

# Issues and Opportunities Paper

Housing and Neighbourhood Character Strategy: Castlemaine, Campbells Creek and Chewton

July 2022



### Acknowledgement of Country

Mount Alexander Shire Council acknowledges the Dja Dja Wurrung and Taungurung Peoples as the Traditional Custodians of the lands and waters of the place known as Mount Alexander Shire. We recognise their ongoing living culture and the important role they continue to play in the life of this region

# Contents

<b>Executive Summary</b> .....	1
<b>1. Introduction</b> .....	2
2.1 What is the purpose of the Issues and Opportunities Paper? .....	2
2.2 What is a Housing and Neighbourhood Character Strategy, and why do we need one? .....	3
2.3 Where does the Housing and Neighbourhood Character Strategy apply? .....	4
2.4 How does this project fit into Council's settlement planning work? .....	8
2.5 Housing and Neighbourhood Character Strategy: project staging .....	9
<b>2. Issues and Opportunities</b> .....	10
2.6 Planning Policy and the Planning Scheme .....	10
Flooding .....	13
Bushfire .....	14
Natural environment.....	15
Land use conflict and potentially contaminated land.....	16
2.8 Residential development areas .....	17
Happy Valley.....	19
Strategic Opportunity Sites .....	20
2.9 Built form and design .....	21
Heritage .....	21
Neighbourhood Character.....	23
Environmentally Sustainable Development (ESD) .....	23
2.10 Infrastructure .....	24
<b>3. Population, Households and Housing</b> .....	25
3.1 Population .....	26
Current population .....	26
Population forecasts .....	26
3.2 Households .....	26
Current households.....	26
Household forecasts .....	26
3.3 Housing .....	26

Current housing .....	27
Housing forecasts.....	27
<b>4. Land Supply and Demand</b> .....	28
4.1 Supply Assessment .....	28
4.2 Demand assessment: .....	28
4.4 Review of land supply and demand: .....	29
4.5 Summary: .....	29
<b>Conclusion</b> .....	30

## Figures

Figure 1 Castlemaine .....	5
Figure 2 Campbells Creek.....	6
Figure 3 Chewton .....	7
Figure 4 Council's Settlement Planning Program diagram .....	8
Figure 5 Project stages and timeframes.....	9

## Tables

Table 1 Total land supply (out of primary townships)* .....	29
---	----

# Executive Summary

Castlemaine, Campbells Creek and Chewton have a current population of 11,352, accommodating more than half of the total Shire's population (based on SA2 areas, ABS 2021), which is projected to increase to 12,363 by 2041 (REMplan Forecast 2022). Approximately half of the Shire's houses are located within Castlemaine, Campbells Creek and Chewton. As this area continues to grow and residents seek to live within Castlemaine, Campbells Creek and Chewton, it is important to ensure that there is a framework for housing the changing needs of our residents.

Council is preparing a Housing and Neighbourhood Character Strategy ('the strategy') for Castlemaine, Campbells Creek and Chewton to help guide residential development into the future.

The key challenge for managing housing growth in the municipality is not just about supply but also about ensuring that new housing is being provided in the right locations, and that there is a diverse range of housing that matches our residents' changing housing needs. The number of people living in a household is reducing, and lone person households are increasing, while separate houses are expected to continue to make up the majority of houses over time. This signifies the need for more diverse housing options including smaller houses, and guidance for the preferred outcomes for this housing which responds to its context.

When planning for future housing and population, we also need to consider things like neighbourhood character, heritage, access to services and facilities, and environmental factors which can constrain development.

This Issues and Opportunities Paper is the first step in the project, and will provide key background information and help to establish the strategic context for the development of the Housing and Neighbourhood Character Strategy.

It provides an overview of Castlemaine, Campbells Creek and Chewton's housing context, issues and opportunities, under the following themes:

- Environmental considerations, including:
  - Flooding
  - Bushfire
  - Natural environment
  - Land use conflict and potentially contaminated land
- Residential development areas:
  - Happy Valley
  - Strategic opportunity sites
- Built form and design:
  - Heritage
  - Neighbourhood character
  - Environmentally Sustainable Design (ESD)

The paper is to be used for discussion purposes to seek key feedback and input from the community and key stakeholders, to inform the preparation of the strategy.

# 1. Introduction

As the Shire continues to grow and a large portion of the Shire's population continues to desire to live within Castlemaine and surrounds, it is important to plan for this population growth to ensure that the housing responds to the needs of the current and future community.

The purpose of this project is to:

- Understand the changing housing needs in the community
- Identify potential sites for housing within urban areas and designate appropriate areas for future development
- Take into account neighbourhood character, heritage values and environmental factors to designate areas for substantial, incremental or minimal change
- Prepare design guidelines for clearer guidance and certainty for future development
- Inform changes to planning policy, zoning and overlays in the Mount Alexander Planning Scheme

When planning to accommodate more residents and houses, Council is required to plan for this by considering relevant environmental, social and economic factors, and where conflict arises, balance competing objectives in favour of net community benefit and sustainable development.

## 1.1 What is the purpose of the Issues and Opportunities Paper?

Council is preparing a Housing and Neighbourhood Character Strategy for Castlemaine, Campbells Creek and Chewton to guide future residential development over the next 20 years which responds to existing and future housing needs of the community. This Issues and Opportunities paper ('the paper') will establish the strategic context and identify issues and opportunities that relate to planning for housing, which will inform the preparation of the Housing and Neighbourhood Character Strategy. The paper is accompanied by a Housing Needs background report, which includes a snapshot of current and forecasted demographics, households and housing supply.

The paper is a discussion paper on which we are seeking feedback, to help the preparation of the Housing and Neighbourhood Character Strategy for Castlemaine, Campbells Creek and Chewton.

The paper is accompanied by the following attachments:

- Attachment 1: Strategic policy and context
- Attachment 2: Housing Needs Assessment

For geographical boundaries of the study area/s and definitions for key terminology, please refer to Attachment 2.

## 1.2 What is a Housing and Neighbourhood Character Strategy, and why do we need one?

Castlemaine, Campbells Creek and Chewton are experiencing growth and housing pressure however it is important that planning for residential development considers neighbourhood character. This Strategy is a long-term plan to manage and plan for future housing growth and change in Castlemaine, Campbells Creek and Chewton, so that it meets the ongoing needs of the community. It will identify locations for future residential development within the existing urban boundary and how new development can be managed to protect and enhance existing and preferred neighbourhood character.

Given Castlemaine, Campbells Creek and Chewton's geographical proximity to each other and similarities in the constraints that impact on land use and development, the Strategy applies to all three of these townships. It will recognise and identify the unique neighbourhood character and housing trends, including household make-up and population growth, that each of the three communities are individually known for. The strategy is guided by the State Government's Planning Practice Note (PPN) 90 'Planning for Housing' and 91 'Application of residential zones'.

PPN90 states that a Housing Strategy:

- Ensures a range of housing opportunities are available across the municipality to meet the needs of the projected population.
- Outlines the strategies and implementation mechanisms to accommodate the projected population and household needs.
- Identifies where and how the housing needs of the future population will be met across the municipality.
- Identifies suitable locations for housing growth including those areas close to services, jobs, public transport and activity centres, and strategic development areas.

PPN90 states that a neighbourhood character strategy assists in identifying valued characteristics of areas that need to be considered when identifying the preferred future character for residential areas, and specifically:

- Considers both the public and private realms.
- Provides strategic direction for neighbourhood character to guide future development through preferred neighbourhood character statements or neighbourhood character objectives.
- Identify the comparative significance of each neighbourhood character area.
- Forms the basis for any variations to the Planning Scheme, such as policies or objectives for neighbourhood character or changes to the residential zone schedules.

Together, the Housing and Neighbourhood Character Strategy will establish a 'residential development framework', which brings together the strategic work undertaken for the area (relating to housing, neighbourhood character, heritage, and environmental factors such as bushfire), to ultimately balance all of the outputs and objectives by prioritising preferred development outcomes for difference areas.

The residential development framework will assist in identifying housing change areas and inform the application of the residential zones and overlays. Housing change areas generally include:

- Minimal change (protecting neighbourhood character).
- Incremental change (consolidating existing urban areas).
- Substantial change (planning for intensification).

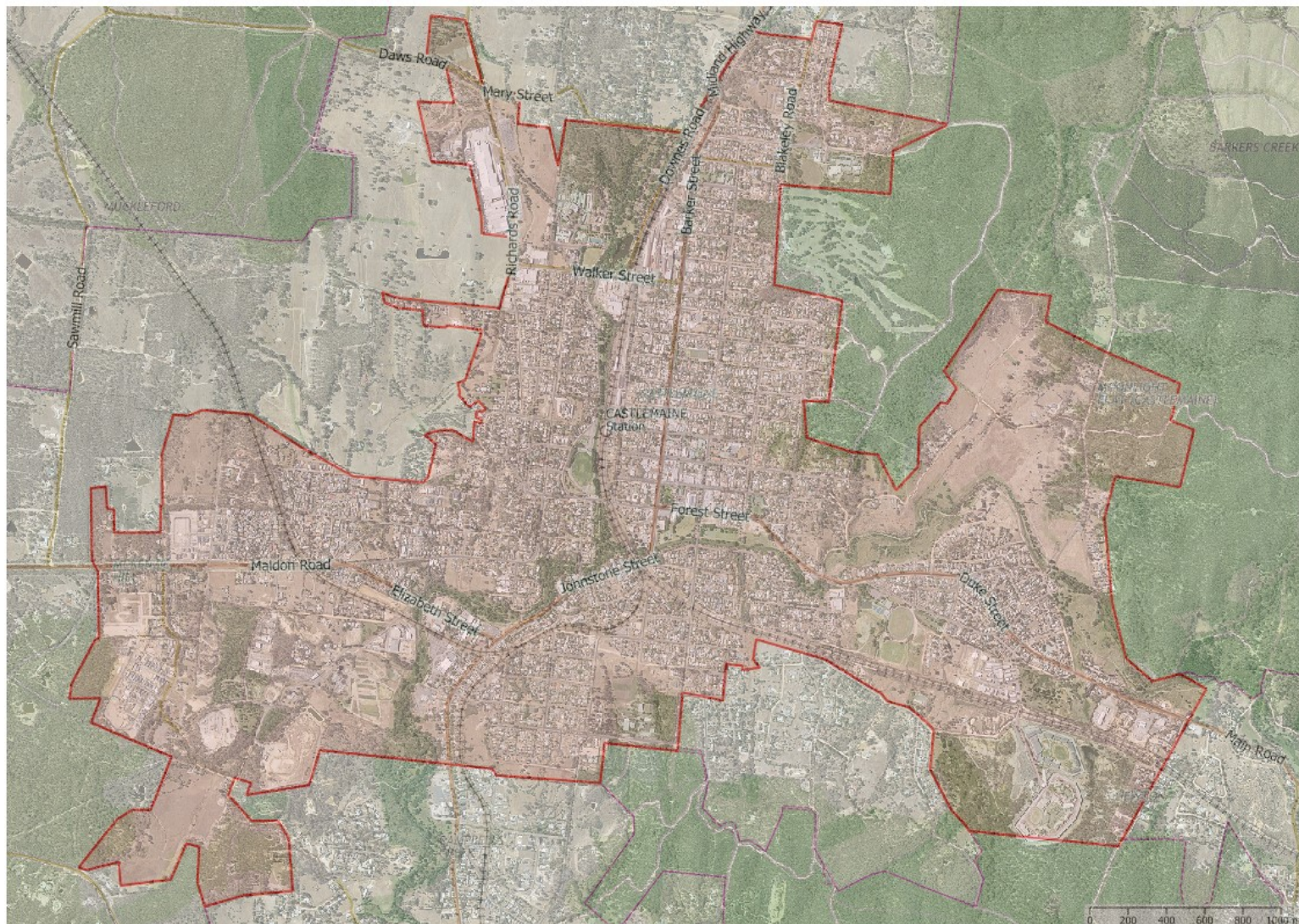
### **1.3 Where does the Housing and Neighbourhood Character Strategy apply?**

The strategy applies to Castlemaine, Campbells Creek and Chewton, as defined by the figures below. These areas correspond with the urban boundaries that are established through:

- For Castlemaine and Campbells Creek (Figures 1 and 2): the urban boundary as identified within the Castlemaine Land Use Framework Plan within the Mount Alexander Planning Scheme
- For Chewton (Figure 3): the township boundary as identified on the Chewton Structure Plan within the Chewton Urban Design Framework completed in 2008.



FIGURE 1 CASTLEMAINE





**FIGURE 2 CAMPBELLS CREEK**

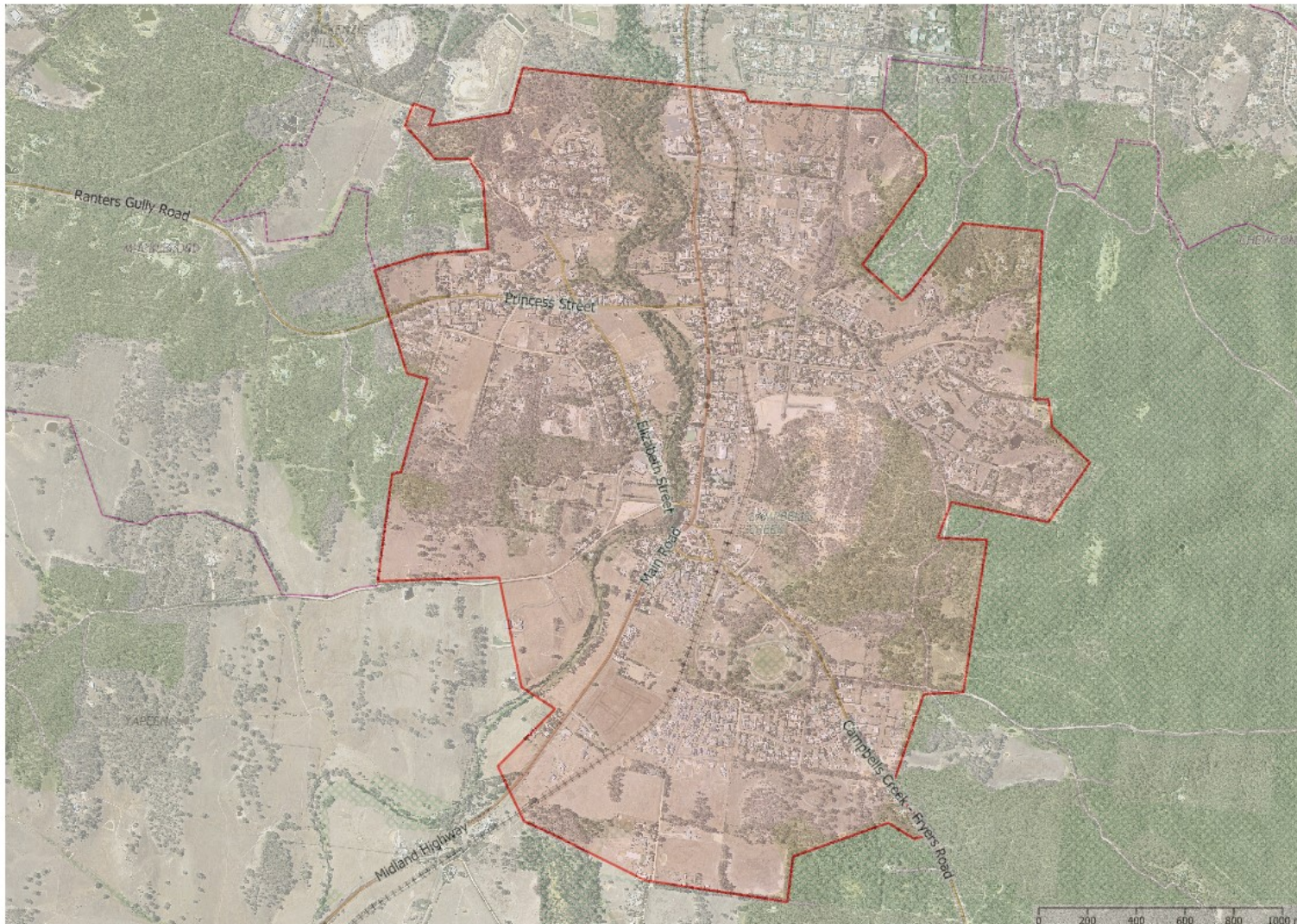
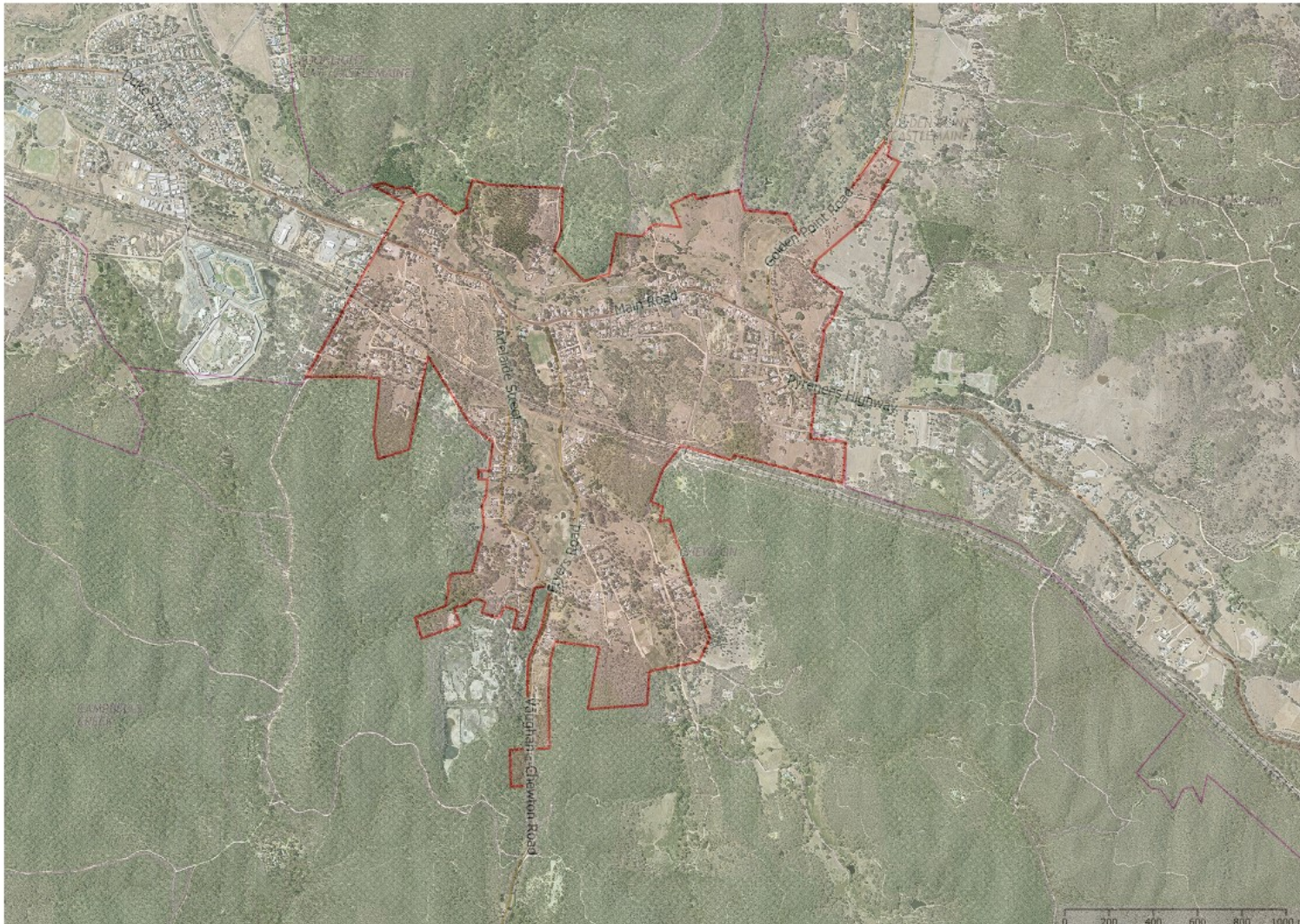




FIGURE 3 CHEWTON

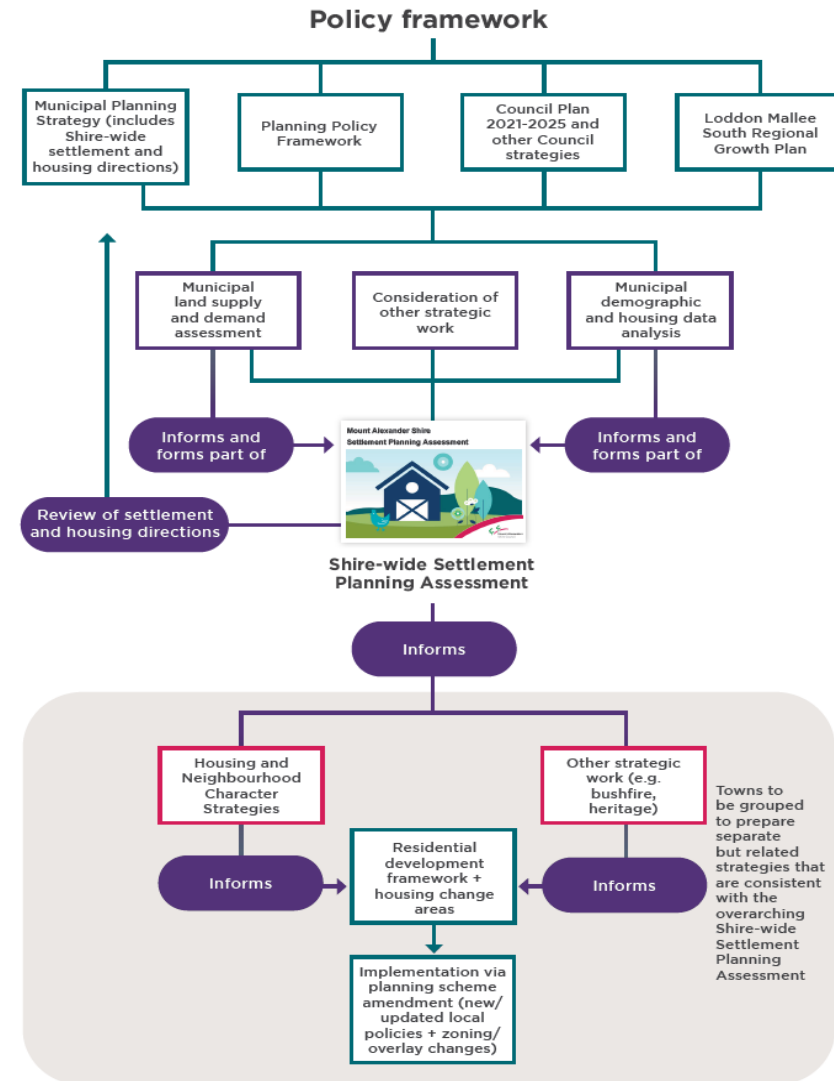


## 1.4 How does this project fit into Council's settlement planning work?

Council has prepared a draft Settlement Planning Assessment for the Shire, which includes a municipal land supply and demand analysis. It reviews the existing overarching framework for how residential growth is to be managed in the municipality over the next 15 years, defining the role of different settlements and describes the relationships and interdependencies between localities.

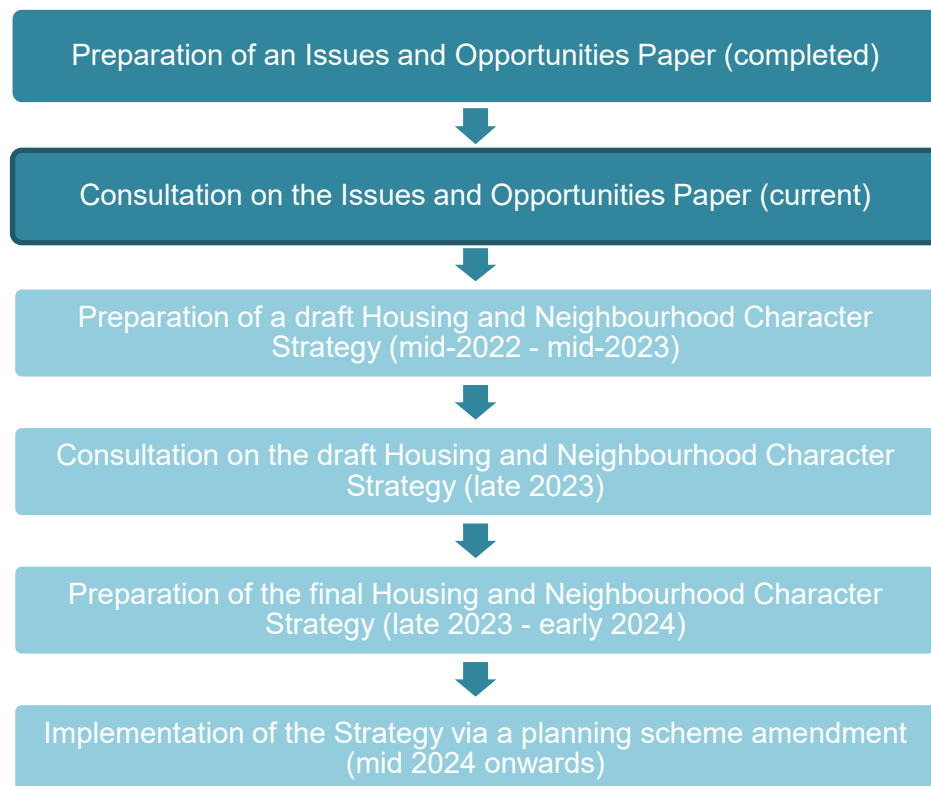
The Assessment is to inform future strategic planning work such as town-based settlement plans and housing strategies, including the Housing and Neighbourhood Character Strategy for Castlemaine, Campbells Creek and Chewton. At this town-based level, the level of housing growth and change to be accommodated in residential areas is to be identified. Figure 4 helps to illustrate how these projects relate and form Council's Settlement Planning program.

FIGURE 4 COUNCIL'S SETTLEMENT PLANNING PROGRAM DIAGRAM



## 1.5 Housing and Neighbourhood Character Strategy: project staging

FIGURE 5 PROJECT STAGES AND TIMEFRAMES



### Issues and Opportunities Paper:

Feedback heard on the paper during consultation will be reviewed to help inform the preparation of the draft strategy.

### Draft Housing and Neighbourhood Character Strategy:

- Neighbourhood Character Assessment:
  - Desktop analysis and field work.
  - Establishment of neighbourhood character precincts.
  - Preparation of neighbourhood character statements.
- Housing Assessment:
  - Response to housing needs.
  - Identification of strategic opportunity sites.
  - Identify and define housing change areas.
- Draft Housing and Neighbourhood Character Strategy:
  - Synthesis findings from Neighbourhood Character and Housing into draft strategy.

### (Final) Housing and Neighbourhood Character Strategy:

- Finalise the Housing and Neighbourhood Character Strategy: Castlemaine, Campbells Creek and Chewton after consideration of feedback on the draft.

### Implementation:

- Implementation via planning scheme amendment process.



## 2. Issues and Opportunities

### 2.1 Planning Policy and the Planning Scheme

The Mount Alexander Planning Scheme contains policies and provisions that control land use and development.

#### Key discussion points and messages

- Housing is affected and influenced by policy at all levels of government, with each level of government having a different role and responsibility in relation to housing.
- Council's role in housing is to facilitate the orderly provision of housing, through mechanisms within the Planning Scheme, such as policy, zoning and overlays. This includes encouraging housing diversity and directing new development into sustainable and appropriate locations with access to services, transport and facilities.
- The strategy will be informed by state, regional and local planning policy.
- The Loddon Mallee South Regional Growth Plan identifies Castlemaine as a 'regional centre/town' and notes that future planned growth is to be focused within the existing urban area, while having regard for the historic character of the town.
- The strategy is needed to guide future residential development in Castlemaine, Campbells Creek and Chewton over the next 20 years to ensure that housing responds to the needs of our changing population over this period.
- Castlemaine is the main population centre in the Shire, and is the key administrative and commercial centre for the Shire.



## Issues

- The Castlemaine Framework Plan (which includes Campbells Creek) was prepared in 2004. A high-level review of the plan was completed during the Mount Alexander Planning Policy Framework translation (in 2021) which made some updates to the plan. However, a more detailed analysis of the plan has not been undertaken since its original preparation.
- There is no local policy in the planning scheme specific to Chewton, despite the preparation of the Chewton Urban Design Framework and Addendum in 2008 and 2010 respectively.
- There is a need to review the application of the residential zones since they were reformed in 2017, and since the Planning Practice Note 91 (Using the residential zones) was developed in 2019, to ensure appropriate application of residential zones.
- State and local planning policy emphasises the need to support infill development, however there is limited guidance around preferred design responses and outcomes.

## Opportunities

- Preparation of (updated/new) local planning policy (including a graphical plan) for Chewton.
- Review of (updated) local planning policy for Castlemaine (including Campbells Creek).
- Review of the Castlemaine Land Use Framework Plan (which includes Campbells Creek).
- Review of the application of the Development Plan Overlay (DPO) and Schedules to understand whether they could be removed if they are no longer required.
- Review of the Happy Valley / Moonlight Flat Structure Plans, where the land is included within the Castlemaine township boundary.
- Investigation into the application of the Design and Development Overlay (DDO) and Neighbourhood Character Overlay (NCO) and schedules where required.
- Investigation into the application of the residential zones and their appropriateness.

## 2.2 Environment

### Key discussion points and messages

- There is a need to ensure that future housing considers the impact of environmental constraints and factors.
- Council needs to direct urban development to low bushfire risk locations.
- There is a need to ensure land use compatibility between existing and future land uses. Conflicts and interface issues may arise between residential uses and uses that have adverse amenity impacts.



## Flooding

The Castlemaine, Campbells Creek and Chewton Flood Management Plan (completed in August 2015 and implemented via Amendment C82, 2019) led to the application of flood control overlays to properties to ensure that flooding is considered in development proposals, and made changes to the Land Subject to Inundation Overlay (LSIO - Schedule 2).

Council's Strategic Directions (Clause 02.03 of the Mount Alexander Planning Scheme) for Floodplains include:

- Protecting life, property and infrastructure from the risk of flooding.
- Supporting land use and development initiatives for flood mitigation works.
- Discouraging intensive forms of development or incompatible uses on flood prone land.

## Issues and challenges

- Development opportunities within areas affected by the Flood Overlay and LSIO are constrained.

## Opportunities

- Potential application of 'minimal change' areas where there are flooding constraints.
- Vegetation/planting to assist with stormwater impacts.

## Bushfire

State Planning Policy for bushfire (Clause 13.02 of the Planning Scheme) states that when planning for settlements, there is a need to plan to strengthen the resilience of settlements and communities and prioritises protection of human life by directing population growth and development to low risk locations.

Council's Strategic Directions (Clause 02.03 of the Planning Scheme) for bushfire include:

- Directing urban development to the lowest risk locations.
- Avoiding development in areas of high bushfire risk where defensible space cannot be provided.
- Minimising biodiversity impacts when creating areas of defensible space around new dwellings.

Castlemaine, Campbells Creek and Chewton are located within a high-risk bushfire landscape given the surrounding bushfire hazards.

A bushfire risk assessment has been completed for Castlemaine, Campbells Creek and Chewton by Bushfire Planning. This is to inform the preparation of the Strategy.

## Issues and challenges

- Limited capacity for expansion at the edge of the townships given bushfire hazards surrounding townships.
- Increased bushfire risk at edges of Castlemaine and Campbells Creek given proximity to forested areas.
- Chewton is substantially affected by bushfire hazards arising from its linear development pattern.
- There are sometimes conflicts between bushfire design responses and the removal of vegetation.

## Opportunities

- Directing population and housing growth to low risk locations, informed by the Bushfire Risk Assessment.

## Natural environment

- Mount Alexander's Strategic Directions (Clause 02.03 of the Planning Scheme) relating to environmental and landscape values and relevant to this project include:
- Biodiversity:
  - Minimising the impact of development at the urban-forest interface that pose a threat to native flora and fauna.
  - Protecting biodiversity values on public land, including road reserves.
  - Protecting remnant native vegetation particularly in and around Castlemaine, Moonlight Flat and Lady Gully.
- Landscapes:
  - Discouraging development that is on or close to prominent ridges and hilltops to protect views and areas of remnant vegetation.

## Issues and challenges

- Limited capacity for expansion at the edge of townships given native vegetation.
- Protection of vegetation.
- Balancing the need to encourage vegetation removal with the existing exemptions for removal of vegetation.
- Limited protection of exotic vegetation.

## Opportunities

- Incorporation of vegetation within design responses.
- Identification of vegetation, views and landscapes which contribute to neighbourhood character.



## Land use conflict and potentially contaminated land

Land use conflict can arise when there is a land use that may have adverse amenity impacts (through noise, odour etc) on a nearby sensitive land use (such as residential development). This conflict can be avoided through planning for land use compatibility, by creating separations ('buffers') between incompatible uses.

State planning policy (Clause 13.07-1S of the Planning Scheme) includes the following objective for land use compatibility:

- To protect community amenity, human health and safety while facilitating appropriate commercial, industrial, infrastructure or other uses with potential adverse off-site impacts.

Adverse amenity impacts are often present where there is industrial land. Industrial land within Mount Alexander is concentrated within Castlemaine. Council's strategic directions (Clause 02.03 of the planning scheme) relating to industry and relevant to this project include:

- Preserving existing industrial land and buffers to safeguard opportunities for the expansion of existing industries or establishment of new industries.
- Providing locations for industrial development adjacent to a highway or major road, and away from existing or proposed residential areas.
- Encouraging industry to locate within existing and planned industrial estates where all physical infrastructure is available and which are readily accessible to transport networks.
- Discouraging the establishment of industry that may have offsite amenity impacts on land outside of existing and planned industrial estates.

State Planning guidance (PPN92: Managing buffers for land use

compatibility) provides information on planning for land use compatibility, stating that where incompatible land uses already encroach or are likely to encroach within the buffers of uses with potential off-site impacts, options to manage land within these areas include:

- Pursuing land use transition of incompatible uses out of an area (either the emitting uses or sensitive uses), and
- Restricting use and development (for example through a Buffer Area Overlay).

Contaminated land can often be safely used and developed following appropriate remediation, provided any necessary controls to manage residual contamination are implemented.

State Planning guidance (PPN30 Potentially Contaminated Land) provides information on:

- How to identify potentially contaminated land,
- The appropriate level of assessment of contamination in different circumstances, and
- Appropriate implementation in planning scheme amendments or planning permit conditions.

## Issues and challenges

- Existing industrial uses in close proximity to residential areas.

## Opportunities

- Managing incompatible land uses.
- Application of buffers between incompatible land uses.
- Identification of land with potential contamination.

## 2.2 Residential development areas

### Key discussion points and messages

- Council is seeking to identify more opportunities for housing in the existing urban areas which are close to existing services and facilities (including vacant and underutilised residential land).
- The strategy will help Council to explore how new housing can be delivered in a way that protects the environment, values heritage and neighbourhood character, and considers bushfire risk.
- The strategy will help to improve the way future residential development is planned and developed.
- The strategy will help to ‘unlock’ areas which have residential development capacity.
- There is an opportunity to accommodate future residential development within strategic opportunity sites.
- It is important to support 20 minute neighbourhoods when identifying areas for more housing, to encourage living locally.
- The strategy will help in guiding the level and locations of housing change to accommodate the future population, and the preferred outcomes to ensure housing is in line with the preferred neighbourhood character.

Council's Strategic Directions (at Clause 02.03 of the planning scheme) for township settlement and growth include:

- Infill and higher density development is encouraged in Castlemaine.
- Urban consolidation and expansion is supported in Castlemaine.
- Growth should be concentrated in Diamond Gully as Castlemaine's primary urban growth area.
- Discouraging the rezoning of land for urban purposes outside the urban/township boundaries.
- Discouraging the rezoning or development of land for low density residential development if the land is likely to be required for future urban development.

Planning for housing in the study area needs to ensure that it considers environmental factors (such as bushfire and flooding), built form factors (such as neighbourhood character and heritage), and access to services and facilities, amongst other things.

McKenzie Hill, Campbells Creek South and Diamond Gully are the three main growth areas within the study area. The large majority of these areas are subject to DPOs to guide future land use and development.

The DPO Schedules include:

- DPO Schedule 1: General Residential Zone Development Plan-McKenzie Hill & West Castlemaine
- DPO Schedule 11: Diamond Gully (southern residential greenfields area)
- DPO Schedule 7: Martin & Ireland Streets Castlemaine
- DPO Schedule 9: Residential Development Plan – Bulkeleys Road And Ireland Street, McKenzie Hill

- DPO Schedule 10: Residential Development Plans – Captain Day Road

## Issues and challenges

- There is limited guidance on preferred development outcomes, particularly within established residential areas where there may be heritage or neighbourhood character values.
- Proximity to the landfill in Diamond Gully.
- There is limited capacity within the greenfield areas given they have either already been developed or are undergoing development.
- Limited dwelling diversity within greenfield areas.

## Opportunities

- Providing guidance and certainty regarding preferred locations, design and siting of future residential development.
- Encourage more housing diversity through planning policy.
- Identification and 'unlocking' of strategic opportunity sites.
- Investigate opportunities for application of the mixed use zone.
- Investigate options to enable and facilitate shop top housing.
- Review of DPOs and removal where they are no longer required.
- Review of the residential zones to ensure the combined effect of zones and overlays are consistent and achieve the desired residential outcome for each area.
- Support living locally through 20 minute neighbourhoods.

## Happy Valley

- Part of the Happy Valley area is included within the Castlemaine township boundary.
- Structure Plans were prepared for the Happy Valley / Moonlight Flat area in 2004.
- Development Plan Overlays:
  - DPO5: Hundredweight Hill (Low Density Residential Zone)
  - DPO6: Happy Valley Road (South)
- Design and Development Overlays:
  - DDO3: Happy Valley Road (South)
  - DDO4: Pennyweight Flat – Rural Conservation Zone
  - DDO2: Hundredweight Hill/ Moonlight Flat – Low Density Residential Zone

## Issues and challenges

There are significant environmental considerations which need to be taken into account in planning for this area, including:

- Bushfire risk
- Native vegetation
- Threatened species within the area
- Castlemaine Diggings National Heritage Park
- Cultural Heritage Sensitivity
- Potential contamination
- Proximity to Crown Land

## Opportunities

- Investigate whether the Happy Valley area should be excluded from the township boundary given its environmental context.

## Strategic Opportunity Sites

There may be opportunities to guide future residential development through 'strategic opportunity sites', and investigation of potential planning controls which help to facilitate the development of these sites.

A set of preliminary criteria has been prepared to inform the identification of strategic opportunity sites. This will be further developed throughout the preparation of the draft strategy.

### Strategic opportunity site criteria

- Area: of a significant size which will allow for multi-dwelling outcomes.
- Location: sites located within the existing township boundaries of Castlemaine, Campbells Creek and Chewton.
- Accessibility: have good access to services and facilities.
- Environmental constraints: have minimal environmental constraints.
- Vegetation: not be heavily vegetated.
- Utility services: have existing or close to existing services (sewer, power, water).
- Zoning: be residentially zoned, or have the potential to be residentially zoned (supported by strategic justification).
- Proximity to existing housing: be adjacent to existing residential land.
- Heritage: is appropriate for development having regard to any heritage significance.
- Neighbourhood character: has the capacity to respond to the existing and preferred neighbourhood character.



## 2.3 Built form and design

### Key discussion points and messages

- Neighbourhood character is the combination of the public and private realms including streetscapes, infrastructure, design and built form of houses (such as setbacks and building heights), vegetation, topography, streetscapes and views.
- There is a need to encourage housing which respects the existing and preferred neighbourhood character.
- Housing should respond appropriately to and respect areas and buildings of heritage significance. The concurrent Castlemaine Heritage Study will provide relevant insight into planning for housing in a heritage context.
- Residential design guidelines will be prepared as part of the strategy, which will provide guidance to community about preferred development outcomes.
- How houses are designed and sited are an important part of the strategy as they impact on neighbourhood character and the functionality of residential areas.
- There is an opportunity to incorporate planning controls which encourage universal design of houses to improve the accessibility of housing and benefit all residents.
- Residential development constructed now will impact Castlemaine, Campbells Creek and Chewton's sustainability for many years to come, so there is a clear need to increase the environmentally sustainability of housing.



## Heritage

Council's strategic directions for heritage and character (at Clause 02.03 of the Planning Scheme) include:

- Protecting and conserving the historic fabric and maintain the integrity of places of heritage and cultural heritage significance.
- Encouraging residential and commercial development that respects the existing form and character of streetscapes and allows for contemporary architectural expression.
- Managing the form and appearance of medium density and infill housing to protect the heritage and residential character of the Shire's towns.
- Encouraging development at highway entrances that respect township character and heritage values.
- Encouraging development along the entrances to all towns to be landscaped with species consistent with the existing and planned landscape for each town.

Relevant heritage studies for the area include:

- Castlemaine Historical and Architectural Study (1981)
- Mount Alexander Thematic Heritage Study (2016)
- Forest Street to Forest Creek Heritage Assessment report (2016)
- The Heritage Study (2004, revised 2012) for the (former) Shire of Newstead includes parts of Campbells Creek.
- The Heritage Study (1994) for the (former) Shire of Metcalfe includes Chewton.

## Issues and challenges

- Castlemaine:
  - The Castlemaine Heritage Study is outdated and not comprehensive. It does not provide sufficient information regarding the significance of the place, and therefore leaves places vulnerable when developed as it does not allow planning and heritage officers to make an informed decision when assessing planning applications. The study also does not include statements of significance for heritage places.
  - Major gaps in the listings of heritage places such as North Castlemaine, Wesley Hill and West Castlemaine.

## Opportunities

- Alignment of the strategy with the findings of the concurrent Heritage Study for Castlemaine.
- A Castlemaine heritage study will help to inform areas for housing change and ensure that areas and places of heritage significance are protected and not compromised.
- Use the Newstead and Metcalfe heritage studies when planning for housing within Campbells Creek and Chewton to understand places and areas of heritage significance.

## Neighbourhood Character

Neighbourhood character is the combination of the public and private realms; it is cumulative impact of all aspects of these realms that establishes neighbourhood character, such as design and siting of houses, streetscape, infrastructure, vegetation, landscape and key views.

### Issues and challenges

- There is no neighbourhood character study that has been completed for Castlemaine, Campbells Creek and Chewton, which means a preferred neighbourhood character has not been established.

### Opportunities

- Preparation of a neighbourhood character assessment for the study area, which establishes precincts based on common features and characteristics. Each precinct will include preferred character statements, threats or concerns to neighbourhood character, key characteristics and features of the character, design guidelines, and proposed planning scheme changes.
- Draw on previous work to inform the neighbourhood character assessment, including:
  - The Castlemaine Residential Strategy (2004, revised 2005).
  - The Urban Design Framework for Chewton (and associated Design and Development Overlay – Schedule 11).

## Environmentally Sustainable Development (ESD)

It is projected that by 2050, half of Australia's building stock will be built from 2019 onwards. There is a need to ensure future development is constructed in an environmentally sustainable way.

One of the four purposes of the planning scheme is to support responses to climate change.

The Council Plan 2021-2025 includes the following relevant objectives and strategies:

- 'We are working locally to address the climate emergency', and strategy 'reduce Council's Emissions to Zero by 2025'.

### Issues and challenges

- Development constructed now will impact the municipality's sustainability for many years to come.
- There is no local ESD planning policy within the Mount Alexander Planning Scheme.

### Opportunities

- Investigate opportunities for ESD policies and controls within the planning scheme to facilitate the design of more sustainable development (including subdivisions and houses).

## 2.4 Infrastructure

### Key discussion points and messages

- It is important that our infrastructure can respond to and support the projected housing and population growth.
- Residential development increases the number of people using infrastructure, and therefore places pressure on this infrastructure.
- There are opportunities to share the cost of new or upgraded infrastructure between developers.
- Provision of new and/or upgraded infrastructure needs to be strategically justified.

Development creates pressure on existing infrastructure (including intersections, roads, drainage, shared paths, and community infrastructure), and also generates a demand for new or upgrades to existing infrastructure, to ensure it meets the needs of the current and future community.

Funding of infrastructure can be shared equitably between Council, developers and the wider community as development occurs. This is called development contributions and may be either as a monetary contribution or through the direct provision of infrastructure as 'works-in-kind'.

Infrastructure plans have been prepared for two growth areas in the study area (Campbells Creek South and Diamond Gully), which identify the projected number of residential lots, and the infrastructure required to support this development.

### Issues and challenges

- Increased development and an increasing population impacts on existing infrastructure, and generates the need for new or upgraded infrastructure.
- There is a lack of certainty around expectations regarding infrastructure provision within areas that are outside the Campbells Creek South and Diamond Gully infrastructure plan areas.

### Opportunities

- Providing the justification to develop a clear holistic approach and plan for future infrastructure in Castlemaine, Campbells Creek and Chewton, which sets out the infrastructure requirements that will be required to support housing and population growth. This will help in providing certainty to Council, landowners, developers and the community regarding future infrastructure to service this growth.
- Identification of current and future 'gaps' in infrastructure.

### 3. Population, Households and Housing

#### Key discussion points and messages

- Just over half of the Shire's population lives in Castlemaine, Campbells Creek and Chewton.
- Detached dwellings ('separate houses') currently make up the majority of housing in Castlemaine, Campbells Creek and Chewton, and are expected to continue making up the vast majority of houses
- The proportion of lone person households is increasing, which highlights a need for smaller dwellings.
- Identifying housing needs is not just about how much housing is required but also about what type of housing is needed to support the changing population.
- There is a need for more housing diversity and choice.
- There is increasing demand for more compact/medium density housing in the future, which will help to support ageing in place.
- In order to improve housing diversity and housing choice, a mix of housing types and densities are required.



## 3.1 Population

### Current population

- The latest population for the Shire is 20,253 (ABS 2021), which has increased from 17,068 in 2006, 17,592 in 2011 and 18,762 in 2016 (ABS), representing an annual population growth of 1.24% between 2006 and 2021.
- Castlemaine's population is currently 11,352, which makes up 56% of the total Shire's population (based on the Castlemaine SA2 area, ABS 2021).
- The median age for Castlemaine is 50, and approximately 50% of the population is over 50 years old. (based on the Castlemaine SA2 area, ABS 2021).

### Population forecasts

- Castlemaine, Campbells Creek and Chewton's population is projected to increase to 12,363 by 2041 (REMplan Forecast 2022). This is an increase in just over 1,000 residents over the next 20 years, approximately 50 people per year.
- The population of Castlemaine, Campbells Creek and Chewton is ageing. The people under the age of 25 is projected to make up only 22% of the population by 2041. At the other end of the scale, people aged over 50 years old made up an estimated 47% of the population in 2021, projected to make up 50% of the overall population by 2041 (REMplan Forecast 2022).

## 3.2 Households

### Current households

- Lone person households make up 36% of all households within Castlemaine (ABS 2021).
- The average number of people living in one house ('average household size') is 2.1 (based on Castlemaine SA2 area, ABS 2021), which is a reduction from 2.2 in both 2016 and 2011, and is projected to continue declining. This is low compared with the average number of people per dwelling in Victoria being 2.5.

### Household forecasts

- Household sizes are projected to reduce over the next 20 years. In Castlemaine, the average household size is forecast to reduce to 1.94 by 2041, and to 2.12 in Campbells Creek. Chewton has the lowest household sizes among the three townships, and is projected to reduce to 1.86 by 2041 (REMplan Forecast 2022).
- The number of lone person households is also projected to increase over the next 20 years. The highest proportion of lone person households is expected to be seen in Chewton, forecast to make up 43.6% of all households by 2041. In Castlemaine, it is expected that lone person households will make up 39% of all households by 2041, and 31% in Campbells Creek.

### 3.3 Housing

#### Current housing

- There are currently 5,215 dwellings in Castlemaine, Campbells Creek and Chewton (based on Castlemaine SA2 area, ABS 2021), making up 54% of the total Shire's dwellings of 9,590.
- Separate houses/detached dwellings make up the majority (96%) of dwellings in Castlemaine, Campbells Creek and Chewton.

#### Housing forecasts

- Dwellings in Castlemaine, Campbells Creek and Chewton are forecast to increase to 6,532 by 2041 (an increase in 1,317 dwellings) (REMplan Forecast 2022).
- Separate houses/detached dwellings are expected to continue making up the majority of house types in Castlemaine, Campbells Creek and Chewton. They are forecast to make up 93% of all house types by 2041 (REMplan Forecast 2022).

## 4. Land Supply and Demand

A residential land supply and demand analysis for the Shire has been undertaken by REMplan (June 2022), which confirms that the Shire has sufficient residential land to meet the projected population growth over the next 15 years, as required by State Planning Policy.

### 4.1 Supply Assessment

The total residential supply across the Shire up until 2041 is 4,342 lots (which includes supply in both residential and non-residential zoned land), and the majority of residential land supply is provided within Castlemaine, followed by Campbells Creek.

Key conclusions from the assessment include:

- Castlemaine, Campbells Creek and Chewton is estimated to provide 68.7% of the total primary townships' land supply up until 2041.
- Castlemaine is the single main source of land for residential development in the municipality. Campbells Creek is one of the municipality's other main growth areas (specifically the southern extent), other than Diamond Gully and McKenzie Hill within Castlemaine.
- For its size, Chewton has a substantial amount of available land (406) for its size, layout and context being surrounded by vegetation. The supply comprises a substantial number of individual vacant parcels, in addition to several very large parcels which have the potential to provide a large number of lots.
- There are around 670 vacant residential lots within Castlemaine that have an area in the range of what would be considered a typical residential lot. Of these, approximately 320 are located

within the inner established areas of Castlemaine. There are also other larger vacant land parcels that have the potential to provide multiple residential lots if subject to subdivision.

- Campbells Creek is estimated to be able to provide around 860 residential lots through to 2041.

### 4.2 Demand assessment:

Land demand is driven by a combination of factors, such as the growth or decline in overall population, the structure and make up of the population, and average household size. Population change is the result of three main factors, including number of births, number of deaths and migration.

The total cumulative land demand across the Shire is expected to result in around 2,750 lots being required by 2041. Annual land demand across the shire is forecast to gradually decrease over time, from 166 lots in 2021 to 117 lots in 2041.

The highest level of demand across the forecast areas is in Castlemaine, with a total demand forecast of around 975 lots by 2041. Campbells Creek is expected to have the third highest level of demand, with 369 lots required by 2041. Chewton has a demand of 109 lots up until 2041, the 8<sup>th</sup> highest level of demand out of the forecast areas.

## 4.4 Review of land supply and demand:

The residential land supply and demand analysis will be reviewed following the development of the Housing and Neighbourhood Character Strategy to understand the implications of the Strategy's recommendations on the overall residential land supply and demand.

## 4.5 Summary:

**TABLE 1 TOTAL LAND SUPPLY (OUT OF PRIMARY TOWNSHIPS)\***

Township:	Total land supply (number of lots)	Share of total	Annual average land demand 2021-2041	Years of supply
Castlemaine	1,150	32.7%	46.4	25
Campbells Creek	860	24.5%	17.6	49
Chewton	405	11.5%	5.2	78
All three townships	2,415	68.7%		

\*primary townships, based on forecast areas for towns, include: Campbells Creek, Castlemaine, Chewton, Elphinstone, Guildford, Harcourt, Maldon, Newstead and Taradale  
Source: REMplan Land supply and Demand 2022

# Conclusion

Housing is important for all residents in Castlemaine, Campbells Creek and Chewton, and affects us all differently, at different stages of our lives. The Housing and Neighbourhood Character Strategy will assist Council in understanding what kind of housing is needed for our future residents, and ensure that the planning system can provide for this housing.

This paper has been prepared for the purpose of seeking feedback and input from the community and key stakeholders to help inform the preparation of the strategy.

You can be involved in shaping the preparation of the Housing and Neighbourhood Character Strategy through providing feedback and input during consultation at various stages of the project.

**Mount Alexander Shire Council**

Cnr Lyttleton and Lloyd streets  
Castlemaine VIC 3450

**Phone:** (03) 5471 1700

**Email:** [info@mountalexander.vic.gov.au](mailto:info@mountalexander.vic.gov.au)

