conservation Zone land.

The new provisions are considered sound and based on need, but the application of this provision has lead to an issue with the current wording and it is

recommended that the word ‘additional’ be deleted from the first column in the schedule.

- **Clause 52.02 Easements, restrictions and reserves**
There is currently no requirement to utilise the schedule to this clause.
- **Clause 52.03 Specific sites and exclusions**
There is currently no requirement to utilise the schedule to this clause although some requests have been made to Council to overcome limitations of existing zonings. It is acknowledged that when to use and when not to use the clause is a grey area and that more defined guidelines would prevent inappropriate requests.
- **Clause 52.05 Advertising signs**
The development of a signage policy had been scheduled to commence during the 2014/15 financial year, but staffing issues meant the resources were not available for this to occur. The lack of policy guidance on signs represents a major gap in the planning scheme. A policy that considers local issues and expresses guidelines for preferred types, sizes and location of signs in different circumstances could be incorporated into a schedule to clause 52.05. This remains a work that would be beneficial to Council and stakeholders, and should be undertaken in 2015/2016.
- **Clause 52.06 Car Parking**
The changes to Clause 52.06 and the introduction of the Parking Overlay have provided clarity.
- **Clause 52.17 Native Vegetation**
No schedule exists in this clause, although there is some opportunity to identify certain weed species that should be exempt.
- **Clause 52.27 Licensed Premises**
Whilst there is currently no local policy for licensed premises, it is considered that the changes made to this clause through Amendment VC81 in 2013 provide sufficient policy direction when considering planning applications.
- **Clause 52.28 Gaming**
The Schedule currently prohibits new venues in most of the shopping areas and is relatively restrictive. However consideration should be given to developing a policy to guide local planning applications.

7.7 Relevance of current incorporated and reference documents

The Schedule to Clause 81.01 includes 32 documents, 26 of which are State Government project documents which must be retained.

Reference documents within the MSS that should be removed and/or updated include:

- Master plans for small towns – plans have been completed for most towns with part funding from the State Government. These relate mainly to public infrastructure improvement works rather than planning outcomes, and some plans have completed implementation and therefore are no longer relevant and should be removed from this section as a reference document.
- The Colac Otway Economic Development and Tourism Strategy (2004) is to be replaced by the Economic Development Action Agenda 2009-2013.
- Inclusion of the Active Transport and Physical Activity Strategies.

An audit of all incorporated and reference documents is recommended.

7.8 What works well in the planning scheme?

- Consultation – the community values the opportunity to provide feedback and participate in the planning process, which is complemented by Council's own policy on Community Consultation.
- Protection of landscape values along coastal areas.
- Height controls for Apollo Bay.
- Current officer delegations which result in a relatively streamlined and effective decision making process.

What does not work well in the planning scheme?

- Conflict or inconsistency between various overlay objectives.
- Community understanding of planning process.
- Advice and permit conditions from some referral authorities.
- Confusion about the status of reference documents in planning decisions.
- Decision Guidelines when assessing dwellings in the suite of rural zones could be improved to reflect the broad range of circumstances that arise.
- Language is often contradictory and too complex – e.g. permit triggers and exemptions for Native Vegetation.
- Slow to keep up with communities on issues such as climate change, liquor licensing and energy efficiency.
- Changes to VPPs – not often fully explained or supported by information prior to coming into effect.

8. FURTHER STRATEGIC WORK

Key future strategic work for Council that has been identified during the Review process is categorised as follows:

HIGH PRIORITY PROJECTS
Update of MSS, and zone/overlay schedules to address minor issues raised in or since the 2010 Planning Scheme Review
Colac 2050
Small Town Plans for Alvie, Beeac and Cororooke
Amendment to streamline current overlay controls, reducing duplication and providing appropriate exemptions for minor developments
Develop Advertising Signage policy
Development guidelines for industrial areas (DDO)
Amendment to correct mapping and remove redundant controls
Develop Precinct Plan for East Colac Rural Activity Zone land (part of Colac 2050 Plan)
Undertake settlement wide CHVAs in Coastal areas vulnerable to sea level rise
MEDIUM PRIORITY PROJECTS
Apply Heritage Overlay to additional sites in the Heritage Study
Apply development controls to areas with potential acid sulphate soils
Develop ESD policy
Review wider application of RAZ
Gaming policy
Develop licensed premises policy
Structure Plans for Gellibrand and Beech Forrest
LOW PRIORITY PROJECTS
Style Guidelines for Apollo Bay and other locations in Shire
Review the 2003 Heritage Study
Dry Stone Walls Heritage Protection and Colac-Crowes Rail Line Controls
Review the Apollo Bay/Marengo Neighbourhood Character Precinct Statements
Update biodiversity overlays, subject to State Government providing more accurate mapping

9. RECOMMENDATIONS

Overall, the Review has found that, whilst cumbersome, the operation of the Colac Otway Planning Scheme is structurally sound with good linkages between the SPPF and the MSS. However, some duplication of controls could be further rationalised and clearer guidance is required in some areas to meet relevant objectives. There is also scope to reduce permit triggers within schedules to the zones and overlays for minor works.

The current Review has identified a number of actions, which are summarised below (with examples of proposed actions also provided):

- **Review and update the provisions of the MSS**, following the completion of the State Government PPF Review, in accordance with the recommendations of this Review. Consideration should be given to adding or enhancing policy on matters such as the Domestic Wastewater Management Plan, Environmentally Sustainable Design, Acid Sulphate Soils, Salinity and social inclusion.
- **Continue to advocate for appropriate changes to the provisions of the zones**, e.g. more flexibility for tourism related uses in the Rural Conservation Zone.
- **Continue to advocate for a rationalisation of controls in coastal areas**, whether through amendments to the current Township Zone provisions, or the introduction of a new overlay (which may also have the potential to be applied inland).
- **Continue to advocate for a review of the Township Zone** to allow greater flexibility for the introduction of appropriate small scale commercial and industrial operations that add to the economic development of the township and complement existing activities, e.g. boutique food or drink production
- **Ensure land is appropriately zoned**, e.g. explore whether the Rural Activity Zone should be applied to additional areas, and ensure that General Residential land at the Bruce Street landfill site is rezoned PPRZ to accord with landfill areas and/or title boundaries.
- **Consider the appropriateness of new zones or overlays to address existing land uses**, e.g. further use of the Rural Activity Zone, potential use of clause 52.03 (Specific Sites and Exclusions) and the application of an overlay over land at and in the vicinity of the former Bruce Street landfill site.
- **Review the schedules to the overlays**, to streamline and simplify processes where possible and appropriate. The potential for further exemptions from the requirement for a permit should be examined, with the inclusion of such exemptions recommended for the Neighbourhood Character Overlay in particular.
- **Refining and rewording of other overlays is also required in line with the findings of this Review** to correct discrepancies and make provisions clearer e.g. the use of the word ‘outbuilding’; the contradiction of the lot size required for an extension to be exempt under the provisions of DDO7; and the use of the word ‘additional’ in the schedule to clause 52.01 (Public Open Space Contribution and Subdivision).
- **Streamline provisions by reaching agreements with relevant authorities about referral requirements** in line with the provisions in the planning scheme, e.g. finalising the Memorandum of Understanding with the water authorities.
- **Remove unnecessary requirements**, e.g. the requirement for a mandatory condition under the provisions of the Erosion Management Overlay, instead allowing discretion for an appropriately worded condition to be applied solely in cases where required.
- **Review and update incorporated and reference documents**. Ensure documents are relevant and up-to-date, and consider status.

10. ABREVIATIONS

Zones

GRZ – General Residential Zone
NRZ – Neighbourhood Residential Zone
TZ - Township Zone
LDRZ – Low Density Residential Zone
IN1Z – Industrial 1 Zone
C1Z - Commercial 1 Zone
C2Z - Commercial 2 Zone
RLZ - Rural Living Zone
RCZ - Rural Conservation Zone
FZ - Farming Zone
RAZ - Rural Activity Zone
PUZ - Public Use Zone
PPRZ – Public Park and Recreation Zone
PCRZ – Public Conservation and Resource Zone
RZ - Road Zone
SUZ - Special Use Zone

Overlays

AEO – Airport Environs Overlay
BMO – Bushfire management Overlay
DDO – Design and Development Overlay
DPO – Development Plan Overlay
EMO – Erosion Management Overlay
ESO – Environmental Significance Overlay
HO – Heritage Overlay
LSIO – Land Subject to Inundation Overlay
NCO – Neighbourhood Character Overlay
PAO – Public Acquisition Overlay
PO – Parking Overlay
SLO – Significant Landscape Overlay
SMO - Salinity Management Overlay
VPO – Vegetation Protection Overlay

General

CASS – Coastal Acid Sulphate Soils
CHVA – Coastal Hazard Vulnerability Assessment
ESD – Environmentally Sustainable Design
GORRLAS – Great Ocean Road Region Landscape Assessment Study
LPPF – Local Planning Policy Framework
MSS – Municipal Strategic Statement
SPPF – State Planning Policy Framework
VPP – Victorian Planning Provisions
WSUD – Water Sensitive Urban Design

DEWLP – Department of Environment, Water, Land and Planning
DTPLI – Department of Transport, Planning and Local Infrastructure
DPCD – Department of Planning and Community Development
DEPI – Department of Environment and Primary Industries
DSE – Department of Sustainability and Environment