Planning Panels Victoria

Surf Coast Planning Scheme Amendment C145surf
Moriac Framework Plan

Panel Report

Planning and Environment Act 1987

17 August 2026

VICTORIA State Government

How will this report be used?

This is a brief description of how this report will be used for the benefit of people unfamiliar with the planning system. If you have concerns about a specific issue you should seek independent advice.

The planning authority must consider this report before deciding whether to adopt the Amendment. [section 27(1) of the *Planning and Environment Act 1987* (the PE Act)]

For the Amendment to proceed, it must be adopted by the planning authority and then sent to the Minister for Planning for approval.

The planning authority is not obliged to follow the recommendations of the Panel, but it must give its reasons if it does not follow the recommendations. [section 31 (1) of the PE Act, and section 9 of the *Planning and Environment Regulations 2015*]

If approved by the Minister for Planning a formal change will be made to the Planning Scheme. Notice of approval of the Amendment will be published in the Government Gazette. [section 37 of the PE Act]

Planning Panels Victoria acknowledges the Wurundjeri Woi Wurrung People as the traditional custodians of the land on which our office is located. We pay our respects to their Elders past and present.

Planning and Environment Act 1987

Panel Report pursuant to section 25 of the PE Act

Surf Coast Planning Scheme Amendment C145surf

Moriac Framework Plan

17 August 2026

Sophie Osborn, Chair

Planning
Panels
Victoria

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Glossary and abbreviations

Barwon Water	Barwon Region Water Corporation
Council	Surf Coast Shire Council
DEECA	Department of Energy, Environment and Climate Action
DELWP	Department of Environment, Land, Water and Planning (former)
DPO	Development Plan Overlay
DTP	Department of Transport and Planning
FIA	Future Investigation Area
FLDDA	Future Low Density Development Area
Framework Plan	Moriac Framework Plan
FZ	Farming Zone
G21	G21 Regional Growth Plan
GAMA	Growth Area Multi-Criteria Assessment (Mesh) (2023)
LDRZ	Low Density Residential Zone
Moriac Rise	Subdivision at 600-640 Cape Otway Road
MPS	Municipal Planning Strategy
PE Act	*Planning and Environment Act 1987*
Planning Scheme	Surf Coast Planning Scheme
PPF	Planning Policy Framework
PPRZ	Public Park and Recreation Zone
Structure Plan	Moriac Structure Plan (December 2023)
TZ	Township Zone
UFS	Urban Futures Strategy (April 2025)

Overview

Amendment summary	
The Amendment	Surf Coast Planning Scheme Amendment C145surf
Common name	Moriac Framework Plan
Brief description	Implementation of the Moriac Structure Plan by introducing a new Framework Plan for Moriac, updating local policy and making associated zone, overlay and operational changes to the Scheme
Subject land	Land within the municipality of Surf Coast Shire in and around Moriac (see Figure 1)
Planning Authority	Surf Coast Shire Council
Authorisation	22 May 2025, with conditions
Exhibition	18 September – 19 October 2025
Submissions	Number of Submissions: 6

Panel process	
The Panel	Sophie Osborn
Directions Hearing	By video, 15 June 2026
Panel Hearing	Torquay Community House and/or by video, 14 and 15 July 2026
Site inspections	Unaccompanied, 29 June 2026
Parties to the Hearing	Surf Coast Shire Council represented by John Hannagan of Harwood Andrews who called evidence from: - John Glossop of Glossop Town Planning on planning Paul Masek represented by Chris Marshall of Chris Marshall Planning who called evidence from: - Chris Coughlan of Axion Consulting Engineers on civil engineering Gina Rose on behalf of Maria Fantin represented by John Rose
Citation	Surf Coast PSA C145surf [2026] PPV
Date of this report	17 August 2026

Executive summary

Moriac is a small town located in Wadawurrung Country, in the rural hinterland of Surf Coast Shire, approximately 23 kilometres south-west of Geelong and 20 kilometres east of Winchelsea.

Surf Coast Planning Scheme Amendment C145surf (the Amendment) seeks to implement the Moriac Structure Plan 2023 (Structure Plan). It does this by inserting a new Framework Plan for Moriac in the Municipal Planning Strategy which provides land use directions and sets growth expectations by identifying a revised town settlement boundary around a new Future Low Density Development Area (FLDDA). Other proposed changes include updates to local policy and zone corrections to reflect the use of land for open space or to correct mapping errors.

Key issues raised in submissions included:

- whether an additional area of land at 33 Farrer Drive should be included in the Framework Plan as a FLDDA
- whether an additional area of land at 650 Cape Otway Road should be included in the Framework Plan as a Future Investigation Area (FIA) and within the settlement boundary.

Strategic context

The strategic basis for the Amendment is clearly set out in the Structure Plan. The Structure Plan provides a strategic framework to guide land use and development decisions over the next 10 years. It supports limited township growth as the preferred option in the short to medium term, given the identified key influences which included the environmental settings and the State and local policy directions to maintain a compact urban form. Moriac's role as a small rural town suited to incremental growth is supported in the Surf Coast Planning Scheme including:

- regional planning strategies (including *G21 Regional Growth Plan*)
- the Municipal Planning Strategy and Planning Policy Framework.

The Framework Plan and proposed policy changes address key policy objectives in the Municipal Planning Strategy and Planning Policy Framework including policy for settlement, supply of urban land, structure planning, biodiversity, bushfire planning, housing supply, rural residential development, business in Surf Coast and infrastructure design and provision by:

- identifying a modest extension to the settlement boundary and containing development within that boundary
- protecting settlement breaks and rural land
- responding to environmental risks and infrastructure constraints
- directing rural residential development to a FLDDA and identifying a future investigation area for further work and potential future development.

Extension of settlement boundary

It is appropriate to accommodate incremental growth consistent with Moriac's small town character and compact form by extending the town settlement boundary around the FLDDA identified in the Framework Plan. The extended boundary appropriately

responds to constraints including natural and landscape features, agricultural soil quality and bushfire risk. The extension of the boundary is consistent with the Planning Policy Framework and key guidance including the principles in Planning Practice Note 99 for amending a Strategic Settlement Boundary.

The inclusion of the FLDDA to the south of the developed Hinterland estate, is supported by access to existing and planned infrastructure consistent with PPN99. The Structure Plan and the *Growth Area Multi-Criteria Assessment* (May 2023) demonstrate that this location provides for strong connection with the existing township, and the essential services available within the settlement.

Additional areas of future residential growth

There is no strategic need for any additional areas of future residential growth to be included in the Framework Plan at this stage. There is no housing target for Moriac as a township, and the policy context supports a limited and incremental growth outcome. The estimates of forecast housing demand in the Structure Plan and other policy documents should be viewed in this context, and should not be viewed as a growth goal. However, based on the most recent estimate of 6 dwellings per year in Moriac in the UFS, the provision of the FLDDA (approximately 30 hectares) together with the 29 lots at 600-640 Cape Otway Road would provide more than 10 years supply without the development of the FIA.

It would not be consistent with the Structure Plan and the policy context to identify a FIA or extended settlement boundary to both the west of the township and the south east of the township. Instead it is necessary to choose a preferred location for future residential development to maintain Moriac's small town rural character and compact form. The FLDDA remains the preferred location for future residential growth over 650 Cape Otway for reasons which include:

- the operation of the EPA licensed materials recycling facility is a potential constraint on future development
- the opportunities for connection are less than for the FLDDA
- it is located further away from the centre than the FLDDA
- higher quality agricultural soil to the west than the east of Moriac
- whilst the bushfire risk was found to be acceptable in both areas that there is potentially grassfire risk on two fronts for 650 Cape Otway Road rather than one front for the FLDDA.

Zoning and overlay changes

The Final version of the zoning mapping changes appropriately:

- rezone Council owned or public reserve land to PPRZ to better reflect public ownership and open space use
- correct zoning anomalies, including land outside the town boundary and anomalies abutting the creek reserve.

Now that the Hinterland Estate has been substantially developed it is also appropriate to delete redundant Development Plan Overlay maps and Schedule 14 to Clause 43.04.

Local policy changes

The Final version of the amended Clauses 11.01-1L-04 (Moriac) and 19.03-2L (Infrastructure design and provision in Surf Coast) appropriately provide updated strategies to reflect the Structure Plan, subject to changes to the wording of each of these clauses to provide a stronger linkage to the Framework Plan and avoid a reference to cost contributions for water supply infrastructure in Clause 19.03-2L. It is also appropriate to amend clause 17.02-1L (Business in Surf Coast) to direct commercial use and development to the existing commercial centre of Moriac.

Given its role in informing the creation of the strategic direction for Moriac, it is appropriate to include the Structure Plan as a background document in the Schedule to Clause 72.08.

Recommendations

Based on the reasons set out in this Report, the Panel recommends that Council:

1. **Adopt the Final version of the Surf Coast Planning Scheme Amendment C145surf with the changes recommended in this Report.**

<u>Local policy changes</u>

2.
   a) **Amend Clause 11.01-1L-04 (Moriac) by replacing the strategy in relation to ensuring residential development in future growth areas enhances the safety, amenity and connectivity of the town with the following wording:**
      Ensure residential development in locations identified on the Moriac Framework Plan at Clause 02.04-8, enhances the safety, amenity and connectivity of the town by:
   b) **Amend Clause 19.03-2L (infrastructure Design and provision Surf Coast) by replacing the strategy in relation to potable water supply with the following wording:**
      Facilitate the provision of upgrades to potable water supply infrastructure for residential developments in Moriac where it cannot be supplied through the existing system, including land located north of Cape Otway Road and the Future Low Density Development Area identified on the Moriac Framework Plan at Clause 02.04-8

1 Introduction

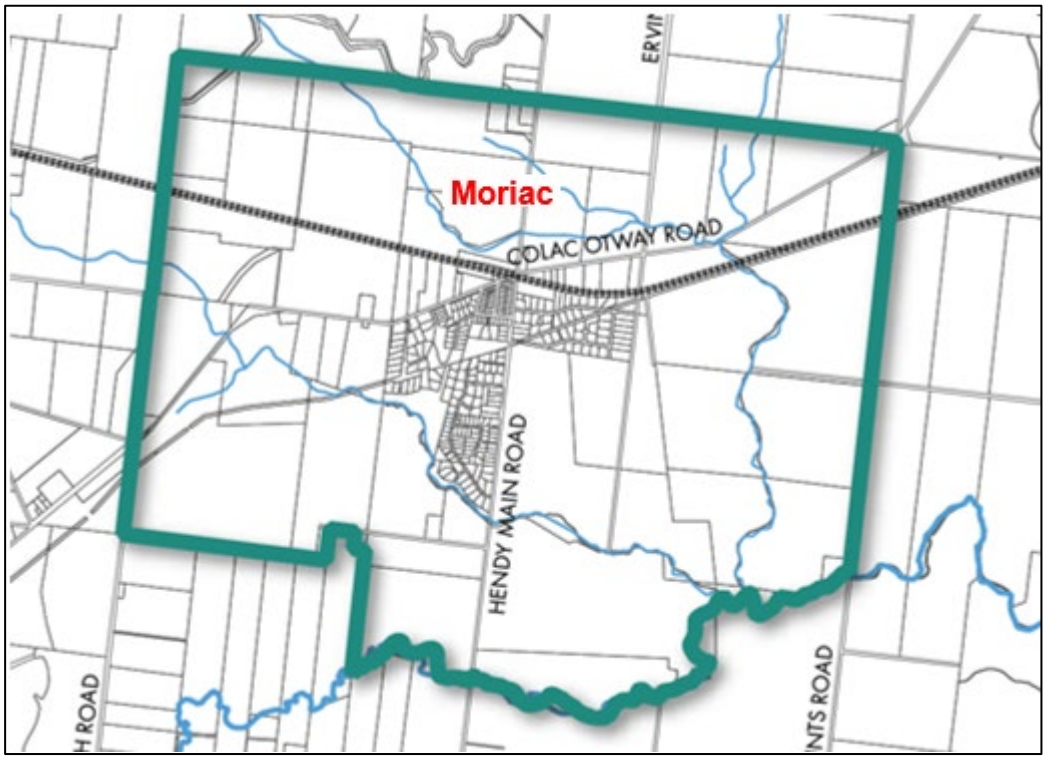
1.1 Moriac and its context

Moriac is a small town located in Wadawurrung Country, in the rural hinterland of Surf Coast Shire, approximately 23 kilometres south-west of Geelong and 20 kilometres east of Winchelsea (refer Figure 1). It is surrounded by farm land which predominantly supports grazing and cropping.

Moriac is characterised as a 'Rural Township' under the Surf Coast Planning Scheme (Planning Scheme), and at the 2021 census it had a resident population of 852 people with 294 dwellings.

The town is bounded by the Geelong-Warrnambool railway line to the north and Thompsons Creek to the south.

Figure 1 Moriac and immediate hinterland



Source: Figure 1 in Explanatory Report

Moriac has a low density built form which is largely the product of a lack of sewerage infrastructure. Almost half the town's land area is included in a Low Density Residential Zone (LDRZ), with a further significant portion included in the Township Zone which is mostly developed with dwellings. LDRZ lots have a minimum size of 4000 square metres which can accommodate on-site wastewater management systems.

Moriac's commercial centre includes the General Store and post office, and is close to the intersection of Colac Otway Road, Hendy Main Road and the railway line. The town is also well served by open space with Newling Reserve and connections via shared paths and linking reserves.

Much of the vegetation within and around the township has been significantly modified due to agricultural uses, but there are remaining significant features including the Thompsons and Raven Creeks which serve as biodiversity corridors and are also recognised as areas of Aboriginal Cultural Heritage.

1.2 The Amendment

(i) Amendment description

The purpose of Surf Coast Planning Scheme Amendment C145surf (the Amendment) is to implement relevant recommendations of the Moriac Structure Plan 2023 (Structure Plan). It does this by inserting a new Framework Plan for Moriac in the Municipal Planning Strategy which will provide land use directions and set clear growth expectations by identifying a revised town settlement boundary. Other proposed changes include updates to local policy and zone corrections to reflect the use of land for open space or to correct mapping errors.

Specifically, the Amendment proposes to:

Ordinance

- amend Clause 02.04-8 (Moriac framework plan) to replace the Moriac Framework Plan with a new plan from the Structure Plan
- amend Clause 11.01-1L-04 (Moriac) to provide updated strategies
- amend Clause 17.02-1L (Business in Surf Coast) to remove strategies no longer relevant
- amend Clause 19.03-2L (Infrastructure design and provision in Surf Coast) to provide updated strategies
- delete Schedule 14 to Clause 43.04 (Development Plan Overlay) as the Hinterland Estate has been completed and the overlay no longer serves a planning purpose
- amend the Schedule to Clause 72.03 (What does this Planning Scheme consist of?) to delete Maps 11DPO and 12DPO
- amend the Schedule to Clause 72.08 (Background Documents) to include the Moriac Structure Plan 2023.

Zoning maps

- amend (Planning Scheme Map Nos. 11 and 12) to:
  - rezone land at 38 Greenfields Drive, Moriac from Farming Zone (FZ) and Township Zone (TZ) to Public Park and Recreation Zone (PPRZ) to reflect its public ownership and use as an open space reserve
  - rezone land at 32 Daniel Drive, Moriac from TZ and LDRZ to PPRZ to reflect its public ownership and use
  - rezone part of land at 970 Hendy Main Road and 80 Heidi Road, Moriac from TZ to FZ as the land is located outside the town boundary and should not be zoned for urban use
  - rezone land at 605 Cape Otway Road, Moriac from TZ to PPRZ to reflect its public ownership
  - rezone public reserves in the Hinterland Estate from LDRZ to PPRZ
  - rezone land at 60 Daniel Mews, Moriac to correct zoning anomalies abutting the creek reserve.

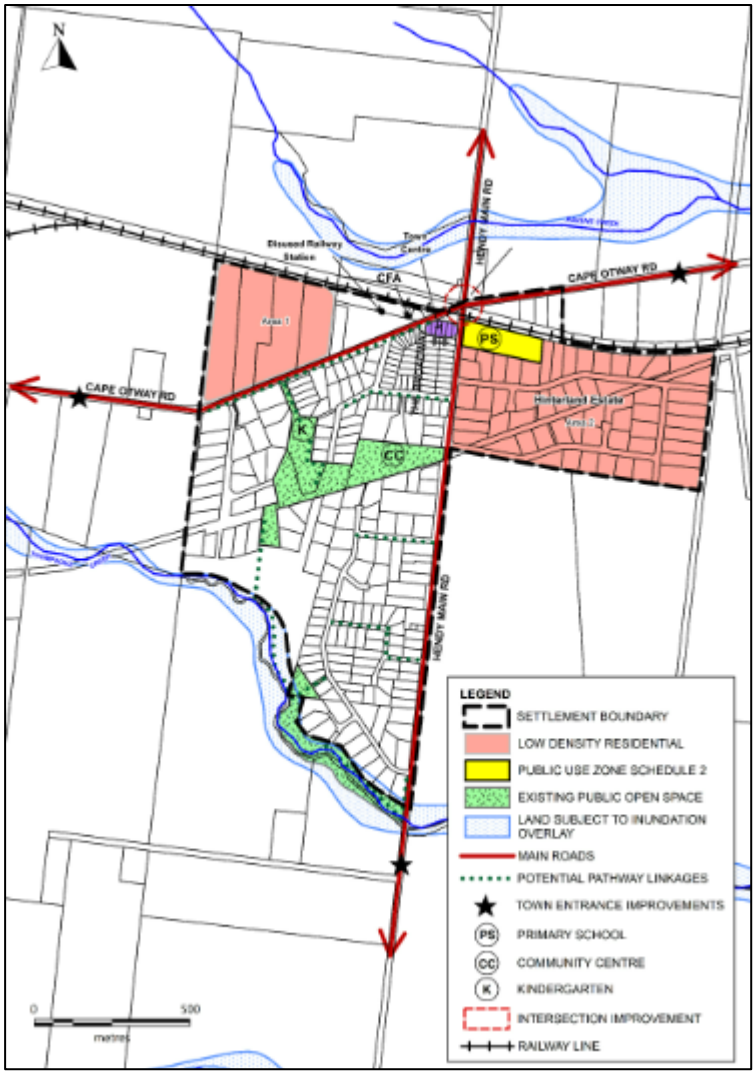
Overlay maps

- delete (Planning Scheme Map Nos. 11DPO and 12DPO) as the Hinterland Estate is substantially complete, therefore the overlay is no longer required.

The Amendment proposes to replace the Moriac Framework Plan 2010 in Figure 2 with the new Framework Plan from the Structure Plan in Figure 3.

The Moriac Framework Plan 2010 included a settlement boundary around an area to the west of Hendy Main Road between the railway line and Thompsons Creek, and an area to the east of Hendy Main Road known as the Hinterland Estate.

Figure 2 Moriac Framework Plan 2010

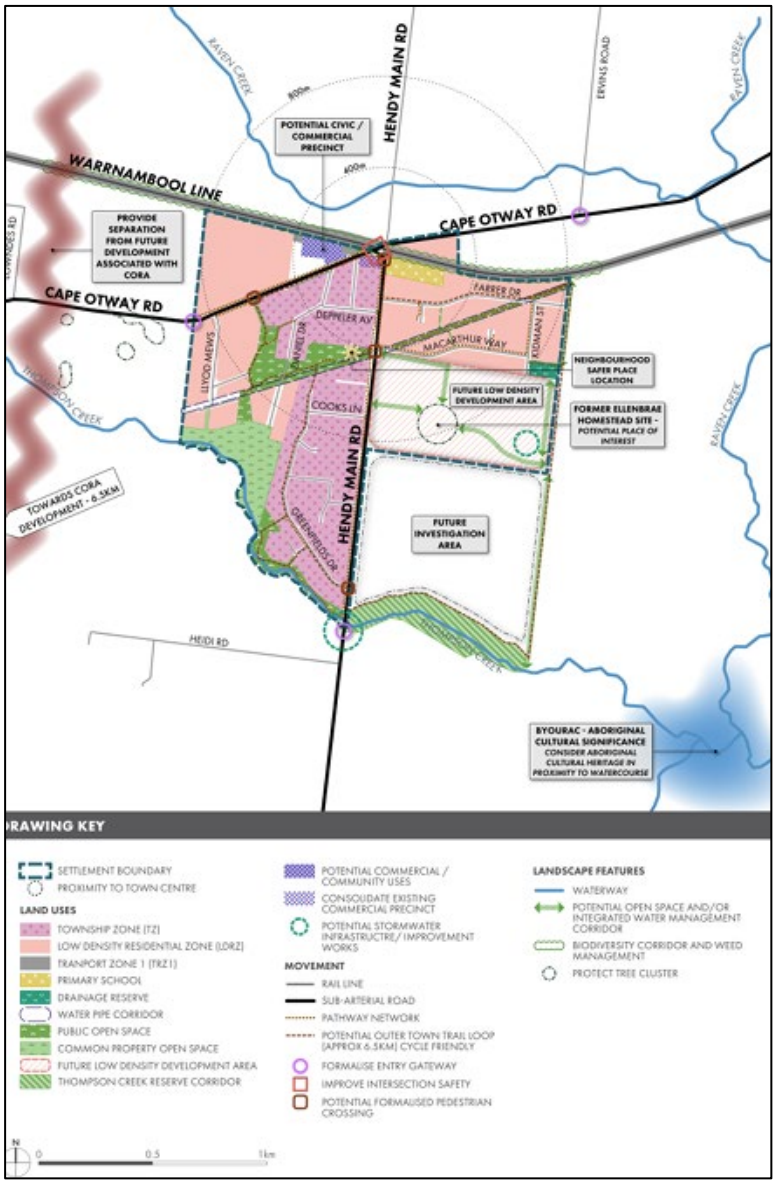


Source: Clause 02.04-8 Surf Coast Shire Planning Scheme

The new Framework Plan includes:

- extension of the town settlement boundary to include a new Future Low Density Development Area (FLDDA) to the south of the Hinterland Estate
- identification of a Future Investigation Area (FIA) to the south of the new FLDDA.
- identification of a potential civic/commercial precinct
- separation from the future Cape Otway Road Australia development to the west of the town.

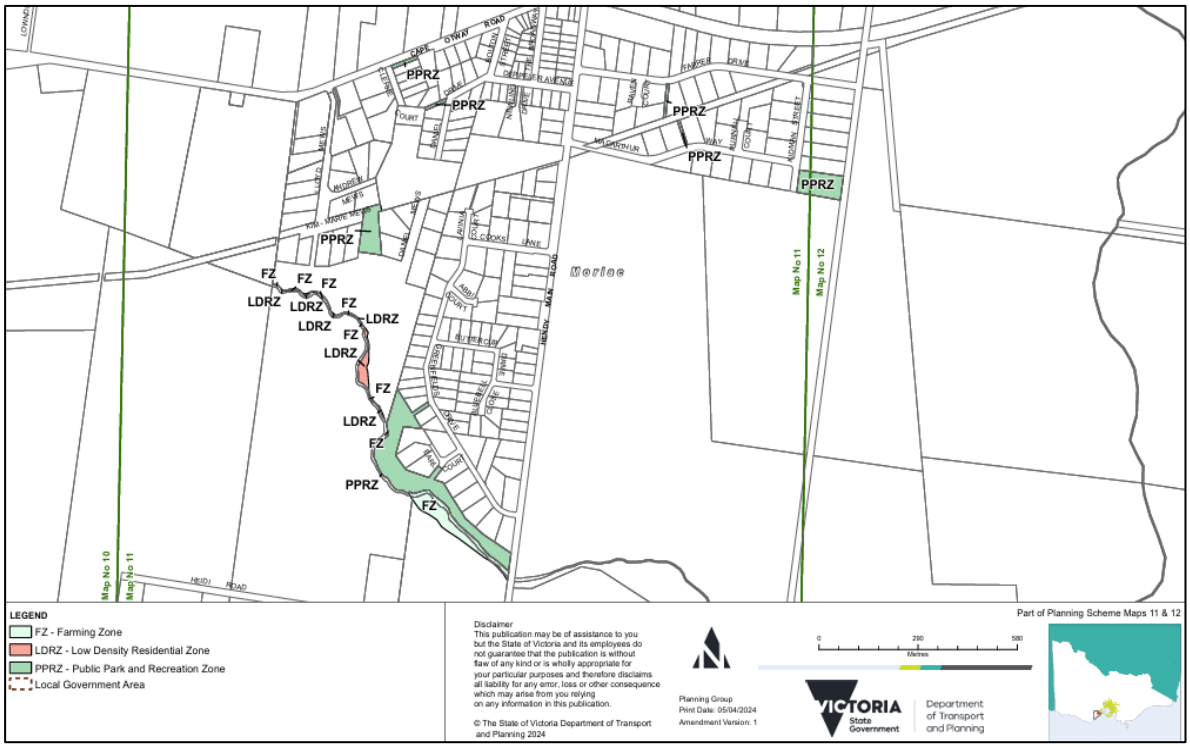
Figure 3 Moriac Framework Plan 2023



Source: Exhibition version of Clause 02.04 (Strategic framework plans)

The proposed changes to the zoning maps in relation to corrections and new areas of PPRZ are shown below in Figure 4.

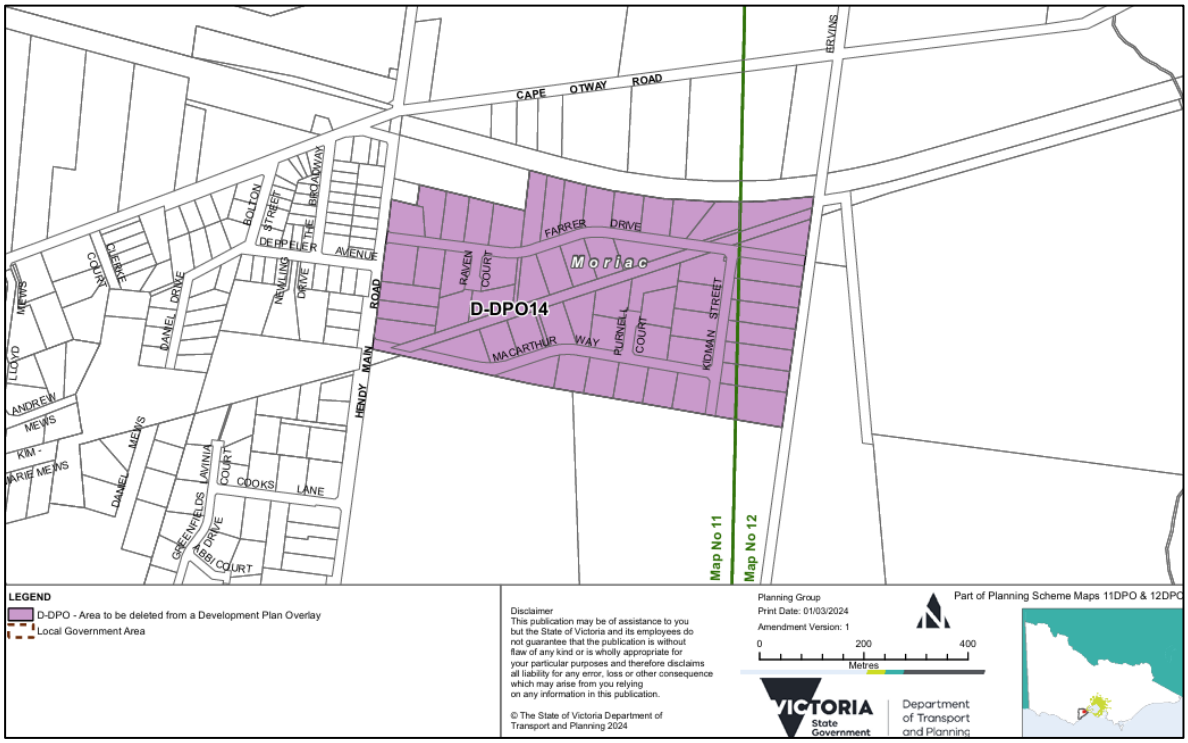
Figure 4 Part of Zoning maps 11 & 12



Source: Exhibited version of zoning maps

The area proposed to be deleted from the Development Plan Overlay (the Hinterland Estate) is shown below in Figure 5.

Figure 5 Part of Development Plan Overlay maps 11 & 12



Source: Exhibited version of Development Plan Overlay maps

(ii) Amendment purpose

The Amendment's main purpose is to provide an updated land use and development framework for Moriac, based on the Structure Plan.

The development of the Structure Plan commenced in 2021, and after consultation, it was adopted by Council in December 2023.

The Explanatory Report identifies that the Amendment responds to the following key factors:

- State and regional planning policy reforms since 2010
- the rezoning of the last remaining area of land identified for housing development in the Moriac Structure Plan 2010 and the need to identify future housing growth options for Moriac
- current community aspirations for the town
- public infrastructure including open space, footpaths and trails, community buildings and service infrastructure (i.e. electricity, water, wastewater) to determine future needs
- implications for growth of the town and growth in visitors to the rural hinterland of Moriac.

The Explanatory Report identifies a steady increase in new home construction placing increasing demands on services and infrastructure, and a demand for new housing. It explains:

> The Moriac Structure Plan 2022 Background Report found that the demand for new housing opportunities is high and growing, and supply is limited. Property values have been increasing in the Surf Coast Shire with significant increases in the median price of rural residential dwellings. Forecasts suggest around 244 people will need to be accommodated in Moriac and surrounding district by 2036, requiring up to 95 new dwellings.
>
> Although the amendment does not rezone land for immediate supply, the proposed Framework Plan identifies a Future Low Density Development Area just south of the Hinterland Estate. A future rezoning proposal incorporating a Development Plan Overlay or a combined planning permit for subdivision would be required to unlock this land for future residential use. Short term land supply will be aided by the approval of Amendment C124surf which rezoned 13.8 hectares of land to LDRZ north of Cape Otway Road and approved the subdivision of 29 lots.

The Explanatory Report also explains that the revised town settlement boundary shown on the Framework Plan seeks to contain growth and maintain a compact settlement pattern.

1.3 Procedural issues

At the Directions Hearing, Mrs Rose requested a 6 week adjournment due to family illness and time to engage a representative. Some further details were provided at the Directions Hearing in relation to the family's circumstances, but no proposal was made in relation to alternative dates.

Council did not oppose the adjournment, but was ready to proceed. The representative of Mr Masek opposed the request for adjournment, based on availability issues and the time available to engage alternative representation and prepare a further submission.

The Panel did not support the adjournment request in the circumstances which included:

- the request would further delay consideration of the Amendment
- the hearing dates were preset
- the impacts on other parties including the need to engage alternative representation and expert
- the availability of the Panel
- the opportunity for the submitter if requested to present or listen online, be represented (as proposed without being in attendance) or make submissions (including evidence) in writing
- the ability for the Panel in the circumstances to allow additional time for parties to advise of their advocates or experts.

At the Hearing, the representative of Mr Masek provided several questions of clarification to Council through the Panel, which Council elected to respond to in its oral and written closing submissions.

On the day after the Hearing, the representative of Mr Masek provided several appendices as corrections to Mr Masek's submission. The Panel accepted those appendices as corrections, and provided Council with an opportunity to comment on any new matters raised in those documents in its written closing submission.

1.4 The Panel's approach

Key issues raised in submissions were:

- requests for additional land to be included within the town settlement boundary
- requests to change the future land use designation of specific land parcels.

The Panel has assessed the Amendment against the principles of net community benefit and sustainable development, as set out in Clause 71.02-3 (Integrated decision making) of the Planning Scheme.

The Panel considered all written submissions made in response to the exhibition of the Amendment, observations from site visits, and submissions, evidence and other material presented to it during the Hearing. All submissions and materials have been considered by the Panel in reaching its conclusions, regardless of whether they are specifically mentioned in the Report.

This Report deals with the issues under the following headings:

- Strategic issues
- Framework Plan
- Zoning and overlay changes
- Other local policy changes.

1.5 Versions of the Amendment

The Panel directed Council to circulate a 'Day 1' version of the Amendment documentation before the commencement of the Hearing, and a final version with its closing submissions. Council circulated:

- Day 1 Amendment documents (Documents 12 and 16)
- Final version Amendment documents (Document 23).

The Day 1 version incorporated changes to Clause 11.01-1L.04 (Moriac) in response to a submission from Department of Transport and planning (DTP), and made no other changes to the exhibited version of the Amendment documents. The Final version did not incorporate any further changes in response to matters raised during the Hearing.

Except where stated otherwise, the Panel supports the changes in the Day 1 and Final version, which provide greater clarity and improve the operation of the controls.

Parties were given the opportunity to provide written comments on the Final version of the Amendment following the close of the Hearing. No parties elected to do so.

1.6 Limitations

Some of the issues raised in submissions are not relevant planning considerations or are widely accepted as not being relevant when considering whether to apply a Framework Plan which identifies an area of future residential growth (although some may be relevant at the subsequent rezoning, and permit stage). Examples are the economic viability of development and matters of design of subdivision layout.

2 Strategic issues

2.1 Strategic context

The Council's Part A submission (Document 4) included a detailed analysis of the relevant Municipal Planning Strategy and Planning Policy Framework and is not repeated here given the strategic merits of the Amendment were generally not at issue in the referred submissions.

Mr Masek's submission that the Amendment was not consistent with Clause 11.02 of the Planning Policy Framework in the absence of inclusion of additional land at 33 Farrer Drive is discussed in Chapter 3.2.

This chapter identifies the strategic planning context relevant to the Amendment as summarised in Table 1.

Table 1 Planning context

	Relevant references
Victorian planning objectives	- section 4 of the PE Act
Municipal Planning Strategy	**Clause 2.01 (Context)** **Clause 2.03 (Strategic directions)**
Planning Policy Framework	**Clause 11.01 (Victoria)**, including: - Clause 11.01-1S (Settlement) - Clause 11.01-1R (Settlement – Geelong G21) - Clause 11.01-1L-04 (Moriac) **Clause 11.02 (Managing growth)**, including: - Clause 11.02-2S (Development capacity) - Clause 11.02-2S (Structure planning) **Clause 12 (Environmental and landscape values)**, including: - Clause 12.01-1S (Protection of biodiversity) - Clause 12.01-1L (Protection of biodiversity in Surf Coast) - Clause 12.01-2S (Native vegetation management) **Clause 13 (Environmental risks and amenity)**, including - Clause 13.02-1S (Bushfire planning) **Clause 16 (Housing)**, including - Clause 16.01-1S (Housing Supply) **Clause 17 (Economic development)**, including - Clause 17.02-1L (Business in Surf Coast) **Clause 19 (Infrastructure)**, including - Clause 19.03-2L (Infrastructure design and provision in Surf Coast)
Other planning strategies and policies	- Plan for Victoria - G21 Regional Growth Plan

	Relevant references
	- Distinctive Area and Landscape declaration over part of the Surf Coast Shire under the PE Act - Rural Hinterland Futures Strategy 2019 - Moriac Structure Plan 2023 - Urban Futures Strategy 2025
Planning scheme provisions	- Low Density Residential Zone Public Parks and Recreation Zone
Ministerial directions	- Ministerial Direction 1 (Potentially Contaminated Land) - Ministerial Direction 11 (Strategic Assessment of Amendments) - Ministerial Direction 19 (Amendments that may result in impacts on the environment, amenity and human health)
Planning practice notes and guidance	- Planning Practice Note 23: Applying the Incorporated Plan and Development Plan Overlays - Planning Practice Note 46: Strategic Assessment Guidelines, September 2022 - Planning Practice Note 37: Rural residential development - Planning Practice Note 64: Local Planning for bushfire Protection - Planning Practice Note 99: Implementing a Strategic Settlement Boundary - Practitioner's Guide to Victoria's Planning Schemes

2.2 Strategies and studies relevant to the Amendment

The Background report and Council's Part A submission included an overview of the key studies and strategies supporting the draft Amendment. These are summarised below.

(i) State strategies and declarations

Plan for Victoria identifies a municipal housing target for the Surf Coast Shire of 8000 dwellings. It does not specify where those dwellings are to be located.

A *Distinctive Areas and Landscapes* declaration under Part 3AAB of the PE Act applies to part of the Surf Coast Shire. The declaration recognises and protects State significant landscapes and environments around Torquay and Jan Juc. Moriac is not subject to this declaration, and is located north of the declared area.

(ii) Regional Strategies

The *G21 Regional Growth Plan* (G21 RGP) identifies Moriac:

- within the Western Gateway area as a 'Town, village, hamlet'
- within an area that predominantly has mixed farming and grazing uses
- as a low density/rural residential township providing rural atmosphere and rural residential lifestyle

- as a township without sewerage, with future growth limited to low density residential development as set out in the 2010 Moriac Structure Plan.

The G21 RGP seeks to provide for a regional population of 500,000 people by 2050. Moriac is not identified as a location to accommodate targeted population growth.

(iii) Moriac Structure Plan

The current *Moriac Structure Plan* (2010) provides a strategic framework for the future planning and development of the township over the next fifteen to twenty years. Its purpose is to:

- identify the key strategic planning issues facing the township, including community aspirations and needs
- articulate the preferred future planning directions for the township to the year 2031, including the location of the settlement boundary
- identify appropriate planning controls which will protect and enhance the distinctive elements of the township, and the area's biodiversity and landscape features.

It provides principles and directions in relation to township growth, infrastructure, natural environment and economic development. It supports limited township growth as the preferred option in the short to medium term, given the identified key influences which included the environmental settings and the State and local policy directions to maintain a compact urban form.

The new *Moriac Structure Plan* (2023) provides a strategic framework to guide land use and development decisions over the next 10 years. It seeks to ensure that future incremental growth is responsive to the constraints of the landscape and respectful of the rural character of the town.

The Structure Plan identifies the following key land use directions which are reflected in the Framework Plan:

- avoid impacts on the Byourac Junction of the Thompson and Raven Creeks
- support the rezoning of Farming Zone land south of the Hinterland Estate for future LDRZ development
- support the consolidation of commercial land use and development within central Moriac
- investigate the development potential of land located to the east of Hendy Main Road fronting the Thompson Creek
- provide additional pedestrian crossings on Hendy Main Road
- retain existing tree clusters and plantation rows on land identified for future development
- ensure that the zoning of public land reflects the current and intended use of the land
- investigate stormwater infrastructure needs and where required undertake upgrade improvement works.

The Structure Plan is supported by the preparation of extensive background and technical documents as summarised in Table 2.

Table 2 Background documents to the Moriac Structure Plan

Document
Moriac Septic Study Report (March 2021)
Moriac Structure Plan 2022 – Background Report – Understanding Moriac (January 2022)
Moriac Structure Plan 2022 - Community Engagement Summary Report (May 2020)
A History of Moriac – Background for the Moriac Structure Plan (October 2022)
Bushfire assessment to inform Moriac Structure Plan, Kevin Hazell Bushfire Planning (September 2022)
Moriac Integrated Water Management Plan: Design Sprint, Barwon Water (April 2023)
Growth Area Multi-Criteria Assessment, Mesh, (May 2023)

The *Growth Area Multi-Criteria Assessment* GAMA is an assessment of suitability of areas to accommodate growth. It uses a set of criteria relating to an area's Strategic Position / Role, Planning Context, Infrastructure Capacity, Environment Protection, Landscape Sensitivity and Connectivity to determine an areas suitability for growth. The GAMA utilised ratings against prioritised specific criteria to determine a site score. The GAMA considered the suitability of three investigation areas for LDRZ development.

The GAMA found that all three investigation areas have the potential to accommodate future residential development and are subject to various constraints. The GAMA identified areas of difference between the three locations in measures such as walkability and road connectivity.

The GAMA identified Precinct 2A (FLDDA and FIA in the Framework Plan) as the preferred location to accommodate future growth for the following reasons:

- location within a 800 metre radius (walking catchment area) of central Moriac
- provides for connection to existing open space areas (Newling Reserve)
- directly adjoins the Hinterland Estate, an area of recently developed Low Density Residential development
- does not contain significant remnant native vegetation
- considered to be low risk in relation to bushfire attack.

Bushfire assessment to inform Moriac Structure Plan identifies the Moriac area as Landscape Type 1, which positions it at the lowest end of landscape risk on the spectrum of risk in Vitoria using the landscape type typology. Landscape bushfire considerations included:

- due to the lack of non-grassland landscape scale hazards, the potential for extreme bushfire behaviour is limited
- the residual risk at the landscape scale is from grassfire
- mitigating the landscape impact of grassfire is highly achievable through separation of development from unmanaged grasslands and the planning of development to be low fuel.

The assessment also considered grassfire risks to potential new development in the west and the east. The assessment considered that both represented acceptable alternative locations. In completed development, development to the east would potentially be exposed to grassfire on one aspect whilst development to the west would potentially be exposed on two aspects, but deliver a significant risk reduction to existing areas.

The assessment also found:

- BAL: Low places are present in the denser urban areas in the northern and southern parts of Moriac.
- development can be set back from bushfire hazards to achieve a radiant heat flux of less than 12.5kw/square metres in completed development. Based on this, exposure of future development would be consistent with Clause 13.02-1S.

(iv) Local studies and strategies

The *Rural Hinterland Futures Strategy* (May 2019) provides strategic direction in relation to the economic development potential of the rural hinterland. It seeks to inform policy changes for discretionary uses in the Farming Zone and Rural Conservation Zone. Moriac is identified as being:

- in an agricultural soil quality hotspot
- lower bushfire risk
- a focus area for tourism and agritourism.

The *Urban Futures Strategy* (April 2025) (UFS) considers population and housing growth to a planning horizon of 2051. It states that residential land supply must be considered on a municipal basis rather than a town-by-town basis. It responds to:

- the State Planning Policy Framework requirement to plan to accommodate projected population growth over a 15 year period
- the State Government's housing target of 8000 dwellings to be provided in Surf Coast Shire by 2051.

The UFS provides Township Principles which direct growth to Winchelsea and Torquay, and maintain the unique character of the shire's rural hinterland towns such as Moriac. The UFS provides the following guidance about Rural Townships:

> Moriac, with a population of 691 in 2021, is a small rural town located within a large farming district approximately 20 kilometres southwest of Geelong. With a majority of residents who commute to Geelong and beyond for employment opportunities, the town's role has been as a dormitory settlement. Those who choose to live in Moriac value the town for its rural atmosphere and rural residential lifestyle.
>
> Given its proximity to the Great Otway National Park, Deans Marsh does carry a higher bushfire risk than Moriac but strategically, both towns are in lower bushfire risk areas than the coastal towns. However, each of the towns is subject to other significant constraints, including a lack of reticulated sewerage and environmental considerations that limit the potential for urban growth.
>
> With a location for limited urban expansion in Moriac already identified through the recent Moriac Structure Plan Review and Deans Marsh subject to significant environmental constraints, there will be no further outward expansion of these towns in the short to medium term. Future urban growth opportunities will be limited to the creation or development of lots within the settlement boundary that are large enough to manage wastewater dispersal.

The UFS provides a direction to:

> Support limited LDRZ growth in Moriac (in line with the directions contained within the Adopted Moriac Structure Plan 2023) and implement a Planning Scheme Amendment to define a settlement boundary.

The *Residential Land Supply and Demand Assessment- Surf Coast Shire Council*, Spatial Economics (June 2024) reviewed the adequacy of the supply of residential land as an input into the UFS. It identified:

- total production of 57 rural residential lots and residential lot construction activity of 6 lots per annum in Moriac in the preceding 10.75 year period
- 34 hectares of future unzoned rural residential land in Moriac (consistent with the location of the FLDDA in the Structure Plan)
- total rural residential lot stock in Moriac was 98 lots, of which 10 were vacant.

2.3 Strategic justification

(i) Discussion

No evidence or referred submissions opposed the strategic basis for the Amendment. The planning expert evidence supported the implementation of the new Structure Plan, which reflects a limited growth outcome, and considered that the Amendment is strategically justified. The Panel agrees, noting Moriac's role as a small rural town suited to incremental growth is identified in:

- regional planning strategies identified in the Planning Scheme (G21 RGP)
- the Municipal Planning Strategy and Planning Policy Framework.

The Amendment addresses a strategic planning need by providing:

- an update to the Framework plan and policies now that the Moriac Structure Plan 2010 has been replaced by the new Structure Plan
- updates to the zoning of land which is used as public open space and is owned by the Council, corrections to minor zoning anomalies and deletions of redundant Development Plan Overlay Controls.

The Amendment meets the State policy objectives set out in section 4 of the PE Act including by:

- providing for the fair, orderly, economic and sustainable use, and development of land by implementing a well-planned, holistic strategy that addresses the needs of the existing and future community of Moriac
- providing for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity by responding to local environmental features including the Thompson and Raven Creek corridors
- securing a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria by rezoning land to PPRZ and improving public open space networks, and including updated local policies about enhancing liveability through tree protection and supplementary planting
- facilitating development in accordance with the objectives by introducing a strategic framework to guide new development in accordance with state, regional and local policy.

The Framework Plan and proposed policy changes address key policy objectives in the Municipal Planning Strategy and Planning Policy Framework including policy for settlement, supply of urban land, structure planning, biodiversity, bushfire planning, housing supply, rural residential development, business in Surf Coast and infrastructure design and provision by:

- identifying a modest extension to the settlement boundary and containing development within that boundary
- protecting settlement breaks and rural land
- responding to environmental risks and infrastructure constraints
- directing rural residential development to a FLDDA and identifying a FIA for further work and potential future development.

Bushfire risk is appropriately addressed in the Framework Plan and proposed policy changes. The Structure Plan was supported by a bushfire risk assessment which assessed the landscape type as being at the lowest end of landscape risk on the spectrum of risk in Victoria, with residual risk from grassfires. It considered the FLDDA could take advantage of protection afforded by the existing settlement, and could be designed to address residual risk subject to mitigation measures.

The Explanatory Report discusses how the Amendment meets the relevant requirements of *Ministerial Direction No 11 – Strategic Assessment of Amendments Planning Practice Note 46: Strategic Assessment Guidelines*, August 2018. That discussion is not repeated here. The ordinance and mapping proposed by the Amendment are consistent with *Ministerial Direction s7(5) - The form and content of planning schemes*.

The appropriateness of the extension of the town settlement boundary in the context of the relevant Planning Practice Note and other guidance is addressed in Chapter 3.1.

The Panel is satisfied that the Amendment delivers net community benefit and sustainable development as required by Clause 71.02-3 including through:

- providing for a modest expansion of the town settlement boundary
- designating a location for future low density residential growth
- designating an expanded potential civic/commercial precinct in the town centre
- preserving the natural environment and surrounding rural hinterland
- balancing agricultural land uses and the need for some limited residential growth.

(ii) Conclusions and recommendation

For the reasons set out in this report, the Panel concludes that the Amendment:

- is supported by, and implements, the relevant sections of the Planning Policy Framework
- is consistent with the relevant Ministerial Directions and Practice Notes
- is well founded and strategically justified
- should proceed subject to addressing the more specific issues raised in submissions as discussed in the following chapters.

The Panel recommends Council:

1. **Adopt the Final version of the Surf Coast Planning Scheme Amendment C145surf with the changes recommended in this report.**

3 Framework Plan

3.1 Extension of town settlement boundary

(i) The issues

The issues are:

- whether the town settlement boundary should be extended to accommodate limited residential growth
- whether the proposed extended town boundary appropriately located, and does it appropriately respond to constraints.

(ii) Background

The Structure Plan

The Structure Plan generally addresses the principles in relation to an extension of the town settlement boundary in Part B - Applying Guiding Principles to Opportunities and Influences and Part C - Investigating Locations for Future Growth.

Part C includes a boundary analysis which considered:

- the natural contours of the Moriac township area and the adjoining rural landscape
- the location of services, including easements, reserves and major utilities
- existing vegetation (tree clusters/rows)
- planning ordinance such as environmental overlays
- existing residential zoned areas.

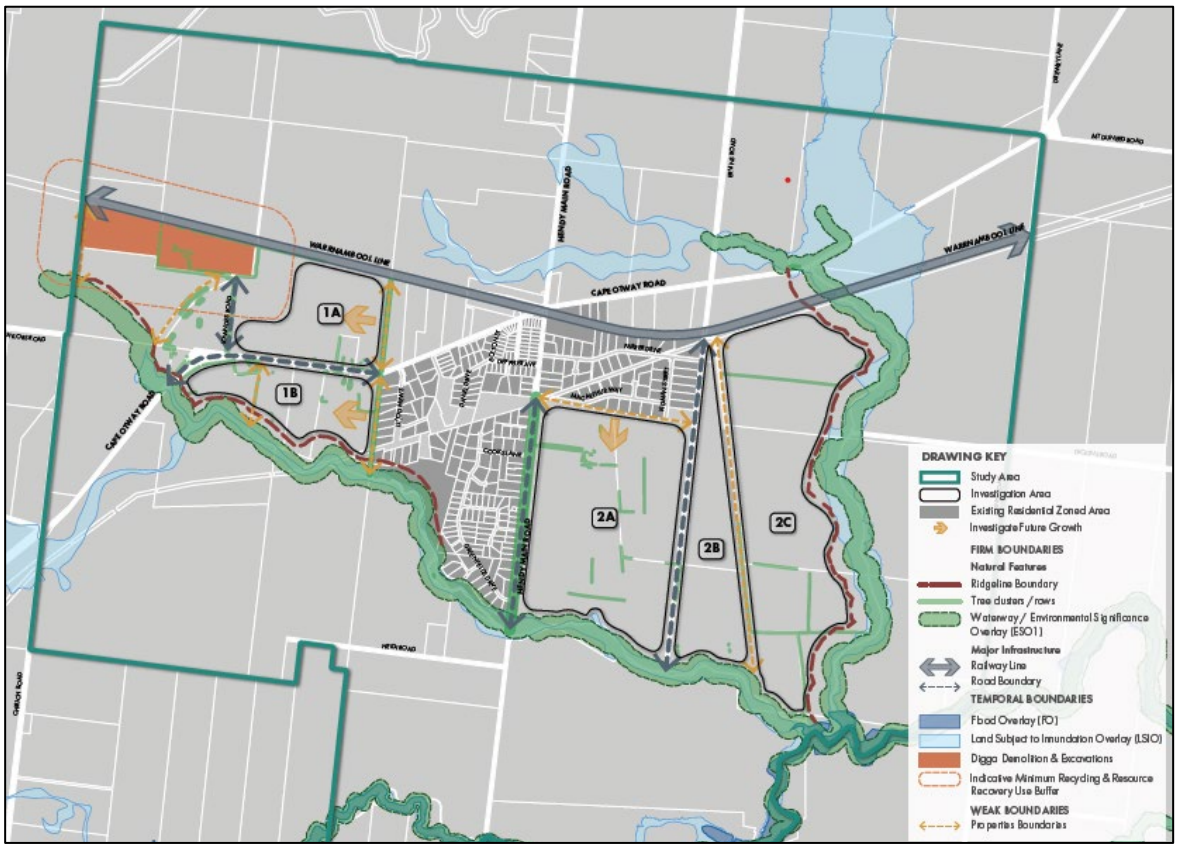
The boundary analysis distinguished between strong boundaries and temporal boundaries as follows:

> Strong boundaries include major roads, railway lines, creeks and other topographic features that are unlikely to change in the life of the Structure Plan. Temporal boundaries are features that may change in the future, an example may be a business activity of a plantation row of mature trees. Title boundaries are an example of a weak boundary to future urban growth, as they have the potential to be altered by subdivision

The boundary analysis plan (refer Figure 6) identified:

- the northern boundary defined by the Geelong- Warrnambool railway line
- the Raven Creek providing a strong boundary to the east
- expansion to the west being limited by the convergence of the Salt creek and the Geelong-Warrnambool Railway line
- the operations of the Digga demolition and excavation business providing a further temporal boundary to expansion to the west
- the Byourac Junction of the Thompson and Raven Creeks as an area of Aboriginal cultural significance to the south east.

Figure 6 Boundary Analysis Plan



Source: Figure 4.1, Moriac Structure Plan

Framework Plan

The new Framework Plan in Clause 02.04-8 includes an extension of the town settlement boundary to include a FLDDA of approximately 30 hectares (see Figure 3). The FLDDA is located to the east of Hendy Main Road and to the south of existing development in the Hinterland Estate. A FIA is identified to the south of the FLDDA outside the current town settlement boundary.

The Structure Plan identifies the FLDDA (Area 2A in the GAMA) as the priority location for future growth for the following reasons:

- The land is located within a 800 metre radius (walking catchment area) of central Moriac
- The land provides for connection to existing open space areas (Newling Reserve)
- The land directly adjoins the Hinterland Estate, an area of recently developed Low Density Residential development
- The land does not contain significant remnant native vegetation
- The land is considered to be low risk in relation to bushfire attack.

Planning Guidance

Planning Practice Note 99: Implementing a strategic settlement boundary (PPN99) provides that a settlement boundary shows the intended limit of urban development for a township or metropolitan area in the planning scheme.

The proposed settlement boundary for Moriac is a Strategic Settlement Boundary for the purposes of PPN99. A Strategic Settlement Boundary:

> Applies to settlements in regional Victoria. It is shown on planning scheme maps but is not established in legislation. A planning scheme amendment is required to change an SSB.

PPN99 relevantly provides the following principles for setting or amending a Strategic Settlement Boundary:

- **Growth planning and settlement role**: The expansion of the settlement should align with state, regional and local policy, and not challenge the established settlement hierarchy or result in an oversupply of urban land for the settlement or region.
- **Environmental risk management and adaptation**: Ensure expansion areas are free from significant natural hazards or include adequate measures to mitigate those hazards. Expansion areas must avoid the risk to life or property for the future population. Consider climate change adaptation and future risk profiles when including expansion areas.
- **Infrastructure and services**: Expansion areas must be supported by existing or planned infrastructure and provide access to essential services (schools, healthcare, transport). Land should be connected with existing urban areas to maximise the efficiency, integration and sustainability of infrastructure and services.
- **Housing and employment needs**: Expansion may be required to meet housing needs or targets, or to address shortfalls in commercial or industrial land. However, this should be balanced against environmental risk management and adaptation, as well as infrastructure and services availability.
- **Natural and landscape features**: Settlement planning should respond to natural boundaries (waterways, topography, coastlines, native vegetation) by creating logical and enduring settlement edges.
- **Land use conflict:** Settlement planning should avoid or minimise conflicts with surrounding agricultural, environmental or industrial activities by including sufficient buffers.

(iii) Evidence and submissions

Mr Glossop considered the modest expansion of Moriac enabled by the Framework Plan to be appropriate. He considered that the Amendment maintains Moriac as a Rural Township and seeks to preserve its existing low density and low scale form.

Mr Glossop identified some clear constraints on Moriac's ability to grow in the future including:

- the town's reliance on on-site wastewater disposal which requires a minimum lot size of 4000 square metres
- its location within an agricultural landscape, and the identification of land around Moriac as an 'agricultural soil quality hotspot' in Clause 14.01-2S (Sustainable agricultural land).

Mr Glossop's opinion was that:

- when an existing settlement expands, this nearly always occupies agricultural land
- this disbenefit needs to be balanced against the benefits of more housing and supporting more sustainable higher quality towns
- the Structure Plan identifies the tension that exists with agricultural policy and includes a strategy to contain future development within the defined settlement boundary identified in the Framework Plan
- settlement boundaries are the primary way in which town planning both protects agriculture and supports compact effective towns.

Mr Glossop considered that it was good practice to consider how future residential demand could be managed, now that the existing supply is low:

> It is preferable to provide some opportunities for growth in established settlements unless there are significant environmental barriers to doing so. The alternative to the Amendment is that Moriac simply stagnates at its current size. Taking this approach would discourage future investment in services and sterilise progress and improvements within the town. Providing opportunities for local LDRZ land and housing can also reduce the demand for dispersed rural subdivisions and dwellings.

Taking into account both the FLDDA and the FIA, Mr Glossop considered that the Amendment could result in the loss of 100 hectares of Farming Zone land. He said this land comprised a relatively large farming allotment, and that over time (and following rezoning) the ability to farm this land will be removed. In his view this was a modest, quantifiable agricultural impact particularly in the context of substantial farming areas across the Shire.

Having considered the potential agricultural disbenefits resulting from the Amendment, Mr Glossop favoured the modest expansion proposed. His favourable view was informed by Moriac's status as an existing town which is well provided for in terms of its existing services and infrastructure, and the potential for the Amendment to support its ongoing vibrancy.

Mr Glossop said that in general terms the Structure Plan planned for normative growth rather than trend growth, and that the goal was for a finite amount of land to be released within a finite planning horizon. He also considered that there was a clear need for a settlement boundary around Moriac to:

- provide clear spatial direction for future low density residential growth
- protect the balance of land from ad hoc expansion and maintain settlement breaks.

In Mr Glossop's opinion, the Amendment provides a proper and orderly location for future growth in the FLDDA and FIA as shown on the Framework Plan.

Council

Extension of the settlement boundary

Consistent with Mr Glossop's evidence, Council submitted that modest incremental growth is the right balance having regard to net community benefit. It noted that Moriac is constrained by the absence of sewerage and the high value of surrounding agricultural land. It submitted that Moriac is neither planned nor suited to meet a substantial proportion of the growth planning for the municipality.

Council emphasised Moriac's categorisation as a rural township under the Planning Scheme and other key policies. It submitted that:

- the extension of the settlement boundary to the southeast is a modest expansion to accommodate limited growth
- this limited growth is consistent with key policies including Clauses 02.03-1 Settlement, 02.06 Housing and 11.02-2S Structure planning.

In Council's submission an incremental growth outcome which provides for future housing development without compromising the scale or character of the township was

also strongly supported by the community engagement undertaken for the Structure Plan.

Council submitted that the FLDDA (approximately 30ha) would provide approximately 50 lots and the FIA (approximately 57 ha) would provide approximately 80 lots. At recent construction rates of 6 per year, this would provide 20 years of housing supply. At a more optimistic rate of 10 per year, this would provide supply for 13 years.

Council submitted that the FLDDA provided a modest increase in the number of rural residential lots in a similar sized area to the Hinterland development to the north. It anticipated that this development would have a similar modest positive impact on the community and services in the township. It said there was no reason to provide for more supply at this time.

Overall Council considered the extension is a balanced proposal that produces an acceptable outcome and secures the future of the township for the life of the strategy.

Location of the boundary and response to constraints

Council submitted that the settlement boundary in the Framework Plan was established through a process of boundary analysis that considered natural features, major infrastructure and property boundaries.

Council noted that the Structure Plan distinguishes between strong boundaries such as roads and creeks and temporal boundaries in relation to features that may change in the future. The road reserve on the eastern boundary of the FLDDA was a stronger boundary than the eastern title boundary of 33 Farrer Drive (Area 2A). Council considered title boundaries are weak boundaries to future urban growth because they have the potential to be altered by subdivision or consolidation.

Council submitted that the settlement boundary responds to:

- environmental constraints by avoiding the Thompson and Raven Creeks
- identified agricultural soil quality hotspots, given land located west of Hendy Main Road is rated higher than land located to the east
- agricultural land uses by presenting an acceptable compromise between the incremental expansion of the township and the impact of residential development on productive agricultural land
- bushfire risk given findings that extending the settlement boundary to the south or east will face a grassfire risk from the south and extending the boundary to the west would face a grassfire risk from two fronts. There was a slight benefit in extending the boundary to the south rather than to the west. However, in either case the bushfire risk is manageable with appropriate setbacks and mitigation measures.

Submitters

No evidence or submissions opposed the extension of the settlement boundary to include the FLDDA, or the identification of the land to the south of the FLDDA as an FIA on the Framework Plan.

Mr Masek supported the extension of the settlement boundary to include the FLDDA, but sought the inclusion of an additional area of land for future low density development within the settlement boundary.

Mrs Rose did not object to the extension of the settlement boundary to include the FLDDA, but sought:

- inclusion of an additional area of land for further investigation on the Framework Plan
- an extension to the settlement boundary to include 650 Cape Otway Road.

These submissions are discussed in more detail in Chapter 3.2 - Additional areas of future residential growth.

(iv) Discussion

Extension of the boundary to accommodate limited residential growth

The Panel considers that the extension of the boundary to accommodate a modest expansion of Moriac is aligned with State, regional and local policy and the requirements of PPN99. The proposed extension does not challenge the established settlement hierarchy within the municipality and the G21 region, given it preserves Moriac's rural township status by allowing for limited residential growth in a designated location. Nor will it result in an oversupply of urban land in the settlement or the region.

Moriac is not identified as a significant location for growth under the Planning Scheme, and is not subject to a particular target for housing. The Panel agrees with Council's submission that housing targets in State and regional policy are to be met at a municipal level, with growth to be focused in larger centres such as Torquay and Winchelsea.

Having said that there is no housing target for Moriac, the work undertaken by Council to prepare the Structure Plan and more recent strategies such as the UFS demonstrates a modest but relatively consistent ongoing demand for low density residential land in Moriac. Expansion of the town into the FLDDA will respond to this demand for housing in Moriac.

The inclusion of the FLDDA to the south of the developed Hinterland estate, is supported by access to existing and planned infrastructure consistent with PPN99. The Structure Plan and the GAMA demonstrate that this location provides for strong connection with the existing township, and the essential services available within the settlement.

The Structure Plan and its associated background work demonstrate that incremental residential growth is appropriate, in order to balance the need for housing and preserve the rural township character of Moriac. This approach was also supported by the community engagement findings in the Structure Plan.

The Panel agrees with Mr Glossop's assessment that the loss of farming land is a modest agricultural impact in the context of the substantial farming areas across the Surf Coast Shire. In weighing this disbenefit against the benefits of allowing modest growth, the Panel also agrees with Mr Glossop that the extension of the boundary will support the ongoing vibrancy of the town and encourage future investment in services and improvements within the town.

The Panel considers that the extension of the town boundary to include the new FLDDA:

- accommodates limited residential growth in an appropriate location
- respects the broader constraints on growth arising from Moriac's locational context and place in the settlement hierarchy
- provides a net community benefit by enabling additional supply of housing and the associated benefits of modest growth to the township, whilst resulting in an acceptable loss of farming land in the context of the Shire and the hinterland around Moriac.

Location of the boundary and response to constraints

The Panel considers that the choice of boundary is strategic rather than arbitrary, for the reasons discussed above in relation to the accommodation of limited residential growth in an appropriate location.

The proposed extension of the southern boundary of the Hinterland Estate to the south of the FLDDA, translates the objective of limited residential growth into a spatial area. The Panel agrees with Mr Glossop that the extended boundary creates a logical extension spatially given it is broadly similar to the Hinterland Estate in its dimensions.

The proposed boundary on the eastern side of the FLDDA aligns with a road reserve, and is a continuation of the eastern boundary of the Hinterland Estate. The Panel agrees with the Council's submission that the road reserve forms a stronger boundary than the eastern title boundary of 33 Farrer Drive. The eastern boundary of the Hinterland Estate was supported by the Moriac Structure Plan 2010, and implemented in the zoning and Development Plan Overlay controls over the Hinterland Estate area. The Panel considers that a continuation of the eastern boundary in this location is also consistent with this previous strategic work.

Consistent with PPN99, the proposed extended boundary around the FLDDA responds to environmental risks in that it is free from significant natural hazards and addresses relevant bushfire risk. The *Bushfire assessment* identified that bushfire risk in the Moriac area is at the lowest end of landscape risk, and that risks to future development can be managed with appropriate setbacks and mitigation measures. The Panel agrees with the Council's submission that there is a slight benefit in extending the boundary to the south of Moriac rather than to the west, given extending the settlement boundary to the south or east will face a potential grassfire risk from the south and extending the boundary to the west would face a potential grassfire risk from two fronts.

The boundary responds to natural and landscape features by avoiding:

- Thompson and Ravens Creeks (and the salt tributary to Thompsons Creek within the FIA)
- significant native vegetation.

The boundary also responds appropriately to potential land use conflicts, by maintaining a buffer around the town and protecting the balance of the agricultural land from ad hoc expansion. The proposed boundary extension avoids conflict with any existing industrial activities.

The Panel considers that the interface of the FLDDA with agricultural land uses to the south and east can be addressed in more detail at the rezoning and permit for

subdivision stage. If the FIA is included in a further extension of the boundary at a future date, then it would be the subject of further assessment and could address the interface with the Thompson Creek reserve corridor at that stage.

(v) Conclusions

The Panel concludes:

- The town settlement boundary should be extended to accommodate limited residential growth consistent with Moriac's small rural town character and compact form.
- The proposed extended boundary is appropriately located around the FLDDA identified in the Framework Plan.
- The proposed extended boundary appropriately responds to constraints including natural and landscape features, agricultural soil quality, and bushfire risk.
- The proposed extension of the town settlement boundary is consistent with the Planning Policy Framework and key guidance including the principles in PPN99 for amending a Strategic Settlement Boundary.

3.2 Additional areas of future residential growth

(i) The issues

The issues are:

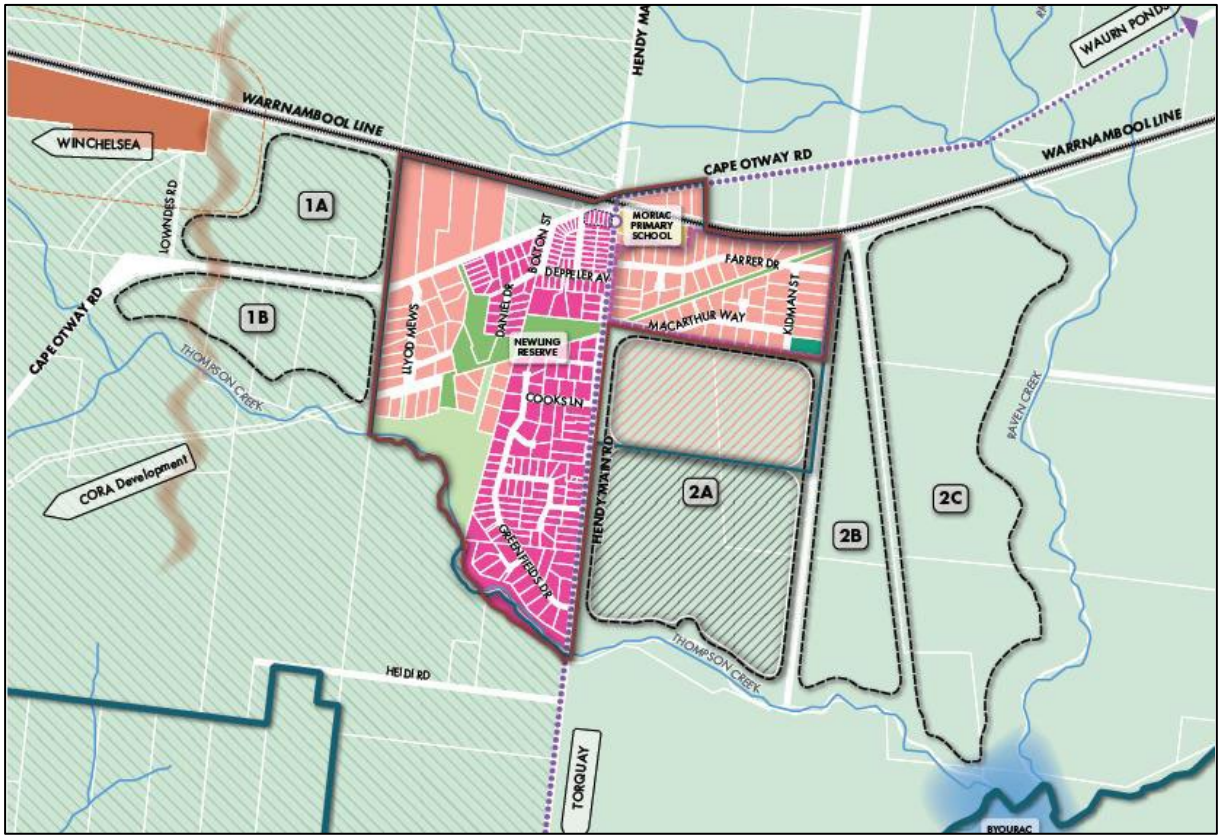
- whether an additional area of land at 33 Farrer Drive should be included in the Framework Plan as a FLDDA
- whether an additional area of land at 650 Cape Otway Road should be included in the Framework Plan as a FIA.

(ii) Background

The Structure Plan and the Framework Plan are supported by the GAMA. The GAMA assessed five different locations (refer Figure 7) for potential future residential growth:

- Precincts 1A and 1B to the west of the town
- Precincts 2A, 2B and 2C to the east of the town between Hendy Main Road and Ravens Creek.

Figure 7 Growth Area Multi-Criteria Assessment Areas



Source: Moriac Structure Plan – Figure 3.7

The GAMA's findings included:

- Precinct 2A (FLDDA and FIA in the Framework Plan) met the most critical criteria, and predominately met important criteria
- Area 1A (650 Cape Otway Rd) met sufficient critical criteria, and equally met or did not meet important criteria
- Area 2B (33 Farrer Road) met the least of the critical criteria, and predominately did not meet important criteria.

(iii) Evidence and submissions

Mr Coughlan gave civil engineering evidence on behalf of Mr Masek that addition of the northern part of 33 Farrer Drive to the FLDDA would:

- increase the developable area and improve the likelihood of achieving the housing yields identified in the Structure Plan
- materially improve the number of lots to be supplied
- increase the likely yield from 42 lots to 68 lots.

Mr Coughlan reviewed a series of concept subdivision plans prepared by Loetis Engineers, and provided the following lot estimates based on his review:

- the FLDDA could result in 40-45 lots (noting that the Hinterland Estate lot density could not be achieved in the FLDDA given the requirements for elements such as drainage corridors and linear trails)
- if the northern part of 33 Farrer Drive is added to the FLDDA then this could result in 60-70 lots.

Mr Coughlan considered the inclusion of the additional land would provide opportunities for improved servicing and community infrastructure delivery. In particular, it would provide:

- Infrastructure efficiency by:
  - reducing infrastructure cost per lot
  - allowing more efficient delivery of roads, drainage and public infrastructure
  - supporting a precinct-wide rather than fragmented development outcome
- Stormwater management benefits by:
  - facilitating integrated stormwater and Water Sensitive Urban Design (WSUD) outcomes
  - creating greater flexibility for wetland and drainage asset placement, including improved opportunity for a precinct-scale wetland and treatment system and potential to reduce infrastructure duplication
  - providing an opportunity to address existing drainage issues associated with the Hinterland Estate outfall and Hendy Main Road catchment
- Community Infrastructure benefits by:
  - improving opportunity for open space integration
  - providing better pedestrian and road connectivity
  - supporting delivery of infrastructure and drainage objectives identified in the Structure Plan.

In Mr Coughlan's view these benefits of higher yield and better infrastructure economics would lead to improved project viability and a greater likelihood that development would proceed in a timely manner.

Mr Coughlan also considered the comparative advantages and disadvantages of the addition of part of 33 Farrer Drive to the FLDDA compared to expanding into the FIA:

- the advantages of adding part of 33 Farrer Drive included higher immediate yield, better infrastructure economics, superior stormwater outcomes, better long term road network planning, and the avoidance of reliance on the FIA which remains subject to further assessment
- the disadvantages of adding part of 33 Farrer Drive included:
  - a larger initial growth area which extended the urban footprint further east than proposed in the Structure Plan, and could raise concerns regarding settlement expansion and perceived growth pressure
  - additional infrastructure delivery requirements for roads and services overall, with a higher overall project cost, although a lower cost per lot
  - potential strategic planning justification issues given the addition would require modification of the current Structure Plan approach
- the advantages of expanding into the FIA instead of the addition of part of 33 Farrer Drive included:
  - consistency with the current Structure Plan staging sequence
  - maintaining the rural use of 33 Farrer Drive for a longer period
  - potential perception as a more conservative growth strategy
- the disadvantages of relying on the FIA included:
  - the uncertainty of growth timing and the need for further investigations

- less efficient stormwater and infrastructure outcomes and a higher likelihood of duplicated infrastructure.

Mr Glossop's evidence supported the FLDDA and FIA as shown on the Framework Plan as the preferred location for future growth. He did not support future growth into Precinct 2B (which includes 33 Farrer Drive) as part of this Amendment:

> I do not (at this stage) support the identification of further, future growth into Precincts 2B or 2C. Firstly, the GAMA assessed these precincts as performing worse than Precinct 1 on several grounds. Secondly, the Amendment presently draws a well-balanced line between providing some growth opportunity while also not overextending the town in the short term. Planning policy calls for compact, well-connected settlements. Releasing too much land can compromise good planning outcomes and could result in out-of-sequence development. Including additional parcels for rezoning could also establish a growth expectation that is not consistent with the town's lower order status.

Mr Glossop did not agree with Mr Masek's submission that the Amendment did not meet Clauses 11.02-2S Structure Planning and 11.02-3S Sequencing of Development. He noted these provisions are linked to the municipal target of 15 years supply, rather than township level targets. He also considered that not every strategy applied at a township level, and that these higher order principles should be used judiciously in the constrained context of Moriac. In his view the Amendment was consistent with Clauses 11.02-3S and 11.02-3S.

Compared to the western areas assessed in the GAMA, which included 650 Cape Otway Road as Precinct 1A, Mr Glossop supported the designation of the FLDDA and FIA as the preferred location for future growth for the following reasons:

- it is identified as occupying agricultural land that is slightly lesser quality than Precincts 1A and 1B. Noting that land west of Hendy Main Road has 'very high' soil quality, while land to the east has only 'high' soil quality
- it creates a logical town structure centred around Hendy Main Road and the existing town centre and primary school. These features represent the town's primary focal points
- it has good connectivity with the high-quality open space and kindergarten in Newling Reserve
- it capitalises on the main north-south transport route through town (Hendy Main Road)
- it is not impacted by potential off-site impacts deriving from the existing industrial operation at 722 Cape Otway Road
- it is only affected by a single potential bushfire front (from the southwest) while Precinct 1 is affected by two potential bushfire fronts (from the northwest and southwest).

Additional land at 33 Farrer Drive

Mr Masek submitted that the FLDDA designated in the Framework Plan should include additional land at 33 Farrer Drive to ensure:

- sufficient land is identified to develop low density residential lots to satisfy the expected 10 year residential growth demands of Moriac as outlined in the Structure Plan and the Background Report

- delivery of servicing infrastructure and community facilities consistent with the rural residential character of Moriac and the recommendations of the Structure Plan and the Framework Plan
- cost efficiencies which would assist in meeting the higher costs of community and servicing infrastructure required by the Framework Plan.

In the absence of 33 Farrer Drive, Mr Masek considered that the Amendment did not meet the 10 year low density residential growth demands of Moriac, which is the main justification for the Amendment.

Mr Masek's submission referred to the housing demand of up to 95 new dwellings needing to be accommodated in Moriac by 2036 in the Background Report, and the 10 year lot demand figure of 86 lots in the Structure Plan. The submission said the FLDDA could not provide 86 lots given the features and infrastructure identified on the Framework Plan. By contrast the inclusion of 33 Farrer Drive would assist in achieving the 10 year lot demand by providing 68 low density residential lots compared to approximately 42 lots based on subdivision concept plans.

In response to Council's lot supply forecasts Mr Masek considered the estimate of 50 lots being required to meet the 10 year housing demand, was a significant reduction from the 86 lot estimate used in the Structure Plan., and failed to meet planning policy objectives by providing insufficient developable land. It was submitted that the Council should not rely on the Moriac Rise subdivision to satisfy short term demand, given it was anticipated that all lots would be sold in the short term.

Mr Masek considered the FLDDA:

- too small to provide the estimated 86 lots identified in the Structure Plan, and also too small to accommodate the reduced estimate of 50 lots, given the community and civil infrastructure required by the Framework Plan
- was only capable of providing half the lots (five years supply) needed to meet the 86 lot 10 year growth estimate.

Mr Masek said that the Council should not rely on the potential future development of the FIA, in the event that the FLDDA proves inadequate to meet demand, but should instead provide sufficient 10 year supply as part of this Amendment. In his view any potential future development of the FIA is highly uncertain, given it is subject to investigations and environmental and cultural heritage constraints.

Mr Masek considered the Amendment was not consistent with key policies of the Planning Policy Framework in the absence of the addition of land at 33 Farrer Drive. It was submitted that:

- Clause 11.02-2S (Structure planning) had not been met given the Amendment does not deliver sufficient development capacity for residential development to ensure housing targets can be met
- Clause 11.02-3S (Sequencing of development) had not been met given the Amendment does not provided sequencing opportunities for stormwater management.

Mr Masek submitted that the growth direction east of Moriac was the most logical location to facilitate the short and long term growth of the town. He noted the proximity

of the FLDDA to the town's services and facilities, and considered there are no other feasible alternative directions:

- land to the north of Moriac is flood affected and severed by VicTrack land
- land to the west of Moriac has a higher bushfire risk, high agricultural quality and is located adjacent to an established materials facility which may require a 1000 metre buffer and restrict the residential development potential of this land.

Mr Masek questioned the GAMA and its assessment of 33 Farrer Drive and submitted the GAMA:

- was inaccurate in its calculation of the total area of Area 2A
- did not provide an accurate calculation future lot yield without a further detailed design analysis
- should not have rated Area 2B as 'meets least criteria', particularly in relation to the 33 Farrer Drive portion of that land given:
  - it can be easily and logically integrated with the FLDDA as shown in the concept designs
  - constraints such as the Thompson Creek salt tributary, cultural heritage and native vegetation were not relevant to the 33 Farrer Drive portion of the land which is cleared of vegetation
  - it does not have the technical capacity or size to be a viable farming enterprise if the FLDDA and FIA are ultimately developed.

Additional land at 650 Cape Otway Road

Mrs Rose's submission sought:

- the addition of the land at 650 Cape Otway Road, Moriac as a FIA in the Framework Plan
- inclusion within the town settlement boundary.

Mrs Rose generally supported the need for sustainable growth in Moriac, and submitted that it is appropriate to investigate future residential growth in more than one direction. It was submitted that 650 Cape Otway Road ought to be the subject of further investigation, rather than being excluded from the Framework Plan at this time.

Mrs Rose submitted that the land at 650 Cape Otway Road had a range of characteristics that made it well suited to identification as an additional FIA including:

- proximity to the Moriac town centre
- direct access to Cape Otway Road which Is classified as a primary collector road
- limited environmental and heritage constraints
- it was adjacent to the LDRZ development at Moriac Rise in Cape Otway Road.

Mrs Rose's questioned the GAMA and its assessment of 650 Cape Otway Road and submitted the GAMA did not reflect:

- the proximity of 650 Cape Otway Road to key community assets
- the fire breaks provided by Lowndes Road, Cape Otway Road and the railway line
- the pedestrian access to Newling Reserve and the Moriac Community Centre through Lloyd and Andrew Mews
- the productivity and viability of agricultural use of the land is influenced not only by soil quality but also by size and scale, and adjacent land uses

- the benefits of access to Cape Otway Road which provides commuter access to Geelong and Melbourne.

In relation to the town settlement boundary, Mrs Rose submitted:

- the settlement boundary should not be located on the title boundary between 650 Cape Otway Road and the new Moriac Rise development
- 650 Cape Otway Road is located within the Moriac township
- Lowndes Road is a more logical and robust western settlement boundary
- the operation of the Environment Protection Authority (EPA) licensed Digga materials recycling facility on adjacent land should not be regarded as a long term constraint on residential development of 650 Cape Otway Road without further investigation.

Council

33 Farrer Drive

In Council's view, a submission that there is insufficient land to meet the estimated 10 year residential demand misunderstands the role of Moriac in the Surf Coast Shire. Council submitted that the municipal housing target is not directed at every town at the same rate, and is directed to Winchelsea and Torquay Jan Juc rather than Moriac.

In response to questions about the validity of the lot supply analysis and demand estimates used in the Structure Plan, Council submitted that:

- no alternative demand analysis evidence had been provided
- its updated data from Spatial Economics provided a lower development rate of 6 dwellings per annum rather than the 8.6 dwellings per annum used in the Structure Plan
- at the lower rate of 6 dwellings per annum, the provision of the FLDDA (approximately 30ha) together with the 29 lots at Moriac Rise would provide more than 10 years supply, without the development of the FIA
- if Moriac Rise does not provide 29 lots, then any reduction will be limited to a one lot reduction in yield
- the forecasts of population growth and lot demand are estimates and ranges, rather than a precise measure of the lots required
- the expansion of the settlement boundary to include the FLDDA will provide sufficient land supply consistent with the limited growth proposed for Moriac.

The Council observed that the Amendment does not rezone land for residential purposes, but instead identifies a preferred area for future low density development based on the Structure Plan and its supporting background documents. Council submitted that:

- a future planning scheme amendment would be required to guide the development of this preferred growth area and that this could potentially be in the form of a rezoning and Development Plan Overlay
- the subdivision layout and location of any drainage reserve are matters for future detailed design
- if demand is higher than expected, then Council can determine after a future process if it is appropriate to extend into the FIA.

650 Cape Otway Road

Council's response to Mrs Rose's suggestion to extend the settlement boundary to Lowndes Road to include 650 Cape Otway Road noted the following benefits and disadvantages:

- benefits included:
  - having a road (rather than a property boundary) as a stronger settlement boundary and a perimeter road as a firebreak
  - its location adjacent to the permitted 29 lot subdivision at 600-640 Cape Otway Road (Moriac Rise) and the potential efficiencies in developing adjacent to that subdivision
- disadvantages included:
  - proximity to the contractors depot and materials recycling site which operates in accordance with a current planning permit
  - the area is:
    - separated from the existing township and therefore any new open space will be disconnected from the town
    - unable to provide a new street or road connection that will improve movement and traffic for the broader community
    - more than 800m from the commercial centre
    - would face potential bushfire risk to the south west and north west.

Council submitted that on balance the disadvantages outweighed the advantages of including 650 Cape Otway Road in the Settlement Boundary, and Area 2A was the preferred area for the limited growth proposed.

(iv) Discussion

The Panel considered the suggested additions of land at 33 Farrer Drive and Cape Otway Road on their merits, but within the context that any potential refinements or modifications to the Amendment should not undermine principles of natural justice.

The GAMA assessed the FLDDA and FIA as the preferred location for growth, and this analysis forms an important piece of supporting strategic work for the Structure Plan and the Framework Plan. Both Submitters questioned its method of assessment, findings and potential lack of currency. However, no planning or urban economic evidence was provided as to an appropriate alternative method of assessment with alternative findings.

In the absence of alternative evidence, the Panel considers that the GAMA forms a reasonable strategic basis for Council's preparation of the Framework Plan. In these circumstances there is no reason to disregard the GAMA's findings that:

- the FLDDA and FIA are the preferred option over land to the west of Moriac including 650 Cape Otway Road
- 33 Farrer Drive as the least preferred option for future residential growth out of the five precincts assessed.

The Panel is not convinced by Mr Masek's position that the FLDDA should provide sufficient land to ensure a 10 year supply of residential land in Moriac in order to be strategically justified. The Panel notes that Mr Masek's questions of clarification to

Council, and Council's responses to those questions, illustrate a difference of views about the use of housing yield estimates and whether they should be regarded as a housing target for Moriac. The Panel agrees with Council that there is no housing target for Moriac as a township, and that the policy context supports a limited and incremental growth outcome. The estimates of forecast housing demand should be viewed in this policy context, and in these circumstances ought not be viewed as a growth goal.

Having said that there is no target or policy imperative which requires that an estimate of 10 year demand should be met. Nevertheless, the Panel agrees with Council's submission that based on the most recent estimate of 6 dwellings per year in Moriac in the UFS, the provision of the FLDDA (approximately 30 hectares) together with the 29 lots at Moriac Rise would provide more than 10 years supply without the development of the FIA. If Council's estimate of approximately 50 lots within the FLDDA is utilised then this would result in approximately 79 lots for development over the next 10 years. If Mr Coughlan's estimate of 42 lots within the FLDDA is utilised, then the FLDDA together with Moriac Rise would provide in the order of 71 lots for development over the next 10 years.

The Residential Land Supply and Demand Assessment for the UFS and the earlier estimates in the Structure Plan indicate a small but relatively consistent ongoing demand for low density residential land in Moriac. These demand estimates are within a range, and subject to the limitations and variability of a small market. Council's submission also acknowledged that delivery may be presently suppressed by supply. This means that forecasts based on historic lot delivery figures may understate demand. However, given the policy context does not allow for significant residential growth in Moriac, and does not seek to meet a housing target, the existence of potential higher demand does not support inclusion of an additional area of FLDDA. The Panel agrees with Council that should the lot uptake in the FLDDA be utilised more quickly than anticipated, then the FIA provides a substantial area of land that could meet a higher lot demand over the life of the Structure Plan.

The Panel does not agree with Mr Masek's suggestion that the Framework Plan does not meet the requirements of Clauses 11-02-2S (Structure Planning) and 11.02-3S (Sequencing of development). The Panel agrees with Mr Glossop and Council that the Amendment and the Framework Plan are consistent with these provisions. Both these provisions sit within Clause 11.02 (Managing Growth) and relate to municipal level housing targets and development in areas of growth. Clause 11-02-2S requires the preparation of a hierarchy of structure plans across the municipality, and Moriac is a rural township within this hierarchy. Taken in its context, and given there are no housing targets for Moriac, the Framework Plan does not need to satisfy the strategy in relation to delivering sufficient development capacity for residential development to ensure housing targets in Clause 11-02-2S or the higher order principles in relation to sequencing of development and services in growth areas in Clause 11.02-3S.

Given 33 Farrer Drive, the FLDDA, and the FIA are in Mr Masek's ownership, the Panel acknowledges that the Amendment imposes different outcomes for three parts of a site in one ownership. As identified by Mr Coughlan, inclusion of additional land at 33 Farrer Drive could potentially provide infrastructure efficiencies, assist viability and encourage development. However the Panel considers this outcome would not be consistent with the broader policy support for constrained and limited growth.

The Panel also considers that before any permits can be granted to allow subdivision of the FLDDA a further planning scheme amendment will be required to change the zoning, and that it may also include a DPO or other mechanism. The design and layout of any subdivision within the FLDDA and provision of services and infrastructure are matters for a later stage.

The Panel does not agree with Mrs Rose that it is appropriate to identify areas of future residential growth both to the west and to the southeast of the township. The Structure Plan and the policy context, supports maintaining Moriac's small town rural character and compact form, which means that there is a need to choose between the western and southeastern directions for future growth. It would not be consistent with this policy context to identify a FIA or extended settlement boundary to the west of the township and also to the southeast of the township.

The Panel agrees with Mrs Rose that there are a number of features of 650 Cape Otway Road which make it a potential location for future residential development. In particular, the Panel agrees that Lowndes Road has potential as a strong boundary and fire break, and that there are potential efficiencies in developing adjacent to Moriac Rise.

However, given the need to choose between 650 Cape Otway Road and the exhibited FLDDA and FIA, the Panel considers that the FLDDA and the FIA is the preferred location for future residential growth. The Panel's considerations in relation to preferring the FLDDA over 650 Cape Otway Road include:

- the operation of the EPA licensed materials recycling facility is a potential constraint on future development
- the opportunities for connection are less than for the FLDDA
- it is located further away from the centre than the FLDDA
- higher quality agricultural soil to the west than the east of Moriac
- whilst the bushfire risk was found to be acceptable in both areas that there is potentially grassfire risk on two fronts for 650 Cape Otway Road rather than one front for the FLDDA.

(v) Conclusions

The Panel concludes:

- The land at 33 Farrer Drive should not be included in the Framework Plan as a FLDDA .
- The land at 650 Cape Otway Road should not be included in the Framework Plan as a FIA or within an extended town settlement boundary.

4 Zoning and overlay changes

4.1 Application of the Public Park and Recreation Zone and other corrections

(i) The issues

The issues are whether it is appropriate to:

- rezone Council owned or public reserve land to PPRZ where that zoning reflects public ownership and open space use
- correct zoning anomalies, including land outside the town boundary and anomalies abutting the creek reserve
- delete redundant Development Plan Overlay maps and Schedule 14 to Clause 43.04.

(ii) Background

The Explanatory Report explains:

- the rezoning of land at 38 Greenfields Drive, 32 Daniel Drive, 605 Cape Otway Road and public reserves in the Hinterland Estate is required to reflect public ownership and use
- the rezoning of land at 60 Daniel Mews is required to correct zoning anomalies abutting the creek reserve
- deleting the Development Plan Overlay maps and Schedule 14 to the DPO is required as the Hinterland Estate is substantially complete and the overlay is no longer required.

The Explanatory Report states that:

> The rezoning of parcels adjoining Newling Reserve and Thompson Creek reserve reflects council's ownership and use for public recreation. It is therefore intended to rezone these parcels to PPRZ. Land adjoining a tributary of Thompson Creek at 970 Hendy Main road, Moriac shall be rezoned from Township Zone to Farming Zone. This change will correct a mapping error and ensure all urban zoned land is contained within the town settlement boundary.

(iii) Evidence and submissions

In relation to the parcels being rezoned as PPRZ, Mr Glossop considered this rezoning is appropriate based on Council ownership and use for open space. However, he noted that 13A Kidman Street (in the Hinterland Estate):

- is shown as a drainage reserve on the proposed Moriac Framework Plan and on the approved Development Plan for the Hinterland Estate
- is not currently used for public open space, although there may be plans to upgrade it for that purpose.

Mr Glossop raised the potential alternative of rezoning 13A Kidman Street to a Public Use Zone, although that would be relatively uncommon for Council owned land. He considered that "*either way, the land should be in a public land zone and, on balance, the PPRZ is a suitable zone*".

Mr Glossop also supported the zone changes along the southern interface of Moriac, which he characterised as 'corrections'. He considered that where the FZ is being replaced with the LDRZ, the location and characteristics of the land would not facilitate additional residential development.

Mr Glossop supported the deletion of the DPO14 from the Hinterland Estate. He noted that the purpose of the DPO is to identify land where the future form and conditions need to be resolved on a plan, generally before a permit can be granted for that land. Mr Glossop had reviewed the approved Development Plan, and based on his inspection, observed that the Hinterland Estate is now substantially developed.

Council submitted that:

- it is appropriate to rezone 13A Kidman Street as PPRZ
- the corrections to the zoning along the southern interface of Moriac are appropriate
- the development of the Hinterland Estate is substantially completed and DPO14 is no longer required. In these circumstances, it was appropriate to remove the DPO from the land where its retention can lead to unintended consequences.

(iv) Discussion

The Panel observed the public open space usage of land proximate to Thompson's Creek on its site visit. The application of the PPRZ to land proximate to Thompson's Creek, and other scattered parcels in the township is appropriate. The inclusion of land owned by Council which is currently used for public open space in a PPRZ, will better reflect the management of this public land, and its use and development going forward.

The Panel agrees with Mr Glossop's evidence that based on its current drainage functions and the identification of 13A Kidman Street as a drainage reserve in the Moriac Framework Plan and the approved Development Plan, a Public Use Zone may potentially be better suited to that land than a PPRZ. However, the Panel supports the application of a PPRZ to this land given:

- no submissions or evidence was received which opposed this rezoning
- Mr Glossop's evidence that the PPRZ is a suitable zone for that land, and indication of potential for future upgrades to the land
- the Council's submission in support of the application of a PPRZ.

The correction of zoning anomalies and boundaries along the Thompson Creek corridor to the southwest of Moriac is also supported. The Panel agrees with Mr Glossop's evidence that the changes to the LDRZ from the FZ, will not enable additional residential development in those locations.

The Panel agrees with the Council that it is appropriate to delete the Development Plan Overlay ordinance and maps over the substantially constructed Hinterland Estate. As a matter of good housekeeping a Development Plan Overlay should be deleted if the development has been substantially completed. This is consistent with the guidance in Planning Practice Note 23: Applying the Incorporated Plan and Development Plan Overlays, which notes the risks of unintended consequences in retaining an overlay and plan after its work has been done.

(v) Conclusions

The Panel concludes:

- It is appropriate to rezone Council owned or public reserve land to PPRZ where that zoning reflects public ownership and open space use.
- The correction of zoning anomalies, including land outside the town boundary and anomalies abutting the creek reserve is appropriate.
- Redundant Development Plan Overlay maps and Schedule 14 to Clause 43.04 should be deleted as proposed.

5 Other local policy changes

5.1 Updates to policy in response to Moriac Structure Plan

(i) The issues

The issues are whether it is appropriate to:

- amend Clauses 11.01-1L-04 (Moriac) and 19.03-2L (Infrastructure design and provision in Surf Coast) to provide updated strategies
- amend Clause 17.02-1L (Business in Surf Coast) to remove strategies no longer relevant
- include the Moriac Structure Plan 2023 as a background document in the Schedule to Clause 72.08.

Other local policy changes are also discussed in other parts of this Report. The Framework plan in Clause 02.04-8 is discussed above in Chapter 3, and the Development Plan Overlay - Schedule 14 ordinance changes are discussed above in Chapter 4.

(ii) Background

Council included changes to Clause 11.01-1L-04 (Moriac) in response to DTP's suggested changes to the exhibited version. These Day 1 changes related to residential development in future growth areas and inserted a strategy seeking access via internal roads rather than Hendy Main Road.

(iii) Evidence and submissions

Mr Glossop considered the proposed Day 1 changes to Clause 11.01-1L-04 provided better direction for future development and increased emphasis on preserving the visual and environmental qualities of the area. He supported DTP's change to the exhibited version of Clause 11.01-1L-04, noting that a strategy about the provision of internal roads is common for estate development adjoining arterial roads.

Mr Glossop provided his support for the changes to Clause 17.02-1L (Business in Surf Coast) which seek to direct commercial use and development to the existing commercial precinct identified in the Framework Plan, and remove previous directions supporting commercial use and development in other locations. In respect of removing the support for commercial development to the south of the town centre, he observed that properties immediately south of the existing town centre are developed with dwellings and clearly, in the period since 2010, have not indicated a desire for commercial activity.

Mr Glossop considered the area marked as a potential civic/commercial precinct in the Framework Plan:

- likely needs to be rezoned from its existing FZ before it could accommodate commercial/ civic uses
- offers more land and fewer sensitive interfaces
- is a logical location to site commercial/civic uses should the need arise in the future.

Mr Glossop also supported the changes to Clause 19.03-2L (Infrastructure design and provision in Surf Coast) which modify the existing strategy concerning water supply infrastructure to provide for developer contributions to the cost. He considered this appeared reasonable, particularly since Clause 02.03-9 (Infrastructure) indicates some known supply constraints, by identifying that Moriac's existing water supply system has the capacity to supply only planned development with an elevation of less than 105 metres AHD.

Mr Glossop also considered it appropriate to reference and include the Structure Plan in the Planning Scheme as a background document, and replace the currently listed Moriac Structure Plan 2010. In his view this was consistent with the guidance on the role of background documents set out in the *Practitioner's Guide to Victoria's Planning Schemes* (August 2025).

Council submitted that the changes to Clause 11.01-1L-04 are directed to:

- protecting the character of Moriac
- supporting limited growth within the proposed settlement boundary
- protecting the visual and environmental characteristics of the town
- enhancing the amenity and encouraging development of land in central Moriac for commercial or service related development.

It submitted that these changes provided a clearer direction for the future development of Moriac.

Council submitted that the changes to Clause 19.03-2L (Infrastructure Design and provision Surf Coast) are for the purpose of drawing planning officer attention to a Barwon Water requirement, but do not seek to establish a contributions framework. Council clarified that the proposed changes were not directly requested by Barwon Water, but noted that the changes responded to the Moriac Integrated Water Management (IWM) Plan – Design Sprint (April 2023) (Document 3(j)) prepared by Barwon Water. The IWM Plan included a table of potential projects which stated:

> Water system upgrades. Additional development is likely to require upgrades. For the Structure Plan: Update clause 19.03-2L to clarify future potable water supply infrastructure upgrade requirements

Mr Masek opposed the proposed changes to Clause 19.03-2L (Infrastructure Design and provision Surf Coast) on the basis that:

- the instigation of charges for upgrades of the potable water supply is not a policy and should not be included in the clause
- the charging for water supply infrastructure is a matter for Barwon Water rather than Council
- charges can be enforced by Barwon Water via a charge scheme or as a condition of a planning permit to develop land.

No expert evidence or other submissions opposed or sought amendments to these local policy changes.

(iv) Discussion

The Panel agrees with Mr Glossop and the Council, that the changes to Clause 11.01-1L-04 (Moriac) provide better direction for future development and the protection of Moriac's

character. The updated strategies appropriately reflect the Structure Plan and its background work. The updated clause references the settlement boundary in the Framework Plan and appropriately includes strategies to support limited low density residential growth in the identified locations. Importantly the strategies reflect the other key policy concerns identified in the Structure Plan such as preservation and enhancement of Moriac's natural environment and surrounding rural hinterland, connectivity of new development and support for the commercial centre of Moriac.

The Panel considers that the changes to Clause 11.01-1L-04 could be improved by removing the general reference to "growth areas" and replacing it with more specific reference to residential development in locations identified on the Moriac Framework Plan. In Moriac's limited growth context, this more specific language provides greater clarity.

The updates to Clause 17.02-1L (Business in Surf Coast) appropriately direct commercial use and development to the existing commercial centre of Moriac, consistent with Mr Glossop's evidence.

Clause 19.03-2L (Infrastructure Design) currently makes outdated references to Area 1 of the Moriac Framework Plan 2010. It is appropriate to update Clause 19.03-2L to reference the Framework Plan and locations in which residential development is currently supported. It is also appropriate to identify the need for upgrades to potable water supply infrastructure, given Barwon Water's input into the Structure Plan in the form of the IWM Plan flagged that additional development is likely to require water supply infrastructure upgrades.

However, the Panel agrees with Mr Masek that it is not necessary to include a strategy to ensure that residential developments contribute to the cost of upgrade to potable water supply infrastructure. The Panel agrees that Barwon Water will seek cost contributions as appropriate under its regulatory framework and it is not necessary to identify the potential for a cost contribution in this strategy.

The Panel considers that the drafting of Clause 19.03-2L should be amended to reference the Framework Plan, but should not include a reference to cost contributions.

The Panel agrees with Council that the Structure Plan should be included as a background document in the Schedule to Clause 72.08, given it has informed the creation of the strategic direction for Moriac.

(v) Conclusions and recommendations

The Panel concludes:

- Amended Clauses 11.01-1L-04 (Moriac) and 19.03-2L (Infrastructure design and provision in Surf Coast) are appropriate to provide updated strategies, subject to changes to the wording of each of these clauses to provide a stronger linkage to the areas identified in the Moriac Framework Plan and avoid a reference to cost contributions for water supply infrastructure in Clause 19.03-2L.
- Amending Clause 17.02-1L (Business in Surf Coast) to remove strategies no longer relevant as proposed is appropriate.

- The Moriac Structure Plan 2023 is appropriately identified as a background document in the Schedule to Clause 72.08.

The Panel recommends:

2.

a) Amend Clause 11.01-1L-04 (Moriac) by replacing the strategy in relation to ensuring residential development in future growth areas enhances the safety, amenity and connectivity of the town with the following wording:

Ensure residential development in locations identified on the Moriac Framework Plan at Clause 02.04-8, enhances the safety, amenity and connectivity of the town by:

b) Amend Clause 19.03-2L (infrastructure Design and provision Surf Coast) by replacing the strategy in relation to potable water supply with the following wording:

Facilitate the provision of upgrades to potable water supply infrastructure for residential developments in Moriac where it cannot be supplied through the existing system, including land located north of Cape Otway Road and the Future Low Density Development Area identified on the Moriac Framework Plan at Clause 02.04-8

Appendix A Document list

No.	Date	Description	Provided by
Tabled documents – Amendment C145surf			
1	17 June 2026	Panel Directions and Hearing Timetable Version 1	Planning Panels Victoria (PPV)
2	24 June 2026	Submitter location map (provided to Panel only)	Surf Coast Shire Council (Council)
3	24 June 2026	Documents specified in Direction 6: a) Draft MSP- GAMA Assessment of Investigation Areas 2023 b) Draft MSP – May 2023 c) MSP Background Report Summary – March 2022 d) Draft MSP Bushfire Risk Assessment – 2022 e) Final MSP - December 2023 f) Moriac Septic Study Report – June 2021 g) MSP Background Report – January 2022 h) MSP Community Engagement Summary Report Phase 1 i) MSP February 2010 Final j) MSP IWM Plan - Design Sprint – Final Version April 2023	Council
4	29 June 2026	Part A submission (including Appendix A), and Appendices: B. Explanatory Report C. Council Resolutions D. C145surf Authorisation E. Rural Hinterland Futures Strategy	Council
5	29 June 2026	Hearing Timetable Version 2	PPV
6	2 July 2026	Email – site visit suggested locations with map	Paul Masek
7	3 July 2026	Email – requesting Council documents	Paul Masek
8	7 July 2026	Email to parties – requesting tabling of additional Council documents	PPV
9	7 July 2026	Email tabling Urban Futures Strategy and Appendices: 1. Context Report – March 2025 2. Growth Projections for the Urban Futures Strategy - April 2024 3. Residential Land Supply and Demand Assessment – June 2024	Council

No.	Date	Description	Provided by
		4. Industrial Land Supply and Assessment – June 2024 5. Strategic Bushfire Assessment – July 2023 6. UFS District Profiles Document – 31 August 2023 7. UFS Background Report – September 2023	
10	7 July 2026	Expert witness statement of John Glossop	Council
11	7 July 2026	Expert witness statement of Chris Coughlan	Paul Masek
12	10 July 2026	Email with attachment: a) Day 1 version of Clause 11.01-1L-04 - Moriac	Council
13	13 July 2026	Council Part B submission and Appendix: 1. Open Space Referral Response	Council
14	13 July 2025	Submission, including attachments: 1. Letter from Vegetationlink – 22 June 2026 2. Email from Matthew Poustie – 7 July 2026 3. Endorsed plan of proposed subdivision staging Cape Otway Road 4. MSP 2010 extract 5. Future Growth Layout plan 6. Quotes re: supply & demand, approvals and development of lots in Moriac 7. General notes on submissions 8. Surf Coast Shire Rural Land Use Strategy – October 1997 9. Hendy Main Road Development Concept Layout 10. Hendy Main Road and Farrer Drive Development Concept Layout 11. Note on Statistical Analysis by Council regarding lot supply and demand 12. Development Concept Plan with inclusion of Farrer Drive 13. Potential 33 Farrer Drive Precinct Wetland System 14. Development Concept Layout with 3 areas marked on 33 Farrer Drive 15. Note on Hinterland Estate NDA calculations 16. Area 2A Future Development Area 17. Letter from Council dated 2 April 2025 18. Letter from Council dated 25 February 2025 19. Property Report	Paul Masek

No.	Date	Description	Provided by
		20. Note on Statistical Analysis by Council regarding lot supply and demand	
15	14 July 2026	Submission, including attachments: a) Moriac Presentation Notes b) Note on distances from 650 Cape Otway Road c) Aerial photo of Rose family farm – 17 October 2025 d) Photos of Moriac with distances and walking times e) Moriac Structure Plan 2010 submission including summary of Council response f) Views of recycling centre g) EPA Operating Licence held by Digga Excavations & Demolition Pty Ltd	Gina Rose
16	14 July 2026	Word versions of exhibited Amendment documentation	Council
17	15 July 2026	Residential Land Supply and Demand Assessment (September 2018)	Council
18	15 July 2026	Questions to Council	Paul Masek
19	15 July 2026	Further attachments to submission: a) Chronology of Moriac Activities impacting on GAMA ratings for 650 Cape Otway Road b) Moriac Centre Point map	Gina Rose
20	16 July 2026	Further attachments to submission by way of correction: a) Attachment 10 – Development Concept Layout b) Attachment 20 – Email from adjoining landowners c) Attachment 21 – Cost analysis d) Attachment 22 – Moriac site comparison chart e) Updated list of attachments	Paul Masek
21	17 July 2026	Email to Parties about status of Panel and corrected appendices to Mr Masek's submission	Panel
22	20 July 2026	Part C submission	Council
23	20 July 2026	Final version of Amendment documentation	Council
24	21 July 2026	Email about comments on Final version of Amendment documentation	Paul Masek
25	21 July 2026	Email to Chris Marshall and parties about directions in relation to comments on Final version of Amendment documentation	Panel