

C51 Part 2 – Implementation of the Commercial and Industrial Land Use Strategy

Panel Report Assessment

Council received the Planning Panels Victoria report for the Mansfield Planning Scheme Amendment C51mans Part 2, implementing the remainder of the Mansfield Commercial and Industrial Land Use Strategy.

C51mans Part 1 was split from the main amendment and submitted to the Minister for Planning on 15 March 2022. Council officers are still waiting for advice from DELWP as to how much longer it will be before this is resolved. Part 1 of the amendment proposed rezoning of land from Farming to Industrial 1 in Mansfield and some corrective rezoning in Bonnie Doon. Neither proposal was contested in the exhibition.

The panel report for Part 2 made the following recommendation:

1. Mansfield Planning Scheme Amendment C51mans Part 2 be abandoned.

This recommendation was based on the following conclusions:

- The Amendment is not strategically justified and is premature.
- Further strategic work is required to properly anticipate and respond to future commercial and industrial needs of the Mansfield township.
- Rezoning of land in Curia Street is not strategically justified and not appropriate.
- Land at 2-4 Station Street should be retained in the existing Commercial 1 Zone.
- The proposed floor space cap for 'Shop' would undermine the proper operation of the Commercial 1 Zone in the Mansfield town centre.
- Rezoning land in Dead Horse Lane from Low Density Residential Zone to Mixed Use Zone is not strategically justified.
- Development guidelines for the Dead Horse Lane Industrial Precinct should be prepared consistent with recommendation of the Mansfield Township Strategic Framework Plan (Clause 11.01-1L-01).

An assessment of these conclusion has been undertaken.

Planning Panel Conclusions

The main issues raised by 140 High Street Pty Ltd, and given weight by the panel are that the Amendment:

- Contains no rigorous empirical assessment of the longer term commercial land supply and demand for the township, or any substantive analysis of the impact of removing C1Z land from the commercial land supply
- without this assessment, it does not properly consider the effect of the removal of commercially zoned land, in the longer term, in an adequate way.

The panel commented that:

“The Commercial and Industrial Strategy is not based on a contemporary supply and demand analysis, which the Panel considers to be a significant flaw and one which impacts on the credibility of the Strategy.”

Supply and demand analysis in the Strategy

The Commercial and Industrial Strategy relied on the supply and demand analysis contained in the Mansfield Structure Plan. This projected that an additional 7400sqm of retail space would be needed over the period of 2013 to 2031. An analysis of the various documents has been undertaken to determine if the panel position that a contemporary supply and demand assessment was required.

The Issues and Options paper prepared to support the Strategy made the following comments:

1. There is approx. 54 hectares of commercially zoned land in Mansfield Shire.
2. Mansfield’s CBD area includes 31 hectares of commercially zoned land
3. 25% of the commercial land in the Mansfield CBD is occupied by dwellings.
4. There is approx. 17,000 sqm of retail floor space within the shire.
5. Projected growth will see the need for 1,500 to 2,000 sqm of commercial office space within the shire.

The key issues highlighted for the CBD were as follows:

- As the number of service jobs continues to increase there is a lack of dedicated office space within the Shire to support the provision of professional and personal services.
- Under current zoning, commercial and retail uses are able to spread into residential areas outside of the township’s main roads without requiring a planning permit.
- There is a lack of priority areas to guide future retail and commercial expansion.
- Current planning policy seeks to retain the zoning of all zoned commercial land.
- There may be a need to provide greater policy support for the visitor economy by providing policy support for the early morning and night time economy.

These issues resulted in the following recommendations in the strategy:

1. Apply a Schedule to the Commercial 1 Zone to encourage single enterprise uses, through the reduction in floor area for an as-of-right for a shop in these areas to Nil. This creates a permit requirement for retail premises and would encourage office space within these areas.
2. Rezone the Curia Street properties, between Apollo and Elvins Street to General Residential 1 Zone.
3. Rezoning land in Dead Horse Lane from LDRZ to Mixed Use to allow some commercial uses in between existing residential land and the established industrial area.
4. Rezoning land in Mt Buller Rod from Mixed Use to Commercial 2 Zone to reflect current use and encourage greater commercial use of these allotments.

All four of these proposals were not supported by the Panel, and an assessment of each item has been undertaken, with individual officer assessments of each element provided.

Prior to making any recommendations, Council officers have undertaken a contemporary assessment of the supply and demand figures that have been relied upon in the preparation of this Strategy as follows:

Mansfield Structure Plan 2015

The Mansfield Structure Plan 2015 made a range of predictions, which have been assessed against the learnt experience, as follows:

Item	Structure Plan	Actual experience
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Population Growth	Increase of 1.7% per annum for the Shire, but 2.0% for Mansfield township. Expected population in 2031 was 4,385.	Increase by 3.5% per annum between 2016 and 2021 Actual population in 2022 is 5,541.
Available Retail floorspace	As at July 2013 there was 16,410sqm 44% associated with food retailers	Since July 2013, an additional 2,497sqm of retail floor space has been constructed in properties in the C1Z in High Street (270sqm per annum average).
Required retail floorspace	To 2031, a further 7,400 sqm would be required 45% expansion required Retail development could be accommodated within existing zoned land. No further rezoning of commercial land would be required for the long-term period (20 years). This assumes a construction of an additional 370sqm per annum till 2031.	Based on a 370sqm per annum from 2011-2022, it would be assumed that 4,070 sqm of retail space would have been constructed to meet the assumed demand. Actual construction has demonstrated that supply will be for 5,400sqm based on the experience with permit applications, demonstrating that the expected 7,400sqm was overstated in the Structure plan by 2,000sqm.
Industrial demand	Lack of land identified for sale or lease Delivery of new serviced industrial land required. Identified that the land at 175 Dead Horse Lane was appropriate for investigation for rezoning to Industrial 1.	Industrial land required and recommended 175 Dead Horse Lane for rezoning.

Officer comments:

The following strategies are relevant:

- Strategy 1.1: Retain the current supply of Commercial 1 Zoned land.

This strategy was based on the fact that there was more than 20 years supply available, and that no more needed to be rezoned, not necessarily to protect the existing zoned land.

The action that accompanied this Strategy stated:

“In the medium to long term no additional commercial land is required”.

The actual experience has shown that the anticipated supply of retail floor space in the Mansfield Structure Plan 2015 was overstated. In light of this, the long term supply of commercial land is considered to more than adequate to provide the necessary land into the future, even with the reduction in some of the available land.

- Strategy 1.2: Encourage more intensive use of existing retail establishments through renovations and redevelopments.

This is the experience in Mansfield, with a range of properties in High Street, between Highett Street and Chenery Street redeveloped and intensified in their use. The change of use of the properties off the main road frontages to dwellings also demonstrates that retail premises are better suited in these areas.

Mansfield Township Housing Strategy

The Mansfield Township Housing Strategy made a range of predictions, which have been assessed against the learnt experience, as follows:

Area	Prediction in Strategy	Actual experience
Population Growth	Increase of 1.6% per annum	Increase by 3.5% per annum between 2016 and 2021
Population of Mansfield Township	Estimated to be 3269 in 2016 Estimated to be 3505 in 2021 Projected to be 4098 by 2031	Per the 2021 Census is 5541
Population of Mansfield Municipality	Estimated to be 8325 in 2016 Estimated to be 8719 by 2021 Projected to be 9595 by 2031	Per the 2021 Census total is 10178

These residential growth figures are higher than anticipated, in contrast to the commercial supply/demand figures, which have shown to be lower than predicted. As a result the experience in Curia Street is that properties have been converted to primarily residential uses, with the exception of four out of 24 properties in this area.

Australian Bureau of Statistics – Census 2021

Council officers have also assessed the recently released ABS statistics relevant to supply and demand for Mansfield. This analysis has revealed that Between 2016 to 2021, household expenditure has decreased by approximately 17%; yet households have also had an increase in disposable income of 3%. This indicates a downward trend in economic activity relating to retail within Mansfield Shire.

The demographic attributes of any trade area population exert substantial influence over the nature and extent of retail demand patterns. There are currently 6,578 private dwellings in Mansfield Shire, with an expenditure of \$32,510 per annum in relation to the following retail categories:

- ▶ Food

- ▶ Alcoholic beverages
- ▶ Footwear
- ▶ Hotels, cafes, and restaurants
- ▶ Miscellaneous goods and services

The overall expenditure in these areas each year in Mansfield Shire is \$213 Million.

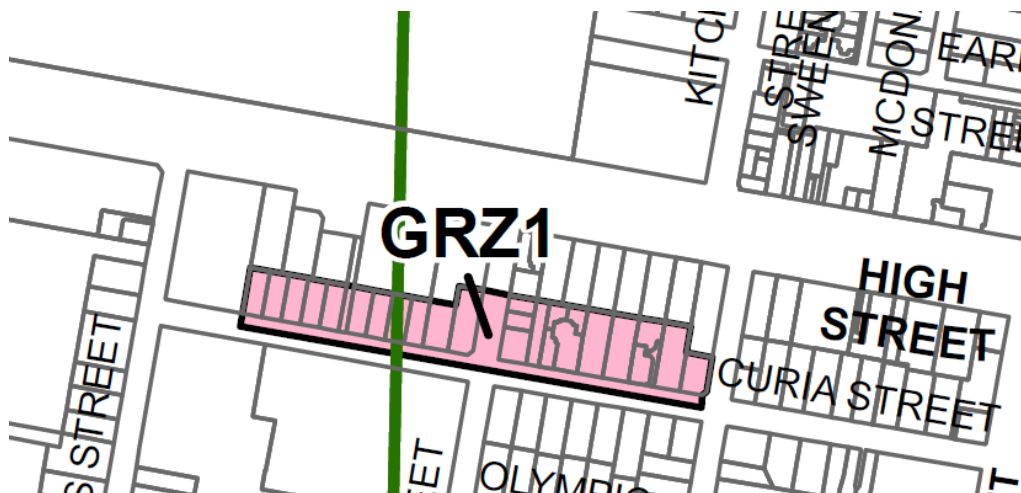
The *Commercial and Industrial land use strategy*, April 2021, estimated a total retail floor space area of 17,000m², which is predominantly within the Mansfield Township CBD. The value added by retail related turnover for Mansfield Shire was \$47.2 Million in 2021. Considering retail floorspace efficiency, the current market can support 15,857m² of commercial floor area across the shire. Given the current supply of retail floor space, it is evident that there is an oversupply of 1,142m².

Mansfield Planning Scheme Amendment C51mans Part 2 – Officer Recommendations

In order to provide direction, officers have assessed and make recommendations on each element of C51mans Part 2 that was considered by the Panel, as follows:

1. Rezoning from Commercial 1 to General Residential 1 in Curia Street

The panel considered whether the rezoning of the below land in Curia Street, from C1Z to GRZ1 was appropriate:



The panel made the following comments:

- A supply and demand assessment would have equipped Council with the detail to consider the preferred locations for commercial, industrial and housing supply issues holistically and comprehensively.
- The general amenity considerations in the C1Z zone adequately protected the dwellings in this area.
- Transition between zones mid-block as proposed here will create additional constraints on remaining commercial land uses.

Council officer comments:

- Of the 24 lots proposed to be rezoned, only 4 did not contain dwellings, which were:
 - The rear of 2-4 Station Street – This lot was the only objection received in relation to the rezoning.
 - 51 Curia Street – This lot has a permit for car parking, which will not be impacted by the rezoning, and the owner of this land did not object to the rezoning.
 - The rear of 2 Curia Street – This lot is used in conjunction with the adjoining motel, and the owner did not object to the rezoning.
 - 31 Curia Street – The owner did not object to the rezoning.
- 96% of the properties in Curia Street proposed for rezoning had no issues with this proposal.
- The assessment of the basis of the supply and demand details relied upon for this strategy has shown that these figures were reasonable, and a new assessment would not have changed this position.
- The panel's concern that the lack of empirical assessment of the longer-term supply of commercial land is misplaced with respect this particular area, particularly due to the high volume of dwellings on these allotments.
- The actual experience in terms of retail floor space supply and demand has demonstrated that the Mansfield Structure Plan 2015 overstated the requirements for retail floor space till 2031.
- The Mansfield Structure Plan 2015 did not set out to protect existing commercially zoned land specifically, it actually identified that there was an oversupply as there was more than 20 years supply based on the overstated future estimated requirements.
- The residential growth experienced in Mansfield has led to the transformation of this area from commercial potential to a residential precinct.

Council officer recommendation:

That Council adopt C51mans Part 2 with the rezoning on this land from C1Z to GRZ1 as adopted, but not in accordance with the Panel recommendation, based on the following:

- A supply and demand assessment would not have supported the retention of this land in the Commercial 1 Zone
- The rezoning of this land recognises the residential nature of this area.
- The rezoning of this land will not undermine the commercial viability of the existing commercial operations.

2. Applying a Schedule to the non-main road fronting Commercial 1 zoned allotments to require a permit for a shop

The panel considered whether the change to reduce the maximum leasable floor area for a shop to be 0 square metres for the areas marked in purple in the C1Z was appropriate:

Maximum leasable floor area requirements

Land	Maximum leasable floor area for Office (square metres)	Maximum leasable floor area for Shop (other than Restricted retail premises) (square metres)
8 Timothy Lane, Mansfield (Lot 2 PS536330)	None specified	1,200 square metres
The land noted as preferred single enterprise commercial office, recreation and health on Map 1 to this schedule	None Specified	0 square metres
All other land	None specified	None specified



The panel made the following comments:

- It appears that the submitters to this element have misunderstood the amendment.
- Preferring single enterprise commercial through the schedule will undermine the purpose of the C1Z.

Council officer comments:

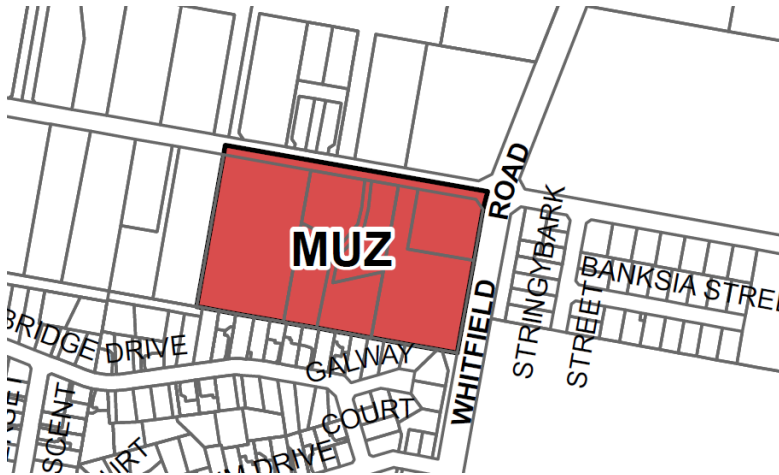
- The zone will not change with the introduction of a schedule change.
- Amenity protections can be managed with the existing provisions in the zone.

Council officer recommendation:

That Council remove this element from the amendment per the recommendation of the Planning Panel.

3. Rezoning of 272-284 Dead Horse Lane from Low Density Residential to Mixed Use

The panel considered whether the rezoning of the below land in Dead Horse Lane, from LDRZ to MUZ was appropriate:



The panel made the following comments:

- The LDRZ appears to be working well as a buffer between residential and industrial uses.
- Minimum lot sizes and buffers would be better than a rezoning
- Development guidelines should have been included.

Council officer comments:

- The recommendation was only to change from one residential zone to another.
- The retention of this land in the LDRZ will still allow vacant land to be developed, albeit only for residential purposes.
- Further residential development will increase the number of people at risk for conflict of use, but that will be a buyer beware consideration.

Council officer recommendation:

That Council remove this element from the amendment per the recommendation of the Planning Panel.

4. Rezoning on Mt Buller Road from Mixed Use to Commercial 2

The panel did not specifically consider the merits of whether the rezoning of the below land in Mt Buller Road/Crosbys Lane, from MUZ to C2Z was appropriate:



The panel made the following comments:

- The recommendation to abandon the amendment should be applied to the whole of the amendment.

Council officer comments:

- The retention of this land in the MUZ will still allow vacant land to be developed for commercial purposes but will require the need for a planning permit.

Council officer recommendation:

That Council remove this element from the amendment per the recommendation of the Planning Panel.