

1 CARDINIA PLANNING SCHEME AMENDMENT C225 - CARDINIA HEALTH PRECINCT SOUTH

FILE REFERENCE INT1748361

RESPONSIBLE GENERAL MANAGER Andrew Paxton

AUTHOR Andrew Paxton

RECOMMENDATION

That Council:

1. Resolve to seek authorisation from the Minister for Planning under Section 9(2) of the Planning & Environment Act 1987 to prepare Planning Scheme Amendment C225 to the Cardinia Planning Scheme to:
 - Provide 10.16 hectares for a new health precinct within the Urban Growth Zone Schedule 2 (UGZ2) and Cardinia Road Employment Precinct Structure Plan (September 2010) (CREPSP) to facilitate the Cardinia Health Precinct South.
 - Change the designation of 16 hectares employment land within the Cardinia Road Employment Precinct Structure Plan from service business to residential.
 - Redistribute residential densities through the proposed residential area to reduce existing densities on properties 22 and 23 but to retain the population and lot projections under the approved September 2010 Cardinia Road Employment Precinct Structure Plan.
 - Update the Cardinia Road Employment Precinct Structure Plan (September 2010) to reflect the proposed changes associated with Planning Scheme Amendment C225.
2. Receives and approves a full set of all amendment documents to the satisfaction of Council prior to the submission of Planning Scheme Amendment C225 for authorisation.
3. Enters into a legal agreement before authorisation is sought for Planning Scheme Amendment C225 from the Minister for Planning with the developers and landowners of Cardinia Road Employment Precinct Structure Plan (September 2010) properties 22 and 23 that this proposal applies to. To ensure that no residential land and child care centre's created through this amendment is subdivided or developed until substantial construction has started on the hospital as described within the report by MacroPlan Dimasi 31 January 2017.

Attachments

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|---|-----------------------------------|--------|
| 1 | Locality plan | 1 Page |
| 2 | Draft Future Urban Structure Plan | 1 Page |

EXECUTIVE SUMMARY

This report recommends that authorisation be sought from the Minister for Planning to prepare an amendment to the Cardinia Planning Scheme to change the designation of 27 hectares of land within the Cardinia Road Employment Precinct Structure Plan (September 2010) which is located within the southern portion of the structure plan area and bound by Cardinia Road to east, future Thompsons Rd to the south and Gum Scrub Creek to the west.

To modify the schedule to the zone to facilitate the use and development of the land for a:

- Health precinct including a hospital;
- Retirement village; and
- A residential subdivision.

The amendment proposes to change the Cardinia Planning Scheme, Urban Growth Zone Schedule 2 (UGZ2) and the Cardinia Road Employment Precinct Structure Plan (CREPSP). The changes include the amendment of the current land designation from 'service business' to a retirement village, residential and include a new land designation referred to as 'Cardinia Health Precinct South'.

The proposed amendment will facilitate an intensification of the existing service business area by providing for the use and development of land for a health precinct which includes a private hospital with an emergency department, hotel that will be utilised by the hospital, ancillary convenience shops, a child care centre, wellness centre with a gymnasium, high and low care residential aged care facilities. Furthermore, it is proposed to include a retirement village and residential areas to the west of the proposed health precinct.

In order to ensure that the residential yield and population areas do not increase across the residential land area, the residential density is being redistributed across the residential land area. This involves reducing the dwellings per hectare within the high density residential areas 1 and 2 to achieve a balance across the residential precinct land. The redistribution of residential density will achieve the densities required densities in this area.

The changes specific to the land area will include amendments to the precinct structure plan, urban growth zone schedule 2, special use zone schedule 4 to include the 'Cardinia Road Health Precinct South'.

Under the Urban Growth Zone Schedule 2 (UGZ2), the proposed land uses are not permitted in their current land areas. The proposed amendment will resolve this matter by changing the land use designation in the precinct structure plan and the schedule to the zone so that the uses will be permitted through a planning permit.

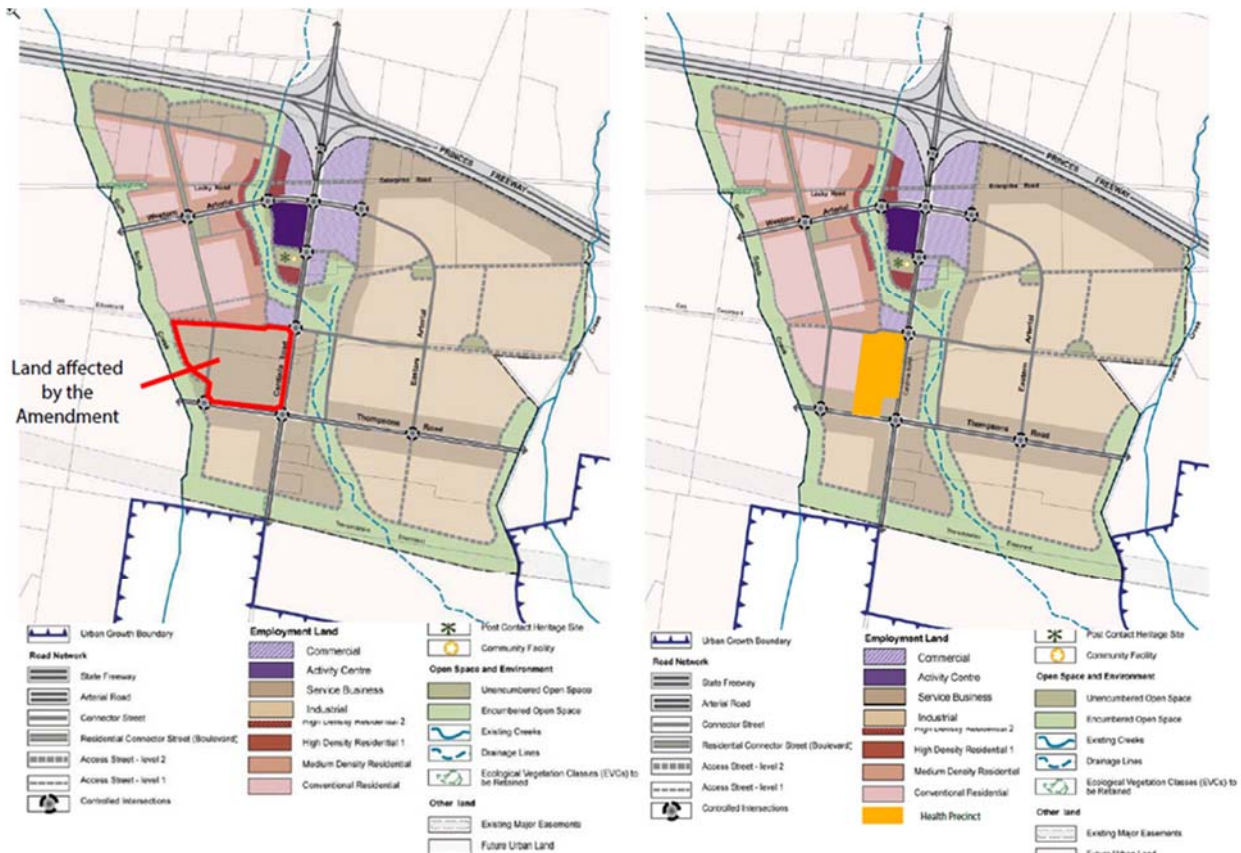
The area of land proposed to be amended affects properties 22 and 23 of the precinct structure plan. Proposed land areas:

- Health Precinct approximately 10.16 hectares in size and is located within the south-east corner of property 22 and 23, north-east corner of property 23 and located on the corner of Cardinia Road and the future Thompsons Road.
- Retirement village approximately 5.4 hectares in size.
- Residential area approximately 10.6 hectares in size.

Figure 1: Urban Growth Zone Schedule 2:

Plan 1 – Land affected by amendment area

Proposed Plan 1: proposed amendment area



The proposed land designation as a health precinct is appropriate in this instance to accommodate the proposed uses and further supports a continuum of health care provided by the Cardinia Health Precinct South.

The inclusion of a retirement village within this area will provide for diversity of housing stock within the precinct catering for all socio economic groups of Cardinia Shire Council. The proposed amendment will change the housing typology substantially to what the existing Cardinia Road Employment Precinct was planned for as the proposed amendment is seeking to reduce the high density areas around the creek south of Lecky Road to introduce new residential precincts with more conventional densities, whilst maintaining the same amount of lots as the original PSP.

By undertaking the proposed amendment, it will create a fundamental shift in the original strategic intent of the Cardinia Road Employment Precinct Structure Plan. However, the net increase in jobs can be considered a reasonable balance between the loss of employment land if the new residential land is serviced appropriately.

It should be noted that the health precinct and the conventional residential components are not strategically linked from a planning perspective. If the residential component of this amendment was to cause issues with receiving authorisation from the Minister for Planning, Council should consider re-seeking authorisation for the hospital component only. A potential development of this significance should not be held up by residential land which Cardinia Shire has an adequate supply of. It is therefore recommended that a legal agreement is entered into to ensure that the no residential land established through this amendment is subdivided or developed until proof that construction of the hospital is underway.

It is recommended that Council seek authorisation from the Minister for Planning to prepare planning scheme amendment C225 to the Cardinia Planning Scheme.

BACKGROUND

The Cardinia Road Employment Precinct Structure Plan was incorporated into the Cardinia Planning Scheme in September 2010 (Amendment C130). The Amendment incorporated the Cardinia Road Employment Precinct Structure Plan into the Cardinia Planning Scheme, which included the schedule 2 to the Urban Growth Zone, the Special Use Zone Schedule 4 and applied the Development Contributions Plan Overlay Schedule 3.

The Land:

The proposed amendment applies to land TP542938Z and TP400532X at 270 Cardinia Road, Officer South, also referred to as property 22 and 23 within the precinct structure plan. The proposed amendment area is located within the north eastern corner of the future Thompsons Road and Cardinia Road intersection and is south of an existing gas easement and an east west road as identified on the precinct plan, west of Cardinia Road, east of Lower Gum Scrub Creek, as described within the Cardinia Road Employment Precinct in Officer.

The Precinct

The Cardinia Road Employment Precinct is approximately 590 hectares split into 30 titles owned by 16 landowners. The vision for the precinct is to provide for a multi-functional regional employment node that delivers a mix of jobs to Casey-Cardinia, interconnected with regional transport routes and rapidly growing communities. An intensely developed commercial core and residential precinct is set amid extensive wetlands and biodiversity corridors, establishing a high amenity business park setting to attract investment (Section 3.1 Vision - CREPSP)

The Precinct is located in the State-Significant industrial precinct as noted in Plan Melbourne and is planned to provide investment through a wide range of specialist and jobs via intensive industries. The Precinct facilitates the diversification of industry and employment in the corridor, by providing for a wide range of industrial and commercial development types, including:

- Offices in a campus-style business park setting for uses requiring larger land areas;
- Combined showroom and warehouse or workshop type uses to accommodate light industrial uses in high-visibility locations required by businesses with front-of-house customer service and display areas; and
- Industrial areas with well-designed road networks that offer direct connections to arterial roads and deliver greater operational efficiency for businesses.

The future urban structure of the precinct consists of some residential land, commercial, activity centre, services business and industrial along with a series of open space corridors connecting to a broader network. The commercial area and activity centre are located at the northern end of the precinct with the Princes Freeway providing central access via Cardinia Road.

At present the western arterial road is under construction as part of the 680 lot residential subdivision that has been approved for the land, which is known as Kaduna Park. Cardinia Road will be widened and upgraded to an urban arterial standard in the future. In addition, two new east west arterials are planned for the precinct. Thompsons Road and Glasscocks/Grices Road will connect the arterial road network to the City of Casey and Cardinia Shire to give access to Cardinia's employment precincts. This will enhance access between Pakenham and Officer

Employment precincts which also provide an alternative access to Officer South Road, McGregor Road and Kooweerup/Racecourse Road.

The precinct contains provision of open space which is utilised through existing waterways that will be subject to extensive rehabilitation such as Gum Scrub Creek, Toomuc Creek and Deep Creek. The approved Cardinia Road Employment Precinct Structure Plan did not plan for community infrastructure like most PSPs, so the provision of community centres, active open space and primary schools were not planned to be located in this precinct. The open space network will provide north south links with new network trails that integrate into the passive open space network with active reserves throughout the Cardinia Growth Area.

Existing Planning Controls and considerations

The Cardinia Shire Planning Scheme through the Cardinia Road Employment PSP and Schedule 2 to the Urban Growth Zone currently allows for a hospital to be applied for in land designated for commercial purposes. Consideration has to be given to whether this proposal will undermine the previously planned area for commercial purposes by creating an additional health precinct.

Given the fact that there is a current subdivision application being considered by Council in the north of this precinct at the south west corner of the Cardinia Road and Princes Freeway intersection to facilitate a health precinct including a hospital and associated uses. Therefore, the market forces will determine whether both proposal are viable to be delivered at the same time or a staggered approach is required.

Zone and Overlays:

The land is zoned Urban Growth Zone Schedule 2 (UGZ2), is partly contained within the Special Use Zone Schedule 4 (SUZ4) (drainage/creek corridor), part Land Subject to Inundation Overlay (LSIO) typically follows both creek corridors, Urban Floodway Zone (UFZ) along the western boundary along gum scrub creek, Development Contributions Plan Overlay Schedule 3 (DCPO3) and part Heritage Overlay (H090) over the Kaduna Park homestead apply to the land.

The Proposal

The proposed planning scheme amendment is to change the land designations within the approved Cardinia Road Employment Precinct Structure Plan (September 2010) to facilitate the use of land for the above purposes.

The proposed change in land use of employment land to conventional residential is not directly linked to the Health Precinct proposal. It is hard to gauge when the residential component of the proposed amendment will be delivered, but it must not be delivered before the stages discussed within table 1 of this report.

Employment Generation

The employment numbers have been considered in two phases being the construction cycle and long term operational phase upon project completion. Both direct and indirect employment during the above two phases are calculated. (Report by MacroPlan Dimasi 31 January 2017).

The overall employment generated during the construction cycle is estimated at 1627 full time jobs per annum and the estimated ongoing full time jobs per annum are 2884. The table below provides a break down of the uses within the stages, construction job numbers and ongoing employment numbers for the precinct.

Table 1.

Proposed Development		Project Completion / Operational Employment Generation which includes constructions jobs		
		Direct FTE	Indirect FTE	Total FTE which includes direct and indirect
Stage 1				
Private hospital, emergency department, specialised medical centres.		724	942	1666
Completion 2020 <ul style="list-style-type: none"> • Private Hospital – provides for 179 beds • Operating theatre's – provides for 8 theatres • Multi day beds – provides for 117 beds • Same day beds – provides for 62 beds • Level 3 emergency department • Specialised medical centre 				
Stage 2				
Residential Aged Care, medi hotel, child care centre		166	213	378
Begins after completion of stage 1 <ul style="list-style-type: none"> • High and low residential aged care – provides for 228 beds • Residential hotel that includes accommodation for people within connection of the hospital – provides for 100 units • Child care centre – provides for 100 children 				
Stage 3				
Intensive Care Unit, day surgery, primary health services, retirement village, retail, gymnasium and wellness centre		360	480	840
Begins after completion of stage 2 <ul style="list-style-type: none"> • Intensive care unit as the expansion of the hospital • A stand alone day surgery unit as a supplementary to the hospital – provides for 122 • Primary health services with a mix of medical related tenants, • Retail outlets with a mix of tenancies such as cafes, pharmacies, convenience stores, new agencies, real estate agents, • A 600sqm gymnasium, • 300sqm wellness centre. 				
Total		1250	1635	2884

Source MacroPlan Employment Impact Assessment Report January 2017, ABS, Australian Nursing & Midwifery Federation Victorian Branch; Australian Children's Education & Care Quality Authority; MacoPlan Dimasi.

Employment Land

The south east corridor is experiencing high levels of population growth but low or delayed delivery of jobs. The number of jobs available is lower than the number of people working in the area and as a result, residents are travelling long distances to their jobs. By diversifying the typical

employment base in the growth corridor, this precinct will facilitate additional jobs for people who live in the area and alternatively people will come to live and work in the area.

The development of the Cardinia Health Precinct will create short-term and long-term employment, both directly on site and through the creation of jobs off site. The health precinct is proposed to occupy 10.16 hectares of service business land. This equates to approximately 600 jobs if it remained as service business.

Residential and Retirement Village rezoning component

The amendment proposes the rezoning of 16 hectares of employment land to residential land. Residential development has been planned for the precinct, to facilitate the establishment of a high amenity commercial core area and the precinct provides for at least 2,004 dwellings. A range of housing options are provided within a relatively small area of the Precinct, delivering densities substantially greater than conventional residential subdivision.

The objectives for housing in the Cardinia Road Employment PSP are to:

- Facilitate the development of a residential area that accommodates sufficient population to support a full size supermarket in the neighbourhood activity centre.
- Provide at least 2000 dwellings for the precinct.
- Create a niche residential offer that provides different housing choice in Cardinia Shire by:
Achieving significant higher residential densities including smaller lot development; and
Delivering a compact multi storey residential form.
- Provide a range of residential densities and housing types.

The amendment proposes to introduce an additional 16 hectares of residential land, with 10.4 hectares to be used for conventional residential and the other 5.6 hectares for a retirement village. The proposed introduction of this land is at the expense of State Significant Employment land and a reduction in density yields in the previously planned for high density housing precincts. One of the fundamental issues with introducing conventional density areas is that the PSP planned for a range of smaller housing types which this proposal is going against. The PSP planned for a demographic that would attract:

- Executives who would prefer to be closer to their place of employment;
- Older working people looking for a lifestyle change;
- Couples without children; and
- Singles and young professionals employed in white collar industries, given the range of employment opportunities in the precinct.

With the proposed amendment planning to bring in conventional density housing which is typically purchased by families and residential retirement villages in which people don't typically work it has to be questioned whether the strategic intent of the proposed amendment is consistent with the approved PSP.

Council officers are of the opinion that an agreement must be entered into by the landowners & developers that the construction of a hospital must be underway before any residential land can be

released. This is due to the risk that Council is potentially agreeing to a loss of employment land based on the fact that more jobs will be delivered through the hospital. A key focus of our employment area should be delivering jobs for local people.

The Amendment

To facilitate the proposal previously discussed a complex planning scheme amendment to the Cardinia Shire Planning Scheme is to be prepared by the applicant to achieve the outcomes noted.

The following section details the changes that need to occur:

Cardinia Planning Scheme – Urban Growth Zone Schedule 2

- To insert a new Plan 1 showing and change of the designation of the subject land from:

Service Business to Cardinia Health Precinct South.
Service Business to Residential.
Service Business to Retirement Village.

- Amend Clause 37.07 of the Urban Growth Zone (UGZ) to replace schedule 2 with a new schedule 2 that inserts a new Plan within schedule 1.0 Plan 1 map.
- Amend Clause 37.07 of the Urban Growth Zone (UGZ) to replace schedule 2 with a new schedule 2 that changes the uses in Section 1 as follows:

Hospital - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Residential Aged Care Facility - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Retirement Village - Must be located in an area shown as Residential (Retirement Village) in Plan 1.

Amend Section 3 Prohibited – Accommodation (other than Bed & Breakfast, Dwelling, Nurses home, residential college, residential hotel residential aged care facility and retirement village).

Shop - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Residential Hotel - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Office - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Food and drink premises - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Restaurant - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Child care centre - Must be located in an area shown as Cardinia Road Health Precinct South in Plan 1.

Section 2 Use/s:

Retirement Village – must be located in Cardinia Road Health Precinct South in Plan 1.

Cardinia Planning Scheme – Special use Zone 4

- Amend Clause 37.01 of the Special Use Zone (SUZ) to replace schedule 4 and insert a new Plan within schedule 1.0 Plan 1 future urban structure.

Cardinia Planning Scheme – Cardinia Road Employment Precinct Structure Plan

- Amend multiple sections of the PSP to align the document with the proposed schedule changes to the Urban Growth Zone 2.

Conclusion of background

The key elements for consideration of this proposal are:

- Increase in job numbers;
- Loss of employment land;
- Increase in residential area; and
- Change to existing Precinct Structure Plan.

An application for an amendment under Section 9(2) of the Planning & Environment Act 1987 should be made to the Minister for Planning to test the merits of the proposed planning scheme amendment against existing local and state policies. If the Minister agrees with the proposed amendment process, a full exhibition process should be undertaken to give all parties that have an interest in the proposal to put forward a submission.

If Council resolve to seek authorisation to prepare the Amendment, officers will prepare the required documents and submit these to the Minister for Planning. Once authorisation is received, the Amendment will be placed on public exhibition which is Stage 1 of the amendment process outlined in Figure 2 below.



Figure 2, Steps in the Planning Scheme Amendment Process

If submissions are received through the exhibition process, Council can try to resolve these issues if not the submissions will be considered by an independent planning panel appointed by the Minister for Planning.

POLICY IMPLICATIONS

The amendment is generally in accordance with the Cardinia Planning Scheme. The State Planning Policy Framework seeks to support the objectives of planning in Victoria which are outlined under Section 4 of the Planning and Environment Act 1987.

These objectives include providing 'for the fair, orderly, economic and sustainable use, and development of land' and provide for a precinct that provides for a range of employment that provides for the benefit of the community.

This amendment supports these objectives by implementing the Victorian Planning Provisions through the appropriate redesignation of land to a commercial and residential use that provides for the provision of a concentrated area of high employment across a small area of land. The amendment is consistent with the overlays within the Cardinia Planning Scheme.

Further the amendment will allow for a diverse range of employment opportunities to meet the needs of the community by implementing the objectives of the Municipal Strategic Statement including:

The Amendment implements various objectives of Plan Melbourne 2017-2050 Metropolitan Planning Strategy which is outlined in detail within the Explanatory Report.

RELEVANCE TO COUNCIL PLAN

Strategic objective 3.5.2 of the Council Plan discusses the need to plan for the development of the urban growth area with a mix of residential, commercial, employment, recreational and community activities to meet the need of our growing community in a sustainable way.

It is considered that the proposed planning scheme amendment responds to the majority of the elements of the strategic objective by creating more jobs in the Cardinia Road Employment PSP and providing a mix of residential to cater for the growing community's requirements.

CONSULTATION/COMMUNICATION

There has been no consultation at this stage as formal consultation with the community and relevant stakeholders would occur should authorisation for the amendment be granted.

Seeking approval from Council is the first step in order to seek authorisation to proceed with the next phase of the amendment process. Should Council be granted authorisation to proceed with the amendment by the Minister for Planning, the proposed planning scheme amendment would be subject to the exhibition process in which the community and relevant stakeholders will have their opportunity to provide feedback or make a submission.

FINANCIAL AND RESOURCE IMPLICATIONS

It is not envisaged that the amendment will be of any financial cost to Council. Should the amendment proceed to the next stage of authorisation, all associated costs are required to be met by the proponent.

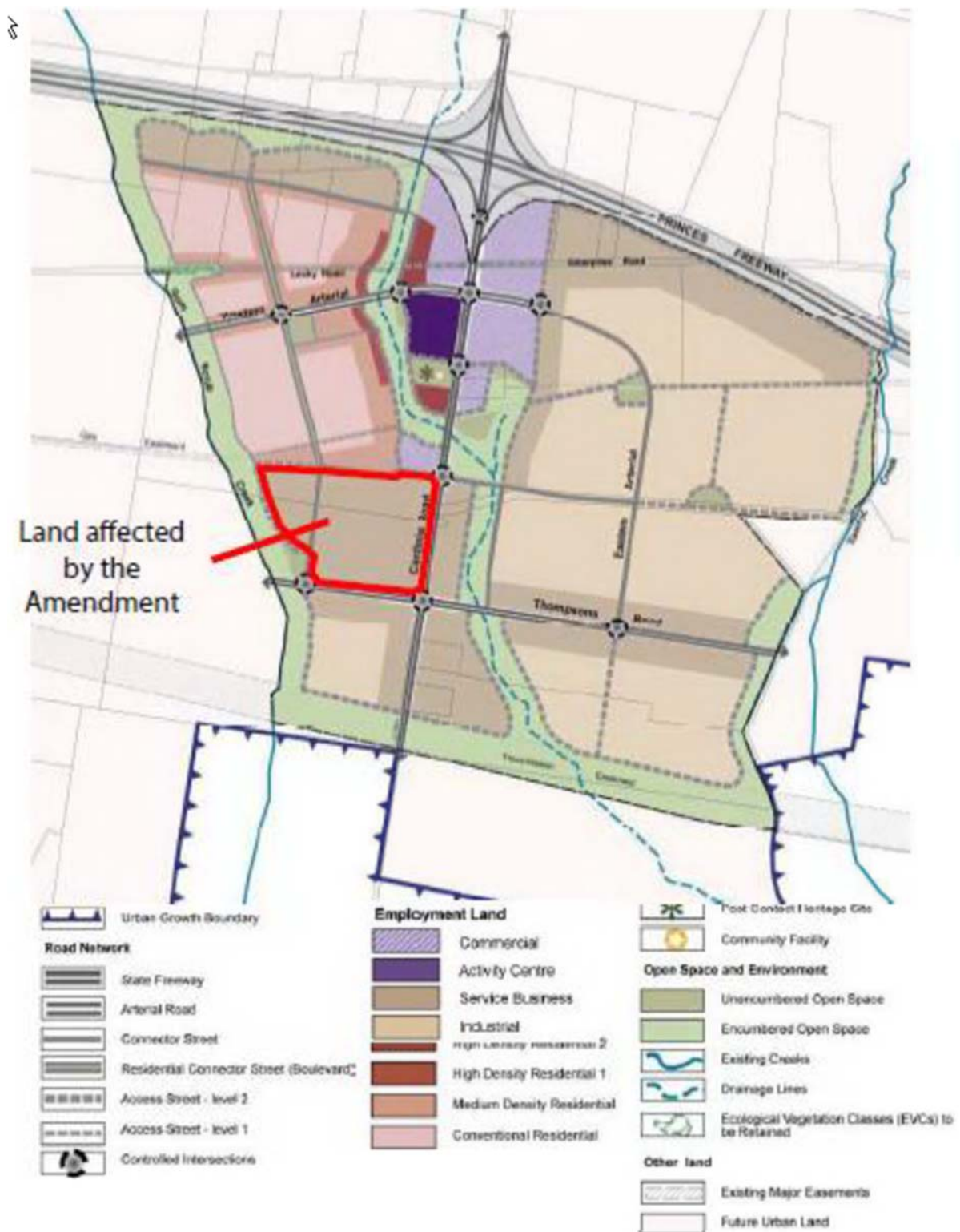
CONCLUSION

The proposed planning scheme amendment is required to facilitate a health precinct in the southern portion of the Cardinia Road Employment PSP. As it currently sits the hospital is not prohibited on the subject site and will not legally be able to be built if a planning scheme amendment is not approved.

Further refinements to the amendment documentation for the amendment are required from the applicant, prior to requesting the Minister to Authorise.

Authorisation to prepare the amendment should be sought from the Minister for Planning subject to a legal agreement being entered into between Council and the landowners/developers to ensure that any introduced residential land will not be subdivided or developed until physical proof that a hospital is being constructed.

Attachment 1: Locality Plan:



Attachment 2: Draft Future Structure Plan

